



Tenuta BOD meeting feedback

Description

by George Tenuta

Note from Cheryl: what follows is an email from George Tenuta regarding the August 21, 2019 Board of Directors meeting. In this email, George provides feedback and gives support to Diana Podawiltz and Dick Garrison. Permission to publish was given.

George Tenuta said:

I attended the entire three and a half hour board meeting today and would like to applaud both Diana and Dick for your tough questions, persistence, and insight.

It was the highlight of the meeting.

I offer the following opinions as feedback as I heard Diana ask for member input towards the end of the meeting regarding the Balboa projects.

First off, I will comment on a few other items that stood out.

Renaissance presentation

The Renaissance presentation for the new subdivision just west of the Woodlands. This sounds like a good plan. RE/MAX will market, Renaissance will buy POA lots. I guess credit goes to Renee Haugen for arranging the deal.

What goes through my mind is why we need to pay someone \$80,000+ a year to do this, along with rent and other expenses, when our Realtor network should be capable of accomplishing the same deal on our behalf for a fraction of that cost.



The Renaissance owner did say this was a great opportunity and mentioned these homes would benefit from the “special amenities”.

I hope that he was referring to things he is providing in the homes and not some special features the POA has promised to install for this subdivision.

Restaurants

The CMEO presented a plan of analysis of restaurant operations which was good. Supplier contract negotiations, cost of goods sold (margin analysis), service training for the wait staff and safety training for the back of restaurant staff.

What went through my mind on this was why we have paid a director of Food and Beverage \$80,000+ a year for 3 or more years and this was never accomplished. I have had little interaction with him, but it was not memorable and I have personally been told by the waitstaff that he is useless but did not know of much detail.

Someone needs to question what his goals were/are. I don't believe the CMEO gave him any direct credit for helping her with the latest analysis, which is alarming.

I understand he reported to Nalley and she has no operating experience, but if he was hired as a Director, the things being done now were Business 101 items that should have been addressed. Very disturbing to think Nalley had to hire a \$110,000+ CMEO to get this work initiated.

Budget

The budget conversation with CFO Mathis was alarming in the sense that one of the highest expenses, electric utility costs, is coming in over 30% higher than projected because of the sunset of some type of credit. According to the 2019 approved budget, the highest electric utility costs were budgeted at \$1.5M, which would result in a \$500,000 additional and unplanned expense.

In my experience, when this type of item was budgeted for the upcoming year (outside utility agency),

one or more people would be responsible for contacting the agency to review their projections and understanding of any factors that could impact the business in the coming year. It is a bit hard to understand how this became a surprise to all commercial customers in 2019, as Mathis stated.

Balboa Course & Clubhouse

Finally the [Balboa course and clubhouse](#) renovations that were proposed at \$4.6M and \$2 (new) or \$3M (remodel) respectfully.

Many questions about the remodel vs new. As Diana commented, let's think bigger picture and if the upper space can be utilized for a needed police station or additional office space then slow down and think that through. Nalley presents this right before the budget season and expects a BOD response in 30 days. That is irresponsible.

As far as the total replacement of the Balboa Fairways, greens, paths, and irrigation system, I do not feel it can be avoided. I did like Dick's comment that of course, Gary Meyer would propose the best he can get, but that maybe a few other alternatives should be offered. Type of greens and bunker requirements come to my mind.

I do not mind the idea of a per round surcharge to offset this cost, however, we need to understand the entire rate structure picture for the next 3-5 years if this is implemented. How would annual passes be charged for this as well as nonmembers?

I was concerned that the cost of debt was not included in the overall figure as Tormey pointed out. Debt cannot be avoided as our reserves of \$2.8M are nowhere near what they should be for a community this size. I would really like to know what that target is. There are companies that do this type of analysis if we don't have the capability.

Chair attempts to shut down member

Finally, the 3-minute member feedback was also disturbing, [Steve Rust](#) trying to make a prepared statement about Nalley's grievance against the two you being shut down repeatedly by Erickson to the point of having officers escort him away. There was no harm in letting him have his 3 minutes, her actions caused so much unnecessary drama and ill feelings. People in the audience were shouting "let him finish".



Another member, nearly in tears asking for the BOD and Nalley, to act civil and not create this environment was very honest and representative of many.



Respectfully,

George Tenuta

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1. HSV Villager's Opinion
2. HSVPOA Board Meetings

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1. hot springs village
2. hot springs village arkansas
3. hot springs village balboa golf course
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5. hot springs village bod
6. hot springs village diana podawiltz
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8. hot springs village george tenuta
9. hot springs village golf
10. hot springs village golf community
11. Hot springs village people
12. hot springs village poa

13. hot springs village property
14. hot springs village property owner
15. hot springs village property owners
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