

Holiday Island

Suburban Improvement District

110 Woodsdale Drive
Holiday Island, AR 72631
(479) 253-9700
hisid@holidayislandark.org

TO: HISID Board of Commissioners

FROM: Kevin Crosson, District Manager *khc*

DATE: March 10, 2010

SUBJ: *Additional Information, User Fees for Holiday Island Clubs and Organizations*

As per discussions at our February meetings, staff has compiled additional information for your consideration in determining the feasibility of establishing user fees for our local clubs and organizations.

As you know, the only charge currently required of clubs and organizations is an annual cleaning deposit. Staff presented two preliminary options for your consideration in February (attached). Recreation staff has compiled the potential income, based on 2009 facility usage, for these two options. Exhibit #1 shows the estimated cost per club/organization under option #1 (user fees based on hourly usage); under this scenario, the District would have generated \$24,818. Exhibit #2 shows the estimated cost per club/organization under option #2 (user fees based on membership); under option #2, the District would have generated \$11,880. Obviously, these figures are only for illustrative purposes, since usage patterns will theoretically change significantly once a fee is in place.

From an expense standpoint, the only facility that we currently track separately is the Clubhouse. Expenses for the entire facility in 2009, less the pro shop/dining structure, were \$28,695 (see exhibit #3). These expenses include utilities, repairs, supplies, and labor for the Clubhouse Ballroom, and multipurpose rooms A and B. While we do not currently track expenses separately for the Island Room and the Barn, 2009 utility costs for each facility are \$1,100 and \$2,600 respectively.

Staff will be presenting information regarding how our sister planned communities deal with this issue at the Work Session. A brief summary, however, is that all four communities (Bella Vista Village, Hot Springs Village, Cherokee Village and Fairfield Bay) charge groups/organizations for the use of their facilities, and provide exemptions only by approval of their governing bodies.

Please feel free to contact me at your convenience with any questions or comments regarding this request. Thank you.

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TO: HISID Board of Commissioners

FROM: Kevin Crosson, District Manager *KAC*

DATE: February 12, 2010

SUBJ: *Consideration, Draft of Options, User Fees for Holiday Island Clubs and Organizations*

As has been extensively discussed last fall and in previous years, District staff is interested in implementing a reasonable and appropriate *user fee* for Holiday Island groups and organizations that schedule their events and activities in District facilities. Approximately 70% of all facility usage is by clubs and organizations, and it is inherently unfair to expect all Holiday Island property owners (through their assessments) to share in the burden of utilities, staffing, cleaning and supplies for the use of these facilities by these limited entities. Furthermore, the Board adopted the 2010 Work Plan that includes the objective that the District will "develop a revised policy proposal requiring a rental fee for all Holiday Island groups and organizations when using District facilities."

In an effort to initiate a public discussion on this issue, staff proposes the two following options for Board of Commissioner consideration:

Option #1 – User Fees Based on Hourly Usage. Option #1 establishes a discounted club/organization rate similar to our current rate structure for property owner use and non-property owner use of District facilities (see Attachment #1). Room rental user fees shall be paid in advance and shall accompany all room reservation requests. Rental cancellations must be made no later than 1 week of the scheduled event for full refund.

Option #2 – User Fees Based on Group/Organization Membership. Option #2 establishes an annual user fee based on the membership of each group/organization. Under this option, the group/organization will submit, on an annual basis, a membership roster, along with a user fee that is calculated at \$5 each per Holiday Island property owner, and \$25 each per non-owner of Holiday Island property. This annual fee shall be submitted each December with the schedule of room reservations. Like Option #1, rental cancellations must be made no later than 1 week of the scheduled event for full refund. Income under this option will obviously be less than that generated under Option #1; if the Board is interested in pursuing Option #2, it would probably be wise to add a per event fee for groups and organizations that use our facilities and charge admission.

In past discussions regarding user fees for clubs and organizations, a significant stumbling block has been a discrepancy between those clubs/organizations that are established for community service purposes, vs. those clubs/organizations that are predominantly social in nature. Under both options proposed above, the District will provide direct credit for financial contributions that directly benefit the District and/or community, as follows:

- “Clubs and organizations that donate funds directly to HISID or for the community benefit may receive credit toward room rental in a dollar amount up to the dollar amount of the donation. The certified donation amount in a calendar year will become the dollar amount room rental credit available in the following year. Any such credit is not transferable and shall expire at the end of the calendar year it is applied. An organization may apply to HISID to certify the donation credit by filing a statement detailing the funds donated and the description of the purpose and disposition of the funds. Donations that are primarily for benefit of the group making the donation will not be eligible. In-kind donations or donated labor shall not be included.”

