HSVPOA – IT'S ALL ABOUT THE MONEY

Description

"The Future Revenue Analysis Task Force (FRATF) sent out an email to Hot Springs Village Property Owners this morning. The subject of this email was, "It's All About the Money." While I haven't kept up with publishing all of their emails, I thought it might be good to share this email here.

"As we wind down our efforts to help you and your neighbors better understand the scope, magnitude, and complexity of Hot Springs Village, we present this article on the HSV Financial Structure that supports our roads, water, fleet, buildings, golf courses, lakes and so much more!

"When John Cooper and Cooper Communities Incorporated (CCI) founded Hot Springs Village in 1970 on legacy timberland, the location was quite isolated. There was little in the way of nearby infrastructure to support a community; roads, water supply, wastewater treatment, and basic commercial services had to be provided inside the Village to support a growing population. As the developer, CCI built not only this basic infrastructure but also constructed venues for various amenities such as golf, tennis, and a swimming pool to attract and retain residents.

"To support the cost of maintaining the infrastructure and amenities, CCI established a three-pronged approach to funding Village operations:

▪ Assessment Fees on Property

▪ Amenities Fees

▪ Usage/Utility Fees for essential services like water, sewer, and garbage collection.

"Assessments were kept low to encourage lot sales and growth. Amenities fees helped defray the cost of operating the amenities already in place but were never structured so that the amenities would be fully self-supporting. The thought behind subsidizing the amenities was that the existence of amenities was, and remains, part of the allure, reputation, and prestige of the Village. Usage/Utility fees were intended to fund day-to-day operations of the essential services and included some reserves to deal with long-term planning for growth or replacement of aging assets. With the amount of raw land diminishing, CCI made the decision in 2003 to discontinue developing additional lots. The corporation

stopped all marketing efforts and lead generation for the Village. Since that time, the POA has had the task and the expense of promoting/marketing the Village to outsiders.

"The funding model that was established by CCI was codified in the community Declarations and is little changed from the model established in 1970. The chart below depicts the amount of funding by these revenue sources estimated to be provided in calendar year 2021. While the majority of the revenue received by the POA will be expended to support and maintain the village, there are additions to financial reserves planned to ensure solvency and stability in the event of an unforeseen event. These reserve funds will be discussed in additional articles going forward.

"Future communications will highlight how much money is required to run the Village and how much is required to maintain the infrastructure and amenities."

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Click **here** to view a report titled, "FRATF Discusses Roads/Culverts/Revenue Options."

Thank you for reading. If you like, please comment below. **We love to hear your opinion, but comments must be made using your first and last real name, or they will not be accepted.** If you would like to submit an article for publication, please contact us through this website. Be sure to bookmark this website. Click **here** to visit the Hot Springs Village People Facebook Group, also known as POG (Property Owners' Group).

Category

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