INVESTING IN OUR FUTURE: Let’s Reason Together

We have inherited a beautiful home. Its name is Hot Springs Village.

It was built by visionary people who used the profits from lot sales to invest in an infrastructure that includes 470 miles of roads, extensive water and sewer systems, 11 lakes, 9 golf courses, 6 gates, 26 miles of trails, and numerous other smaller facilities. Our 94 buildings house restaurants, exercise and swimming facilities, meeting and social areas, golf shops, marinas, auditoriums, police and fire stations, and maintenance operations.

The developer is no longer here, however, and we no longer have a steady income from lot sales to continue to build and maintain the Village.

We are like children that have inherited a huge house but no cash to maintain it. Without that maintenance our house will deteriorate.

Over the last few weeks we have had a spirited discussion of how we will finance our effort to move HSV forward and preserve the community and lifestyle that we all love. Many ideas have been put forward in town meetings and letters as to how to proceed.

After considering this discussion, and the extensive work done by the association’s committees and staff, the individuals we have elected to represent us have recommended a tiered assessment increase as one part of the way forward.

This proposal is what we will be voting on this Fall.

The discussions and disagreements are behind us. Our board has put forth a proposal. We now owe it to ourselves and our fellow members to step back and take a careful and thoughtful look at the facts and the proposal.

The core of the problem is quite simple. Over a period of seven years assessment payments on non-resident lots have dropped from 99+% to 79% in 2013. This represents $13 million in lost revenue. This deficit continues at a rate of $3 million per year.

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In the last few years we have been able to cover this deficit and meet our most vital capital needs (e.g., the water plant) with money wisely reserved in past good years and by deferring vital maintenance and other capital needs. These funds are depleted. The needs continue.

Over the next weeks, articles here will describe the entire plan based on comparative budgets (with and without the proposed increase) to be approved by the Board this September. They will also discuss why the tiered assessment was chosen and its legality.

Let’s study the facts and decide the best course of action based on them. Detailed information is available in the “Advocate” and on the Association’s web site (www.hsypoa.org) including answers to the most frequently asked questions. Please contact Lisa Watson (501-922-5565; lwatson@hsypoa.org) to request a personal presentation for your club or organization. In addition, sign up for POA Web Blasts at www.hsypoa.org to keep informed of the latest developments.

This proposal may not be exactly what some of us would prefer. It is not perfect. If we studied things for another year, as some suggest, we may come up with something else --- slightly better or worse. We know for sure, however, that we would be another $3 million behind financially. Let’s not lose track of the core problem. We are $13 million behind and dropping back at a rate of $3 million each year.

The representatives we elected have had the courage to face up to our financial needs and present a proposal for resolving them. We owe it to ourselves to consider the proposal with an open mind and decide if it will provide our inherited home with a better future than leaving things as they are. If it will, you are strongly urged to support it.