

**SPECIAL MEETING  
BOARD OF COMMISSIONERS  
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)  
NOVEMBER 5, 2019**

The Regular Meeting was held at the District Office and was called to order by **CHAIR LINDA GRAVES** at 10:00 a.m.

**ROLL CALL:** Present for roll call were **COMMISSIONERS DAN KEES, LINDA GRAVES, BILL NOONAN, NITA HOLLEY** and **DAVID MAKIDON**. A quorum was declared with all commissioners present.

**APPROVAL OF AGENDA:** **COMMISSIONER KEES** moved to approve the agenda. **COMMISSIONER MAKIDON** asked to amend the agenda to include an invocation as Pastor Timm was present and willing to do it.

**INVOCATION:** Pastor Timm, Holiday Island Community Church, gave the invocation.

**COMMISSIONER MAKIDON** seconded the amended agenda. Motion carried unanimously.

**APPROVE MINUTES:** None

**CEREMONIAL:** None

**ANNOUNCEMENTS:** None

**PUBLIC COMMENTS:**

1) Ken Brown, 7 Cypress Point Lane: I have an email that was sent to our church and sent to me at home. It was from Kendall Whittington that Lorene had just passed. It was dated November 4 and she was a member of the Holiday Island Community Church. He asked for prayers for her and her family and to inform those in the community who knew her that she has passed. She was 90 years old. **COMMISSIONER MAKIDON** requested that the Board send a sympathy card.

2) Barbara Talbot, 9 Horseshoe Drive: As an ambassador of the Holiday Island Chamber of Commerce, I want to announce that our regular meetings have been changed to the first Tuesday of each month. It is of importance that the Holiday Island Suburban Improvement District and the Chamber of Commerce become closer together. In working with Loren Bernstein, we have agreed that instead of a Christmas tree event, we are working toward doing a Christmas golf cart parade with sponsors for each hole being able to donate to their choice of charity. Second, we are developing our "Meet the Neighbors" Program. The local winery will be sponsoring this first event, with the date and time to be announced. Their meeting is scheduled for noon today at Peachtree. **COMMISSIONER HOLLEY** announced the HIFDA White Elephant Sale this Saturday, November 9 from 8:00 am to 1:00 pm in the Clubhouse Ballroom.

**REPORTS:** None

**BUSINESS:** Draft 2020 Budget

**DISTRICT MANAGER BLOOD** thanked the Board for their input and help in putting the budget together. He asked if they had any other major changes they wanted to make. He asked for the opportunity to pass copies of worksheets out to the public, if there are no major changes. **COMMISSIONER KEES** said he was good. Major changes were noted. Important projects were removed which were important functions of our infrastructure. Upgrade of air conditioning at The Barn for \$10,000.00 was removed from the capital improvements. With a positive balance of \$16,000.00 cash flow, would the Board like to return the \$10,000 to the budget? Other changes we made include a 2.5% increase in assessments. You will find a sheet showing what that increase would mean, based upon a declining tax base. Other changes were \$1.00 increase per month per water meter and \$1.50 increase per waste water, a 5% increase in greens fees, 10% increase in food items, and a 5% increase to activity cards. The current net cash flow is \$16, 221.00. He asked for questions.

**COMMISSIONER NOONAN** asked about the upgrading of the air conditioning at The Barn. **DISTRICT MANAGER BLOOD** explained that two good window units were installed to accompany the other aging units. If any of the aging units go out, there may not be enough cooling capacity to get through the summer. On the other hand, the usage of The Barn would require a cost-benefit analysis of what you want to spend there. **COMMISSIONER GRAVES** commented on her rental of The Barn the end of July for a family reunion during one of the cooler weeks of the summer. Had their reunion been the week before or after, the two cooling units would not have been sufficient to cool it. She recommended adding the \$10,000.00 back into the budget. It was a consensus of the Board to add it back in and increase marketing of The Barn to make better use of it. The quilt project by Arkansas Quilt Trails is anticipated to help. Status of the quilt project was reported by **COMMISSIONER MAKIDON**.

