



HSV POA Board Retreat 2019

Description

Summary of Cindi Erickson's Introduction of the HSV POA Board Retreat 2019

On May 2, 2019, [HSV POA](#) conducted the public session of their annual Board Retreat which was professionally facilitated by Mr. Jim Fram, founder of Community Growth Strategies, LLC. (He facilitated both days.) This meeting was interesting and a lot of information was given. We would like to thank our Board of Directors for their hard work and volunteer service to the community. We would also like to thank our hard working Staff for their continued efforts in our community.

[Cindi Erickson](#) began the meeting by discussing the previous day's closed Executive Session Retreat. This was held so the Board could talk "openly and candidly on any topic of concern regardless of its confidentiality status as protected in our open meeting policy." She stated the meeting held on May 1, 2019 "was productive, respectful, informative and we made considerable progress towards gelling as a board, especially with regard to finding common ground on a variety of consequential issues."

Top priorities presented at HSV POA BOD Retreat

All of the directors presented their top three to five priorities for the Village to the other Board Members. These were written on separate sticky notes and were to be aligned with the Village's purpose. This purpose is to "protect the value of and to promote the health, safety and welfare of the residents and commercial owners as recorded in the Declaration".

Priorities divided by category – Governance, Operational and Hybrid

After the ideas were presented by each Director, the sticky notes containing these priorities were placed on three whiteboards according to three categories. These whiteboards were labeled: Governance, Operational, and Hybrid.

Directors voted on priorities, etc.

Once that was complete, the Directors voted on the ideas they felt they could support “as being a directive to the CEO and her staff going forward”. “Our goal to this newly constituted Board is to speak with one voice to our CEO on those priorities, which at least a majority of us can support. This will take the form of a directive, which will be ratified by the Board in the May Board meeting. Finally, at the conclusion of our Retreat today we will be making committee assignments; who’s going to be Board liaisons to which committees and for Board committees, who’s going to serve on those committees.”

The retreat sessions were not board meetings and did not have agenda items, nor was there a time allowed for the public to address the Board. Erickson asked that the audience remain silent, with no input or feedback.

The voting was done with the use of colored dots. A green dot signified a Director was onboard with the priority and supported it. A red dot meant a Director did not agree or feel the priority was important enough to pursue. A yellow dot meant a Director had questions or was unsure of the priority.

Jim Fram, Professional Facilitator

Jim Fram took the stage and apologized in advance, stating he was there to work for the Board and not the audience and would have his back to the audience.

The Board retreat participants then went around and introduced themselves and stating their positions, starting with Ella Scotty. The rest of the staff participants were Liz Mathis and Lesley Nalley.

The elected Board of Director participants were (in their seating order from right to left) Diana Podawiltz, Buddy Dixon, Cindi Erickson, Mike Medica, Tormey Campagna, Nancy Luehring, and Dick Garrison.

As mentioned previously, the Board Members then filled out three to five sticky notes with their top priorities for the upcoming year.

Priorities of the Board, in order of presentation

Dick Garrison –

1. Form Finance Committee.
2. Form Marketing Committee.
3. Revise the Governance Committee.

The Finance Committee should be formed because we no longer have RASP (Research and Special Projects Committee). A finance committee could help in planning and evaluating big decisions. It would be a good “watchdog for our metrics going forward”. Garrison wants the Board liaison to the Finance Committee to be Diana Podawiltz. The Marketing Committee would advise in terms of who

our target customer is and advise what we are doing with marketing the Village. Marketing efforts are being done by various divisions, but they need to be all brought together (at least on paper) so we can understand the total of what is taking place with marketing. We also need to recruit a top-notch marketing person. The Governance Committee needs to be evaluated as to what it is and what it should be doing.

There was discussion as to who the new committees should report to, either Board or Staff and why the Governance Committee should or should not be changed.

Nancy Luehring –

1. Develop a plan to buy CCI out. She stated it was time we “control our own destiny”.
2. “We need lodging. We need lodging before we need marketing.” Luehring wants to find a developer to build this, maintain it and run it.
3. Build and gain property owner trust and support. “Without the support of the community, we are not going to have that wonderful resident referral base. The residents are the best way to get people into the Village.”

