

MINUTES MONTHLY COMMISSIONERS MEETING
CHEROKEE VILLAGE SUBURBAN IMPROVEMENT DISTRICT #1
CHEROKEE VILLAGE, ARKANSAS
OCTOBER 25, 2021, 3:00PM
OMAHA CENTER REC ROOM

Agenda item #1, 2 and 3: Call to order and Approval of Agenda and previous meeting minutes

Chairman Jim Best called the meeting to order at 3:10pm. Commissioner Best, Commissioner Waggoner and Commissioner Lee were all present, as well as Betsy Waugh, GM.

Commissioner Best spoke to the attendees that we have some new ground rules with following the agenda and speaking from the audience. He asked that we keep all side comments down. Someone from the back of the room asked to turn up volume so they can hear in the back.

Commissioner Waggoner approved agenda, Commissioner Lee seconded the motion and all agreed.

Commissioner Best also requested approval for the September monthly meeting and the special meeting for October 4th. Commissioner Jim Best called for an approval, Commissioner Waggoner approved and Commissioner Lee seconded the motion. All in favor, agreed.

Agenda item #4: Old business – (Levy %)

- SID assessment/2022 Levy/research adding assessments fees to reserved sites.

Commissioner Best spoke on the judge signing the settlement and is discussing how much we should set levy, and must be done today.

Commissioner Lee asked the other two Commissioners to consider allowing anyone attending to comment on the levy percentages before the Commissioners vote. He felt it was "backwards" to vote and then let property owners comment after the vote was taken. After some discussion, both Waggoner and Best agreed and the floor was open for questions or comments, then would vote at the end of old business.

Commissioner Lee stated, that in our budget everyone understands the cap of \$7400 and \$3400, because we are now using land value. We have 47 properties in town that do not show land value through the county because they are not charged taxes. Examples: Entergy, churches, medical, etc. They have been paying SID fees this whole time, and now they will not according to the settlement. So, we are trying to figure out what to do with those 47 properties. In addition, there are commercial properties that used to have an assessment the old way, and that old commercial assessment was \$8400. If we go by what the settlement says, none of those commercial properties are on the lake or golf course, so those are capped at \$3400.00. So, we have commercial properties that should be at a higher land value, but they are capped because they are not on the water or golf course. Those are a couple of questions we need to work through, but deciding the levy percentages can be defined today.

If we charge ever body, using the expenses that we have today according to our budget, if we go in around 8% - 8.5% range, we are going to break even. Break even does not allow us to fix anything.

Obviously other expenses are being looked into, but those things can't happen right away. So, what we need to find out and decide amongst us is what levy percentage do we charge. It is my opinion that we charge in this first year the full 10%. I think we need that few hundred thousand dollars to fix our amenities. Getting started on fixing them right now; there a roof leak in this place (Omaha Center), we need to fix it. And we have a pool situation here that we need to remedy, and it's my opinion we charge the full 10%. And I am going to follow this up by saying, I would think that if you look five years down the road, once the amenities are repaired, and repaired properly, that levy percentage gets voted on once a year. And once those amenities are fixed, our properties are being maintained and we have improved our efficiencies in places that are costing us more money than others, then we can lower that number. I can imagine in three or four years, we can lower that into the 5-6% range, which is much more effective for all of us. For now, we need money to make these repairs and fix this.

Commissioner Best interjected he would modify this slightly, were we know what is wrong today, we don't know what is going to be wrong tomorrow. And keep remembering we are dealing with a 50 year old structure and we don't know what leak may come next. I am convinced the ability to reduce the levy is what we strive for, but I don't know the magic number on that.

Commissioner Waggoner agreed that we cannot promise that within 5 years we could reduce the levy. I think your going to get out on a limb that going to get cut behind you.

