ASSESSMENT INCREASE -- VOTE NOW, VOTE YES

The proxies have been mailed; the time to make a decision is now. We have general agreement that the POA needs to increase revenue, but there is some dissension about how urgent the need and whether the proposed two-tier format is the right way. Our CFO answered the urgency question at the January 7 board work session. We are one ice storm away from a financial emergency. So, let's address the two-tier issue.

Is it legal? In a case involving Bella Vista, with essentially the same declaration as ours, the Arkansas Court of Appeals said if the membership votes for a two-tier assessment, then it is legal.

Is it fair? The owners of unimproved lots currently pay two-thirds of all assessment revenue, but do they get a proportional amount of the benefits? Assessment money pays for all the things we can't adequately fund with fees, such as employee salaries, roads, lake maintenance, repairs to POA buildings and other infrastructure, police and fire protection, vehicles, and many other operating expenses. Since less than one-fifth of non-resident owners live close enough to use Village facilities regularly, most of those owners are paying for something they rarely or never see. We who live here are the ones who receive almost all of the benefit of assessment funds.

Won't this vote give the unimproved lot owners power over the rest of us forever? Unimproved lots have always outnumbered improved lots by a significant margin. Nothing changes as a result of this vote. Since voter turnout among non-residents has always been lower, residents have generally controlled the outcome of elections.

Why can't we have an equal increase for all owners? To achieve an adequate assessment increase, we would have to raise the monthly assessment about $14. The last two times we voted on increases, the amount was only $4/month, and the majority of non-residents voted "No."

Both of those increases passed because of the resident vote. However, after the 2010 increase was implemented, our revenues went down dramatically because owners of unimproved lots quit paying, and the rate at which unimproved owners are leaving is still increasing today. We do not need to do something that will only make our problems worse.

If you want to preserve the quality of life in Hot Springs Village, your best choice now is to vote "Yes" for the proposed assessment increase.