

Observations on the 2019 POA Board Election

Elections are the foundation of governance. As pointed out in the CMP, the village operates as a quasi-municipal government and therefore those elected to the Board have duties and responsibilities that closely parallel those of city councilmembers. In addition, like all successful organizations the function and responsibilities of the HSV Boards have transformed significantly through the years with greater community decisions being placed on the Boards, and as the role of the developer has decreased, the demands of the Board have increased. These changes are seen in the governing process for Board members are held more accountable and are called upon to make more decisions than previous Boards. There are many elements to an election but two are significant in understanding an outcome. The first is straightforward—who won and who lost. The second is not; to explain why people cast their vote the way they did have a multitude of explanations that are not easily discerned and the rationale behind a vote can vary widely. This said, there are a number of observations that can be drawn from the results that aid in providing the broader context of the election results. These include: (1) the percent of eligible voters who cast a vote—turnout. (2) How the votes were distributed between those who reside in village and those who do not—resident versus non-resident. (3) Incumbency. Having served is often a strong indicator of one’s chances for re-election. We know, for instance, that at the state and national levels incumbency is a strong predictor of electoral success. While all elections are unique, the 2019 POA Board Election was framed by several features. First, it was an election that had the third most candidates, ten vying for the three seats. Since 1984 only the elections of 2005 and 1990 had more candidates with 12 candidates each. Second, the role of Cooper Communities (CCI) overtly engaged in the election and was a departure from recent Board elections. John Cooper III publically endorsed three candidates; none were successful. Third, prior to the election there was a well-organized opposition to the current Board, the CEO and their policies. This was led by one of the unsuccessful candidates.

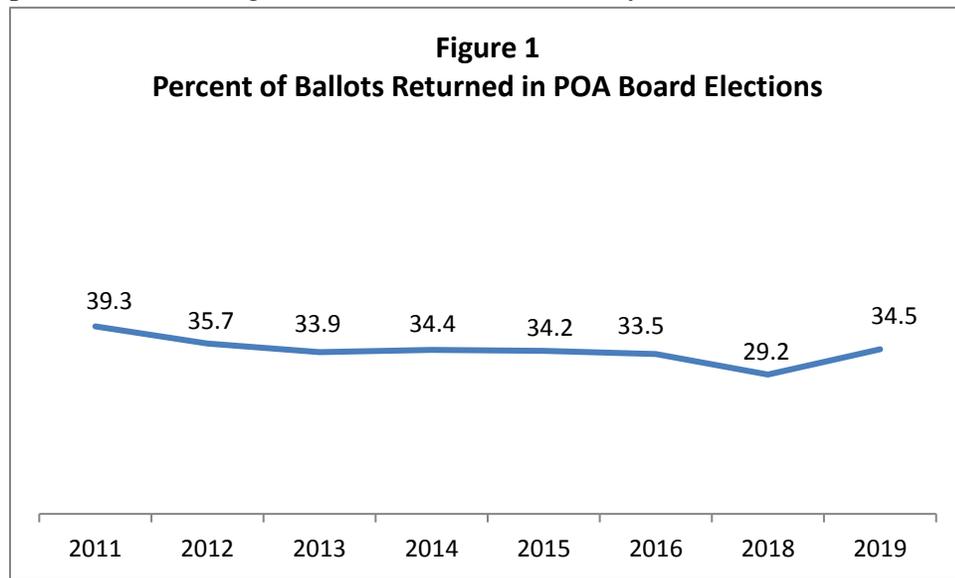
Results

Tormey Campagna, Diana Podawiltz and Dick Garrison were elected. Campagna led the voting with Podawiltz one percent behind in total votes. Garrison was the third member elected and was 2.7 percent behind Podawiltz. Lori Street placed fourth with 2.8 percent (635 votes) less than Garrison. The winning candidates were the choice of the resident voters, and while non-residents also supported Podawiltz and Campagna, the third place was tied by Denger and Mermel with 11.7 percent. The winning candidates received more than 3,000 votes. The next three candidates were in the 2,000 range and the remaining candidates were all below 2,000 votes.

Turnout

The critical factor in all elections is turnout for it has both practical and theoretical implications. The practical component is that no candidate can prevail without those who favor their candidacy casting a ballot for them. The theoretical component relates to the health of the democratic

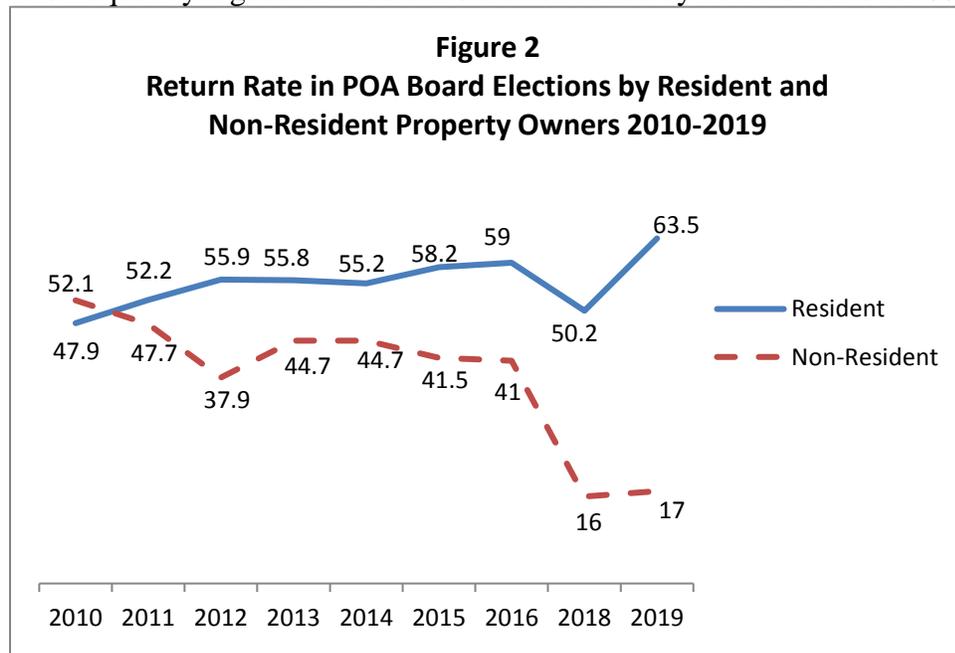
process, for the larger the turnout, the more likely the vote the mirrors will of the people and not