Commissioner Lee added to that that he doesn't want to borrow money. He doesn't want to do another assessment, he doesn't want to do a second assessment, don't want to take out a bond that we pay that back over time. He would rather bill the money now, figure out what our expenses are, manage them better, and get our amenities in order in the next twelve months. Then look and see what next year looks like and take that levy down as we go.

The Commissioners discussed comments now or at the end, and decided to take comments now on the levy issue and then vote and move forward with agenda.

**Peter Martin asked, "At the 10% levy, what kind of money would that equate to taxes as in the past, prior to the last assessment? So, are we going back to the new assessment, somewhere in between your last, or what? Does that make sense? Mr. Martin stated, so there was a big raise when it got reassessed and people that are on fixed incomes had to tighten their belt and get rid of things they didn't need or could afford. A lot of people in this city have done that. So, I am asking, is the assessment going to be lower than last year? Or is it going to be closer to the assessment before you reassessed?

- Commissioner Best replied, "I am going to take a small cut at this. It is very difficult to answer that because it's not one size fits all anymore. Those people who live on the lake and have property on the lake, your assessment is going to go up, quite a bit. Those on golf course are going to go up, but not as much as on the lake, but not too far behind. Everybody else assessment interior lot, is going to go significantly down. Guess how many lots are on the lake versus the lots in Cherokee? So 7X, the revenue screen out of those are not going to be anything near what you think it is. The other extenuating circumstances are we have 47 properties that are not land based properties, previously reserved properties like medical, utilities, churches, etc. We don't know what we are going to do. The settlement says it has to be land based values or tax values, those don't exist. There are right of ways or easements that they may can play with that, but there's no law we can go to and explain what we can do."

**Mr. Martin stated, until you do it once you really don't know. Commissioner Best agreed.

****Mr. Phillip Dedas asked:** How can you come up with an assessment if you don't have a budget? What is your budget for next year? What's your projected budget? Do you have one? Are you going to share with everyone for next year? Let me ask the question in a different way. On your projected budget and you do your 10% assessment, based on what you know, are we going to be above budget, below budget, or what? And that's based on what you know. And I understand about the unknown. I also understand your talking about replacing things like the pools here and stuff like that. Is that the right thing for us to do this year? Until we understand better. As you said, most people in town don't live on the lake, don't live on the golf course. They're the voters of this town, so we need to understand what the general populous really wants, before we start doing this or that. So that's what we need to understand. Give us some information where you're going to spend the money and how so you can get permission for it from the voters, not just from five people. So that's what my question is about.

- Commissioner Lee replied, I can answer that, the best I can. First of all, it's the people, once you get five commissioners up here and they start deciding what needs to be done. We're not going to be fixing pools without five commissioners that are elected, so I would pay attention to future commissioners, what they pitch, what they want to do, how they see this Village. Do they want to build out here in the western part of the Village for future growth? Or do you want to take all your money and put it into like the Thunderbird Center that is located around 85% of your town? That's a good question and that has to be taken care, and not voted on by just us three. So that handles that. Concerning the budget yes, we have a budget, but we have more properties that were sold and those are not in our numbers yet. They are not received from the county yet. But we believe that at the 8-8.5% range we will be breaking even. And I said that in my earlier comments. If we charge the full 10%, we will be in a three to four hundred-thousand-dollar range, to make some repairs; \$100K roof and other things. That is kind of where the budgets sits, it has to do with the 47 properties, are we able to charge a higher assessment to commercial properties that are not on the water or golf course? These things have to happen, so probably in the next week.

****Mr Dedas stated** that having that budget available for the general population to review will go a long way.

****Beverly Moody –** You know my big argument with people on the lakes and golf courses paying the big bucks and everybody that not, they are going down significantly. We have had this conversation, and I am going to repeat it. The City is pulling it self up by the boot straps, they not going "oh

let's fix town hall, let's just make everybody pay off this and lets just fix it right now." They are pulling themselves up by a bootstrap and still working on a deficit, unlike SID who wants all the money up front so we can have a nest egg in case something happens or something doesn't happen. There is just such a big difference where this person is going to pay \$49 and this person is going to pay close to \$1000. I don't live on Lake Thunderbird. And Commissioner Lee pointed out those numbers were incorrect.