**PUBLIC COMMENTS:**

1) Morgan Mumma, 20 Park Lane: Recommended to either sell the golf course or make it profitable. He indicated he was not anti-golf; he is anti-loss. He objected to 22% of his assessment going to the golf course. I object to that; it is a waste of money. He indicated the management of the golf course had to be improved before he would agree with incorporation. **COMMISSIONER MAKIDON** requested that the budget sheet be put on the overhead screen.

2) Ken Brown, 7 Cypress Point Lane: Having been on the Board five years ago, the concern was the same as it is now. Twenty-seven holes of golf were built by the developer trying to quickly sell lots at a high-dollar. Since golf fees are being raised 5%, even though it's never going to break even, the golf course attracts surrounding community players who we will lose if the fees are unreasonable. The golf courses are a draw, as is the marina, to attract future residents. Getting the fees raised must be incremental. A reported 60% of players are from elsewhere. **COMMISSIONER MAKIDON** reminded everyone that we have just five volunteers assisting with golf course maintenance.

Due to unruliness of one member of the audience, **CHAIR GRAVES** called for a 15 minute recess to the meeting. **CHAIR GRAVES** reconvened the meeting and apologized to the audience for the unfortunate outburst.

**COMMISSIONER MAKIDON:** The Board has done everything they can to get the golf course in line, discussing private vs. semi-private use resulting in our ultimate semi-private status. However, in studying this subject for a long time, golf courses do not make money. Hot Springs Village and Bella Vista are having the same problems we are. We subsidize the golf course probably \$100.00 per family,

which seems like a lot, but the golf course is not a business, it is an amenity and the purpose of amenities is to bring people to Holiday Island. Without amenities, who would be attracted to come? We do not make money on the Recreation Center. By dissolving the golf course I guarantee your property values will go down \$20,000.00 to \$30,000.00. Communities that closed their golf courses are unable to sell houses.

**PUBLIC COMMENTS (continued):**

3) Bob Dyar, 2 Indian Wells Drive: I was asked to share this information with you. Having worked for John Deere for 38 years, I was transferred a lot and ended up in Florida twice. I purchased a home in a gated community with an 18-hole semi-private golf course, similar to what we have here. It was privately owned. Over years, the owners were not able to maintain it and the golf course closed. Luckily, we were transferred before that happened. Within twelve months after the course closed, property values plummeted, dropping as much as 30-50%. With those house values, existing homeowners were unable to sell their homes. For five years following, people were foreclosed upon. The gated community is called Plantation Oaks in a suburb of Gainesville. Ultimately, the HOA pooled enough money to resurrect the golf course. That alone kept the community alive. From my experience, golf courses do not make money. During its peak, golf courses were overbuilt. However, over the years, the interest in golf has leveled off. In the past year, over 900 golf courses have been closed and gobbled up by developers.

4) Alex Thurocy, 158 Holiday Island Drive: No one, since I have lived here, ever said to get rid of the golf courses. I think they are a valuable amenity. However, what we need to do is make the golfer pay what it costs maintain the operation. You are making good steps by increasing things incrementally, but people have to realize that we are not going to get there if we keep doing what we are doing. We need to stop subsidizing the people who do not live here. **COMMISSIONER NOONAN:** Pointed out that the airport is government subsidized. **COMMISSIONER KEES:** Gave a history of the formation of Holiday Island Suburban Improvement District with the duties to provide water, sewer, roads, fire department, recreational and cultural amenities for the Suburban Improvement District. It also authorized permission to acquire assets to make that happen. At that time, the developer made all the decisions and appointed the Board of Commissioners with the intent to create a lifestyle and sell that lifestyle by selling lots. The developer eventually allowed the Board of Commissioners to be elected. We are the only elected Board of Commissioners for a suburban improvement district in the state of Arkansas. The order of the judge at that time to perform those responsibilities is still the same. Unable to function without roads, sewer and water, as well as fire protection, the Board places priority over these departments. We have been trying hard to drive costs down and raise revenue to cover the amenities while minimizing the subsidy. **COMMISSIONER MAKIDON:** We did raise the fees this year by 5%, having raised golf course fees every year since my being on the Board. Raising fees this amount will give us a guideline to possibly raising fees again next year, if the number of rounds remains the same. Jon Prange, Golf Superintendent, has done a yeoman's job with what we gave him to work with. Ten years ago there were three times as many employees. **COMMISSIONER KEES:** None of the amenities makes money, not just the golf courses. Alex Thurocy continued: Turn the 9-hole golf course into a cemetery. Once you buy a lot on Holiday Island you get a free plot, you never have to leave. **COMMISSIONER KEES:** The problem with that is to try to dig a hole 6' deep. Laughter ensued.

