TO:  POA Board of Directors  

FROM:  Research & Special Projects (RASP) Chairman – Jerry Kosoglow  


DATE:  March 2, 2015  

RASP Members – Nancy Carlson, Tom Heau, Jerry Kosoglow, Gerry Vaden, Tom Weiss, William Wilkie, James Williams  

Board Liaison – Frank Leeming  

Staff Liaison – Lesley Nalley  

RASP’s early involvement in “operational” year 2014/2015 (April 2014 – April 2015) focused on possible projects. In June, discussions with Keith Keck and David Twiggs suggested the following items:  

1. RASP providing draft of Enterprise Goals based on Board/Twiggs 2014 initial Goals/Objectives that could be shared publicly with emphasis on clearer definitions of “growth,” “placemaking,” “overlays,” the two-tier project evaluation models, etc.  

2. RASP providing clearer concepts and draft write-up of the New Business Model to include details of items like a) geographic service area, b) customers, c) programs/services provided, d) competitive advantages, and funding sources (sensitive to FF committee).  

3. RASP supporting analysis of future revenue ideas in a way that supports Board positions and the future communications needed for items like assessment increases, fee increases, etc. This particular item will come subsequent to board discussion of the findings of the future funding committee.  

4. RASP review of the 2015 Budget would also occur prior to board discussions and public meetings as is the annual expectation.  

The first item was completed and the final version of the Enterprise goals was approved at the August Regular Meeting of the Board.  

After significant discussion RASP was not involved in any activities related to the new HSV Business Model. Likewise to date RASP has not been asked to evaluate any revenue ideas as the implementation of the approved assessment increase and pending legal actions are still underway as of the date of this report.  

In September, RASP did an extensive review of the 2015 Budget and the following input was provided to CFO Lesley Nalley, the Board and the associated POA Staff:  

Cautions regarding revenue:  
• Does the water revenue under scenario I properly account for the two different methods that would be used to calculate excess  
• Are we comfortable with 260,000 golf rounds and the related revenue we’ve estimated
• Do the fees we are recommending properly tie to the usage? Be able to explain the basis.

Recommendations regarding your departmental presentations:
• A clear comparison of what is in and what is out under each scenario (operationally & capital spending). You might use the same side-by-side format I used in the budget overview.
• A clear idea of how you feel you’ll end this year as compared to other years and the new budget
• Staffing levels and staffing changes
• What will your success stories be in 2015 – cost savings, productivity improvements, major projects, etc.
• What would you do differently if you had more money – be careful on this one though, needs, wants, and dreams have to be balanced no matter our cash situation

In February 2015, RASP was asked to review 1) any relevant issues needing considered for development of the 2016 Budget, particularly in light of the December 2013, RASP “Financial Plan Process Report” that was adopted as the Board Policy for budget planning; and 2) the need for a 2015 Strategic Plan to update/replace the 2010 version.

Many successes were cited related to the 2015 Budget process and significant progress was noted over previous years. RASP recommended for the 2015 process for the 2016 Budget:
• If the Board/POA is committed to the RASP proposed “Process” they should consider completing the “Launch” phase including outside facilitation.
• There must be a set of 2016 Enterprise Goals to precede the 2015 Process. These goals should cover a period beyond the 2016 timeframe in order to better forecast the needed 2017/2018 estimates.
• RASP does not see any role for the committee in the 2016 Budget process except for a review as normal prior to final Board approval. That being said, if Lesley has a need for any RASP support we are available.

Regarding a possible 2015 Strategic Plan, RASP recommendations/questions to the Board are:
• Board members should understand the content of the 2010 SP. Can the current version still serve as a guiding document? Is it reflected adequately in the Master Plan? Does the current forum for the annual review work to ensure HSV has a strategic vision?
• Is the Board emphasizing David Twiggs’ role as the consistent leader of POA strategies to move HSV forward? This is especially true in light of annual Board turnover and the lack of consistent strategic leadership by the Board from that perspective.
• RASP concluded that the 2010 SP should be merged with the Master Plan to both flesh out the value of the SP and to ensure there is only one guiding document for HSV Strategic Planning.