



## HSVPOA Finance and Planning Committee Meeting 10-6-20

### Description

**F & P new chair election postponed; P.D. maintenance contract clarified; workgroup focus; budget update; Golf Department savings with early ordering program; where's Wayne Foltz?**

The Hot Springs Village Finance and Planning Committee met on October 6, 2020, at 3:00 p.m. Committee members present were: Chairman, Tom Heau; Secretary, Cathie Moeller; Morris Polston; John Gonzales; and Gary Belair.

Board Member in attendance: Board Chairman, Lloyd Sherman.

HSVPOA staff in attendance: Controller, Coreena Fetterhoff; Police Chief, Ricky Middleton; Golf Director, Tom Heffer, Magellan Golf Course Superintendent, Donald Jones; unnamed golf course superintendent

Guests in attendance: Jama Lopez (committee applicant). (Video for this meeting is included at the bottom of this report.)

### **Election of Finance and Planning Committee Chair deferred until Jama Lopez is officially appointed**

### **New Finance and Planning Committee Charter (9-21-20)**

The new F and P Committee Charter (dated 9-21-20) states the chair is elected by the committee. The past charter stated the Chair was the Corporate Treasurer.

[Charter-9-21-20](#)

### **Need for two critical police department infrastructure upgrades**

At the last F and P Committee meeting, Chief Middleton made a presentation on two needed police department infrastructure upgrades. The first request was for an updated recording system for 911 calls and the second was an update to keep private information secure when obtaining critical

information from PTS Mobile. Click [here](#) to read about these requests at the September 22, 2020, F and P Meeting.

Heau said there was a question about the maintenance agreement for the recording system.

## **Middleton discusses price of maintenance agreement for Revcord phone recording system**

Middleton said the maintenance agreement cost of the Revcord phone recording system is \$8,495, which is billed in one amount. Both fire and police departments share this maintenance cost. This plan allows for 24/7 technical support. "They make every effort to respond within two hours." The company has remote access to our system to solve technical issues. This cost includes module updates and upgrades. This is a five-year lifetime system. An additional two years can be added to the time.

Sherman: "To be sure we are all on the same page. We are asking for an amount of \$13,624.78. The other amount is \$27,900.

Middleton: This may take up to a couple of months to obtain if it is not in stock. We are trying to be in compliance before the next [Arkansas Crime Information Center](#) (ACIC) audit. The HSVPOA Police Department was not in compliance with ACIC at the time of the 2019 audit. If not in compliance, our ability to use the ACIC information will be removed.

The committee approved a motion to recommend to the board of directors Chief Middleton's Request for \$13,624.78 and \$27,900 for a recording system and security system. (Sherman abstained.)

## **Planning Workgroup update**

Heau has been asked to deliver an update on the Planning Workgroup on October 7, 2020.

Heau: "We created a high-level list of possible topics. The eight major topics identified were:

- Financial
- Marketing
- Property owners
- Partnerships
- Land Management
- Accountability
- Technology, and
- Strategic Management."

Heau said the workgroup wants to focus on a small number of items. "Of this list, we have chosen at

this time, we have chosen to focus on three: financial, marketing, and technology,” explained Heau.

## **Financial**

Heau: The workgroup wants to focus on determining what the maintenance backlog is and prioritize the list. “The basic source document is the **Operation Maintenance Tables**, as presented in the 2020 budget,” stated Heau. “Once you have a clear idea of money that can be made available over and above what we have today and the demand for the funds, you try to have some effort to match what is essentially your supply and demand. To accomplish this, we need resources to do the research and in particular, staff and also, whether it be this committee or volunteers needs to be determined. In all of this, communication is going to be very important. Creating buy-in and understanding is really important. I don’t view this initiative as having 2021 budget implications. It shouldn’t demand additional people other than volunteers.”

Gonzales: “It certainly won’t have 2021 budget implications. I think it important that we look at that because the mountain of backlog has grown progressively higher each passing year.”

Heau: The intention of this is to make the maintenance backlog significantly smaller three years out.

## **Technology – internet access**

Heau: The workgroup is focusing on internet access. The workgroup is far along on making a recommendation. They have consulted with Keith Keck, Greg Jones, Dennis Simpson and Bob Lemay. “The POA needs to identify a resource to spearhead the wide variety of issues that need to be addressed within the topic of internet access.” If it is determined to hire someone as this resource, then that will have ramifications on the 2021 budget.

Heau: The team of experts felt someone with strong project management skills is needed to identify and organize a wide variety of projects.

