

HSV – Meet the New Board, Same as the Old Board

# **Description**

By Michael R Shannon, October 30, 2021

During the buildup to the vote on the assessment increase, there was much discussion of the maintenance shortfall, but the POA board seemed to be oblivious to another shortfall that I believe will determine the outcome of the assessment vote.

That shortfall is the board's **Trust Shortfall**. A shortfall that dates back to the last time property owners were asked to vote in favor of a major increase in their assessment rate. The situation then and the situation now are almost identical.

Does this argument sound familiar?

"We are facing the reality that critical infrastructure repairs have been deferred because of declining assessment revenues. Now we need to change our business model by recognizing the need for additional revenue to restore and maintain services and facilities that, in turn, will strengthen property values. A rate increase is the best action that can be implemented to take care of our most pressing infrastructure and capital needs. The time has come to invest in our future to restore the financial health of the Village."

You're probably thinking the above the argument the current POA board is using to convince voters to pass the assessment increase. But it's not. That language is taken verbatim from the campaign material used to persuade POA members to DOUBLE their assessments only six years ago. The argument is identical to the justification now and our situation today is also almost identical.

The question is, where did the money go that was supposed to solve "critical infrastructure repairs" and why are we being asked to pay more to solve a problem that was supposed to be solved six years ago?

That is the origin of the **Trust Shortfall**. Just as the current board is bound by contracts and legal agreements negotiated by past boards, the board is also burdened by trust issues created by past boards.

That is a fact that until very recently the board refused to acknowledge. In their eyes, they are Tabula Rasa and we are lucky to have them.

That didn't last long. In belated recognition of the **Trust Shortfall**, the board is now trying to compose a jackleg resolution that will bind future boards to the promises made by this board. They call it a "Bold Action" that "establishes a commitment by current and future Boards of Directors" to spend the assessment increase where they've promised to spend it. This new policy will require a "supermajority" to repeal.

What they don't tell you is how many votes constitute a "supermajority".

There is a reason for that. On a board with six members (the current size), a "supermajority" (typically two–thirds) would be four votes, which just happens to be what it takes to pass or repeal a question now. On a seven-member board, it would be five votes. The "Bold Action" is so much hogwash.

It's all part of a pattern. And the goal is to avoid using a Special Assessment to fix the maintenance backlog. The options the board was presented by the FRATF committee were designed to lead to a predetermined conclusion: A large assessment increase for homeowners. The one option that would have fixed the maintenance shortfall and the trust shortfall was a special assessment along with a smaller increase in the regular assessment.

The special assessment would have legally bound the board to spend that money only on the infrastructure requirements and the regular assessment increase would have provided money for future maintenance when the special assessment ended.

Instead, the FRATF committee suggested the special assessment without a regular assessment increase, which made that choice a non–starter.

The only choice property owners are given is approving a series of blank checks for the board to spend without a legally—binding method of accountability.

This is a bad idea because this board is not deserving of your trust.

Its behavior after the assessment campaign began proves my point.

The POA board is the functional equivalent of a city council and the assessment increase election is the same as a charter revision or bond issue election. In a municipality, after the council approves the vote for the charter revision or bond issue, the council's role is over. Usually, an outside committee is formed of civic leaders and they raise private money to support a public campaign in favor of passing the bond issue or revising the charter.

Public funds, meaning tax dollars, are never spent during the election to support the ballot question.

But that's not the way it's working here in HSV.

After all the self-righteousness, sneering claims of superior knowledge, and the my–way–or–the–highway air of superiority displayed by board members, we learn a board that's telling property owners to dig into their pocketbooks to support the assessment increase, is too cheap to use

their own money to support the vote 'Yes' campaign.

Instead, an unethical, corner-cutting board is dipping into the property owner's till and using POA money to pay for campaign material to support the 'Yes' vote.

In a municipal election that would result in an indictment, impeachment, or a recall. In HSV the board yawns and then doubles down by banning vote 'No' signs from the same POA property that proudly displays vote 'Yes' signs.

This is an arrogant display of raw power and a hint of what is in store in the future. This board does not deserve your respect or your vote.

I will be voting 'No' on this assessment increase and every other assessment increase until HSV property owners are presented with a vote that includes a special assessment and a reasonable regular assessment increase.

It is the only way that guarantees this high–and–mighty board and subsequent boards will spend the money as promised.

#### **About Michael R. Shannon:**

He has been a regular speaker on political commercials, crisis communication, and public relations for Campaigns & Elections. He has also addressed the National League of Cities, conducted seminars for Information Management and The University of Arkansas – Little Rock, and performed as the keynote speaker for the Canadian Broadcasting Corp.

He is a multiple first-place winner in the American Assn. of Political Consultant's Pollie awards. Shannon won back-to-back first place Silver Microphone Awards for best radio commercial and best radio campaign. He is also a three-time winner of the prestigious Gold statue at the Houston International Film Festival. Shannon won first place in the Vision Awards for television. He has also won consecutive Silver Microphone awards for best radio campaign.

He writes a column for <u>Newsmax.com</u> with Michael Reagan and had his own weekly column with the <u>Cagle Syndicate</u>.

He has lived in HSV since 2020.



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