



## HSVPOA Board Discussion 10-7-20

### Description

**VEBF update; Democratic Rules vs. Robert's Rules; increase of staff spending authority; derelict vehicles stored in carports; equipment in poor shape; hybrid voting system; 4 types of board meetings**

The Board of Directors for the Hot Springs Village Property Owners' Association held its October Discussion Session on Wednesday, October 7, 2020. Discussion sessions are solely for discussion, and no votes are taken.

The meeting was live-streamed on the POA Official YouTube channel. Please find the video for this meeting at the end of this report.

Sitting at the table were: Chairman, Lloyd Sherman; Vice-chair, Tucker Omohundro; Dick Garrison, Kirk Denger; Pam Avila; JoAnne Corry; Corporate Board Treasurer, Coreena Fetterhoff; Corporate Board Secretary, Ella Scotty; and General Manager, Charles King.

Staff attending: Superintendent of Granada Golf Course, Keith Christner.

Guests attending: ACC Chair, Janet Rowe; Village Employees Benefit Fund Board President, DC Reed; Finance and Planning Acting Chair, Tom Heau; Ray Lehman; F and P Committee Secretary, Cathie Moeller; HSV Area Chamber of Commerce Director, John McBrien; Maxine Klein; Joe Dowden; and Cheryl Dowden.

### **DC Reed Update on the Village Employee Benefit Fund (VEBF)**

Reed said, "I am happy to say this will be the 21st year for the Hot Springs Village Property Owners to say 'thank you' to our outstanding employees. Last year was a record for total donations received, and cash paid out to our employees."

VEBF collects donations to give a cash gift to Hot Springs Village employees at the Christmas Employee luncheon. This fund has also been used to assist employees in times of emergency. This year is the first time that property owners can donate by credit card.

Reed stated the VEBF created a new rack card (see pdfs below). This brochure has been placed in most of the POA facilities.

[employee-benefit-fund-2-sided](#)

Click [here](#) to visit VEBF's new website. The website contains a detailed history of the organization and testimonials.

Property owners can sign up for the VEBF monthly e-blast. They are looking for help with the creation and publishing of the newsletter. If you are interested in helping with the VEBF, please click [here](#) and scroll down to the page's bottom to fill out the online application.

Last year donations came from only 12% of the village property owners. Reed stated, "my personal goal this year is to make every property owner aware of the fund and ask every property owner to consider donating. I believe the reason that 88% didn't do it; the largest portion of them simply did not know that the Village Employee Benefit Fund is even available. I believe if property owners understand the fund is available, they will be happy to support our employees with a donation."

Reed asked for donors to be ambassadors for the program by recommending the fund to their neighbors and friends. "Property owners really can be our best ambassadors out there," enthused Reed.

Property owners will soon receive the annual donation letter.

VEBF is working with the **Village Voice**, **KVRE**, and **Hot Springs Village People**.

### ***Democratic Rules of Order***

Sherman: "The input I have gotten through both my personal email and the POA email is what I think is a misunderstanding of what Robert's Rules of Order versus the Democratic Rules of Order are. This is **Robert's Rules of Order**, simplified, in a nutshell. It really is."

Sherman: "It's modernized and clarified, and its use is getting to be more widespread, but we don't really need to have a situation where a board member or a committee member needs to know that they have to ask for the question when they could say something simple, 'can we just take a vote now?' That's what the informal process allows you to do. It also, and Joanie (JoAnne Corry] doesn't have it with her today, but it also doesn't require every person to know what's in a manual that's that thick and understand all the nuances of Robert's Rules."

Sherman: "We're here to conduct business. We should be able to do it in an orderly and yet a somewhat informal, but following **Robert's Rules of Order** structure. Motions are still made the same way. It's just that the formality, the objections that can be made, and that kind of thing, although you can do them, are not as...you don't have to follow the finite rules that are in **Robert's Rules of Order**."

Sherman: "It still requires a majority of the members to vote on documents. That's what I have to say about it. It is obvious that I am in favor of it, but I'm one vote on the board. Ella, did you have any?... I mean, you've been in these meetings for years."

Scotty: "I think it sounds like a much easier path to follow."

Omohundro: "Enough said. She knows."

Sherman: "She would."

Denger: "Does anybody know how long Hot Springs Village has been using **Robert's Rules of Order?**"

Sherman: "Probably 50 years."

Scotty: "Yes, I think so."

Sherman: "It's been around since like 1867."

Denger: "I just wondered if it was a new thing or if they have been following it all the years."

