



## HSVPOA GM Hale Discusses Efficiency and Cost-Saving Efforts

### Description

**At the March F & P Committee meeting, Hale discusses elimination of the Assistant GM position and repurposing that salary; the true cost of doing business; more efficient and money-saving IT options are being explored**

#### Elimination of Assistant GM Position

At the March 28, 2022 Finance and Planning Committee meeting, General Manager Kelly Hale discussed how he eliminated the proposed Assistant General Manager position and is repurposing funds budgeted for that position to raise the wages of the frontline workers to be more competitive in the marketplace.

Staying within the parameters of the budget, Hale stated, "I killed the position of Assistant General Manager... What we did is we gave that money back for that headcount to the hourly employees and to restructure some departments. We gave them more responsibility so that we actually repurposed the money back to the budgets to get the starting wage rate up," in order to get some key jobs staffed.

Some positions were consolidated and some were eliminated. "We were able to save some more money by consolidating them where that made more sense." Part of this process is being done with the Compliance Department and also contractual compliance. "I think we are on to something and we should have that...finished up at the end of this week – the middle of this week. It does help us out. We didn't have to come back and get more money. Matter of fact, I think we are going to save money when it is all said and done...That is going to get us up (guesstimating) around \$13 bucks an hour. It is going to make us more attractive and get us off that bare bone [wages] and be able to move forward from there."

Hale challenged managerial staff on the necessity of filling some positions and consequently, they lowered their required staffing numbers. "So between killing that Assistant General Manager job and repurposing some headcounts back in, we were able to flush that across the board to take our employees [wages] up. I want the money given back to the front line – to people that are doing the job

– [people] that are the face to the customer... That's really my approach to what we are doing."

## **True Cost of Doing Business**

Our groups [organizations] in the Village care about the Village but fail to see the true cost of doing business. "For example, the Woodlands – the POA holds four to five of the 42 shows a year. The rest are put on by charitable groups. You've got Kiwanas, the Lions Club, Rotary, [VCA](#) [Village Concerts Association], you name it... The Woodlands was built, one by the POA and the members, but also by some donations. That's how we have that..."

"Here's the bottom line. The POA felt that they were making about \$1,200 every time one of our partners put on a show. When I had them run the numbers and we actually stood out there and watched the electric meter, took the amount of water we ran during a show period – really took a true snapshot of it, **every time we let another group host a show here, it costs the POA members about \$4,000...**"

"We do all these things for the community; we wonder, how can I be out of money? I still got checks. This is how it is going on."

Controller, Karl Russ and Hale plan to look "deeper in the weeds." Hale said he is going to go look at another one of these **supposed** money-saving situations. Hale said it is common for people to tell him, 'it's saving us money' or 'we are making money.'

Hale said he has a laundry list to send to the Finance and Planning Committee and wants to do a comparison about what certain items are really costing us. It's not that we need to charge more. "Maybe we just need to be open and honest with our members and say, 'this is what it really costs us to do this. We want to continue doing it, but know where your money is going.'"

If ticket prices are raised by \$2.00 or \$3.00 or something else goes up by \$1.00 or \$2.00, everyone will understand why.

"We want to show our work [in order] to be transparent, but we need to start being honest."

Thundertix costs the POA around \$20,000 per year. If you have a \$1.00 surcharge on all the tickets, we will still come up short by \$2,500. "It is little things that we nickel and dime...that I want to keep out there on the forefront," stated Hale. Hale said we are not talking about a few dollars, but rather \$50,000 or \$100,000

Hale said some groups are telling him, "you can't believe all the things we do for you [POA]." Hale said he responds by saying, "Let me explain what the members do for your club."

## **Efficient Money-Saving IT Options Being Explored**

Hale said that he and Controller Russ are working on a new IT system called, Northstar. Bella Vista and some other golf communities use this system. Currently, we have 16 computer programs we use for payroll, golf, public works, etc. These separate systems cost us around \$172,000 per year in memberships, licensing fees, etc. "We believe that packaging this under Northstar will get us down to five systems." This should result in a savings of approximately \$110,000 a year, maybe more.

“Northstar is ten times better than the one we are using.”

Hale said there are a lot of things where we can make adjustments and save money.

Cheryl Dowden, Hot Springs Village Gazette, March 29, 2022



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### Date Created

03/29/2022

### Author

lynn