Heau: There seems to be a lot of misunderstanding and misinformation regarding internet access, particularly in remote locations. The target audience is both residents and the real estate community.

Heau: The workgroup feels the internet issue should be addressed as early as possible but a long-term plan also needs to be developed to identify and address the many issues surrounding internet access.

Moeller: “We do have the short-term solution now. To me, that’s important to communicate. You can get internet anywhere in the Village. It is just a matter of how and how much...Also, it seemed to me they want someone with political affiliations if at all possible. ” (outside the Village)

Heau: “We don’t control the vendors. There are potential sources of funds associated with the state and the counties and the federal government. That’s where you get into a lot of the complexities. In order to access those things, you need the right data.”

Sherman emphasized that internet is available. There are solutions.

Heau said, “No matter where you live in the Village, you can access the internet, but not necessarily to

the standards that you would like.”

## Marketing

Heau: “There are a lot of sub-issues with marketing and we are still wading through them.” Heau said they talked to staff and the Marketing Committee. They will be talking to the Board of Realtors. The items talked about in detail are:

defining the sales cycles,

tracking information through the sales cycles and metrics (or lack thereof),

difference between marketing and sales,

Real Estate Partnership Program,

using existing owner contacts to attract new owners, and

developing builder and investor relationships.

## Standard for Goals

The workgroup is using the SMART Goals standard (specific, measurable, achievable, relevant and timely).

Click [here](#) to read about SMART GOALS.

## Buy-in

Buy in is acceptance of and willingness to actively support and participate in something (such as a proposed new plan or policy). The workgroup wishes to receive community input.

## Workgroup working with Marketing Committee, Chamber of Commerce, and Real Estate Community

The Marketing Committee has appointed liaisons to pertinent committees, including F and P. Previously Ray Lehman was the Marketing Committee liaison to the F and P Committee, but [John O'Brien](#) [Director of Hot Springs Village Area Chamber of Commerce] will take Ray's place. O'Brien is set to be appointed to the Marketing Committee at the October 21, 2020 board meeting.

Sherman: “I know from discussions I've had that they [HSV Area Chamber of Commerce] are desirous of conducting surveys and as an independent person of not only property owners, but the community itself and you may want to touch bases with John and get some input with him on that because I do know they are desirous of doing that. That data may be the end of some of the things you are looking at.”

Sherman: “... the workgroup is also meeting with the Board of Realtors on the 13th [October 2020].

They will give a presentation and get feedback from the Board of Realtors. We are in the process of putting together a meeting for the 28th of the month that is getting somewhat out of control already that will be centered around mostly lot sales. But it's going to include the realtors, the builders, the POA. We've got a pretty good cache of people that will be involved in that to see if we can keep from kicking that can down the road and figure out how we're going to approach lot sales going forward. So those things I think will all be important to give you guys feedback on your workgroup as we move through this."

### **Board discusses goals and objectives with GM**

Sherman: "The workgroup should probably be aware that the board is conducting one of our information sharing sessions tomorrow with Charles to discuss specific goals and objectives that we want to meet for 2021. This group has been more focused on 'out in the future' kind of planning and I think it's the board's responsibility to provide input to the group and to the property owners and to the GM what kind of objectives we should look to obtain next year. We are holding a session on that tomorrow [October 7, 2020]."

Gonzales: Are those financial goals or operational goals for the individual departments [regarding information session on October 7]?

Sherman: "Details to follow. But the way I see it is, they need to be metric and things that we want to get achieved during next year."

### **Budget**

Gonzales: Jama [Lopez] has applied to the Finance and Planning Committee and will be a big help.

Fetterhoff: "We've been working through the budget." All the divisions will meet with Charles and Coreena on October 5-7 to review each budget. Everything will be ready for presentation to the Finance and Planning Committee on October 13, 2020, at 1:00 p.m. . Larry Wilson will be filming the session to put on YouTube. The session will be broken down into smaller segments.

Fetterhoff: "We are trying to make this [process] easy on [everyone]."

Fetterhoff: "The budget presentation to the board is scheduled for the October 21, 2020 board meeting.

Heau: "The October board meeting is scheduled for two to two and a half hours. Prior years, this was a multi-day experience."

Sherman: We are in hopes with the involvement of this committee [Finance and Planning Committee] and the work that staff has done that the multi-day sessions will not be necessary. "I am encouraging the board to attend those sessions next week if they want details." The board can also view the budgets for divisions on YouTube.

The recommended 2021 fee schedule will be available as part of the discussion.