Sherman: "The only change we would have to really make is in one of our Bylaws. We would have to indicate that we are following the simplified version of the **Democratic Rules of Order** instead of **Robert's Rules of Order.**"

Sherman: "There's like 29 pages of instructions of what to do and [it] carries you through a sample meeting, and the rest of it is definition. It's very much simplified. It will be on the agenda for a vote if we have general consensus at the next board meeting."

There were no further board comments.

Sherman: "Silence is golden, I guess."

## **Update on search for audit firm**

Sherman: "Ella advised me this morning that our 401k audit has been completed, and the Audit Committee needs to convene to review that."

Fetterhoff: "We have sent out our request for proposals (RFP). The due date is October 15." One of the audit companies has asked for clarification. "I am hopeful we will get some proposals back very shortly."

Sherman: Two board members need to volunteer to be on the Audit Committee.

## **Article 2 and 3 of chapter 9 of the Finance & Accounting Section in policy manual – spending authorities**

Sherman: "As everyone is probably aware, this board took some action early in the year, knowing that COVID was here and wanted to ensure that we were prudent and that we knew how our money was being spent. So we pulled back on the spending levels. Shortly after that, we were in the process of

changing general management, and so that was also part of that consideration.”

Sherman: “Now that Charles is on board and has been active in reorganizing, we feel it is time to return those spending limits back to the staff and remove the board from the day-to-day activities of that activity. So to that end, we have Article 3, Purchasing Policy, we will be recommending for board consideration and approval at the next board meeting that the limit on the GM goes from \$10,000 to \$50,000; that the spending limits to the controller will be to \$25,000; division directors and because Charles is not yet completed with his organization chart, we don’t know what those titles will actually be yet, but, he will be assigning them a \$10,000 level, and then managers to \$2,500. So these two documents in the Procedures Manual, Article 2, Contract Execution Policy, and Purchasing Policy reflect that. Then we have Article 11 of the Bylaws that will need to be changed back to the \$50,000 level also.”

These items will be proposed at the next board meeting.

Denger: “Are these spending limits within the budget?”

Sherman: “It is within the budget.”

King: “Of course, any kind of emergency expenditure, no matter what the value is, will be coming through the board for approval.”

Omohundro: “It is cumbersome to have the spending limits the way they are.”

Fetterhoff: “It averaged out that we were looking at least four visits a week [for the chair to go to the POA and sign checks.]

Sherman: “This is a trust factor in our staff, too. That we have the trust that they are going to be prudent with the spending, I am not saying they weren’t in the past. But that we have that confidence in them, and they should be running the day-to-day operations, and we should be involved in things like emergency expenditures and that kind of thing.”

## **Proposed revision of protective covenants**

King: “Currently the protective covenants, section 27 allows for derelict vehicles in a carport which is a conflict with property code ordinance of the Hot Springs Village POA General Rules and Regulations.”

King: “The Compliance Division has recently been unsuccessful in attempting to have Garland County Ordinance 0-08-8 enforced at the Hot Springs Village POA property.”

King: Cars and garbage is stored under carports. We want to disallow the storage of derelict cars in carports. This would still allow derelict cars to be stored in garages.

The proposed revision would allow the Compliance Department to act against derelict vehicles and other items people store under their carport.

Denger: “Somewhere in the Declarations it says you cannot change the Protective Covenants without a 2/3 vote by the property owners. So I don’t think the board can...”

Omohundro: "That is the Declaration."

Sherman: "You can't change the Declaration."

Omohundro: "It's the Covenants and Restrictions you can't change without a 2/3 vote."

Denger: "The Protective Covenants are part of the Declarations."

Omohundro: "I have done a lot of research the last few years and I can show you where that is incorrect."

Scotty: "It doesn't require a vote of the membership."

Omohundro: "It needs to go through the ACC, I would assume. After the ACC looks at it, then we need to bring it to the board."

Rowe: "Tucker, we did look at it. We sent that recommendation through that it would be changed."

Omohundro: How do we know if the car is inoperable?

King: "It says any motorized vehicle which is inoperable should be considered derelict."

King said the Compliance Department had been handcuffed in responding to complaints.

### **Proposed equipment purchase for Granada Golf Course**

King: "Their 1995 utility tractor is in non-operating condition. The repairs, if it can be repaired at all, are estimated at around \$8,000. The unit is presently parked at the Vehicle Maintenance Facility. The hour meter stopped in 2005 with 28,000 plus hours, which was equivalent to a minimum of 168,000 [I think he means miles.] at that time. The quote for replacement of the tractor with like attachments of John Deere 5055 E Utility Tractor model 520 M Loader is roughly about \$50,000."

