



HSV POA Finance & Planning Committee Meeting – 8/4/2020

Description

On August 4, 2020, the HSVPOA Finance and Planning Committee met at the Card Room at Ponce de Leon. Strict social distancing guidelines were met due to COVID-19. You can find the YouTube video of this meeting linked at the end of this article. The beginning of the meeting appears to be cut off.

Committee Members attending:: Chairperson, Wayne Foltz; Vice-chair, Tom Heau; Secretary, Cathie Moeller; Dan Aylward; Morris Polston; John Gonzales; and Board Member, Lloyd Sherman.

Staff attending: Controller, Coreena Fetterhoff; Assistant Treasurer, Jama Lopez.

Guests attending: Board Secretary and Parliamentarian, Marcy Mermel; Marketing Sub-Committee Chair, Ray Lehman; and Maxine Klein.

Click [here](#) to see the Finance and Planning Committee Meeting Agenda 8-4-20

Workgroup Reports

1. Planning Discussion Work Group Report

Tom Heau: "I am just going to read the motion. The Planning Work Group was described above, and recommends the following:

"Establishing 3-year goals for Hot Springs Village at this time, depending on the methodology and scheduling, this may take a few months. As part of this initiative, the Planning Work Group recommends that the Board consider going through facilitated sessions."

"Step 1 – Identify the most critical issues to be addressed. We expect that to take 3 hours or it just cuts off in 3 hours."

"Step 2 – Identify your goals associated with those areas. Consider having staff go through the same exercise. The outputs of the facilitated sessions will be used by the Planning Work Group in developing

its final recommendation of 3-year goals. Whether or not the Board and/or staff go through the facilitated sessions, the Planning Work Group will proceed to develop and recommend 3-year goals.”

The motion was seconded by Dan Aylward.

Foltz asked Tom if he anticipated presenting the facilitation to staff before it is addressed with the Board.

Heau said it was all subject to negotiation. The vision was for the Board to go through Step 1. Depending on their feedback they could go to Step 2 or they could say that staff should go through Step 1 and Step 2.

Sherman asked if it would be more beneficial for the Board to have staff input first.

Heau said he was not sure what kind of staff input the Board would be looking for. Step 1 is the easy part. Choosing goals or Step 2 is more difficult.

Lopez said she thought it would be more beneficial to have staff involved first. Moeller agreed.

Foltz said the time for the Board’s facilitated session should be reduced to about an hour and a half.

Gonzales said some of the departments are already doing some of this and it will not prove that time consuming for them.

Motion carried.

2. 2021 Budget Oversight Work Group Report

Gonzales: We started briefing the Recreation Department (Stacy Hoover is the Director of Recreation) about zero-based budgeting. Gonzales felt they learned a lot about the Recreation Department with this exercise. There is a “myriad of cost centers” in the Rec Department.

Gonzales: The workgroup needs to meet for the purpose of developing a schedule for the zero-based budgeting meetings. We want to meet with the rest of the departments this month. The new General Manager may want to participate in some of these zero-based budgeting discussions with the department heads.

Gonzales: Is it part of the Finance and Planning Committee Charter to review the zero-based budgets?

Lopez: “I haven’t been in the budget process here. Previously it was my experience that the department heads would prepare their budget, send it back to accounting or finance. We would ‘cut’ it up just a little bit and send it back and say, ‘rethink it.’ I don’t really think we need to take the time of the Finance Committee if we can pull out the obvious mistakes.”

Gonzales: “I would rather not, either. I just wanted to clarify.”

Lopez: “Regarding taking it to the public, I think since we are still under COVID-19 and might be for a while, it might be beneficial to post a first draft of the budget with significant notes as to why” the numbers have gone up or down and “then ask for questions to be presented to the Finance Committee

when we do the first draft review...If it is presented in written form, the public can probably understand it better.”

Foltz: I was hoping the accountant would present each department’s budget (preliminary) and then we would ask questions, make suggestions, and comments. The accountant could then go back to the department heads and tweak the budget.

Aylward: “That actually was the original plan – was that the budgets would go through the committee and the committee would make a recommendation to the Board. The purpose of that was to shorten the cycle for the Board.”

Foltz: I would like to see the departments meet with your workgroup to walk through their proposed budget.

Fetterhoff: “You were asking if it needed to go to the General Manager for review before it came to the committee for their input. Correct?”

Gonzales: No, my original question was should the departments come to this committee, our subcommittee [Budget Oversight Work Group] versus the whole committee. The GM should and will be involved.

Sherman: “I am assuming the Accounting Department will work that out with the General Manager as to where in the process he gets involved in the review of the budget before a budget is proposed by the Finance and Planning Committee to the Board. That’s an assumption.”

Sherman: I suggest we invite Board Members to attend the budget review sessions so they can see the zero-based budgeting education.

Sherman: General Manager, Charles King, apologized for not being able to attend the August 4, 2020 Finance and Planning Committee Meeting. He will come to the next meeting.

3. Policies and Procedures Workgroup Report

Foltz: No change – we are still waiting on management to submit the Financial Policy. We haven’t seen anything on the Procurement Policy, Capitalization or Depreciation Policy.

New Business

Paycheck Protection Program – Small Business Administration (SBA PPP)

Lopez: We have fully completed the documentation for the SBA PPP loan in order to convert it to a grant. We are waiting for Regions to open the portal so we can submit it. We needed three million, eight-nine (\$3,089,000) to offset. We came up with \$3,186,000. The majority of that is payroll and then utilities and contract labor.

Sherman: “Did they give you an indication when the portal might be opened up?”

Lopez: "August 1st."

(laughter)

Foltz: Originally they said it would take two months to go through the paperwork for loan forgiveness, but now it looks like it might be five months or maybe longer and that has us concerned.

