



HSVPOA Treasurer warns of financial troubles; CMP abolished

Description

By Frank Leeming, 5-20-20

A blistering review of Village finances was delivered today to the Property Owners' Association board of directors by Dan Aylward, the new Village treasurer.

The Village is in danger of missing revenue targets by wide margins – as much because of poor budgeting as by effects of the coronavirus pandemic, he said.

On a more positive note, the board heard an overview of a new marketing program being developed by a Little Rock firm.

It named **Pam Avila as its newest director**. She is chair of the POA's Government Affairs Committee and has a background as an executive in technology and marketing.

The board **voted to annul the Comprehensive Master Plan (CMP)**, accomplishing a goal set by candidates in the last board election. The \$500,000 document, adopted in April 2018, was referred to the new Finance and Planning Committee so its contents could be used later if needed. And the board **revoked the 100-plus pages of protective covenants** adopted as part of the CMP.

- Aylward criticized a lack of responsiveness from the staff to financial questions he's asked.
- "There is no early warning process in place," he said.
- Aylward outlined various steps being taken to correct things, with particular emphasis on budgeting and salvaging parts of the CMP.
- He's focusing on figuring out "where we are now and how we're going to get where we need to be."
- Aylward said "we see there are significant issues on the horizon," citing the performance of golf and food services.
- He sharply criticized budgeting for golf, where revenue is \$384,000 behind last year after just four months. Golf budgets have not been met for several years. He doubts whether golf can make up the losses against budget already recorded this year.
- Food services look even bleaker because of the pandemic.

If nothing is done, the POA will face a \$3.2 million shortfall against budget, he said. For a detailed look

at Aylward's report [click here](#). His specific recommendations are on page 23 of his report. Aylward urged the following action because "right now we're on the edge" of financial trouble:

Actions needed to prevent financial trouble.

- Immediately develop and implement an aggressive sales effort for annual passes to all amenities.
- Develop and implement in the next 30 days an amenity lot-sales program targeted to the surrounding communities.
- Provide regular updates to the board at least monthly on the progress of sales.
- Ensure no new hires be added to the full-time payroll.
- Cancel all staff travel for the balance of 2020.
- Resubmit any capital projects that are to move forward. Consider all capital projects to be unapproved.
- No new contracts may be entered until further notice.

Board chair Diana Podawiltz said the POA's financial situation is the Village's most pressing problem and will be discussed in more detail at the board's work session on June 3.

Avila fills board vacancy

Avila, chair of the Governmental Affairs Committee, was elected today to fill the final vacancy on the board.

Podawiltz called Avila "a real dynamo." Avila moved to the Village three years ago from California after many years in the technology industry. She also has been chair of CMP's marketing subcommittee.

CEO report

In her report, CEO **Lesley Nalley** said **she has been in touch with three internet service providers**, UAMS, local governments, and others on expanding high-speed broadband service in the Village. She asked for the subject to be placed on the agenda for an upcoming work session. "What we really need is a complete system," Nalley said.

On finance, Nalley said golf and food-and-beverage service are the "major drivers" for the POA. The best overall measure of the Villages' financial health is the value of member equity and net assets. She said it fell from 2007 through 2012 because Village assets were not maintained. Since then, member equity has been fairly flat.

CEO took personal control of golf operations

She defended closing golf courses even when the weather is excellent. "With one or more courses closed, we still have open tee times," Nalley said.

Several months ago, Nalley took personal control of golf operations, which had been under the control

of the Chief Member Experience Officer (CMEO). Nalley praised the work of golf agronomist Gary Myers, saying his work over the last three years has dramatically improved the quality of Village's courses. He is retiring Friday and will be replaced by Donald Jones.

Chief Financial Officer Liz Mathis outlined spending freezes imposed because of the coronavirus pandemic. She said property-owner equity increased \$234,000, or 0.32 percent, from last year.

Non-disclosure on settled PCBS Lawsuit

The POA settled a lawsuit with the owner of a large number of delinquent properties, but Mathis said a non-disclosure prevents her from giving any details. She said attendance at the recently re-opened Fitness Center has been between 28 and 64 a day.

