

**REGULAR MEETING  
BOARD OF COMMISSIONERS  
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)  
Monday, August 19, 2019**

The Regular Meeting was held at the District Office and was called to order by **CHAIR LINDA GRAVES** at 6:00 p.m.

**INVOCATION:** **CHAIR GRAVES** introduced and welcomed Reverend Bradly Rito, Holiday Island Presbyterian Church, as he is new to Holiday Island; followed by him giving the invocation.

**CHAIR GRAVES** appointed **COMMISSIONER MAKIDON** to be secretary pro tem and asked him to take roll call. Present for roll call were **COMMISSIONERS DAN KEES, LINDA GRAVES, BILL NOONAN** and **DAVID MAKIDON**. **COMMISSIONER NITA HOLLEY** was absent. A quorum was declared with four Commissioners present.

**APPROVAL OF AGENDA:** **DISTRICT MANAGER BLOOD** reported receiving a note from Deputy Ingle that he would not be present. **CHAIR GRAVES** removed the Deputy's report from the agenda. **COMMISSIONER KEES** moved to approve the agenda minus the Deputy Report. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

**CHAIR GRAVES** asked for a motion to approve July Financials. Prior to receiving a motion, **COMMISSIONER KEES** explained why there was a discrepancy in the Debt Service Revenue for the Sewer Department, followed by moving to approve the July Financials. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

**OLD BUSINESS:** none

**APPROVE MINUTES:** **COMMISSIONER MAKIDON** moved to approve the minutes from the Special meeting on 5-20-19 and the Regular Meeting on 6-17-19. **COMMISSIONER NOONAN** seconded. Motion carried unanimously.

**CEREMONIAL:** none

**ANNOUNCEMENTS:** Barbara Talbot, 9 Horseshoe Drive, representing the Holiday Island Chamber of Commerce, announced the final summer concert to be held on Saturday, August 31 at the Veteran's Park Band Shell. The Petersen Family Band and the Ford Mountain Gang will perform beginning at 6:30 p.m. Adults \$10 and children under 12 free.

**PUBLIC COMMENTS:** (1) Philip Elmore, 1 Mission Hills: Asked why HISID had not filed complaints with the Planning Commission for violations concerning a shed construction. He referred to HISID Ordinance 17.3 enabling HISID to reserve the right to file complaints with the Planning Commission pertaining to protective covenants. He also asked why the contract with Kolin Paulk regarding the removal of cobwebs on the Marina was not being enforced. He indicated parking lines and turnarounds were not as previously indicated by **DISTRICT MANAGER BLOOD**.

**CHAIR GRAVES** asked if anyone wanted to comment on these subjects. **DISTRICT MANAGER BLOOD** indicated that the regulation referenced was being reviewed, as the court system indicated it

was not appropriate, nor did they have the purview to do so. **CHAIR GRAVES** advised that HISID and the Planning Commission are two separate authorities and HISID has no control over the Planning Commission. **COMMISSIONER KEES** spoke to the accusation of calling Mr. Elmore a liar, indicating there was a difference between referencing covenants and regulations. Mr. Elmore said he was referring to ordinances, not covenants.

### NEW BUSINESS:

#### 1) Approve Change Order to 2019 Road Resurfacing Project

**DISTRICT MANAGER BLOOD** presented information regarding two change orders to the 2019 Road Resurfacing Project. Upon review of the bids, it was determined to complete all the planned road projects with asphalt, rather than the chip and seal process and to redo the HISID parking lot, rather than a patch and fill repair would be less expensive. In fact, overall costs would be below the budgeted amount of the project.

Change Order No. 1: Resurface all planned roads with asphalt.

Change Order No. 2: Completely redo the HISID parking lot, to include the subsurface. It should be noted, HISID Roads Department will be striping the parking lot.

Roads Department Superintendent, Kenny DeHart, indicated the cost for resurfacing the HISID parking lot was different than the repair cost for the Recreation Center parking lot, as the Recreation Center project used crack seal and slurry. **COMMISSIONER KEES** moved that the Board approve both Change Orders No. 1 and 2. **COMMISSIONER MAKIDON** seconded.

**CHAIR GRAVES** asked for public comments. 1) Philip Elmore, 1 Mission Hills: His road is ¼" thick rather than the contracted 1.5". He gave a review of his expertise in laying asphalt. Discussion between the Roads Department Superintendent, Kenny DeHart and Mr. Elmore led **CHAIR GRAVES** stated that they were not here to discuss a topic that happened 4 years ago, although the information was helpful and to make sure we get what we pay for. (2) Rick Chambers, 4 Quail Run Drive: Questioned if any State or Federal money was being spent, requiring their oversight. The answer was "no". Base failures being addressed? Answered by Mr. DeHart; "yes, substructures are being addressed." **CHAIR GRAVES** called for the vote to approve the change orders. Motion carried unanimously.

