To: POA Board of Directors
From: RASP Committee Chairman – Dennis VanLeeuwen
Subject: RASP committee's Chairman's 2012/2013 annual report
Date: February 5, 2013

The RASP committee spent considerable time in 2012 working on two assignments from the POA Board. First, we completed our report with respect to multi-tiered assessments. We reviewed Belle Vista’s two tiered assessment policy as well as many other communities’ assessment policies. On the surface, it seems obvious that one assessment for the property owners of developed lots and a lower assessment for the property owners of undeveloped lots makes sense. However, after extensive analysis, we concluded that implementing such a policy is very, very difficult and would likely have several unintended consequences. Therefore, we recommended against a multi-tiered assessment because we could get to almost the same result by charging higher amenity user fees, most of which would be paid by the property owners of developed lots.

Our second assignment was to review the POA’s policy with respect to subsidizing amenities. Our report contained a spreadsheet that more clearly identified the amount of subsidy each amenity is currently receiving. We defined subsidy as the amount of funding by the POA that is necessary to operate the amenity that is in excess of the revenue it generates from its user fees. Capital costs were not factored in as part of this formula. We also concluded that there was no overwhelming argument that defined what the appropriate level of subsidy should be. This should be a POA Board decision, amenity by amenity, depending on how each amenity supports the POA’s growth plans and/or vision for the future of HSV. We also recommended that the Board publically spell out their view of each amenity with respect to how critical it is to their achieving vision. This view would help to give clarity to the property owners as to why some amenities are subsidized more than others.

RASP’s other task was to review the 2013 budget with an eye for the risks and opportunities to achieve the objectives. Our review was submitted to the POA Board prior to the general budget review meetings that were held last fall. We pointed out that the stated “capital” needs in the out years were of most concern and that plans must be develop now, to either reduce the capital needs, or find ways to generate the necessary revenue to complete these capital projects.

Sincerely,

Dennis VanLeeuwen

RASP Committee chairman