



2021 HSV BOARD REPORT CARD

Description

by Linda Anderson

In 2021, our Board Of Directors' primary focus was to increase the property owners' assessment fees. A Report Card is needed to see how well our Board has done to represent us (the property owners). The following 4 important issues are addressed on the Report Card:

1. BOARD ACCOUNTABILITY

As stated, the Assessment Increase was the Board's main agenda for 2021. The Assessment Increase was determined by the Board's appointed Task Force. Their findings were that our roads and culverts were damaged to such a degree that our Village's future would be jeopardized unless addressed ASAP. Therefore, an urgent need to repair or replace them was recommended by the Task Force and accepted by the Board. There were no clear financial specifics given to us (the property owners) as to how this Assessment Increase was determined. Property owners, believing the Board's recommendations that the Village was in crisis, voted for the 3-year 57% (accountant verified) increase. In addition, property owners requested a special assessment to ensure that our money would be spent on these priorities (roads and culverts). This was denied by the Board. Instead, to show trust, the Board passed a prioritization policy with a mega majority vote that was to ensure their promise on these priorities. The surprise came on 11/17/21 when the Board passed the 2022 Budget that included a whopping compensation increase of \$3,866,431 Mil. for bonuses, merit increases, cost of living adjustments for all POA employees, plus the addition of 19 new POA positions. On 12/15/21, the Board without investigating Arkansas Law passed an Illegal \$1500 Buy-In-Fee, which is a title transfer fee to be paid to the POA on any property purchased or transferred to a new property owner. Arkansas State Law (Section 18-12-107) states that transfer fee covenants are prohibited. The Board knew that anyone whose loved ones have passed away would be subject to this \$1500 Buy-in-Fee in order to transfer the property into their name as the new legal property owners to keep or sell the

property. Then when the decision is made to sell a property, if the new property owner is asked to split the cost of the new buyer's Buy-in-fee, an additional cost of \$750 would be added for a total of \$2,250.00. For all intents and purposes, this is an Inheritance Tax disguised as a Buy-In-Fee. That's scalping the property owners. At this same meeting, the Board approved a huge lease contract to replace the majority of the POA's 78 vehicle fleet every 3 years. Where were the other bids? The total contract expense or cost savings were not disclosed, nor were the details of the contract thoroughly questioned. The Board looked the other way showing no accountability of how our (property owners) money was being spent. **Score: F**

2. REMOVING TRANSPARENCY

Special Closed Meetings and Voting by E-Mail. This removes transparency. Property owners deserve to know why Board members voted for or against any financial decision. Removing transparency removes (property owners) rights and need to know the background of any financial decision. The Board has created a double standard to allow special closed meetings regarding financial decisions in order to hide the real understanding and then vote by E-mail to make sure certain decisions are kept from (property owners). This is a sign of improper power and control. This needs to stop. **Score: F**

3. BOARD PROFESSIONALISM / BOARD DECORUM

Everyone expects and deserves respect regardless of their opinion. Recently the Vice-chair has been showing unusual disrespect toward property owners who simply wanted their questions answered. On 10/12/21, on social media, he threatened a property owner. At the 12/15/21 Board Meeting, he made disrespectful remarks to a property owner who respectfully asked for more information about the election. The Director's off-the-wall comment was: "Do you need to know their hair color or blood type"? This arrogant disrespect for (property owners) is never appreciated and lowers the Board's professional standards. This Director is guilty of behavior unbecoming as a member of the Hot Springs Village Board Of Directors. **Score: F**

4. BOARD EXPENSES COMINGLED WITH POA FUNDS

Placement of POA funds under Board Expenses. November financials showed board expenses were \$12,000. On 12/15/21 Board Meeting reveals another \$21,000 of board expenses for a total of \$33,000 of POA funds being placed under board expenses. The question was asked: Why were these expenses placed under board expenses? The treasurer stated that board expenses were the postage for the mailers that went out for the Assessment Increase vote and the fees that were incurred by EGP to perform their services. (progress billing for EGP). The Board did not comment. Our Board of Directors are volunteers serving without pay. Therefore, there should be no board expenses. The Board's responsibility is to govern (oversee and guide) the performance of the GM, not to become involved in the financial funds of the POA. The legal definition of a conflict of interest: ANY REAL OR PERCEIVED FINANCIAL INVOLVEMENT REPRESENTS A CONFLICT OF INTEREST. This implication that our Board is involved with POA funds is a serious conflict of interest and grounds for Board dismissal. **Score: F-**

The 2021 HSV Board Of Directors Report Card reflects a failure in these presented issues. Let's hope the new Board members in 2022 will take their fiduciary responsibilities seriously, be accountable when

it comes to spending our money wisely, maintaining transparency, and keeping their promises to protect and preserve Hot Springs Village.

Category

1. HSV Villager's Opinion

Tags

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