



August 24, 2014

Although it is true that all HVLA amenities are subsidized through our member assessments, some amenities are more highly subsidized than others.

This is especially true when the subsidy is expressed in total dollars per annum. In this sense, the Golf Course and associated operations is "King of the Amenities."

Last year, the Golf Course received a subsidy of ca. \$685,000, dwarfing the next most highly subsidized amenity, which was Food and Beverage (\$161,000).

Most HOA-run Golf courses receive some degree of subsidy. Our "sister" Communities in the Sierra foothills, Lake Wildwood and Lake of the Pines also provide a subsidy, but one that is much smaller.

Lake Wildwood's subsidy last year was \$250,000, while that of Lake of the Pines totaled ca. \$140,000. Such subsidies are typical of what an HOA-owned Golf operation can expect in Northern California.

Hidden Valley Lake's subsidy has ranged between ca. \$500,000 and \$685,000 for the past decade, far exceeding what is customary for an HOA-run Golf operation of its size. As recently as 2000, the subsidy to the Golf + Food & Beverage operations was substantially lower (ca. \$200,000 for that year), demonstrating the Association's ability to operate these amenities in a fiscally prudent manner.

For those who Golf frequently in Hidden Valley, the (effective) subsidy can amount to thousands of dollars a year (at the individual level).

The hidden cost of this excessive subsidy is our Association's underfunded reserves and the substandard maintenance of many of the Community's other amenities, facilities and services. If the Golf course's subsidy could ultimately be reduced to the level of Lake Wildwood's - \$250,000 - this would allow the Association to put the money saved into such amenities/facilities as the Lake, the Beaches, the Equestrian Center, the Community Center, etc. that are in desperate need of additional funds. It would also allow the Association to direct more funds to our Security Services so that residents could live in a safer Community.

How can the Golf Course subsidy be reduced?

One way would be for the Association to hire an outside, professional firm to objectively analyze the Golf operations and recommend a course of action that would reduce expenses and increase revenue by a variety of marketing and operational changes.

As part of the budget formulation process for the 2015, I will propose that the subsidy to this amenity be capped at \$550,000.

In my opinion, it should be left to the Golf operations director, Wayne Clark, and General Manager, Cindy Spears, to specify precisely how this target will be met. I will also suggest that the subsidy be capped at \$400,000 for 2016 and \$250,000 in 2017. This staged subsidy reduction would allow the Golf Course operations crucial time to make changes that would allow for the orderly transition to a more efficiently run operation.

Hidden Valley has the only 18-hole Golf Course in Lake County, and is extremely well-maintained. It should continue to be well taken care of, but not at the expense of the Association's other amenities, facilities and services.

One of the key assets of Hidden Valley's Golf Course is the weather. During the middle of the summer "hot season," we tend to overlook how much nicer Lake County's weather is relative to other northern California locales the rest of the year. While the San Francisco Bay and other coastal areas are shrouded in fog, Lake County often enjoys clear, sunny days. Lake County's air is the cleanest in the country, another important asset for physically strenuous activity. Combine these advantages with our locale's proximity to the Wine Country and the stunning mountain vistas surrounding the Golf Course, it should be possible to attract many additional golfers to play in Hidden Valley Lake.

2015 Budget Preparation Schedule

August 26th - Finance Committee

(6:30 PM, HVLA Admin Building, Activity Center)

Review GM Proposed Budget

Review Reserve and Capital Outlay Budgets

Requests for Additional Information

Finance Committee [Agenda](#) (in addition to the above) is available [here](#).

The August 16th Community Forum on the Hartmann Project and Associated Legal Issues - [YouTube Video now available](#).

If you would like some postcards or other campaign material supporting my retention on the Board, please contact me at steven@hvlarising.org.

eNewsletter Archive

An archive of many of the eNewsletters sent over the past year is now online. It can be accessed via the link below:

["Believe in Steve" eMessage Archive](#)

HVLaRising Website

The HVLaRising website has been revised to take into account current circumstances in our Community. It can be accessed [here](#).

Thank you for the opportunity to continue serving you!

Sincerely,

***Steve Greenberg,
HVLA Director***

[The views expressed in this eMessage are my own, and are not intended to represent those of the Hidden Valley Lake Association, its employees or its Board of Directors]

HVLARising | steven@hvlarising.org | <http://www.hvlarising.org>

Hidden Valley Lake, CA 95467

Copyright © 2014. All Rights Reserved.