- Commissioner Lee spoke up that this was due to the settlement. We cannot change that and Ms. Moody agreed. Commissioner Lee stated what we could change is the levy percentage as the years go on. Our goal is to fix what we can fix, what we have to fix, and then reduce that levy percentage. If we can get that percentage down to 4-5%, then the lake owners would pay around \$400 bucks. We want to get there, but we have to fix our amenities AND we have to work on our expenses.

****Ms. Moody stated** that she understands that, but that she is very prudent with her money, and I don't spend what I don't need too. It's not my fault, its' not the lake owners and property owners fault, we didn't say lets pay the fire department and street department, lets include the street department in our assessment. We didn't have a vote in that. I know you two don't remember it, but I know Joe does

because he would set there. I commend you on saying let's have the conversation before we set the levy because that is what started the whole lawsuit to begin with, because they didn't have a conversation and they didn't include us, and I appreciate that. But, there is such a difference, I don't see how yall can say that's OK. The difference if you don't live on the lake versus if you do.

- Commissioner Best reminded Ms. Moody that we did not decide that, it was part of the settlement. She stated "well I think your attorneys has a little something to do with that. He didn't say no that's wrong, he said OK."
- Commissioner Best stated the alternative was we go to trial and the judge has already stated that he would have voted for the plaintiff, or judged for the plaintiff, and there would be no SID. It would be gone. Then you might wonder what is going to happen to the golf course here, and the building over here, it would be gone. Ms. Moody stated some of the amenities need to be gone.
- Commissioner Lee stated we didn't want that to happen.
- Ms. Moody stated that there was an illegal assessment done, so now we are coming to this new land value and this land value is going to be our new guide to go by. The wording in the settlement or the wording, I think you might need to go back and look at that because they were talking in the city council meeting and I think they said assessed is going to be 11%, then what you're thinking you're going to get. Just the verbiage in it, and I will show it to you. I just wanted in on record that I have a problem with it. And I know the streets aren't in it anymore, but if you live on that highway, you're always going to have a good road. Can't be said for the rest of us, and I know the streets are out of it. And if you live on the river, you have a good view, and I know the river is not in with SID. But you have different amenities that are a Village amenity that is not covered by SID that people have access to that the rest of us don't. I don't have a boat, I don't have access to any of the lakes. I have a pool noodle.

**Jerry Smith asked, "I have a simple question. Anytime I had to balance a budget of any kind, I always looked at where we could save. And I would like to know your view points on how we can save money and your opinion on how we can save money on amenities we aren't using, or whatever to have your comments on that."

- GM, Betsy Waugh asked to speak on this question. Ms. Waugh stated that she has only been employed in this position three weeks and that she would be itemizing and looking at every opportunity to save money and become more efficient in employment, health and car insurance, and every other area of expense. She stated she would look into ever aspect of the expenses, and that was the only way to ensure we are trimming where needed, which hasn't happened in the past. She also stated she would get two to three bids on every item so that it is reviewed by PO's.

**Scott Sandifer – Tim, I am trying to get on record that you said 10% levy is the max that can be charged. I had heard language that I was going to be charged 12%. And I understand that we are going to have money set aside for the things we can't see coming. People have to understand that this place has more leaks, and every time you wait and push it off, it's going to get more expensive to fix it. Because the leak is going to get worse and it going to deteriorate even more. So, the faster you can get it fixed, the better it is and the cheaper it is. Thanks guys

**Janet Shell – I don't live here full time, so this is all new to me. But my question is what is the levy based on? Is it on appraised value or what?