Dixon agreed with buying out CCI but stated we have to be careful with this because of the past attempts. Garrison stated we may need to hire someone with the expertise to make this kind of large negotiation.

Tormey Campagna –

1. Reestablish the Working Sessions. “If we want to build trust and support of all the Property Owners, I think those working sessions are a way to move that forward.” Campagna wants this to be a session where Property Owners can listen and ask questions, of which the Board will respond and give fair consideration to our ideas and advice.
2. Committees – “I believe we do need a Finance Committee and I believe it does need to report to the Board.” There has been disappointment with the Budget and a Finance Committee could provide guidance to the Board regarding the budget. Campagna is not set on whether the Marketing Committee should report to the Board. “The key factor for our success in the future, besides controlling our expenses is to grow this Village. We need a professional marketing organization within the Village.” Campagna agrees with Garrison on the subject of Governance Committee and feels we need some audience (Villager) participation. As it stands now, the Governance Committee consists of Board Members and Staff.
3. The Board needs to have more direct input, not necessarily execution, of operational issues. The current By-laws, particularly the By-law Article 9, Section 1 needs some modification to address that issue. It is the Board’s fiduciary responsibility to oversee the assets of the Village, including property values, cash, and employees. The article needs to be modified to allow for more Board input. He was not saying the Board needs to micromanage the Village.

Mike Medica –

1. Agreed that we do need more rooftops. We need “something in the smaller housing arena,

preferably 1,800 to 2,400” square feet”. We need more rentals. Medica is not happy with what happens at the front gate. Visitors come in and we need to have someone there to give visitors a tour of the Village.

2. Healthcare needs to be developed in Village.

3. Broadband service is important.

4. Infrastructure needs to be taken care of. It is ongoing, but significant gains have been made on this issue.

Campagna agreed that we need some smaller foot-print homes because there are people that want to downsize. Campagna feels building houses smaller than 1,800 square feet is important, possibly 1,600 square feet.

Dixon stated that Mt. Carmel is successful because of the small cottages.

Cindi Erickson commented on Health Care and Broadband, stating the progress on these issues is outside our control.

Cindi Erickson –

1. “Improving financial return on our existing assets. What I am talking about, there are the POA-owned lots, which we have 3,400. What can we do with those to expedite the monetizing of those lots? The pace of sale of them, to sell maybe those lots for the exclusive purpose of granting amenity rights to Property Owners with the hope that in exercising those amenity rights, they want to become residential Property Owners, eventually. It speaks to the notion of achieving the goal, as the CMP describes, 2,500 rooftops in 20 years. That is a pace of 125 a year. The goal this year is 60. It is a matter of, at what appetite can we increase that pace so that we get to an average of 125 per year over 20 years. But yet, if we ramp it up, we can’t just shut it off at the end. How do you control that – achieving an amount and then tapering that off so we don’t exceed? That would be great if we had that kind of problem. It is a better problem than what we have. We can’t just keep, growing, growing, growing and then shut it off.”

Other assets that could improve our financial return include some recreational facilities of excess capacity, including golf. “We have considerable excess capacity in golf.”

2. Create a lodge through an external developer.

3. Set a goal for reducing our deferred maintenance by about 15 percent a year. This would reduce our deferred maintenance inventory by half in about five years.

4. “To bring fees and assessments more in line with the market. So what I am talking about there, I don’t know this to be true or not, but have we done a study or not to know that our nonmember golf rates are truly at market compared with like courses and the same experience as what we offer here. In other words, is there an opportunity for us to more highly monetize our nonmember golf rate because we may be low on the market on that? I don’t know, but I think it is worth looking at. In our last budget session, it was acknowledged that our sanitation rates are well below market. Our boat decal rates are well below market. That’s kind of small potatoes. The big kahuna, of course, as part of

our overall plan, do we need to look at our general assessments again? Is \$68 the right amount that we should be paying for all the aspirations that we have for this Village? I am open to looking at that again.”

