



HSVPOA – Trust must be earned

Description

TRUST MUST BE EARNED

By Lloyd Sherman

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Definition of Trust: *believe in the reliability, truth, ability, or strength of.*

As with many of my communications on subjects over the years, this too will be a mixed bag of the good and the not necessarily good.

As many know, I have requested information from the POA for years now and in previous administrations have been denied, or if given the information it was incomplete or inaccurate.

So, in this communication, I want to first share the **GOOD**. In 2021 I have made two formal requests through the Request for Information process. The **first** was for salary grades, titles, and how many employees were in each category. While it took several weeks to get this information, it was sent to me with zero pushback. The second was access to all credit card accounts and the charges associated with them for the calendar year 2020. Again, zero pushback, and due to staffing and close of books processes, it took several weeks, but all information was provided.

So, the **GOOD** in all of this is a) there was zero pushback; b) my interaction with staff was very professional and cooperative, and c) all the information requested was provided. The files I reviewed were well organized and complete with all the needed signatures for the processing of the expenditures. At the end of this process, I thanked the POA staff involved and expressed the great job done with having policies and procedures in place and ensuring those procedures were being followed; which they were. My point on the **GOOD** is that property owners should be thankful that we have staff who is ensuring that procedures and processes are in place and we should all feel good about that and **TRUST** that items are basically being accounted for.

So, now let's discuss the **NOT SO GOOD** of the outcome of completing the Request for Information

process. The first question that many ask is why did you want to look at this information? Here is why:

Salary Information – I remain unconvinced that any of our salary grades have been benchmarked properly. I have for years requested to see the process and procedure for how we benchmark salaries. To this date, I am yet to see any benchmarking studies that have been done by our HR Department. If they have been, why isn't that information available to property owners so we can ensure OUR employees are being paid properly. My wife Linda was a HR Director for a large international firm and her area of expertise was in the area of compensation. She and I have both questioned our salary ranges in Arkansas since our arrival in HSV. Additionally, for years all we have heard from the POA is that we have a huge turnover issue at the lower levels and shouldn't we be doing something about that to ensure our entry-level employees are being compensated properly? After all, turnover is very expensive!

Use of Credit Card Accounts – For years now there have been "rumors" (and we know what havoc that can cause) that personal credit cards (P Cards) and charge accounts have been misused. While on the board, and on several occasions, I received input from previous employees that this was an issue. For the year 2020, I did not find any inkling of that with charge accounts. I did have some concerns with the use of P Cards. So following my review of this category, here is what I sent back in the form of questions for this process:

1. Purchases at both Lowe's and Amazon and some P Cards seem to indicate that "equipment" is being purchased through these resources and my question relates to how these items are accounted for. These appear to be fixed assets to me and are these purchases being tagged and added to our inventory? If not, why not? If so, how are they identified? Do we have a stated written policy on use of these accounts?
2. Walmart and P Cards have many purchases of food items. While I can understand these types of charges for last minute restaurant needs, it seems pretty widespread and if these items are being acquired outside of normal purchasing channels, who ensures they get added to the cost of goods sold for each of the operating units? Also, why would non-restaurant personnel be charging food related items (non-restaurant charges) to their P Cards? Same question above about stated written policy.
3. On P Cards I have noted heavy usage of charges to POA owned and local restaurants. For POA owned restaurants, are these charges being considered as revenue and added to the revenue line? For non-POA restaurants I assume they are considered an expense. Please clarify. I am also assuming that all P Card transactions are relegated to expense reports and signed off by the appropriate managers. Please clarify. Same question as above regarding stated written policy.
4. Many of the items that I reviewed seemed to be related to group meetings/functions. Are these being justified as working through lunch? Why are non-revenue producing people allowed to use these cards for restaurant charges? And once again, what is our stated written policy on the use of these charge cards?

As I mentioned previously, these questions were responded to and for the most part, I received what I considered to be satisfactory answers. SO, WHAT'S THE BEEF?

There aren't any of severe consequence, but what fell out of these reviews, is that staff believes we should TRUST that they are doing their jobs. In the end result, I received specific input that I was way off into the weeds and that I should trust them. Same exact wording I got while on the board and

wanted to know how our processes were being handled. Then I was accused of interfering with operations. Well, the board is the oversight entity, so if a board member can't ask questions, who can?

So, the question of the day is, can you trust individuals but not trust the process? I say YES. For years we have been asked to trust the process and how has that worked out for us? We have heard from both board members and staff that we are also property owners and after all, we have the best interest of the Village at heart. While I believe those that have said that, meant it, how has that TRUST worked out for us?

While the current staff wants us to **TRUST** them (and I do many of them), we have had many staff and board members who have let us down in the past, and yet we are asked to **TRUST** them now. It doesn't work that way. **TRUST MUST BE EARNED, IT ISN'T GIVEN.**

I understand perfectly what staff is saying but unfortunately, we have had many years where **TRUST** has been an issue and that will not be fixed overnight and as long as property owners don't see the prudent use of their assessments, the **TRUST** issue will remain no matter how much you trust individuals. The proof has to be in ongoing decisions that are made by Staff and the Board alike.

Enough about the RFI process but let me move onto the latest issue of **TRUST** and that of course is the upcoming vote for an assessment increase.

LET ME BE CLEAR ABOUT THIS: I am in agreement that we probably need an assessment increase to take care of all the things that haven't been taken care of in the past, but given our past track record and lack of accountability, I see this as problematic. This is not about NEED, but about ACCOUNTABILITY. Keep in mind the last assessment increase promised NO NEW AMENITIES. It was to be spent on infrastructure. How has that worked out for us? In my estimation, here is what I believe the board needs to provide to give this proposal an opportunity to pass:

- A detailed and specific plan for what this increase will be spent on, how it will be accounted for, and most importantly how to keep it from being altered by future boards. It cannot just go into the general funds or be used for wants.
- Release of proposed increase in changes to fee structures. For instance, will there be buy-in fees for new residents or lot owners and if so, how much? What other fees will be impacted?

TRUST CANNOT JUST BE GIVEN; IT MUST BE EARNED

As an aside, as a former chair I recently received an email asking for my support of the proposed increase. This request was sent to recent past Chairs. I did not respond for the reasons stated above. But the group (you know who they are) that put this out got overwhelming support for the increase BEFORE there was any documented accountability. BOTTOM LINE: The same group of individuals who contributed to the condition we find ourselves in, are now fully in support of increasing assessments without accountability. Haven't we seen enough of that?

TALK ABOUT TRUST!

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Editor's note: The quote on the featured image is from [Max De Pree](#) (October 28, 1924 – August 8, 2017) Mr. De Pree was an American businessman and writer. "He fostered the idea of an inclusive corporation, one in which all voices are heard. He was known for his efforts to combine a caring organization with business success."

Encouraging open communication, he was often heard to say "Err on the side of over-communication."

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