- Commissioner Lee stated, yes. It is the appraised value of your land, not the levy but your assessment. The levy percentage from the percentage of the land value, not a house that sits on it but the land value. If you look at your county statement it gives you the property value, and

land value for your property, and an assessment. So that is 20% and that is how the county taxes do.

**Mr. Shell stated, the assessment value is going up for 2021 and there is going to be a levy attached? She just said it sounds like her taxes are going up and the Commissioners replied they are, if you live on the lake or golf course.

- Commissioner Lee explained, its' replacing the old SID fee. You used to pay 4.5% of your previous assessment, it's the same thing except the assessment through the settlement it based on land value and a levy we are going to set. As we have spotted some that live on the lake with lower land values, some are \$15K, so you may have less.

**Dave Gruger wanted to add to Ms. Shell that it's charging the 10% if you don't pay it off in full. He explained if you don't pay it off it will take approximately 15 years to pay it off. What I actually wanted to speak about, and you have a lot to do with this mess and figuring this all out. Have you actually thought about a budget committee? For suggestions for you guys to come up with, for her to review and take some of the load off her so she can concentrate on other items.

- Commissioner Lee shared that the GM had actually come to each of the Commissioners wanting to put committees together. Betsy Waugh spoke up and stated that she had 5 committee sign up sheets in the back of the room today. But she reminded us we are talking about the levy and that Mr. Gruger is also on the agenda for another item.
- What she did share was that she was meeting with vendors; roofers, tree trimmers, and anyone else that can assist with pulling numbers together. When I know what my income will be and what the levy percentage is, I can begin plugging some of those numbers in and see where we are. I will get two, if not three bids, on any item that is going to be more than a \$5K expense. So that should tell you that we are going to do a lot more leg work than what has been done in the past. Once the budget is put together, it will be a rough draft so that we will be able to bring it back and review at a meeting before it goes to an approval. I'm working with the Superintendents for both golf courses and parks and rec, who have provided me with there wish list. Were meeting with equipment sales now, so I am doing the leg work now since I have not been able to work on the budget.

**Gruger stated he just wanted to get that out there and that the more people you can get involved, the better. Ms. Waugh agreed in some cases he is correct.

** unidentified person stated, you got lots on the lake, and I have two lots on the lake. But one is on the water and one is not. So, one is not considered a lake lot, correct?

- Commissioner Lee reminded them they have to look at the county tax record. If they tax you that way, and they say both is water property, then we have nothing to do with that. It will be based on what the county assessment is.

Commissioner Lee stated that at this point, he moves to set the levy percentage at 10%.

Commissioner Waggoner seconds that motion. He also wanted to make sure that everyone understands, sitting at the table is Commissioners that live on lake Thunderbird, Chanute and the golf course. And that this affects them too and that he hates to do it. But we are in a position that we need to take a bold step and that is apparently what is going to happen.

Commissioner Best states the motion has been set for 10% for 2022, and seconded, all-in favor was unanimous.

Item #4 – Old business (Buoys)

- Buoys on Lake Thunderbird has been a conversation in the last two meetings. They keep popping up, none of which were asked permission by SID. So he thought letters were sent, but that was for docks.
- Commissioner Lee spoke up and said he would respond to this issue. He stated that he was suppose to meet with those property owners and find out what the reason was, but that he had done nothing due to handling other items with SID. I think that Betsy can get on a lake safety boat and get some addresses and get with those folks to see what's going on. I am only seeing them in coves, so I am assuming they are trying to keep fisherman away, I am guessing. I just wanted that to be done before we make any decisions.
- Commissioner Best asked if we can have Betsy report back before next meeting.

Item #4 – Old business (docks on Winnebago)

- Docks on the lake was concerning complaints from the Conley's. I am not sure if they are here, but after speaking with legal counsel, he put together a notice to come from SID initially, requesting the additional 16' section that had been added after approval be removed, with a deadline of November 1st to be in compliance. If nothing is done, we will start legal action. There are some penalties for not complying; not being able to get your boat stickered, not being able to use the boat on the water. There will be some repercussions if they don't comply and we have taken the first step. By the next meeting we should be able to update, I have not heard anything in response. As of today, they have not been corrected.