King: "An alternative to purchasing a replacement tractor with like attachments, staff recommends converting our 2015 John Deere 5055 E Tractor by purchasing attachments which is a loader, fixed pallet front end for roughly \$8,800 a Woods three-point backhoe, two buckets for roughly \$10,141. Approximate cost savings of a little over \$30,000 to do it this way with a good tractor we have."

King: The Granada tractor is "sorely being missed."

Omohundro: "Was this in the budget?"

King: "No, the budget for fixing a lot of this has pretty much been cut out. Unfortunately, we're going to see a lot of this. That's why we need to get really proactive. We talked about proactive, about building a little reserve fund for...capital reserve for stuff like this. We have a lot of equipment that's been neglected over the years. I've been visiting all the golf courses and looking at their equipment, and we need to gradually start getting them back up in good shape. So this is just a one-off that needs to be done."

Sherman: “Coreena, all this stuff is being tracked? Even the additions under the cash flow scenario that we’ve been monitoring?”

Fetterhoff: “Yes.”

## **Report on Electronic/Mail Hybrid Voting RFP**

Corry: “At the August 19 board meeting, the board directed the ad hoc committee of the electronic voting, to send out Request for Proposals (RFP) to four companies. Jerry Yeric was [Corry used the past tense] the chair of the Electronic Voting Committee. Members of the ad hoc Electronic Voting Committee were Keith Keck, Jim Zahn, and JoAnne Corry.

Corry: The committee’s initial thoughts were to either proceed with the same process and procedure as the 2019 election or to move to a hybrid electronic paper method.

Corry: Three companies returned quotes, but only one of them met our needs as two companies did not count paper ballots. The committee recommends [Inspectors of Elections](#) if the board decides to move ahead with electronic voting.

According to their website, “Inspectors of Elections are a completely independent third-party election service for the community industry and beyond.”

Corry said 20 to 25 HSVPOA staff are used to count ballots. This is a full-day process. Also, 30-35 volunteers are used on ballot-counting day. Using staff for this all-day event makes it hard to service property owners, said Fetterhoff. The POA provides lunch for all of the vote counters.

The cost of postage is the same no matter which method is used.

The property owners will receive their ballots via USPS. If using the hybrid vote-counting system, the packet will also contain a link so property owners can vote electronically if they wish. If someone votes more than once per lot, the additional vote(s) do not count. Only the first vote per lot is tallied.

Although Corry cannot verify this, a few years ago, it was determined the cost of using Inspectors of Elections would be \$1,800 to \$2,000 more than our current election costs.

Inspectors of Elections will work with a POA employee to get the list of property owners, lot numbers, etc. If the POA includes email addresses, the property owner will be sent an email, in addition to snail mail. After providing this information, the POA staff or board is not included in the ballot-counting process.

Inspectors of Elections will send a certified certificate of election results to the POA the day after the ballots are counted.

The company also stores the ballots for “X amount of years.”

Sherman said last year, 300 people did not receive their ballots. Part of this was due to lot owners not updating their current mailing address with the POA.

Bella Vista has used the electronic hybrid voting system since 2016. The first year only about 50% of property owners voted electronically. This has increased to 75%.

### **Preliminary 2021 board election calendar (this is not set in stone yet)**

1. Board approves the election calendar and application at the November 18, 2020 board meeting.
2. Applications for running in the 2021 board election will be available in the office of GM Charles King on December 1, 2020.
3. The deadline for submitting applications is January 8, 2021.
4. Candidates are certified on January 15, 2021. (4 open positions open in 2021 election) If there are 4 or fewer certified candidates, there will not be an election. The agreement with Inspectors of Elections will need to contain a clause in case an election isn't needed.
5. February 15, 2021 Controller pulls a list of property owners in good standing.
6. Election day is April 1.

### **Bylaws Article XII, Committees Section 3 proposed change**

This proposed change has to do with the election of committee chairpersons.

All committees except the Finance and Planning Committee elected their chair. For the Finance and Planning Committee, the Corporate Board Treasurer was appointed as the Finance Committee chair.

The board decided to revert the Corporate Board Treasurer position to the staff (Controller, Coreena Fetterhoff).

The F and P Committee Charter already reflects this change. The proposal is that the bylaws also be changed to reflect that all committees elect their chair. This bylaw change will be voted on at the October 21, 2020 board meeting.