5. “And finally, my last one and this one’s maybe a little bit difficult to understand. I call it ‘Managed Subsidization’. When people look at amenities and when the amenity does not break even or make a profit, we call it a loss.” “I don’t think that’s the right attitude to look at it. I think those amenities, because they are here, even if we don’t use those amenities, there’s a value that accrues to all of us as property owners because those amenities are here. I am not a golfer and I probably never will be, but I am tremendously thankful the golf courses are here.” The golf courses contribute to the health, safety, and welfare of residents. Since golf benefits all the residents, irrespective if we are golfers or not, “we ought to agree that 10 percent of their expenses ought to be covered by assessments”. “I am not sure 10 percent is the right number, but what I say is, let’s be intentional about what portion of each amenity’s expenses to cover with assessments, in recognition that that amenity delivers value to all of us as property owners.”

Garrison asked about challenging the valuation of POA owned lots. Nalley said this would be detrimental to property values.

The audience was having difficulty hearing Nalley in this portion of the meeting. I doubt if many in the rear could hear what she said.

As the audience was having difficult hearing the meeting, Buddy Dixon requested that microphones be installed during the break.

Nalley asked Cindi to speak to this. Cindi said they “kind of deliberated on that. It starts looking a little bit like a board meeting with a little kind of control of who speaks when. Are people having a tremendous difficult hearing? If so, could you please move closer to the front? You are observing our meeting here and to turn it into something that...I want to be sensitive here. How difficult is hearing? Is it impossible?”

Nalley said, “just move up some”. Move your chairs. At this point, I moved my chair up, as did Larry Venable. During the break, others moved up.

Buddy Dixon –

1. Discussed negotiating with CCI.

2. Hospital/Healthcare – the possibility of a small hospital in the Village. Both issues have been attempted but did not work out. He would like to see us attempt the hospital again.

3. Protective Covenants – Dixon wants “everybody to understand what the problems were and are with the Protective Covenants. Everybody says that the Protective Covenants we have, have created a lot of problems for people in the Village.” The ACC has had meetings with the contractors and others to address these problems. “The Protective Covenants that we had, the procedure that we had and in fact, the permit applications we had with procedures on the back of them totaled 102 pages. 102 pages of those were in effect before the Comprehensive Master Plan was established. They are in this book. So that means that only another 20 pages of the Protective Covenants that are new. And those

have to do with commercial, what is referred to in here as T 4 and T 5.” The next problem we had is ACC and staff are working on separating the Protective Covenants that affect homeowners, to be used when selling a house. This way a potential buyer could look at the Protective Covenants affecting only his potential future home.

4. CMP Advisory Committee – The first operational meeting for the CMP Advisory Committee is May 10 at 1 pm. Their charter and responsibilities say to solicit input from all the Stakeholders, including property owners, staff, Board Members, Standing Committees and others, furthering the goal of transparency and public input into the CMP implementation....”We need to give the CMP Advisory Committee time to work. The CMP calls for Finance and Marketing Subcommittees. They are already working on getting people on the Marketing Subcommittee.

Garrison stated: that he talked with Keith Keck who is “really racing to get his arms around all the things that that committee is supposed to accomplish. He has a chore. He is having trouble recruiting people to handle all the chores he’s been given. Do you think that is reasonable for him to accomplish all of that? And he’s the great guy to do that. I don’t know that anybody could accomplish what he has set out to do.”

Dixon replied, “The people he was talking to about being on the Marketing Committee were listening to the rumors and the reasons they gave him for not wanting to be on that is because they were told that the CMP is going to be totally done away with. And the CMP Advisory Committee was going to be completely done away with and they listened to that.”

Garrison said he was not only talking about the Marketing Committee but the whole scope of what Keck must accomplish.

Dixon replied the CMP Committee will have a lot to talk about.

Campagna questioned Dixon about the Protective Covenants.