Item #4 – Old business (elections)

- Commissioner Best asked if we had volunteers for the Election committee sign up. Betsy Waugh spoke that we had four from our last meeting and those forms are on the back table for anyone else that would like to volunteer. We are hoping that we will have that information in place by mid-November and be able to get the rules out about how to nominate and run for a position. She did mention, and put on the sign-up sheet, that you cannot sit on the volunteer committee and run for an open position. Just want all volunteers to know if they sign up, they cannot run. We will have ballots that will have to be sent to all property owners, that are also out of state. They will have three options to vote: a paper ballot mailed in, email or coming to our office. We are adding forms to our website to help make this process easier and open better communications with property owners. But before the next meeting we should be able to meet and have some time lines.
- Commissioner Lee stated we have a lot of rules about how this works and when we get to that point, we will get that out to everyone. It will be very detailed and have a time line.

Item #4 – Old business (Baseheart campground proposals)

- Commissioner Best stated that we all know we have some improvements that are needed and we currently have two proposals in house. We think we need to publish we are accepting proposals for Baseheart and anyone interested in submitting a proposal have the opportunity beginning November 1st, we can discuss in December meeting.
- Betsy Waugh stated it would be posted on our website and social media by November 1st.

Item #4 – Old business (fire hydrants)

- Commissioner Best said he would take this one since it has been on his back for a long time. Going back years and years, three commissioners of CVSID, even before the city was formed, signed a contract with Quapaw Water that is now CV Water Company to fund hydrants. Since the settlement is in place, we no longer have any involvement in the fire department. So we no longer need to provide hydrants. Going back to our budget needs, that is a large amount of money. Over \$100K that we have paid out. I have never understood why, but to expand the water company. Now there is a controlling water board, Cherokee Village is in control so SID no longer has anything to do with it. So, I want to ask for a vote from my commissioners to rescind that agreement and to no longer subsidize the fire hydrants. This is what I have wanted to do, but I had to wait until we resolved this in the settlement.
- All commissioners agreed to move forward with the city handling this going forward.

Commissioner Waggoner motioned to stop paying the water company for the fire hydrants, Commissioner Lee seconded that motion. Commissioner Best agreed we would give a thirty-day notice and not just stop paying without notice.

Commissioner voted unanimously to move forward with notice to water company.

A question from the audience asked what the different colors of the hydrants mean, and was answered from the audience that it represents the flow of pressure. So a fireman can pull up on it and know right away.

Item #5 and #6- YTD income and expense report

- Commissioner Best stated that for time's sake, we have provided a copy of the financials through September 31st for you to review.

Item #7 – New business (Echols)

- Commissioner Best asked if anyone had any knowledge of this issue. Betsy Waugh spoke up and stated that she had spoken to Mr. Echols about future building behind the Omaha center and that the electric and water company was going to need access to SID property. I spoke to a commissioner that asked owner speak to water company and get knowledge of how that would be installed. Mr. Echols was here today to update us on what he was told.
- Mr. Echols spoke that he was requesting an easement. The water line is estimated to be 2" and buried it 18" deep. The utility company said the only other access would be through the middle of the street.
- Commissioner Lee questioned was he asking permission to tap into the water from the Omaha center?
- Commissioner Waggoner spoke up and said he had some experience with this matter. This has been going on for years. The Omaha addition behind us, Mr. Echols has purchased two lots and wants to build. The SID did not have an easement, but I simply suggest that Betsy or Ray go down and make sure it's OK. That's all I know.
- Betsy Waugh stated that there is no issue with the pole, its is just the water line. Mr. Echols is the only one doing anything back there right now, he has been keeping the road cut, because there is no paved road. In my opinion, we should do this and hopefully promote some more growth back there. Commissioner Waggoner suggest we do it and no other adverse impact.

