



HSVPOA vs Bella Vista POA – Assessments

Description

Increases Proposed

The Hot Springs Village Property Owners’ Association Board of Directors will decide on August 25, 2021, the details of a vote to be put to the Property Owners. Within the next several months, Property Owners will most likely be voting whether to approve a monthly assessment increase or not. As Board Chair Corry said, “This is in your hands... We’ll vote to present it to you. That is it.”

Currently improved Property Owners pay close to \$70 per month for assessments and unimproved Property Owners pay close to \$40. (Numbers are rounded for simplicity.) Director Omohundro shared with us at the August 18, 2021 Board Meeting some of the details of the Board’s plan. Increases Property Owners will be voting on are:

- 2022 improved properties – \$90
- 2022 unimproved properties - \$42

- 2023 improved properties – \$100
- 2023 unimproved properties – \$44

- 2024 improved properties – \$110
- 2024 unimproved properties – \$46

- 2025 improved properties – \$120
- 2025 unimproved properties – \$48

- 2026 improved properties – \$125
- 2026 unimproved properties – \$49

Board Received Large Email Support In Favor of Bigger Increase Than FRATF Proposed

Originally, the Board was going to go with the Future Revenue Analysis Task Force’s (FRATF)

recommendation of their third option, but due to receiving a large influx of email support in favor of a bigger increase, the Board is not supporting FRATF's recommendation of option 3. (Click [here](#) to read FRATF's three options. There really are four options, with the fourth being no monthly assessment increase.) Director Omohundro said 99% of the emails they have received have been positive. I take this to mean in favor of a large increase.

There is no doubt that the HSVPOA needs an influx of money in order to make a larger dent in the millions of dollars of delayed infrastructure repair. This is my opinion and many will not agree with me. I understand and fully support everyone's right to their own opinion and also understand and sympathize with the folks who will suffer hardship if there are repeated increases over the southern CPI.

Millions of dollars have been misspent by the POA over the years. The list of failed projects and mismanagement of funds is long.

Unkept Promises

During the HSVPOA's last campaign for an assessment increase (two-tier), they promised the money would be spent on infrastructure needs and that there would be no new amenities. We know this promise was not kept. A lot of money was frittered away on things like the New Urbanism Comprehensive Master Plan (half a million dollars alone for the plan). This doesn't even begin to include the money that was spent to "sell" the plan to the Property Owners.

Other areas of spending were in highly paid staff positions such as Director of Placemaking and Chief Member Experience Officer. A new division called, Village Homes and Lands was also developed and staffed. I could go on and on to detail the waste of the past, but I will not. A lot of it is documented on this website and in the minutes of Board Meetings. (I am not disparaging these employees. I am aware they worked hard.)

Special Assessment Option NOT Supported by FRATF and Board of Directors

FRATF and the Board do not support a special assessment. The benefit of a special assessment is that the funds would be mandated to be used for infrastructure and this would hold the POA accountable to spend these funds in the designated manner.

Is there a way besides a special assessment to ensure the POA spends the money on infrastructure and needs instead of wants?

How Bella Vista Handled Its Recent Assessment Increase Vote

Let's look at our sister community, Bella Vista, Arkansas. While Bella Vista and Hot Springs Village are not the same, there are many similarities. Cooper developed both and formed a POA to govern both. Bella Vista is a municipality and the City of Bella Vista takes care of certain needs while the Bella Vista POA takes care of the recreational amenities and water in Bella Vista.

Bella Vista POA Makes Promises to Property Owners

According to **KNWA**, in 2019 Bella Vista residents were facing an assessment increase, the same as Hot Springs Village is now. The Bella Vista POA wanted \$11 more a month or \$132 annually for improved lots (meaning those with a water meter). Additionally, for unimproved lots, the POA asked for a \$2 increase. They called it their 2020 plan. **The plan was detailed and the Bella Vista POA outlined areas where they planned to spend the assessments.**

This is what the Bella Vista POA originally promised:

- *Six dollars of the increase will go toward eliminating or reducing our current fees.*
- *Two dollars will go to pay for the Trafalgar fire and once all those costs are covered, it will be moved into our reserves. [This has to do with a difficult stump dump fire]*
- *Two dollars will go toward operational costs and capital improvements for the future.*
- *One dollar will go toward building our reserves.*

The Bella Vista assessment increase vote failed, in spite of the POA promises. The POA put this vote up again with a difference. The Bella Vista POA came back and asked the Property Owners to approve a \$13 increase for improved lots and **ZERO** increase for unimproved lots. As it is in Hot Springs Village, in Bella Vista, there are more unimproved lot owners than there are improved lot owners so unimproved Property Owners can vote on an assessment increase for the improved Property Owners. The second Bella Vista vote passed with the assessment funds still being allocated.

Bella Vista POA Gave Back to Property Owners

In addition to allocating the funds for specific purposes, Bella Vista Property Owners now have the opportunity to purchase an activity card. Bella Vista POA used a portion of the assessment increase to reduce recreational fees at certain amenities.

“We’re really pleased about that [the passing of the assessment vote] and now the work begins,” said Bella Vista Property Owners Association Chief Operating Officer Tom Judson. “If a property owner were to purchase an activity card, its a one-time \$30 fee and they get unlimited use of the gym, pools, the lake, the beach, the gun range, range balls, green fees at Brittany, and 10% off food purchases at restaurants.”

Assurances and Accountability

What I see as good in the way Bella Vista POA handled their recent assessment increase is that they informed the Bella Vista community where every dollar would be going. I would hope that Bella Vista POA sticks with its promises.

Wouldn't it be nice if the Hot Springs Village POA Board and Staff let us know dollar-for-dollar where they will be spending the new assessment money (if the increase passes)? Of course, this would need to be a formal written promise.

Is there a way to do this? It seems as if there should be a legal way to do this. If so, then this would go a **LONG** way in assuring the Property Owners that the POA really wants the increase for infrastructure purposes and other needs and will not waste the money on wants, as has happened in the past. If the

Bella Vista POA can do this why can't the Hot Springs Village POA?

Masterson Demands Accountability

Hot Springs Village Property Owner, Missy Masterson said, "I have NO intention of voting for five increases. The very most I would expect would be to vote for ONE increase, and I want to know FIRST how it will be spent and what assurances will be in place to hold them to their promises. We've been down this road before! Sell a vote based on the need for infrastructure repair, then blow it all on fripperies like the failed CMP AND IGNORE THE INFRASTRUCTURE REPAIRS. Even as this whole Village is in an uproar over finances and infrastructure, we now have a new archery facility! What?????"

Blakeman Opposes Increase Before Problems are Solved

In opposition to an assessment increase, Property Owner Tom Blakeman said, "If any increase is granted AT ALL there will NEVER be any changes made to the faulty governance model or the tax and spend culture of the POA in general. Therefore the concept of agreeing (as many seem to be doing) that an increase is needed while opposing a particular amount or type is flawed at its inception. There is only one way to fix the problems here and that is to severely limit the money flow, i.e., NO NEW MONEY, until the basic intrinsic problems are corrected."

By Joe Dowden, August 20, 2021

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