



Hot Springs Village – light at the end of that tunnel...

Description

By Paul Bridges, August 26, 2021

At its August 25th meeting, the POA Board voted in favor of presenting to HSV's property owners a three-year assessment increase proposal. If passed, that 'light at the end of the tunnel' will go far in restoring HSV's financial health.

For years we have been watching our deferred maintenance needs grow – due to not having the dollars we needed to take care of a private community that ages with each year. We've also absorbed every routine increase imaginable in our operating expenses – from higher minimum wage rates, to fuel costs double what they were not that long ago, to government regulations that require upgrades to our infrastructure. And now after at least 10 years of kicking that can down the road, we are hitting the proverbial brick wall — with an annual financial shortfall of nearly \$7M.

Those numbers weren't pulled out of the blue. They came from 8 months of exhaustive analysis by the stand-alone (and fiercely independent) Future Revenue Analysis Taskforce – known as the FRATF. And for those who might suggest that the FRATF approached its task with preconceived notions, you only need to look at all of the items on the POA's wish list that were culled out – after not being deemed by the FRATF a "high priority".

Long before the ink was dry on the FRATF's recommendations to the Board, the forces who have so long argued against higher assessments began making their case. Old themes like "wasted dollars over the last 10 years", "a lack of trust in the Board", "overpaid staff", and "Jury-rigged financial forecasts" were dusted off and re-presented. But for the first time in the 16 years my wife and I have lived in the Village, there was also an undercurrent of "it's probably time".

The assessment increase proposal ultimately adopted by the Board made every effort to minimize the impact on property owners – while still allowing us to get on with the task. The proposed increases are being spread over three years, with improved and unimproved properties both sharing in our financial recovery. If the proposal passes, improved properties will ultimately be seeing a monthly assessment rate of \$110 – but not until 2024. Unimproved properties will be looking at \$49, but also

not until 2024.

So do the proposed assessment increases make any of us happy? Probably not. But there has been so much dissension throughout recent years over potholes, water main breaks, unpaved cart paths, and sound systems that don't work, that the thought of finally being able to restore HSV gives reason for all of us to smile.

A villager recently proclaimed that he would only vote for an assessment increase when the POA Board proves that it can be trusted. That's when it struck me that we continue to treat the POA Board as a living, breathing entity. Our Board is nothing more than friends and neighbors – all of whom have agreed to give of their time and talents, for no rewards and a great deal of criticism. Even more striking is the fact that we are the property owners who have changed out those individual Board Members 25 or 30 times over the last 10 years. So how can we possibly keep say “prove to me you can be trusted” – when we are the ones who keep putting new players in those chairs!

The proposed assessment increase proposal we will be voting on in October and November is being presented by the Board that we voted into office. And it is being offered with the best of intentions, using all of the data and information at the Board's disposal. In simple terms, the Board is “us”, doing its very best.

As to the information the Board is working with, the numbers speak for themselves. You only need to look at the one graph the FRATF has so often presented – which is now being referred to as the “Red Blob”. Take a look at our projected revenue – overlaid against our high-priority needs. See for yourself how large that gap is – and how it continues to grow. That Red Blob tells the entire story.

And if you are wondering where to find that ‘Red Blob’ graph, go to www.explorethevillage.com – then to the Members Portal – then to the Revenue Task Force page. What you will see behind that Revenue Task Force link will bring new meaning to the phrase “a picture speaks 1,000 words”.

Incidentally, higher monthly assessments are certainly the lynchpin to HSV's financial future; but they aren't the only step the Board will be taking. Included in the FRATF's recommendations is a buy-in fee for new HSV property owners, adjustments in amenity fees, reductions in fixed expenses, and new purchasing and project management protocols. As to that ‘trust’ question, steps are already underway to ensure that the additional dollars coming in under this assessment increase will be spent as advertised.

So now is the time (perhaps the last time) to “right the ship”! Thirty minutes watching HGTV TV will tell you that what is being presented for our approval is a bargain, to say the least. So let's do our part, and get back to “living the dream” – as owners or residents in one of the best private gated communities on the planet.

Paul Bridges

Hot Springs Village

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