Commissioner Waggoner agreed with do it, Commissioner Best seconded the motion. We move we allow the easement contingent upon the inspection by SID. All voted in favor.

Mr. Echols has a second item on the agenda – (Flathead split lot fees)

- Betsy Waugh handed out a copy of the plat Mr. Echols provided from the tax assessor.
- Legal Deed to lot recorded starting at the north west corner, reads the same way of the property on each side. It is 17' in the back, and 0' at the front. It goes back to 1970 and thinks that when the house was built slightly over the line and that Cooper went back and said we are going to deed that portion to the owner. So he only own's .93 percent of lot 8, but is being assessed for 50% of that lot. He is asking that he only be charged for the portion he owns beginning in 2021 and going forward.

Item #7 – New business (Mark Herring, Lions Club)

- Mark Herring and Nancy French are representing the CV Lions Club and they wanted to thank us for allowing them to host the tournament this year. Last year they took a two-day tournament and turned it into a one-day event, to make sure we kept out date and golfers satisfied. And we would have done better this year, but we have a few changes that were executed by the golf course. According to SID, the budget was \$1000, and that there would be not increases. We went from \$1000 a day in 2020, and in 2021 it went to \$2700 a day. So, we went from \$2000 to \$5400 for a two day. So, for a service club, it limited what were able to do to serve the community. According to the budget golf tournament were supposed to be \$1000 for tournaments, \$1000 for single parent scholarship, \$1000 for Tommy Bolt, \$1000 for Rebel Classic, \$1000 for Lions, \$1000 for Spring River Paramedic, \$1000 for the NABC. For a total of \$6000, and that was not given to the golfers. It did include all the cart fees, this year we used 18 golf carts. We were charged for 26 golf carts, so the difference is \$416. That may not seem to be a lot of money, but it's a lot of money for a service organization. So, we would like to ask to be given consideration for \$416 as a refund OR credit for 2022, so we are coming back. We also have a check for \$5400 and happy to pay, but not happy to pay for carts they didn't use. We also ask since we are coming back next year, not to include the carts since so many of the golfers have their own carts. And how did we get from \$1000 a day to \$2700?
- Betsy Waugh spoke up and asked to speak, that she found a letter from June 2021, but was a breakdown of the expenses you agreed to. From speaking with the golf course, once you decided to do the two-day tournament, those carts are saved for your golfers and we are not able to lease them to anyone else during your tournament., and no other source of income that we could collect. I agree in the future we need to review the fees, but I cannot say that it will be a huge impact on reducing the \$2700. What the agreement did say is that you had an option of up charging your players to help offset the additional cost. In the future we will look at pulling those carts out separately and giving you that option. And I agree that applying the \$416 to the tournament for 2022 is fine.

Commissioner Best motioned to approve the refund, Commissioner Waggoner seconded that motion. Commissioner Lee stated that he needed to inform the golfers they would rent carts directly from the pro shop. Ms. Waugh also stated that all of the clubs he mentioned saw the same increase. And Mr. Herring replied that none of them were happy with the fees more than doubling. A reasonable increase was expected. This is supposed to be a fundraiser for the community and at \$2700 it will be less for the community.

Item #7 – New business (Gruger response)

- Commissioner Best began the conversation that we have had way too many conversations concerning the situation with Mr. Gruger commercial property not being assessed properly when purchased. We have also discussed the 2018 assessment being thrown out in the recent settlement. We are going to follow your lead on this issue and let you and Betsy work out the details so that this will happen.
- Mr. Gruger didn't have a problem paying the SID fee and I just want it to be done legally and right. And I assume it is going to fall under the new settlement fee. If we need to discuss, just give him a call.
- Commissioner Best stated he had issues, but moving forward is the best decision.

