



## HSVPOA Board Discussion Session 5-5-2021

### Description

The Hot Springs Village Property Owners' Association Board of Directors met for a Discussion Session at 9:00 a.m. on May 5, 2021. The meeting lasted a little over 40 minutes. Sitting at the table were:

Board Members – JoAnne (Joanie) Corry, Chair; Chris Jones; Robert (Bob) McLeod; Gary Belair; and Pam Avila.

Staff – John Paul, Interim General Manager; Stephanie Heffer, Director of Programs and Operations and Corporate Secretary; Coreena Fetterhoff, Controller and Corporate Treasurer; and Katrina Heap, Administrative Assistant to the General Manager.

Additional Staff (not seated at the table) – Jason Temple, Director of Public Services

Audience Attendees: Maxine Klein and Chuck Alvord (I wrote this report from the video, so there may have been other attendees.)

According to the Chair, Vice Chair Tucker Omohundro was not able to attend.

The vacant board seat was still not filled.

### Pool Fee Recommendation Discussion

Stephanie Heffer addressed the outdoor pool fees. The Recreation Fee Sub Committee and the staff recommended:

Annual pool fee recommendations: Member \$100; Household \$150; and Super Senior \$75

Daily fee recommendations: Member \$2; Guest \$4; and Employee \$2

Chris Jones inquired about the possibility of adopting a Daily Family fee. Stephanie said they could do that.

The price last year was \$6 for member daily use. Heffer said the feeling is that the price was too high last year which resulted in lack of participation. The annual pool fee recommendations are also lower than last year's fees.

Board Member Jones stated, "So we brought the numbers down this year. They were too high last year. Did we pulse the community to make sure that this would be an acceptable amount that people would use? I see that you did a detailed analysis. I am just curious. I don't want to have to redo this same reduction next year if we find that it was too high again."

Heffer said they didn't pulse the community. They worked through the Recreation Committee. "This is the second year and we are learning as we go," Stephanie added.

The 2021 pool fees will be voted on at the May 19, 2021 Board Meeting. The pool opens at the end of May.

Heffer said the pool is being painted and sandblasted today (May 5, 2021).

### **Marketing Committee Dissolution Discussion**

Heffer reported:

"The Board of Directors adopted the Marketing Committee as a new standing board committee and approved its charter on August 19, 2020. Prior to that date, the Marketing Committee was structured as a sub committee of the Finance and Planning Committee."

"At the onset of the committee's appointment, the POA had no organized marketing division and a directive was given to formalize the POA's marketing effort. During the tenure of the Marketing Committee, a Marketing Manager was hired. A new marketing agency is under contract [Sells Agency]. The POA website has been restructured and launched under a new platform and all marketing metrics are regeneration, website traffic, property values, home sales, etc. are being tracked and showing substantial improvements."

"The marketing department has implemented an external marketing campaign that is more focused heavily on digital, rather than print media. This strategy has enabled them to use budgeted marketing dollars more effectively."

"The Marketing Committee has been instrumental in providing structure and setting the ground work for a successful marketing campaign. But at this time, our staff and marketing agency have all the necessary tools to continue the work that the committee laid out."

"At the end of the current term, our marketing committee will have three remaining members."

"Paul Day, Marketing Committee Chair; Pam Avila, Board Liaison, and Stephanie Heffer, Staff Liaison met on April 26, 2021, to discuss options for moving forward. Based on this conversation, all agreed that it is detrimental to the committee structure, overall, to have a situation where volunteers cannot be kept engaged or busy."

“It is time to move the Marketing Committee from standing to ad hoc and call upon the talents of our three remaining members and solicit input from the community on an as-needed basis.”

“We recommend creating a dedicated email address. Something like, “Marketing-Ad Agency at POA.org for marketing suggestions from our community that will be vetted by staff and at times taken to this ad hoc group for their input and possible assistance.”

“We thank the volunteers who have dedicated their time and talent to improving Hot Springs Village marketing efforts and we want to continue working together as new ideas and trends for promoting the Village arrive.”

Director Avila said, “I strongly support going from a full, every month committee, to an ad hoc committee. What has happened in the last few months is that it has become apparent that these people that volunteer their time and talent and energy come to the meetings and really have very little to do. I don’t think that’s a good use of volunteers’ time or energy and I think it sets a bad precedent.”

Avila continued, “the marketing staff right now is doing a good job. Is it perfect? No. Are there still things that can be done? Absolutely! But I don’t believe it requires a full committee to do that. I think the ad hoc meeting quarterly is what we kind of talked about. Meeting quarterly to review what the marketing department is doing; to look at suggestions that have come in; to look at possible new campaigns, would be sufficient.”

