



## HSVPOA Finance & Planning Committee Meeting 7-21-20

### Description

The Finance and Planning Committee met at 3:00 p.m. on Tuesday, July 21, 2020 at the Ouachita Room at Ponce de Leon Center.

Committee members in attendance were: Chairman Wayne Foltz; Vice-Chair, Tom Heau; Secretary, Cathie Moeller; John Gonzales; and Morris Polston.

Board member in attendance was Lloyd Sherman.

Staff in attendance was Interim General Manager, John Paul; Assistant Treasurer, Jama Lopez; and Accountant, Teresa Scott. COO Jason Temple was also present.

Guest in attendance was former Board Director and current Board/Corporate Secretary and Parliamentarian Marcy Mermel.

Committee Members absent were Dan Aylward and Butch Ewersmann.

Staff absent was Controller, Coreena Fetterhoff (vacation).

[Click here to see the Agenda for the 7-21-20 Finance & Planning Committee Meeting](#)

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[Click here to see the Minutes for the 7-7-20 Finance & Planning Committee Meeting](#)

The minutes were accepted as amended.

### Old Business

#### Recap of Capital Expenditure Process

## **Tasers**

Foltz: The recommendation went to the Board of Directors who approved Tasers.

Paul: A memo from Chief Ricky Middleton said, "Pursuant to the F & P Committee request, the Police Department obtained the attached five-year lease quote for eight Taser 7's, which were the upgraded tasers. The total cost of the five-year lease is \$25,881.

"If the decision is made to go with the newer technology, it will require additional purchase of 18 cartridges each year for training. The Police Department Taser Instructors are not certified to teach the Taser 7's and they do not recommend that Hot Springs Village convert to the Taser 7's at this time. While the Taser 7 is newer technology, the instructor's opinion is that X 26 Taser is a better tool for Hot Springs Village. The new taser has features that HSVPD do not need. Chief Middleton confers with their opinion.

"Hot Springs Village can purchase more equipment for less money by staying with the X 26 Tasers and still meet the needs of the department.

"Chief Middleton's recommendation is to stay with the X 26 Taser technology. The X 26 Tasers will be supported by Axion Incorporated for the next five years and at that time there will be newer technology."

Paul: They don't do leases for the X 26 Taser. It is purchase only. The eight units cost \$11,920. There may also be taxes. All the attachments and cartridges needed are included in this price. The recommendation of the Hot Springs Village Police Department is to purchase eight X 26 Tasers.

Foltz: The Board of Directors approved this purchase and the Police Department is moving forward.

## **Backhoes**

Foltz: We made a recommendation on backhoes and the Board of Directors authorized the purchase of the backhoes through a payment program and they are sourcing the best interest rate.

## **Organization**

### **Marketing Subcommittee Status**

No update.

### **Report of Working Groups and Subcommittees**

#### **CMP Review/Strategic Planning Discussion**

Heau: "Last week I distributed the Document of Understanding and Principles and Objectives. Are there any comments?"

Heau: We added Marcy Mermel to the group. “We expect her to be very helpful.”

Heau: We are nearing the end of the review of the Strategic Plan. The next step is the research phase.

### **2021 Budget Oversight**

Gonzales: The team met a week ago and talked about their direction and confirmed their understanding of zero-based budgeting and have worked on a training presentation for the departments. The zero-based budgeting training for the General Manager and department heads will be conducted in August.

Paul: Jama Lopez will be a big help to the new General Manager in regards to zero-based budgeting.

Gonzales: The Board of Directors will need to reaffirm the HSV budget guidance in case there are any last minute changes.

Sherman: We can address this in one of the August Discussion Sessions, “but as of right now, that is going to stand.”

Foltz: If you review this and feel changes need to be made, this would be the time to submit the recommended changes to the Board of Directors.

Paul: “Are you just going to have one plan for the year?”

Gonzales: “The original guidance called for both Phase 2 and a Phase 3 budgets...start with Phase 2 and if things do open up...it would be fairly easy to adjust numbers upward.”

Sherman: The approval date has been moved up to November so we have more time to see what is going to happen.

Foltz: We need to know the absolute capital we need in order to function as an operation and then a second list that shows what the spending priorities are if finances improve.

Sherman: “This will be a work in progress.”

### **Policies and Procedures**

Finance Policy.....Pending

Procurement Policy....Waiting on Management

Capitalization Policy...Waiting on Management

Depreciation Policy.....Waiting on Management

Investment Policy.....Adopted by Board of Directors

Sherman: There is a new chapter 9, in the Policy Manual where all the financial policies will be placed.

