

**SPECIAL MEETING  
BOARD OF COMMISSIONERS  
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)  
FEBRUARY 6, 2020**

The Special Meeting was held at the District Office and was called to order by **CHAIR KEN BROWN** at 9:03 a.m.

**ROLL CALL:** Present for roll call were **COMMISSIONERS KEN BROWN, BILL NOONAN, DAVID ORR, DAN KEES,** and **NITA HOLLEY.** A quorum was declared with all five commissioners present. District Manager Blood was absent, with Assistant District Manager Linda Graves attending.

**APPROVAL OF AGENDA:** **COMMISSIONER KEES** moved to approve the agenda. **COMMISSIONER ORR** seconded. Motion carried unanimously.

**APPROVE MINUTES:** None

**CEREMONIAL:** None

**ANNOUNCEMENTS:** None

**PUBLIC COMMENTS:**

1) Mike Sampson, 81 Valley Drive: Read a follow-up statement (copy attached) regarding Resolution 2020-R3, Supporting a Vote by the People on the Matter of Incorporation of Holiday Island. 2) Barbara Talbot, 9 Horseshoe Drive: Expressed appreciation to the board to consider providing a copy of any attachment discussed to be made available in advance of the meeting.

**CHAIR BROWN** thanked Linda Graves for sitting in for District Manager Blood during his absence. He also announced the previously scheduled meeting on February 17 has been moved to February 24 due to Presidents Day on the 17<sup>th</sup>.

**REPORTS:** None

**OLD BUSINESS:**

**Resolution 2020-R3, Supporting a Vote by the People on the Matter of Incorporation of Holiday Island**

**COMMISSIONER ORR** read Resolution 2020-R3 (copy attached). **COMMISSIONER KEES** moved to adopt the resolution. **COMMISSIONER ORR** seconded. Discussion followed. **COMMISSIONER KEES** reminded everyone about the attempted incorporation in 2017/2018. The board is well-informed as to the long-term viability ending by 2032 at which time HISID will be exhausting the assessed benefits. I see step one as taking action to address this matter. **COMMISSIONER HOLLEY** agreed that a lot of information had been disseminated. **COMMISSIONER ORR** agreed that over time, we will not be able to maintain this infrastructure. I interpret this resolution as saying, should Holiday Island be incorporated, then the SID will work in the capacity to support the newly formed town or city. It is also my understanding, that before we become a city of the second class, we first must become a town. Once becoming a town we will elect a city council to become a city of the second class. I am unable

to determine what the expenses will be, but I assume they will be the same. He reviewed the possible change to assessment fees and that they will be gone by the year 2032. What are we looking at by preparing ourselves for the future? Yes, there will be a tax, but if you look at this tax based on the value of your property, similar to how the county currently taxes property at 20% of its value, it would be taxed at 5 mil levy of that 20% value. If the current infrastructure does not maintain its current level, our home values will drop. As an individual, my answer is for supporting incorporation. As a board member, I support it in a capacity for the SID to work with the newly formed city, but afford itself the right of citizens to vote as a registered voter. As I see it, the SID becomes a department of public works for the newly formed city, becoming the entity that maintains the infrastructure and amenities within Holiday Island itself. **COMMISSIONER NOONAN:** I see a big advantage of being eligible for more grants, which do not have to be paid back. Depending on where our needs are is where we would apply for the grants. The accounting procedures for a city are completely separated as fund accounting and we do not have that capability as a SID. The people that would run the city have to be separate from the SID. **CHAIR BROWN** asked Linda Graves to share her comments, knowing that she has studied this topic. **ASSISTANT DISTRICT MANAGER LINDA GRAVES:** Originally being against incorporation, because they wanted to incorporate and get rid of the SID. That does not work financially. When the new committee came out with new numbers showing the operation of a SID side-by-side with a city, at least initially, that works. The SID income supports all of the services while the city can implement some regulations. I do not foresee a city going overboard on regulations. They will probably enforce the current covenants that are currently unenforceable. Also, by 2032, the SID is definitely going to run out of money to operate on. If we let that happen, property values are going to sink and people will know we are in trouble by the curtailing of services. We have to plan for the future. Twelve years out from that happening, it is to our credit that it be addressed before doom happens. By working together, we can come up with a solution. You should see assessments go down as city taxes get implemented. By appointing the right leaders, that will happen. **COMMISSIONER KEES** said that 2032 is only 12 years out, and the current committee started working on this problem 15 years ago. **COMMISSIONER ORR** commented that a city would have to implement a 32-34 mil tax in order to get rid of the SID. Also, the only way to get our fair share of county taxes is to incorporate into a city. I will support the resolution as it stands. **COMMISSIONER NOONAN:** Besides the ability to get more grants, there is a gas tax that we all pay now that we currently do not share. Once becoming a city, the county has to share that gas tax with us. **CHAIR BROWN:** In 2002 a "white paper" was created to attempt to create a city. The current gas tax of \$500,000.00 was just increased by the State by \$.03 per gallon. I want to thank Senator Bob Ballinger and Representative Harlon Breaux, along with District Manager Blood for going to the legislature to pass Senate Bill 548, which then becomes an Act 932 which **COMMISSIONER ORR** just read in the resolution quoting Act 932. When County Judge Barr turned down the previous resolution it was a blessing, allowing us the opportunity as a registered voter, on November 3, 2020, if Judge Barr approves on March 10 to put this issue on the ballot. A lawyer will be presenting the case for the committee to Judge Sam Barr on March 10, 9:00 a.m. at the Berryville Courthouse. Today's resolution is to support the Committee for Incorporation to go forward with a vote to determine whether to become a city. Quoting Act 932, "If the county judge is satisfied that the procedures for filing the petition for incorporation were followed, that the requirements for signatures under subsection A of the section have been met, that the limits of the territory to be incorporated have

been accurately described, and an accurate map was made and filed, and if the prayer of the petitioner is right and proper, then the county judge shall enter an order that a) grants the petition to hold an election on the date of the next general election and b) sets the date of the next election as the date of the election of the issue of incorporating a city or town and electing officers." This is available on the internet as Act 932. He compared ad valorem tax versus assessment examples and compared other communities doing this.