5) Dale Mooney, 38 Twin Peak Drive: At a previous meeting you proposed to replace carpet and repave the parking lot. If there is such a money crunch, why do these? **CHAIR GRAVES:** We decided not to do the carpet.

6) Mavis Wilks, 29 Venus Avenue: With an influx of new families with children moving to Holiday Island, we need to start looking for things to keep the younger people happy and keep them here, like a go-cart race course, amusement park, etc. **COMMISSIONER GRAVES** reminded everyone of the various free courts at the recreation center. Discussion continued on how to get the word out to these people. With older people on a fixed income and younger people trying to raise a family, we need to find a way to meet in the middle. Further discussion continued. **COMMISSIONER KEES:** Marketing Holiday Island is not the function of the Holiday Island Suburban Improvement District. We are limited to spending 2% of our budget on advertising. Our job is to operate and maintain the physical assets of Holiday Island. **COMMISSIONER NOONAN:** The November Fun Guide has an advertisement regarding Holiday Island. **CHAIR GRAVES:** One concern Mavis touched on was the fixed income of many of our residents, and that is one reason we cannot over-price the amenities. One year we increased our swim pass and we noticed a tremendous fall in the number of swim passes that were bought that year. We have to be careful not to price ourselves out of the market. Even though you increase prices, revenue will fall if it is too expensive.

7) Barbara Talbot, 9 Horseshoe Drive: My career was targeted around marketing, because it affects every aspect of the outcome of your asset. In my experience, the most effective form of advertising is getting in front of people. I feel our assets are under-utilized and using the Holiday Island Chamber of Commerce focuses on doing just that. I will commit through the Chamber and personally, to market what is going to work for Holiday Island.

8) M. Dee Jones, 18(A) Green Meadow Lane: I am from Colorado where I worked in the gaming community and I have so many ideas. I'm here to help. **COMMISSIONER MAKIDON:** We have a group called Holiday Island Promoting Residential Ownership (HIPRO) which is strictly operated by volunteers, whose purpose is to market Holiday Island. Please get with them.

9) David Orr, 14 Thunderbird Drive: Would you bring back the summary budget, so we can go over some numbers? The Golf Maintenance budget line is \$438,255.00. In considering concerns of the golf course, the overall operation, to include the golf course, restaurant, Pro-Shop, maintenance and reasonable equipment, must be considered. The actual loss totals \$295,386.00. The question is, what can we do as a community to close that gap? **DISTRICT MANAGER BLOOD:** At the back of your packet is a summary of 2019. The same line item last year was \$398,000.00. One of the things we are attempting to do with the golf course is to allocate expenses across different amenities. When I took the candidates on a tour of facilities, we entered the restaurant and it was full of ladies playing cards, completely packed from wall to wall, eating and drinking and having a good time. Downstairs, Room A was packed with card players. That building is used for everything from public meetings, to fundraising functions, to candidate forums. It is seriously a community building. It is very hard to isolate those costs. Even though the paving of their parking lot was allocated to Roads, it was clearly marked for Clubhouse parking lot. When visiting Fort Apache, I asked the candidates if they considered it a 100% golfing facility. When they said yes, I informed them that it was also Well #4 that occupies the same space, and the trucks have a snow plow, so in the wintertime, golf personnel are plowing the streets.

