



Broken Funding Models

Description

by Tom Blakeman, September 27, 2019

In the August CEO Report, villagers got a lecture about “funding”. The word was used nine times in various contexts, mostly all negative: ***broken funding models; funding mechanisms; funding imbalance; funding level; inadequate funding model; amenity funding strategy; funding mechanisms; appropriate funding; funding is off balance.***

At the September Board Meeting under New Business, we got a preview of the 2020 Budget. It was advertised on the POA website as “education”. We learned that utility rates are going up by 3% and assessments by the maximum allowed CPI adjustment. That’s “funding” – never enough.

Things do cost more than they used to. But, increasing assessments, rates, and fees, no matter how or when, or on what “models” – isn’t the answer. We first need to stop “funding” (subsidizing) departments we don’t need and activities and operations which should be self-supporting.



Three prime examples are: [Homes and Land](#), Golf and Restaurants. Between those three we are “funding” (subsidizing/losing) something like \$3 million per year. That is about the same annual amount that the two-tier assessment increase generated (only four years ago).

No one wants to “fund” golf courses they do not use and restaurants they do not patronize. They certainly do not want to “fund” real estate offices and employees to compete with the 100 or so [Realtors®](#) both inside and just outside the gates.

POA refers to itself as a corporation. Corporations focus on [revenue generation](#) not “funding”. They focus on **cost containment** not “subsidizing”. They focus on sales and efficiency – **on doing more with less**.

That is called Management. Once we have that, then we can think about more assessment, rate and fee increases. Until then all the “broken funding models” talk is bogus – just a lot of false narratives.

by [Tom Blakeman](#), HSV Resident, September 27, 2019

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