Marketing Sub-Committee (MSC) Report

Lehman: Senior Olympics update – I met with the Director of Senior Olympics last week. We decided we need to pull together a VIP meeting to decide if this is the direction we want to go. I have the Golf Committee Chair, Recreation Committee Chair, Director of Recreation Department, Stacy Hoover, and the Police Chief meeting Friday, August 6, 2020. The number one item to discuss is COVID-19.

Lehman: At the MSC Meeting we went over 14 proposals. Some of them would possibly impact the marketing budget for 2021. A few of the items discussed were:

- Hot Springs Village Marketing Department For Fee Advertising Program – Lehman said, "currently we are advertising a lot of businesses in our weekly emails for free." We are looking at establishing a rate schedule so this will become a revenue source. We are also looking at advertisements on the Explore the Village dot com website on an annual basis.
- Paul Daly presented a digital golf magazine that reaches a lot of people by email. We will be investigating this option a little deeper.
- Chuck Miller will be presenting incentives for Hot Springs Village property owners to encourage friends and family to purchase property here. Free advertising from Villagers is one of the best ways to advertise.
- Establishing a speaker bureau that goes to clubs like Rotary and Lions to promote the Village.
- Develop a handout for a "Taste of Hot Springs Village" to raise awareness of the Village restaurants. Use the Welcome Wagon to distribute this handout.
- Develop a "Benton Day" or "Hot Springs Day," where the leaders of surrounding communities come and take a look at Hot Springs Village. (This will be after COVID.) The purpose of this is to raise positive awareness of HSV in the surrounding communities. We have been made aware that we don't always have a positive reputation outside of the Village.
- One of our members is reaching out to sportswriters, especially authors who focus on fishing. A national fishing writer was denied access to our lakes in the past.
- Re-establishing the Hot Springs Village vehicle license plate frame and front license plate.
- Marketing Sub-Committee members have been asked to reach out to other committees in order to help them promote various events, etc.

Marketing Committee as a Stand-Alone Committee?

Foltz asked Lehman if he wanted to discuss whether the Marketing Sub-Committee (MSC) should report directly to the Board.

Lehman: The thought process behind making the MSC a stand-alone committee is no reflection on the Finance and Planning Committee. We work hand-in-hand with the Marketing Department. Marketing

should not be looked at as an expense, but more a revenue generator, if it is done correctly. “We would like to be considered at the same level as the Rec Committee,” and so forth.

Lehman: The last Marketing Committee discovered numerous errors, numerous oversights, unjustified expenditures and we were “squashed. We were completely squashed. We were told to shut up and sit down. So for about five months, we were producing nothing at all.”

Lehman: The desire to be a stand-alone committee is based on past experience and also to be at the same level as other free-standing committees.

Aylward: “Just to give a little background on the way the Marketing Sub-Committee ended up under Finance and Planning...Last year the Marketing Sub-Committee was under the CMPAC [Comprehensive Master Plan Advisory Committee] and we did issue a number of reports that were just ‘killed’ by the CMPAC. So I understand the hesitancy to be a sub-committee. As we began the process of setting up after the Board took over in April, there was a concern expressed by Mr. Garrison and a couple of other Board Members. The point was made to not create a Marketing Committee at the time. As Treasurer, and I think you were involved as well, I said, ‘let’s just put it under the Finance and Planning Committee’... There was no intent that the MSC would stay under Finance and Planning, but in the short term, it could work very closely with the Finance and Planning Committee in how we are going to generate the funds that are going to be needed three years and five years down the road...From my standpoint, I believe the Marketing Sub-Committee should always have been a Board committee; It should have been a year ago and it should be today. It is too important and unfortunately, the lack of that last year hurt our effort over the past 12 months.”

Sherman: Dan [Aylward] and I were both advocates of a stand-alone marketing committee. “I echo what Dan has said and I see no reason, personally, why it can’t be its own stand-alone committee. Without marketing, without proper branding, and marketing tools, we continue to chase our tails in the Marketing Department.”

Lehman: We would like to work in unison with the Marketing Department to make recommendations to the Board.

Sherman: Protocol dictates that the issue of whether the MSC should be a stand-alone committee should be taken up by the Finance and Planning Committee before a recommendation goes to the Board.

Aylward: “Board Committees should be a check and balance on the staff activities. They should be monitoring what is going on at the staff level and actively participating if there are recommendations that they feel need to be made and aren’t being listened to. As a Board committee, they will be readily available to the Board to provide that support; just as this committee is actively involved in the budgeting and planning process.”

Lehman: Jamie Caperton, Chief Member Experience Officer [CMEO] suggested to us a \$25 annual fee to advertise on the POA website. The MSC feels this fee is too low. The MSC also feels the “rate card” should be somewhat similar to the Village Voice’s advertising rates.

Moeller asked who would rewrite the charter?

Aylward said he would write a Marketing Committee Charter for the MSC to preview and make necessary changes before it is submitted to the Board of Directors.

Mermel: A Marketing Committee Charter should be presented to the Finance and Planning Committee before it goes to the Board.

A motion was made to explore making the Marketing Committee an independent committee that reports directly to the Board. The motion passed unanimously.

Comments

Mermel: I was late because I just signed closing papers for three lots.

Moeller: We can rework the Marketing Committee Charter by email.

Ray Lehman will be sending to the F and P Committee a recap of his meeting regarding the Senior Olympics.

Cheryl's note: Originally the F and P Committee was meeting again on August 18, 2020. I think this may have been changed to August 11, 2020.

[embedyt] <https://www.youtube.com/watch?v=A5-8cpJzEM4>[/embedyt]

By [Cheryl Dowden](#), August 7, 2020

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