Podawiltz says maybe the problem lies with the communications to our Property Owners. “The rub of the green is in the landscaping area. Organic matter versus nonorganic matter and the sizes of the trees and the number of trees you can have and how tall your bushes can be, where your bushes can be. I don’t think we ever got into that in my 16 years of being here because when I came here, what I dealt with landscaping and what so many of the community dealt with landscaping. If you bought a home or built a new home, there was no landscaping and ‘boom’ you hired a contractor. He went down and got the permit and landscaped the place and you picked out what you wanted to pick out and it was a done deal. Then we had the transition where Castle came in and started building homes. I think that is the name of them and they wanted spec homes to have some landscaping so they did rudimentary landscaping. It was pretty much cafeteria style”... We evolved into something totally different and the bottom line is, we have had a failure to communicate.”

Diana Podawiltz –

“By the time you get to me, everything I wrote down has already been discussed.”

1. However, my number one priority is “Article 9, Section 1 of the By-laws needs to be modified to allow for more Board involvement in operations. We don’t want to micromanage but we must have

proper oversight to fulfill the fiduciary responsibilities of this Board.”

2. Monthly work sessions – We evolved yesterday from monthly work sessions to “B.B.S”. (Board brainstorming Sessions)

Erickson said it was called B.M.B.S.

Podawiltz said Erickson put the M in there. “The Concept would be that this body would get together on a monthly basis. We would have brainstorming sessions. We would include in that meeting our Agenda Meeting and our Staff Meeting. We take two meetings we have and roll them into one and we have that together. Whether we reach the point where we can open that up to the public and let the public come in on a particular basis, I don’t know. But perhaps we can take this to the “Let’s Talk Forum”... “and make that a little more interactive and share what comes out of those monthly brainstorming sessions...and let you brainstorm back with us before anything starts getting into a formal business format.”

3. Committees – “Marketing is way too important, way too complex an issue for that to be considered a subcommittee of an Advisory Committee that reports only to the staff.” A Marketing Committee needs to be established, with Dick being the liaison to that. “I believe that needs to be a Committee that reports jointly to the Board and the Staff.”

“I believe we need a Finance Committee that reports only to this Board. Our budgeting process is sad. We’ve got seven months left. I mean May is about shot. We’ve got seven months of the year left in 2019. We had better talk about 2019 because we’re going to miss our numbers, in my opinion, of revenue by a great deal because of the weather. Farmers’ Almanac says we are going to be hot, sultry, wet more than normal in the Summer. In good conscience, I do not see us hitting seven million in revenue in that area at all. We’re going to have to shift some money, somewhere to offset that shortfall.”

“Then in 2020, I am a firm believer that we have reached a point in time where we have to do what I call, Base Operating Level Budgeting. Now that doesn’t mean you start at zero, as some people like to talk.” This is about what it takes to keep things running. “Then we build up from there of what we would like to do... Our hardworking staff does not have the time to devote to numbers on this.” Our accounting department is not large enough to help the division heads develop this kind of budget.

“It is important to recruit people from the community to serve on a Finance Committee and even have extras during budget time.” “Let’s build a realistic budget. Let’s learn a budget is a flexible item and start operating this place with a little more of a business background.”

“And the Governance Committee. The Governance Committee as it is currently designed and set up, it’s made up primarily of Board and Staff. I believe this committee should have the purpose to ensure that the Board, We, fulfill our legal, ethical, functional and fiduciary responsibilities and I recommend through the recommendation and application of our governing policies, our Board and Board Member effectiveness reviews, this committee should be reviewing us. We shouldn’t be reviewing ourselves.”

“Periodic governing document reviews as needed.”

Diana also stated that Orientations and Training Programs should be moved out of the Governance

Committee Charter, but she has not decided where they should go.

She believes the members should consist of seven Property Owners and not Board Members or former Board Members in the immediate past and no Staff should be a member of the Governance Committee. We should not have the fox guarding the hen house. You guys should be making sure we are doing our job.”

Directors worked on priorities

Yesterday the group placed their priorities in one of four areas, which were strengths, weaknesses, opportunities and threats. (SWOT)

At this point in the meeting, the Board Members put their priorities in the three categories on the white boards. As mentioned above these three categories were Governance, Operational and Hybrid. They explained why they placed each of their priorities in the specific category. (See the photographs below.)

They went into some detail discussing whether items are in the correct category. Of interest is a discussion on negotiating with CCI, to buy them out and who would handle this. Staff or Board? Nalley feels the negotiations need to happen publicly so the community will understand.