10) Dale Mooney, 38 Twin Peak Drive: Mavis brought up the fact that we need to get information out to people. Why not get on Next Door and start putting out what we have to offer here? **DISTRICT MANAGER BLOOD:** As much as I want to get on Next Door to communicate with the residents of Holiday Island, I find it absolutely impossible. The information shared on Next Door is literally less than 1% accurate and I can prove it. For example, by reading Next Door, we operate in the red every year.

On page 8 of the upcoming audit report is a three-year comparison of financials for 2016, 2017 and 2018. Every single year the District recognized a positive position covering operating expenses, capital improvements and depreciation. In 2016, we had a \$92,000.00 positive position. The next year we had a \$116,000.00 positive position and a \$62,000.00 positive position in 2018. Other things you will hear is that there was a \$5,000,000.00 reserve that somehow we did something with. On page 11, you can look at the audits going back to 1994; we have more money in our reserve account in cash and CDs than we have ever had. There has never been a \$5,000,000.00 reserve. I could spend all my time on Next Door battling the misinformation put out or I can do my job. I am expected by the citizens and the Board to do my job. I have an open-door policy and anybody who has anything, please come see me. Or call me and I will spend all the time in the world so you are comfortable with that information. We will be scheduling a time for the auditors to come and I encourage everybody to come to that meeting.

**COMMISSIONER NOONAN:** Mavis, you can attest to the number of hours **DISTRICT MANAGER BLOOD** has spent with you explaining things to you, can you not? Mavis responded with her opinion of Next Door and other social media sites, as well as answering the question.

**COMMISSIONER KEES:** Moved that we accept the budget with the addition of the \$10,000.00 for air conditioning for The Barn. **COMMISSIONER NOONAN** seconded the motion. Motion carried unanimously.

**COMMISSIONER AGENDA SCHEDULING:**

Monday, November 12	Cancelled
Monday, November 18	Special Meeting at 9:00 a.m. (possible evening)

**COMMISSIONER MAKIDON** moved to accept the new recreation fees immediately, as stated. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

**PUBLIC COMMENTS:** 1) Morgan Mumma, 20 Park Lane: I wish to apologize for my earlier outburst. My frustration is that we are losing money and many of us cannot continue to pay for a system that keeps losing money. **DISTRICT MANAGER BLOOD:** Just this last year we started "putting on the nine" to encourage people who do not golf to use the course. This year we are picking up three tournaments we did not have in prior years. David Orr, 14 Thunderbird Drive: I think the 5% increase on the golf course is reasonable.

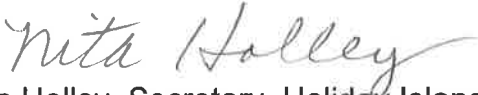
**COMMISSIONER KEES:** Yesterday we had about 45 hikers and two dogs, with every level of ability on the inaugural hike of the Haddock Lane Trail. We now have three trails to hike for free. He also commented on guests at the restaurant who are moving or looking to move to Holiday Island from two different surrounding areas, due to its amenities, in addition to fishing and boating.

**COMMISSIONER GRAVES:** Commented on the wonderful uses of The Barn, with cousins looking at property on Holiday Island. **COMMISSIONER HOLLEY:** I was originally opposed to the Community Garden, but have since changed my mind since there has been a waiting list for beds since it started.

**COMMISSIONER GRAVES:** Explained the meeting process for Election Day on Tuesday, December 3. The meeting will open at 10:00 a.m. and recess until 6:00 p.m. At that time, the BOC will close the election voting. The votes will be tallied and results announced.

**ADJOURN:** **COMMISSIONER HOLLEY** moved to adjourn. **COMMISSIONER KEES** seconded.  
Motion carried unanimously.

Respectfully submitted,

A handwritten signature in cursive script that reads "Nita Holley".

Nita Holley, Secretary, Holiday Island Board of Commissioners