Director Belair asked, “the charter is going to be rewritten to designate the committee as an ad hoc meeting quarterly? Is that the plan?”

Heffer said that typically there is not a charter for an ad hoc committee.

Belair asked, “if we are going to dissolve the Marketing Committee, should we not replace it with something? If it is just dissolved, then what are these people going to think when they get a phone call that says, ‘can you meet?’ I don’t understand how we can have an unrecorded expectation of volunteers.”

“We’ve already said they would meet quarterly, on a quarterly basis. So instead of going every month to a meeting, they would go every third month to a meeting,” replied Avila.

Belair asked, “Does that involve dissolving the committee or just modifying its structure?”

Heffer responded, “the recommendation is to dissolve the committee and move to an ad hoc status. So normally there wouldn’t be a charter. However, I understand what you are saying and to sort of maybe formalize this change, it might make sense to go ahead and create an ad hoc committee charter that does lay out how we might meet in the future.”

Avila said the Governmental Affairs Committee created a charter for the GAC Census Ad Hoc Committee. This created a precedent for having a charter for an ad hoc committee.

Belair asked if the Marketing Committee Chair still exists in an ad hoc committee.

Corry said that typically there would still be a chair. She believes they are asking this to move to an “as

needed basis.”

Heffer said the committee is much smaller than when it originated. In 30 days there will only be three committee members. “Part of the challenge is bringing new people on without a direction and work for them to do,” explained Heffer. She stated that the Chair and Vice Chair will no longer be on the committee.

Belair inquired, “Who will call them?”

Heffer answered, “I would.”

Avila said there is a lot of marketing talent in the Village but most don’t want to be committed to being on a committee. With an ad hoc committee, we can engage with those people as needed.

Jones asked, “We hire a marketing manager that works with the POA or are they part of the agency?”

Avila said they work for the POA.

Jones said, “really, the reason I can see this...is one, that person needs to be able to do their job without a committee overruling them. But, they can effectively call in a focus group of these people when needed. I think that’s the intent here. It’s not to restructure the committee or do anything like that. It’s to allow this person to have an avenue to tap into the pool of talent when needed. Is that kind of overall the kind of expectations?”

Avila said, “I think it goes a little bit further than that. Partly because since there is just one marketing staff person right now. There are things that one marketing person may not see or may not be aware of because their expertise is in area X and there is a need in area Y. So by having an ad hoc committee that meets at least quarterly, they can basically look and see things that the manager may have overlooked or may not be aware of and make suggestions and recommendations. So it really serves to expand that one position and give that person additional help.”

Jones said he thought that was what the advertising agency was for. He asked if the agency was more “us just telling them what to do and they just do?”

Heffer said no that the agency provides us guidance, as well. “They are certainly part of the team,” clarified Stephanie. “That is part of the struggle with the committee. You have an agency that is giving us direction and helping us understand where to go. And then you have a committee that is also got maybe a whole different path. So we felt this was just an easier way to make sure everybody had a clear...” “We don’t want to lose the connection with the community.”

## **Depreciation and Record Retirement Policies Update Discussion**

“The purpose of the new Fixed Asset Policy is to set a standard by which capitalization and depreciation of purchases are reported. This proposed policy is in accordance with the IRS [undecipherable] guidelines. The policy will put into place a set of standard rules to determine classification of purchases, including setting a minimum threshold of \$5,000 and a useful life of greater than 12 months. The purpose of extracting Chapter 1, Article 17, Section 4 to a new stand-alone policy, Chapter 9, Article 5, Record Retention Policy is to have Article 17, Information System Policy

relate specifically to electronic data, separately from the record retention requirements. The proposed retention periods are updated to reflect the IRS and AICPA recommendations. This includes the extension of retention period for [indecipherable] record types.”

Fetterhoff said, “the gist of it is, we needed a depreciation policy put in place. Put it in black and white. The big change is ‘setting a minimum threshold to \$5,000.’ Above that, in a useful life you are going to capitalize it. Below that you are going to expense it. Just putting some standards out there in place.”

Fetterhoff explained, “the second part is updating the retention policies so that some of the records need to be kept a little bit longer than what our current policy stated in order to follow IRS regulations and guidelines along with AICPA recommendations.”