Previously they were spread out throughout the Policy Manual.

## **New Business**

### **Recreation Department's Financials**

Gonzales: Due to COVID-19 some amenities have been hit harder than others. "Two stand out to me. One was the Fitness Center and also the Coronado Center...Is it in the purview of our charter to take deep dives in certain areas like those rather than waiting for the budget process to unfold if there might be an action in the fiscal sense to take? I.E. potentially the worst case, I am not advocating it and right now I have no numbers to support anything." The Fitness Center is just an example of where we might investigate...attendance is down...fitness centers across the country have been closing down because of their inability to manage the virus and the restraints put on them." Is this something the Finance and Planning Committee would investigate on their own or do wait for that to come "upstream" to us from the Board of Directors or the Recreation Department?

Paul: "Is this strictly a financial decision? Our assessment revenue goes to the amenities and when you take one away, you are taking away a reason to come here. So that has to play into it...You're going to look at it from a financial standpoint and I understand that, but there has to be more involved there in how you look at it."

Gonzales: I am not advocating one way or another, but attendance is down 80%.

Foltz: "I think what John is trying to say is how much are we willing to subsidize to keep the facility open for a limited number of people?...Eventually, we are going to have to look at that if this virus continues."

Sherman: "My preference would be that needs to be referred to the Recreation Committee to start discussing. They should probably come up with the recommendation. We have the same problem in every cost center in that we don't know what the base cost to operate any of them are and I hope we get to that point during the budgeting process this year."

### **Approval of Two Capital Requests**

#### **Discussion of Ad Hoc Committee**

1. **Wastewater Treatment Expenditure** – This is for a waste-activated sludge pump for \$8,965 with an estimated life of 8-12 years. Jason Temple said this is an urgent matter as it is a critical part of the wastewater treatment plant operations. Two pumps are needed and one will be failing soon. We need the replacement pump before it fails because, at that point, the operation becomes very manually intensive. Foltz said he is glad the department caught this before that happens. It takes 10-12 weeks to receive the pump. This pump has been ordered. Temple said when they remove the old pump it will be sent to the vendor to possibly refurbish it so it will be in inventory at a fraction of the cost of a new pump.
2. **I.T. Marketing** – I.T. had a problem with the website. Paul explained, "When they redid the visitor website about two weeks ago, it created havoc with the I.T. system." The reason is that there had not been an upgrade for a long time and there were many patches in the system. Paul signed an

emergency purchase order to upgrade the system. Paul elaborated that because of this, “One of the things we had to do is keep a police officer at the east gate all night for six nights because the cards would not work.” Paul said this I.T. upgrade was \$5,200 – \$7,500, depending on how much work the POA was able to do. Paul instructed I.T. to do everything they could do themselves in order to keep the cost down.

3. **Culvert Repair** – Foltz said, “Originally this committee approved about \$167,000 for culvert repair and the Board approved \$255,000.” Temple said, “Actually the Board approved \$500,000. But we had a stipulation that we would only allow the contractor to do X amount of work and then stop. Initially, we told them [the contractor] to do the first three culverts and that added up to about \$155,000. But Dan [Aylward] and several members of the F and P were saying they were allowed to spend up to \$255,000. Temple said he would like to formalize that.” Temple explained that in Phase One, they would do five culverts for a total of \$232,732.93. In addition, Temple said, “That will allow us to do Diamante. We’re back on to doing the Diamante culvert. I’ve worked out a system with the Diamante Golf Course that we can provide backup water to their pond so they can lower the lake by one foot... That allows us to do three slip line culverts on DeSoto Boulevard, all at one time. In addition to that, two other culverts...one to replace...We get all of that for \$232,000.” Due to the rerouting of traffic into Diamante, Fire Chief Miller is addressing a way for emergency vehicles to access the area. There are two places currently being considered.

## Committee Member Comments

Foltz: “This is your committee. I am just trying to facilitate. One of the things I do know is our groups are going to be working a lot. If we need additional people to help us, we can form a work-study group and they don’t have to be members of the committee [Finance and Planning Committee]. We should have a committee member in that group.

Paul said it was nice working with the committee and this may be his last meeting with the committee due to the employment of Charles King, the new General Manager.

The next meeting is August 4, 2020, at 3:00 p.m. at the Ouachita Room at Ponce de Leon Center.

## HSVPOA Finance and Planning Committee Meeting – 7/21/2020 Video

By [Cheryl Dowden](#), July 26, 2020

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