Item #7 – New business (refund for overpayments to SID)

- Betsy Waugh asked to speak on this item. We have received a claim form in the settlement documents that we will be using. Once I received direction from our attorney a start date, how to publish, and the window I believe is 90 days. So, I just want to make sure we are doing it right. I hope to hear back from attorney and have those posted by November 1st. We will have the forms on our website that you can print off. It shows that you have to have receipts to show where it was paid for 2018,19 and 20. Those docs have to be included and then forwarded to Mr. Hutchison, the attorney on the plaintiff side. Then we will have the process on how those funds go out. I believe I heard the Commissioners state that those funds come from the sales of the SID lots, so I think it will be an annual thing once we get to that point. Unsure of how many will apply, so not sure what those look like. An example of a receipt would be the paid notice you receive from the Tax Collector's office. So, we need something from the County and for every lot that your requesting refunds.

Item #7 - New business (committees)

- Betsy Waugh has provided sign in sheets at the back of the room for individual committees: Lakes, golf courses, Thunderbird, Omaha, and the election committee. What I would like to see is that we are getting ideas from our property owners. I would like that the committee select one person to present those ideas. So do the research, find the cost and benefits, so when presented to the Commissioners it will be easy to review and approve or ask for changes. It gives you a voice and I would appreciate all of us pulling together and working together.

Item #7 – New business (stocking the lakes)

- Betsy Waugh stated she had gone through and looked at the documents and found that we have been stocking the lakes every other year for \$15K. What I have done is contact Malone Hatchery, Jade Malone, and asked for a proposal to stock the lake annually, using a \$10K budget. I have not received that, but will need some help with experienced fisherman to make sure I am stocking with the correct fish and size. This year we will do two lakes, then next year we would do the other 5 lakes. So, we would get on a good schedule to keeping our lakes stocked. He said we have some good fish in our lakes, but when he sent the proposal it had 2-3" fish and I called him back and said those are too small. He is supposing to get with his Biologist and get back with me in a few weeks.

***What about the grass carp. They have a 6–7 year life span, so they are starting to die off. She listed what was on his quote, then read what we had in 2019. Big difference is sizes. This is drop separate from the game fish and this is about the grass. Commissioner Waggoner said it had been a few years

since the grass fish were put in, and normally in the spring. This is something that she will look into and we will bring that back up in the spring.

Item #8 – Property owner opportunity to speak

****Peter Martin** speaking on lake Sequoya are losing portions of our property due to the lake being raised for the canal from lake Thunderbird. But we are being assessed for land that we cannot use because it is being covered by the lake. For example, my parents lot goes about 17-18 feet into the lake, because of property being lost to the lake. So, we have owners who are being assessed for properties they cannot use due to the lake isn't fair. That is why those houses look so close on lake Sequoya, due to the lake being raised. Just think we should look at what we could do to even it out.

****Peter Martin** has one more question. He was confused if we are paying into SID, and we are paying into SID and there is the Omaha Center or Thunderbird Center. It's this community that can decide to get rid of, sale or dispose of, but the people how are paying into it don't have any skin in the game. Is that a true statement?

Commissioner Best stated that the way he interpreted it was that it is a false statement.

****Peter** said that was a rumor that was floating around and that was why he was inquiring. How does it work? I am paying my assessment; I am paying for the golf course and this and that. And at some point, they should have been paid off. But we are paying for all this stuff, when does it become ours? And not a corporate entity?

Commissioner Best is asking, are you asking when are the assessments going to go away?

****Peter** replied that we are going to always have maintenance, but we have been paying these fees since we started. So, at some point we have paid off the property, but we still have to pay for the maintenance. So, it seems like in the past, that any parcel could be sold off by SID without coming to the citizens who have been paying for it. It has happened, not you guys...but maybe Commissioner Waggoner. Things have happened that property has been disposed of where the citizen who have been paying for it don't have any say in it. So that is the questions?