### **Financing & Planning Committee, Planning Overview**

This is about the presentation given by Tom Heau, Acting Chairperson of the Finance and Planning Committee. Heau updated the board on the progress made by the Planning Workgroup. They are working on three-year goals for the Village. Although the workgroup has identified eight areas to work on, they have narrowed their focus to only three. These three areas are Financial (maintenance backlog), Technology (internet), and Advertising. Tom's presentation has already been covered [here](#) under the subheading, "Planning Workgroup update."

Garrison asked if the Finance and Planning Committee could be used to research certain issues and make recommendations, for example, buying versus leasing golf carts.

Heau said the F and P Committee Charter states they can be assigned specific tasks.

Sherman said all of the committees are there to provide input and advice to the board. The purpose of the committees is also to assist staff if requested.

Avila: "We have a Marketing Committee. I am not sure how the Marketing Committee and what you are

doing work together.”

Heau: “The status of that is we did invite Ray [Lehman].” Lehman resigned, and the Planning Workgroup is now working with John O’Brien. “We are trying to include the Marketing Committee.”

Avila: “I don’t see how this all fits together. When I hear, “planning,” I am looking for a plan for the village. Is that kind of not what they are doing? Looking for an overall plan on where we want to go in the future?”

Sherman: “That is what strategic planning is about.”

Heau: “Yes. When we first started out, that is pretty much where we wanted to go. However, when we looked at what it would take to put together a strategic plan, we modeled a lot of our vision off of the 2010 Strategic Plan. It took them ten months, and it would take us no less time. We just thought starting out with something more modest, like creating a set of three-year goals, would bring a lot more benefits, a lot easier. We haven’t yet given up on the thought of a strategic plan for the village, but we certainly did defer that.”

Avila: “So we are basically moving along without a strategic plan? Is that correct? Is that accurate?”

Omohundro: “The Declarations are our strategic plan – to maintain the community. We need to have a plan to market and do what we need to do, but our plan has been set for us for years – to maintain our community, the village.”

Sherman: “I am not sure this discussion is the time to discuss that.”

Avila: “And the time will be when?”

Sherman: “We probably ought to set a meeting to discuss that if you’d like.”

Avila: “I would.”

Denger: “This is a three-year synopsis of the planning committee. It looks like they did a pretty good job.”

Heau: “Thank you.”

Sherman: “And they’ve had, as Tom indicated, the marketing piece of this has had some start-up issues getting, gathering their information and finding out where everybody else is. He’s also indicated that they have two areas that they are going to be providing some input both to the Finance and Planning Committee and to the board to start developing that three-year plan.”

## **Evergreen Calendar**

Sherman said the board is not adhering to the Evergreen Calendar. The board should look at the Evergreen Calendar and determine what adjustments need to be made. This calendar was put together to give the board guidance on when they need to look at items. Sherman wants the board to address this issue at the next discussion session.



## Board has four types of meetings

1. Board Meetings (Regular and Special) – these are open to the public with COVID restrictions.
2. Discussion Sessions which are also open to the public with COVID restrictions. Sherman said, “If anybody has any comments on it, we would like to hear about it. And the period between the discussion session and the board meeting, we would like to hear comments.”
3. Executive Sessions – These are called infrequently and NOT open to the public. There was an executive session immediately following the board discussion session for a legal matter. (October 7, 2020) Sherman said, “we will always let you know at the next public meeting what basically was, any votes that were taken in that meeting and basically what they were about. But it cannot contain the details for obvious reasons, and that has been ongoing for some time.”
4. Informal Board Information Sharing Sessions are NOT open to the public – this type of meeting has been utilized for some time. Sherman said, “this is for all members of the board, where we can talk in an informal, non-decision making process. We could reach a consensus on something we wanted to take on as a project, or that needs to be done. It is just an open dialogue, talking about activities that are going on and where we need to focus our attention.

Sherman: “I just wanted to let everybody know that there are those four types of meetings. We will be as transparent. If there is anything that comes out of the information sharing, we will also, like we would do, out of an executive session, we will share those contents with the public if there is anything that needs to be addressed that way.”

Sherman: Any comments? Anybody from the audience that needs to address the board?

No comments were made.

Omohundro: “Good answer.”

Sherman: “We love you.”

Meeting adjourned at 3:30 p.m.

## Board Discussion Session Video 10-7-20

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By [Cheryl Dowden](#), October 11, 2020

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lynn

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