#### 2) Discuss Draft 2020 Capital Improvements Program

**DISTRICT MANAGER BLOOD** explained the timing and process for submitting the next year's budget, starting by looking at the capital budgets first, then going back to look at the operating budget. The most important part of the process is first looking at capital improvements and equipment as his top priority. All recommendations are prioritized by the Board, not the District Manager. Previous budgets have averaged \$700,000 a year. The draft budget being put forward today is \$1.35 million. Between now and December 31, there are generally four to six budget meetings. He then presented the capital improvement budget. He reviewed the budgets from the past, not the actual dollars spent. A budget can be affected by various events throughout the year. The 2013-2019 budget average is about \$700,000 for capital improvements. The current amount of \$1.35 million has to be prioritized and brought down by the Board. A budget is an ebb and flow of needs. He looks at

each department by year reflecting Roads as the biggest expense for capital improvements for this year, closely followed by Water, Waste Water, and Fire. Having asked how to review the proposed budget, **CHAIR GRAVES** said to go through it line-by-line.

**Capital improvement Budget:**

*Administration:* Replace Office Carpet (\$20,000).

*Water:* Mandatory capital improvement costs (10,993 & \$75,000) for Tower maintenance over a ten-year period. These amounts cannot be cut until next year when Board can choose to opt-out.

PRV replacement is ongoing and can be reviewed, but should be able to replace five per year. Alternate Water Source Study: (\$35,000) to have both potable and fire water should a disaster happen.

*Waste Water:* Station rehab (\$46,000) seems excessive; Dan should be asked what he felt was needed to maintain an aging water system. Board can reconsider this amount to increase PRV replacement or reduce budget. **COMMISSIONER MAKIDON** commented that the current leaks are costing a lot of money and they should consider more money going to PRV replacement. **COMMISSIONER KEES** reported the use of a Data Collection System giving a clear picture of what's going on inside the water lines. Getting pressure under control, the water loss will go down. **COMMISSIONER MAKIDON** wants to look at replacing the 4" lines, with nothing in proposed budget to do so. **DISTRICT MANAGER BLOOD** explained the history of replacing PRVs and the amount of water saved. Currently there are six operational PRVs. Each one is a unique replacement system; with many time variables between a couple of hours to several days. **COMMISSIONER KEES** said they should look at the results of the study to show the impact of the system to determine whether the PRV replacement is worth doing with 30 to replace system-wide.

*Roads and Public Facilities:* A multi-year commitment of \$240,000 is contingent upon an appropriation from the County of \$40,000. **CHAIR GRAVES** pointed out that the amount given to us for roads is determined by the Judge's generosity, not a law. Should we be a city, there would be so much more. **COMMISSIONER MAKIDON** noted that there was no allocation for equipment breaking down. Roads Department Superintendent Kenny DeHart said there were no problems and reviewed a previous situation regarding equipment parts and their availability. **COMMISSIONER MAKIDON** suggested leasing equipment rather than buying, as they do at the Golf Course. Mr. DeHart said there was not enough manpower available to warrant leasing, as the equipment would be sitting a lot rather than being worked full time. Road striping commitment by the Board for \$15,000 made in past years was included in the budget. Striping includes down the middle of the road and white stripes on the edges for safety. \$62,000 budgeted for a sand and salt storage area. We have applied for a grant with the Department of Commerce in the amount of \$15,000 for financial assistance from the State of Arkansas for this project. Normally we put down Chad and liquid calcium chloride and plowing the roads. However, with the ability to mix sand and salt, either as a pre-treatment or after an event for traction or ice removal, is pretty important based on the amount of ice we get.

*Dolce Fishing Pier:* Contingent on receiving a \$15,000 grant per a quote to pave that parking area. **COMMISSIONER KEES** suggested removing the amount from the budget and list it as a special project if the grant is received. It was removed from the proposed budget by **DISTRICT MANAGER BLOOD**. **COMMISSIONER KEES** asked whether the expense for sand and salt was payback or performance, no labor cost savings? Mr. DeHart: Simply a safety issue. A labor cost savings would be that the leftover chad does not have to be removed in spring.

**DISTRICT MANAGER BLOOD:** We can do better at road care.

*Fire:* Speed monitoring trailer \$10,000...no payback. Siding needed for Fire Station #3.

*Pro Shop:* Replace lounge (restaurant) flooring; remodel lower level (\$35,000), ballroom flooring (\$10,000) no quote yet, only an estimate.

*Rec Center:* Barn A/C switch out propane tank from Barn (leased) for Yacht Club (owned) Pool Covers (\$13,000) aging; Shade structure for other side of the pool. Large pool surface repair (\$10,000).