Commissioner Lee stated that now that we have these elections, that we will have 5 people up there that are elected, or at least 3, in by the people. So that where you need to look to the people who are running to see where they are on the issues your concerned about. Much like city council who decides what's going to be done in town, you will need to make sure your people running are representing what you want to do.

****Peter**, but with the election of the commissioners. On a water board and With SID In the past, a commissioner could still hold public office, or be alderman, mayor or a Quorum court justice. Can that same thing happen? If the person sits on the Quorum court justice, can they still run for the SID commission? Because some law won't allow, if I wanted to sit on city council and I wanted to run for SID is that a possibility or not?

****Bill Owens**, I want to give some information that many might not know. In 1973, when the original assessment was based on the amenities, that were gifted to the community so those were paid off. They were not gifted the roads and the streets, just the amenities. In 1981 there was a re-assessment because I believe they put the South Golf Course in use. But all of the amenities were paid off in 2011. Anything that you paid since 2011 was invalid and illegal, and the 2018 re-assessment is invalid under

the law because all of the additional assessments have been paid. The only way a district can survive is when you have your first initial assessment, you have to collect enough money and have enough interest so you can live off the interest and keep your capital and keep collecting interest. So, once you set this thing up, you start collecting payment from your property owners, you collect less from the property owners and live off the interest. So, if you maintain your capital, you maintain the interest so your assessment goes down. The assessment ran out in 2011, so you have been paying since 2011, you have been paying what you were supposed to, but you did, no complaints. And in 2018 the re-assessments were invalid, because you only get one assessment to those amenities, unless you have a new amenity. Which we do not. Even the judge said on Wednesday that if he was ruling on the case as to whether the 2018 assessments were invalid, he would rule them invalid. But he relied on the settlement agreement. Let's talk about the settlement agreement for just a minute. Whomever agreed to this, agreed to use land values set by the county. They did no new land appraisals. For example, you're off the lake your property is valued at \$2500. The county uses 20%, they picked a number with no scientific way, just out of their head and picked 36%. So, if you have a \$2500 property you pay \$900. But by the time you get your refund of \$729, minus 10% administrative and the 20% attorney fees reflected, you're going to end up paying \$360 of the \$900, after you get your refund. The people making the settlement, because it was not based on AR law, could use any figures. And I know we have people on the lake and on the golf courses that were upset about that. But the reason the judge agreed on the settlement agreement, he relied on the Grimlin versus IHop case from 1973, that said if it is fair and equitable, with four factors, but he did say if he was hearing the case that he would rule on three out of four for the plaintiff. He said the reason he didn't want it to go to trial was that the plaintiff would win on three of the four items and SID would be gone. Because they don't have a way to collect money. The problem with that, which I pointed out in my objection, was that the judge should not be approving a settlement that is in violation of a state law. So just to give you a little insight on your levy and assessments, you've been paid up since 2011, and 2018 is invalid. You should not have been paying a dime. I do have a problem of not paying for amenities and maintenance and everyone paying their fair share. I live on the lake and paid \$100K more for my home than one that is not on the lake and I pay higher taxes. Cherokee Village is not going to be getting anymore subsidy for streets from SID 17%. So, my taxes are going to go up in Cherokee Village, I can bet you. And mine is going to go up more than someone off the lake. I didn't want to get into anything personal, but I wanted to share. You're going to be paying over \$30 million out of pocket that you shouldn't be paying. I don't know if anyone is going to appeal or not, and cannot go into effect until 30 days from the settlement hearing. And the law of appeals has been settled, I can tell you now we are exploring an appeal.

Commissioners asked for any other comments? Appreciated the way everyone handled it.

Item #3 - Motion to adjourn

Commissioner Best moved to close meeting and Commissioner Waggoner seconded that motion.

APPROVED DATE: 11/15/24

COMMISSIONER BEST, Chairman: 

COMMISSIONER WAGGONER, Vice Chairman: 

COMMISSIONER LEE, Secretary: 