Campagna felt there was a possibility CCI may not want to have a public discussion.

Erickson and Nalley agreed that they need to obtain the support of the Community for this action.

Podawiltz addressed the lodging situation and that many came here with no onsite lodging and it was not a barrier to purchasing. We have plenty of rentals and can look into a relationship with Los Lagos. You need a 65% occupancy rate to break even and you will not be able to get that in December, January, February and possibly March. We don't have the money.

Campagna states if an outside entity wants to build a lodge, then that would be fine. “It would nice to have one, but I would not spend a lot of our resources chasing this.”

Garrison said we need to get the gamblers here from Oaklawn. They can come here during the day and go back to Oaklawn and gamble and drink at night and hopefully will eventually buy a home here.

Mike Medica says transportation is an issue and we don't have enough of it now. Oaklawn is talking to us about bus service. We also need busses for tours. Transportation is a continual thing we need to work on.

Nalley said we need to have major golf tournaments and for that we need lodging.

Erickson explains the colored dots

Erickson explained the colored dots, stating everyone should vote on every priority on the white boards. So all of the sticky notes should end up with seven dots. Erickson stated, “We are going to ask each Director to vote on every sheet up there. Green signaling, ‘Yes, I believe I can support the idea.’ Red meaning, ‘I cannot support this idea.’ And yellow meaning, ‘Maybe I can. Maybe I can’t.’”

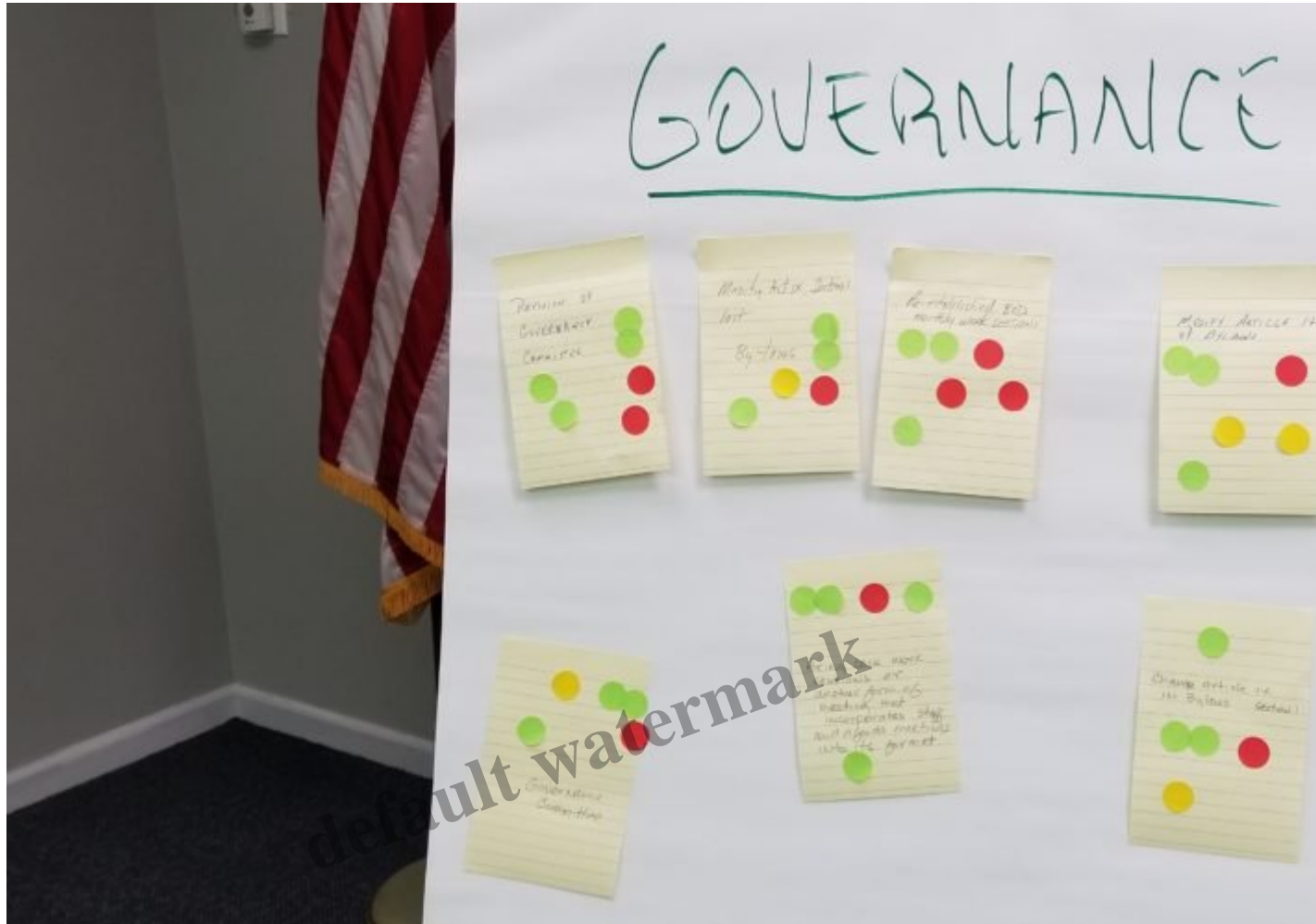
Maybe I need to know more about it. Maybe there is some aspect I like about it but others, I don't. Yellow sits in the middle. Pretty simple. 'Green, I can. Red, I can't. Yellow, I am not sure.' So it is just that simple." "You will vote on every single tab that is up there. What that will help us see is if we have a tab that has a bunch of green dots, that's great. We have Board consensus, right? If we have a tab that collects a bunch of red dots, very little green or yellow. We can probably set that aside. It just doesn't have the mandate of this Board. And then we can discuss from there. And the rest of our conversation is to focus on what is garnering the most amount of support."