Jones said, “Information Retention Policy is something I am familiar with. I am not really familiar with the Capital Depreciation. I will leave the depreciation stuff to you. I know we are a US entity so GDPR [General Data Protection Regulation] is not necessarily a requirement, should we be looking towards being compliant with that, knowing that eventually that will happen? Do you even know what I am talking about?”

Fetterhoff said, “I will have to look into that one.”

Jones explained, GDPR is like data retention for employee records, personal information, identifiable PII, Personal Identifiable Information, things like that. The EU has a whole strict guideline around retention of that or dissolution of that if somebody wants. The U.S. is considering doing the same thing. It’s just not a requirement yet. So just curious if we want to get to be compliant with that now to get ahead of the game since we are already modifying our retention policies anyway?”

Coreena said she would look into what those guidelines are.

Belair asked if this had to do with the right to request copies of documents.

Jones said this was not the same thing.

Jones said, “if I leave the company and I don’t want you to have my records anymore, I have the right to ask you to scrub the records that I ever existed, basically.”

Director McLeod asked if they were shortening any of the record retention time requirements.

Fetterhoff said none of them are shortened. She proposed lengthening them.

McLeod asked, “did we have a fixed asset system in place before? “What changes are we making?”

The Corporate Treasurer said, “this is actually setting the guidelines we have operated by and putting it in black and white.”

Fetterhoff said they have been making a lot of changes with the fixed asset tracking this year. “Past tracking was done in Excel. This year we converted to Fixed Asset Tiger, which is a software program that allows for all of your inventory tracking and so forth.” Physical inventory is being done to make sure the books are accurate.”

Bob asked how many fixed assets we have.

Coreena said, "It's a lot. I can't quite tell you off the top of my head. But I would say the list is probably around 4,000 lines or so."

Avila said that residents should be very pleased with how hard staff is working to formalize, clean up things and make sure everything is tracked and accounted for.

### **Amendment to HSVPOA Articles of Incorporation Registered Agent Change**

John Paul said they were asking the Board to amend the Articles of Incorporation to change the name from Lesley Nalley to John Paul as the registered agent of the office. It just needs to be formalized.

Jones asked if we should wait until the new GM is in place?

Paul said you can do it again. A "tickler" will remind them in the future when this needs to be done.

The Board Retreat will be at Diamante and is next week. The agenda will be out for the Directors by Friday. There has been a problem with Board Director access to the Board Director dropbox. This is being taken care of.

There will be a continental breakfast and lunch served to the Directors and staff.

There is room for 20 property owners to attend.

### **Audience Comments**

**Maxine Klein:** "Nobody seems to be in charge of the accuracy of the calendar data." She stated she has been trying to get staff to make corrections for several years and it is still a struggle. Additionally, there are rumors about the pickleball courts. "If there is a plan, publish it somewhere to put an end to all of these rumors."

Heffer said they are meeting regularly with a group of Pickleball Club members who are supporting and helping us with writing a specification to go out and repair those courts. We have a budget line item this year of \$120,000 to do those repairs. We are planning to spend that this year. The most basic explanation is that we are taking the cushion surface, which has plagued us with problems from day one. Primarily, it has a lot to do with our climate. The moisture in the air, the moisture that is coming up from the cement and that whole bunch of things and taking all of that back off to a hard court surface and we should be done in a few months."

Temple said the repair should be completed by this fall.

**Chuck Alvord** – There is a restaurant section on the website and it was not complete.

Alvord also requested that an “agenda” or “topic list” be published ahead of the Board Discussion Sessions. If topics were added at the last minute, a handout could be provided to the audience with the updates.

### Amazon Email Scam

This portion of the meeting was not really clear but it had something to do with a scammer sending out emails to board members regarding Amazon gift cards.

Chair Corry said that she did not ask for Amazon gift cards. She said she was hacked.

Jones said for everyone to read the email address of the sender before assuming emails are legitimate.

Avila said the same thing happened when Tucker Omohundro was elected Chair. The Board Members got a similar email from Tucker.

After the Discussion Session, the Board went on a field trip with Jason Temple to visit the water treatment plant, the Mill Creek Water Reclamation Plant, RV Park (largest wastewater lift station in the Village is located at the RV Park) and finish up at the Balboa Club. The group will travel over a variety of road surfaces and terrains. Jason said, “you will be seeing a lot of things that you may never have asked questions about.”

Avila said, “just to support your efforts, Jason, I just happen to have handy from the Task Force the writeups that they did on the wastewater treatment...on the water and here’s even an infographic, if you like pictures instead of words.”

By Cheryl Dowden, May 5, 2021

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