*Golf Maintenance:* Renovation of three restrooms

*Marina:* Get better numbers from Kolin; **COMMISSIONER MAKIDON:** New walkway needed; but not \$400,000 on Marina. Consider multi-year program. **COMMISSIONER KEES:** Doc 1, 2 & main walkway shows payback; hard to see \$400,000 for Kitchen. **DISTRICT MANAGER BLOOD** Spider web control is an enforceable provision. Are two sprays sufficient? Kolin: read that "If any part of this contract is not feasible, it is considered null and void." **COMMISSIONER MAKIDON:** If kept in budget, a loan would be necessary. Discussion ensued regarding the cost vs. missed income. Future discussion needed regarding new and additional docks. Americorp estimated \$60,000 to replace a 6' wide walkway, with leveling done in-house by the Roads Department. Discussion continued by Roads Superintendent Kenny DeHart.

*Site Improvement:* \$10,000 Campground

### **PUBLIC COMMENTS:**

(1) Dale Mooney; 38 Twin Peak Drive: Good roads, sewer, and water are needed. Carpet repair (\$10,000) for HISID office is not necessary. Money should be spent on revenue-making improvements. (2) Ken Brown, 7 Cypress Point Lane: No proactive repairs from previous three district managers. Do not borrow money for the Marina, affordable improvements only. Do not raise assessments. (3) David Zamudio, 172 Holiday Island Drive: Marina has the potential to provide business and drive people into Holiday Island. Invest in potential business-making projects. No need to pave HISID parking lot. **COMMISSIONER MAKIDON** said Marina does not make money, it is breaking even. Board has to look at payback benefitting most people on the Island. David Zamudio: Could be a cash cow. The golf course is not raising the value of our properties. **CHAIR GRAVES:** Property values will decline if golf courses removed. (4) Robert Tollett, 22 Thunderbird Drive: Consider "investing" rather than "repairing". Spend what we can afford. **CHAIR GRAVES:** Kolin has taken the Marina from what it was 5 years ago to what it is today. Compliments extended to Kolin. Our source of income is slip rental but does not bring in enough to make improvements within our means. **COMMISSIONER KEES:** Slip rental revenue has been flat for the last 3 years; Maintenance strategy is not going to work. Discussion continued regarding used vs. new docks. Corps of Engineers wants docks to match existing. (5) Rick Chambers, 4 Quail Run Drive: Golf course use is somewhere south of 10% of population; appraisals do not include golf course; need roads, etc., losing 8% of water pumped. Golf course is not paying what residents pay for water. Focus should be on needs. **COMMISSIONER MAKIDON:** Board in 2015 spent \$143,000 on new floats; \$118,000 for fuel lines/pumps.

### **Equipment Budget:**

It is separated from original budget for depreciation purposes, as well as a fully funded equipment reserve fund.

*Administration:* Replace red Expedition due to high mileage end of next year with basic ½ ton truck (\$22,000) Expedition is excessive. Barebones pickup is sufficient.

*Water & Waste Water:* 1.5-ton dump truck split between both departments.

*Roads:* Chad (salt/sand) spreader \$8,500; Slope Mower can be split between Golf Course and Roads Department. \$30,000 tractor with attachment for road edge cutting. No enclosed cab.

*Fire Command/Rescue vehicle replacement* \$100,000; Generally there is a 1/3 split between Auxiliary, Rural fire, and the District. No trade-in; keep old one as well. I have not completed negotiations with Auxiliary yet.

*Golf Maintenance:* 50% split for mower; \$36,000 obligation for lease payments ongoing.

**COMMISSIONER MAKIDON** asked about office equipment needs. After a discussion with **COMMISSIONER NOONAN** and Marilyn, it was determined that there might be some needs.

**DISTRICT MANAGER BLOOD** asked for commissioner comments.

**DISTRICT MANAGER BLOOD** asked the commissioners to mark up their budget for changes. The operating budget should go to department heads in September. Maintain a 700,000 budget level. Assets cannot be neglected. We have improved every aspect of the water system, and have made a tremendous amount of headway. **COMMISSIONER KEES:** The task of the Board is to prioritize areas of all needs.

**PUBLIC COMMENTS:** none

**COMMISSIONER COMMENTS:** **COMMISSIONER MAKIDON:** Should we update regulations regarding HISID BOC and Planning Commission?

**COMMISSIONER AGENDA SCHEDULING:**

Monday, August 26 at 9:00 a.m. **COMMISSIONERS HOLLEY and MAKIDON** gone.  
Monday, September 16 at 9:00 a.m. **COMMISSIONER MAKIDON** gone.

**COMMISSIONER MAKIDON:** requested using prior year's actual expenses, not budget. Prefer to use actual receivables rather than budget.

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

Respectfully submitted,

David Makidon, Secretary Pro tem, Holiday Island Board of Commissioners

Approved: 