**PUBLIC COMMENTS:** 1) Ken Mills, 20 Rocky Top Circle: Having been a long-time resident, and a member of the Board of Commissioners, during the first run at incorporation, he reviewed the history of the needs of the community and as president of the current committee, asked why people are opposed to having an election to determine whether or not to incorporate. A brief prepared by the lawyers to present to the judge will be made available to the public. He reviewed the procedures for incorporating as a town, holding a census, set upwards, and ultimately develop a city. 2) Al Selleck, 22 Buckskin Lane: Testified before the state senate to change the laws in order to incorporate Holiday Island. He canvassed door to door collecting signatures from people who asked to be given permission to vote on a ballot and exercise their right as Arkansas citizens to decide whether or not Holiday Island will incorporate. There appears to be a fear that this will be on the ballot. Vote against it if you do not want it to happen. Once Sam Barr approves the ballot, there will be forums to educate the public. There is no one spending their own money holding forums to oppose incorporation. We are striving to give you the right to vote on this issue. 3) Barbara Talbot, 9 Horseshoe Drive: Thanked the commissioners for coming forward with information regarding this matter, having previously never seen any information. She applauded the committee members for starting the process of becoming a town and sharing information regarding the resolution. She asked Commissioner Kees, as the only commissioner on the committee for incorporation, to clarify whether the conditions causing Judge Barr to reject the last proposal were being addressed this time. **COMMISSIONER KEES** said those issues were being addressed in the brief presented by the lawyer this time. She requested the commissioners table the resolution until after meeting with other people in a workshop.

**CHAIR BROWN** felt that a vote should be taken now and sent to Judge Barr. He reviewed the prior history of meeting with Judge Barr and asked Ken Mills to review ex parte communications with Judge Barr. The people on the incorporation committee would be better to meet with to get more information. 4) Ken Mills, 20 Rocky Top Circle: Once the petition was certified by the county clerk, the lawyers informed the committee they could not talk to Judge Barr. What this resolution does is support the incorporation of Holiday Island be on the 2020 ballot. Once the legal process is established, no one involved on the committee can communicate with Judge Barr or he can throw it out. Those listed on the petition cannot communicate with him. **COMMISSIONER KEES:** The point of ex parte communication is you cannot hold private hearings parallel to the public hearing at which time all communication is to take place, no side meetings with anyone. **CHAIR BROWN:** There would be no reason to disseminate information at a public hearing if Judge Barr does not approve the petition. 5) Barbara Talbot, 9 Horseshoe Drive: I want to clarify that I did not request a public meeting, but to meet with the committee. 6) Ken Mills, 22 Rocky Top Circle: Discussion here was to give the people the right to exercise their vote. 7) Al Selleck, 22 Buckskin Lane: Suggested time is of the essence. 8) Barbara Talbot, 9 Horseshoe Drive: Formally withdrew her request to table the resolution. **CHAIR BROWN** apologized for bringing up taxation, which should be held for a public forum, not this meeting. He reiterated that a city would be able to help with dog bites, yard garbage, trashed cars, no building permit, RVs parked in driveways, whereas right now the planning commission is powerless. 9) Alex Thurocy, 158 Holiday Island Drive: Asked for the reason the resolution was dropped from last month's meeting.

**COMMISSIONER KEES:** The reason it was withdrawn was that it supported incorporation. That was not our intent. The current resolution supports the election to incorporate. 10) Alex Thurocy, 158 Holiday Island Drive: How many on the board knew how many property owners are paying assessments and what percent of all property owners live here? **COMMISSIONER ORR** clarified his question to say, "What percent of property owners actually live here?" **COMMISSIONER KEES:** We do not know how many property owners do not live here. Further discussion was held regarding resident property owners who can or cannot vote. Once the judge approves putting the issue on the ballot, the Board will keep all property owners informed leading up to the election. 11) Alex Thurocy, 158 Holiday Island Drive: Mr. Thurocy suggested waiting for this resolution until after Judge Barr approves the petition before issuing a resolution.

**CHAIR BROWN** asked each commissioner for their final comments prior to the vote. **COMMISSIONER HOLLEY:** I do not understand why we, as a board, would not be in support of it being voted on by property owners and residents in Holiday Island. This is the only thing we are here to approve. We want it to go to a vote. **COMMISSIONER ORR:** This resolution is an attempt to support the citizens of Holiday Island in their right to incorporate. **COMMISSIONER NOONAN:** Just because you own property does not mean you have a right to vote in those areas. You may not have voting rights, but you do pay taxes. I am in favor of this resolution. **COMMISSIONER KEES** called for the vote. **CHAIR BROWN:** We did not mean this meeting to be a forum on incorporation, but I did want to hear from the public. This resolution is to put the issue on the ballot in November to vote for or against it.

After much discussion, the motion to adopt Resolution 2020-R3, A Resolution Supporting Holding an Election to Decide the Matter on the Incorporation of Holiday Island, was passed unanimously.

**NEW BUSINESS:** None

**COMMISSIONER COMMENTS:** None

**COMMISSIONER AGENDA SCHEDULING:**

Monday, February 24      Regular Meeting 9:00 a.m.

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

Respectfully submitted,



David Orr, Secretary, Holiday Island Board of Commissioners