District staff will be available to discuss these two broad options in further detail at the February Work Session. Feel free to contact me at your convenience with any questions or comments on this important issue. Thank you.

Exhibit #1

BALLROOM	Club / Organization	Times Used	Cost	
	AARP	9	\$450.00	
(rec center activity)	Silver Sneakers	156	\$3,744.00	
	HIFDA	9	\$900.00	
(rec center activity)	Cooking Class	12	\$720.00	
	HI Baptist Church	9	\$620.00	
	HIHA	12	\$1,200.00	
	HI Singers	38	\$1,550.00	
	Duplicate Bridge	25	\$1,875.00	
	Music Guild	2	\$200.00	
	HIMGA	2	\$120.00	
	HILGA	2	\$120.00	
	Neighborhood Watch	4	\$400.00	
	HI Presbryterian Church	2	\$200.00	
	Readers/Writers Guild	1	\$75.00	
	Theater Guild	7	\$700.00	Stage up 41 days
ROOMS A & B				
	TRASH Cards (A)	3	\$45.00	
	Tuesday Bridge (B)	24	\$720.00	
	Readers Guild (B)	12	\$24.00	
	Genelogy Club (B)	12	\$36.00	
	Wed. Card Club (B)	23	\$92.00	
	Poker Club (B)	26	\$78.00	
	Texas Hold'em (B)	24	\$48.00	
	Monday Bridge (A)	26	\$650.00	
	Writers Guild (A)	24	\$360.00	
	Thursday Bridge (A)	52	\$1,300.00	
	Photo Guild (A)	5	\$50.00	
ISLAND ROOM				
	EISupremos Golf	30	\$450.00	
	Civil War Group	9	\$90.00	
	HIAA Board Meeting	3	\$45.00	
	HI Bap Ladies Fellowsh	9	\$135.00	
	TOPS	52	\$520.00	
	Theater Guild	30	\$450.00	
	Bunco	12	\$180.00	
	Happy Pinochle	21	\$315.00	
	Garden Club	7	\$245.00	
(rec center activity)	Decorative Painting	28	\$420.00	
	HI Quilters	12	\$420.00	
	Oak Pt HO Assoc	4	\$140.00	
	Nebraska Club	6	\$210.00	
	Art Guild	12	\$120.00	
	FOB Board Meetings	4	\$40.00	
	Misc clubs once in a while		\$150.00	
BARN				
	FOB	14	\$1,050.00	

	Fun Fishermen	3	\$225.00
(rec center activity)	Line Dancing	14	\$350.00
(rec center activity)	Basket Class	11	\$413.00
	Art Class	33	\$2,063.00
	9 & Dine	8	\$300.00
	HI Baptist Church	1	\$50.00

PAVILION

	HIHA Picnics	2	\$40.00
	9 & Dine	8	\$40.00
	Wisconsin Club	1	\$20.00
	AARP Picnic	1	\$20.00
	HIHA Lake Clean Up	1	\$20.00
	Baptist Church Picnic	1	\$20.00

	TOTAL		\$24,818.00
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Rental Fees

(Tax will be added to all fees)

→ *Proposed Option #1*

Current Rates

Current Rates

Room	A. HI Clubs & Organizations	B. Property Owners	C. Non-Property Owners
Clubhouse Ballroom, Kitchen Included	<i>\$15/hr. or \$100 all day</i>	\$30/hr. (4 hr. min.) or \$225 all day	\$60/hr. (4 hr. min.) or \$325 all day
Clubhouse Ballroom, Kitchen NOT Included	<i>\$12.50/hr. or \$75 all day</i>	\$25/hr. (4 hr. min.) or \$150 all day	\$50/hr. (4 hr. min.) or \$250 all day
Barn, Kitchen Included	<i>\$12.50/hr. or \$75 all day</i>	\$25/hr. (4 hr. min.) or \$175 all day	\$50/hr. (4 hr. min.) or \$300 all day
Multi-purpose Room A	<i>\$5/hr.</i>	\$10/hr. (4 hr. min.)	\$20/hr. (4/hr. min.)
Island Room	<i>\$5/hr. or \$35 all day</i>	\$10/hr. (4 hr. min.) or \$75 all day	\$20/hr. (4/hr. min.) or \$100 all day
Multi-purpose Room B	<i>\$1/hr.</i>	\$2/hr. (4 hr. min.)	\$5/hr. (4 hr. min.)
HISID Board Room (discretionary use)	<i>\$7.50/hr.</i>	\$15/hr. (4 hr. min.)	\$25/hr. (4 hr. min.)
Pavilion	<i>\$2.50/hr. or \$20 all day</i>	\$5/hr. (4 hr. min.) or \$40 all day	\$15/hr. (4 hr. min.) or \$60 all day