a small sub-set. Figure 1 addresses the first concern that is the percent of property owners in good standing who cast a ballot in the election for the 2019 Board of Directors. As Figure 1 indicates the turnout rate for the 2019 Board election shows a

reappearance to the normal return rate over the past eight Board elections. It is meaningful that the 2019 election showed an increase in response rate over the 2018 Board election in the return rate of 5.3 percent.

It is frequently argued that residents are controlled by non-residents for 60 percent of the ballots



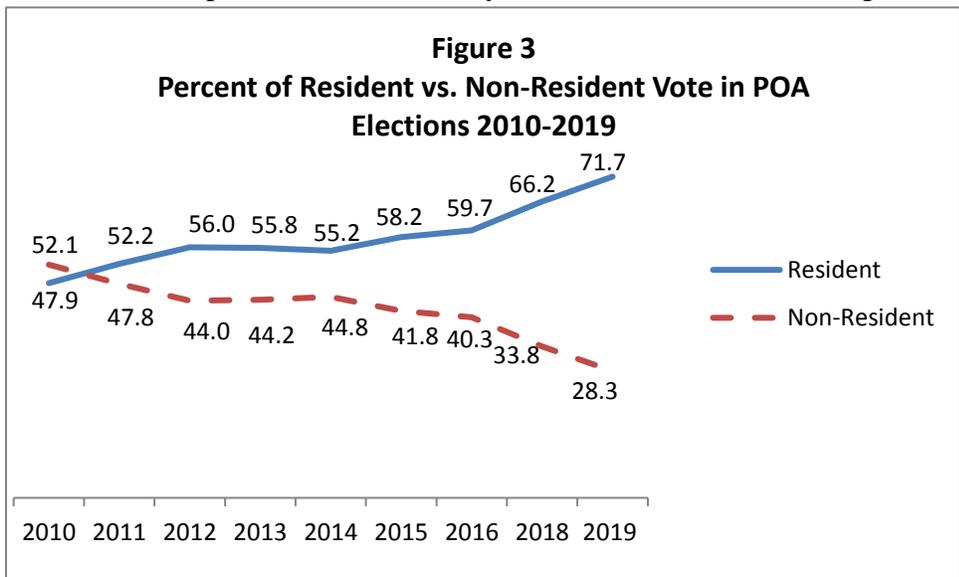
were sent to non-resident property owners in the 2019 election. Figure 2 addresses this issue. The return rate of both resident and non-resident property owners is examined. As one can clearly see, since the 2010 election, the majority of ballots have been from those residing in

Hot Springs Village. Furthermore over the years the residents have become more engaged in voting than non-resident property owners. One of the most striking patterns is the disengagement of non-property owners in the past two elections with a decline of 25 percent. The public discourse of the inordinate role of non-residents over the electoral process of the village can clearly be dismissed. This is particularly true of the last two elections where there has been a

significant decline in non-resident participation. Third, the past election set a record in the percent of ballots returned by residents with 63.5 percent. This was 15.3 a percent increase over 2018 and an 8.2 percent increase over the average of the past nine board elections. One explanation may answer both the increased involvement by residents and the decreased involvement of non-residents—the events surrounding the CPM, the leadership of the Board and the CEO, and the Declaration vote.

Translating Return Rates Into Votes

When one compares the percent of votes cast by the resident and non-resident voter, it provides an even clearer picture of who actually controls Board elections. Figure 3 is that examination.



Clearly the pattern follows the return rate; however the magnitude of the impact of each is greater in the actual vote. In the past election 72 percent of the votes came from resident property owners compared to 28 percent from the non-resident.

There are at least two observations about the turnout in Board Elections. First, following the 2010 election, residents have had the majority voice in Board elections. Second, there has been a continued decline of non-resident voting.

Incumbency

As noted above, incumbency is a strong predictor of success in national and state elections. However within the Village, incumbency has not been associated with successful re-election. Since 2000 twelve incumbents have sought re-election in contested elections and only 4 have succeeded, and one was the uncontested election of Mike Medica in 2017. In contested elections since 2000, an incumbent has less than a 30 percent chance of being re-elected. Therefore, unlike other elections, incumbency rather than assisting in re-election has worked as a hindrance to re-election in the Hot Springs Village Board of Directors elections. While large geographically, the village is relatively small in population. Additionally the various pockets of

interest and interactions normally associated with locations (lakes, golf courses, view lots) make the process of communications even more difficult.

General Observations from the 2019 Election

There are several general observations that can be drawn from the 2019 election. First, there was a highly incentivized vote among residents of the village. Second, while resident voting increased, there was an unusually low degree of participation among the non-resident property owner. Third, the factors that drew more residents to vote may well explain the opposite effect on the non-resident voter for they continued to abstain from the voting process. Fourth, the election reflected local polarization that spawned new groups and outside involvement. Fifth, John Cooper III was unable to have a direct impact on the outcome of the election. The question that needs to be addressed is what are the factors that contributed to the new pattern of involvement that has appeared in the last two Board elections? Until these questions are resolved, the task of governing the village will become increasingly challenging.

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