After this explanation, each Board member placed the colored dots on the priorities.

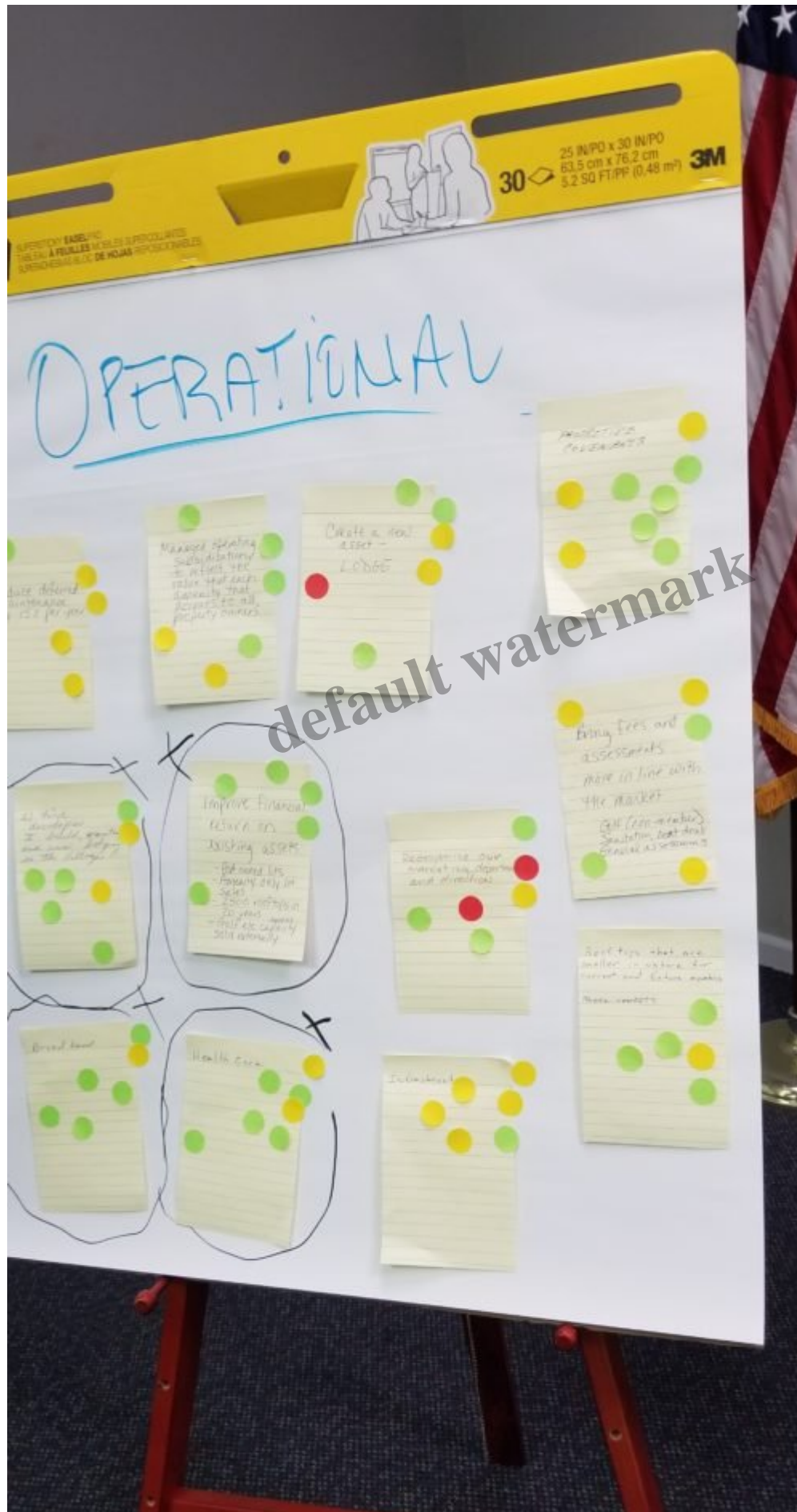
Priorities with most green dots

Then they discussed the priorities with the most green dots.

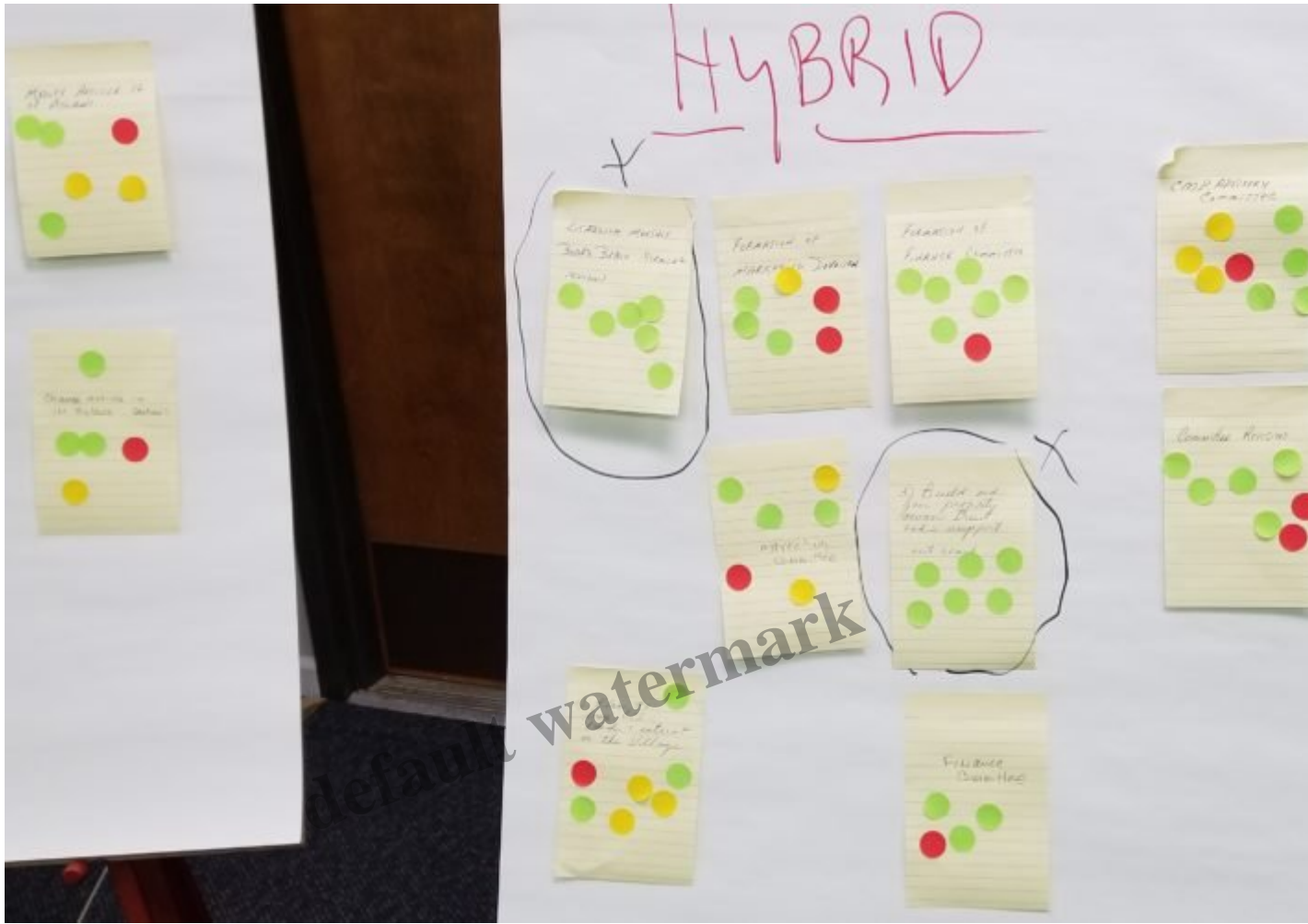
1. Establish monthly board brainstorming sessions. In the past, eight days before the BOD meeting, the Board would convene and decide what should go on the Agenda. Also, the fourth Tuesday of every month, Nalley has a meeting with the BOD regarding operational happenings. With the establishment of the brainstorming sessions, these 3 items would all be rolled into one meeting.
2. Build and gain Property Owner Trust and Support. Garrison said success is what will bring us together.
3. Improve Financial Return on Existing Assets.
4. Broadband – all positive votes and one caution vote.
5. Healthcare
6. Find developer to develop and maintain lodging in the Village