Mike Sells of the Sells Agency in Little Rock brought the board up to date on **marketing efforts**. He said his firm's goal is to see 2,500 homes built in the Village over the next 20 years, an average of 125 a year. That's double what there have been in any year since 2008. "We are laser-focused on that," Sells said. His plan has several steps:

- Define our target audience – From nearby states, nearing retirement, \$50,000 plus annual household income, and willing to relocate.
- The POA's website is "not a great member of your marketing team."
- Move the majority of POA advertising to digital sites. The internet is where people begin their search. Refine our brand message.
- Convert website visitors to interested buyers. Track their visits.
- Study industry's best practices and focus on the primary audience, which is younger than most of the people who live here now. An on-line video tour must be developed focusing on what we offer, not who we are.

He showed the board proposals of video ads and changes on its website.

Denger moved to delay any action

When the board turned to **revising bylaws** definitions of job descriptions for the board treasurer, director Kirk Denger urged the board not to tamper with the bylaws. Chuck Alvord agreed, saying the changes should be approved first by POA lawyers. His idea died for a lack of a second. Denger moved to delay any action until the lawyers review the plan. He was joined by Alvord and Avila, but they lost 4-3.

The board unanimously recreated the standing Common Properties, Forestry and Wildlife Committee, and approved the expanded charter for the new Finance and Planning Committee.

The annulment of the CMP

In discussing **the annulment of the CMP**, Avila said the POA needs a master plan. Alvord said while he supports doing away with the CMP, he believes the POA attorney should review the action before the board takes it. Nalley, who has championed the CMP and called it “my plan” on several occasions, tried to undermine the annulment, saying it could have ramifications on such things as a partnership with local Realtors.

Alvord & Avila abstains on CMP vote

After Alvord’s motion to require a review by the board’s attorney failed for lack of a second, the board killed the CMP by a vote of 5-0, with Alvord and Avila abstaining. The CMP had become “a four-letter word” in the Village in the last two years. Then the board killed the CMP’s advisory committee by a 6-0 vote, with Alvord abstaining. It also revoked the protective covenants adopted as part of the CMP.

Directors assigned to committees

Podawiltz assigned the following directors as liaisons to the standing committees:

A.C.C. – Omohundro.
Audit – Podawiltz.
Common Property, Forestry and Wildlife – Denger. Finance and Planning – Lloyd Sherman.
Golf – Garrison.
Governmental Affairs – Podawiltz
Lakes – Alvord.
Public Service – Omohundro.
Recreation – Avila.
Trails – Denger.

Podawiltz and board secretary Marcy Mermel will be liaison to the Townhouse Association. The meeting, which lasted for nearly four and a half hours, was watched by up to 200 property owners on the POA’s YouTube channel.

Affordable high-speed internet service

Over the years, you’ve seen me yapping about the need for reliable, affordable **high-speed internet service** in all corners of the Village. It’s a utility as important in today’s society as electricity and water. The last time I wrote about this, I pointed out Suddenlink (which serves about 40 percent of the Village) guarantees a download speed of a minimum of 50 megabytes per second (Mbps). And I said AT&T’s Uverse struggles to hit 10 Mbps. Several Uverse users rightfully complained, saying they get 20 or 25 Mbps. The speed depends on where you live in the Village, they said. They’re right. I apologize for offending AT&T customers. We’re on Suddenlink and couldn’t be happier.

What’s your download speed? [Click here](#) and find out instantly. Why are we so happy? Our [fast.com](#)

test results were 220 Mbps. I know: I'm gloating.

Your next Entergy bill

You'll be pulling your hair out when you get your next **Entergy bill**. With the cool weather this spring, our consumption of electricity on our last bill was 41.6 percent less than in the same month last year. But the bill amount only dropped 26.7 percent. The cost for each kilowatt hour so far this year has been 12.7 cents. Last year it was 10.2 cents. That's a jump of 24.5 percent. All because federal tax credits have been canceled.

Cost of electricity in Hot Springs Village
(cents for each kilowatt hour (kWh), including all taxes and add-ons)



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