## New Business

### Article 19

Sherman: “Now that Charles is getting through his reorganization plan and we’ll have some more input on that tomorrow [October 7, 2020], we feel it is time to get the board out of the day-to-day operations as we can and so we are going to move back to approval authorities.” [This is in regard to the spending limits being set for General Manager, Charles King, Controller, Coreena Fetterhoff, division directors and managers.]

Sherman: “Anything above a \$50,00 limit for the General Manager will have to go to the board for approval. The GM will have up to \$50,000 in approval authority. The Controller will have up to \$25,000. Division directors will have up to \$10,000.”

Sherman: “Because the final org chart [organizational chart] hasn’t been done, the titles may not remain the same. As I understand it, the direction that has been given is there will be very few, if any, director level positions left...Regardless, whoever fills the position that will be equivalent to director will have up to \$10,000 and managers will have up to \$2,500 spending authority.”

Sherman: “I don’t have an update on where we are on the purchase order system. This was nonexistent before. For those who didn’t know, what was happening was the orders were placed, the invoice would come in and then we would send it through the approval process.”

Fetterhoff: “Over \$10,000, they did go through a formal purchase order process, so the approval was beforehand. But now we are trying to capture all the expenses across the board with approval, prior.”

Sherman: “The intent of the restriction on spending this year was based on two things. One was so the board could get a handle on what was being expended. In addition, we had the COVID situation. But we’ve become comfortable with the process now to the point that we feel it needs to be returned to the staff. It is not unusual for me to be called down daily to sign for items that already have about half a dozen approval levels on them. So we don’t need to be doing that for every expenditure, particularly if they are standard type of items.”

Sherman: The bylaws will reflect these changes.

Gonzales: “I think the General Manager needs to be trusted and given a certain level of authority to make those decisions.”

The F & P Committee passed a motion to recommend to the board that the staff spending authority revert back to the previous levels.

### **Golf course fungicide and herbicide early order program**

Donald Jones, Magellan Golf Course Superintendent: “I am presenting today the ‘Early Order Program’ for all eight golf courses.” This is a system of preordering fungicides and herbicides. We save \$45,000 by preordering these chemicals and receiving rebates. Our situation is unique because normally most

individual golf courses do not qualify for these type of rebates but since we can combine the orders of all our courses our volume is high enough to receive the rebates. In addition to receiving a rebate for volume, there is a three percent rebate if ordering by October 31, 2020. Normally **Specticle** (pre-emergent herbicide) is \$1,700 a gallon. If purchased in volume and before the October 31, 2020 deadline, we only pay \$1,410.50 a gallon.

Jones: The commitment to order is October 31, 2020 but we have until June 7, 2021 to pay the full balance of the early order program, which is \$323,200.30.

Jones: All the courses combine their monthly orders and use bulk ordering. The chemicals are shipped to Ponce de Leon. We save freight charges by having the chemicals delivered to one location.

Jones: Each superintendant should spread the chemicals from January to June 7, 2021, as needed.

Jones: "If we do not have this paid by June 7 [2021], we forfeit our EOP [early order program] agreement and the rebates. The prices go back [to full price]."

Jones: "The past few years, each golf course has had product left over and we haven't had to [order] as much." This year most of the product was used and we need to get the full program.

Jones: "All bent grass courses use the same program. The same thing with bermuda."

I we don't order in advance, there is the possibility the company could be out of the product when we need it.

Fetterhoff: This program has been ongoing for three years.

The price for Specticle is set by the manufacturer and is the same at all the distributors, therefore eliminating the need for bidding. The fertilizer will go out for bid.

The F & P Committee passed a motion to recommend to the board that the golf division participates in the early order program.

### **Where's Wayne Foltz?**

Gonzales: 'A couple of us are wondering where the Treasurer went. Where is Wayne [Foltz]. Why is Wayne not on the committee? We are wondering. That hasn't been explained to us. He wasn't here the last meeting. I wasn't here, either. Can you explain that?'

Sherman: "Well, the only part I can explain to you is that after we made the change back to staff, that would have eliminated him as Treasurer. He chose not to continue as the chair of the committee or to be on the committee. I did ask him to stay with us. He chose not to do so."

Polston: "I sent that question to him. What happened to you? Where are you at? How are you doing? He sent me back a page and a half. And it wasn't a negative thing." It is all good.

Sherman: "If he has any thoughts other than what I explained to you, I am sure he will tell you."

Heau: Generally we meet every two weeks. It has not been determined if there will be a meeting in two

weeks.

## HSVPOA F & P Committee Mtg Video 10-6-2020

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By Cheryl Dowden, October 10, 2020

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