Hot Springs Village Board Retreat Governance Category Sticky Notes



Hot Springs Village Board Retreat Operational Category Sticky Notes



Hot Springs Village Board Retreat Hybrid Category Sticky Notes

The main back and forth in the afternoon was about the finance and marketing committees – whether to have them at all, should they be subcommittees, what would they do. Dixon and Nalley were in favor of the CMP Advisory Committee being given the opportunity to get underway before anything is done on this issue.

Erickson made the Liaison assignments, which are as follows:

Administrative Fines Committee – Dick Garrison

Architectural Control Committee – Buddy Dixon

Audit Committee – Diana Podawiltz, chair and Buddy Dixon and Mike Medica

Golf Committee – Mike Medica

Governmental Affairs Committee – Mike Medica

Governance Committee Cindi Erickson, chair, Tormey Campagna and Nancy Luehring

Lakes Committee – Dick Garrison

Public Services Committee – Tormey Campagna

Recreation & Trails Committee Nancy Luehring

Parliamentarian – Nancy Luehring

Not an official liaison, but Diana Podawiltz agreed to attend Townhouse Association. Board meetings.

The afternoon adjourned a little after two o'clock. Immediately after the retreat, the Board and their spouses met at Diamante for "some well-deserved libations" and the whole audience was invited to join the Board to let the Board know the thoughts of the audience and hopefully support the Board in the upcoming year.

Transcribed/Written by Cheryl Dowden

Category

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Tags

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8. hot springs village cindi erickson
9. Hot Springs Village CMP
10. hot springs village diamante
11. hot springs village diana podawiltz
12. hot springs village dick garrison
13. hot springs village golf
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15. hot springs village kayaking
16. hot springs village lesley nalley
17. hot springs village lots
18. hot springs village marketing
19. hot springs village mike medica
20. hot springs village nancy luehring
21. Hot springs village people
22. hot springs village poa
23. hot springs village property

24. hot springs village property owner
25. hot springs village property owners
26. Hot Springs Village Property Owners' Association
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29. hot springs village richard garrison
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