

**Tellico Village POA**  
**Finance Advisory Committee Minutes**  
**May 13, 2022**

Brad Spiegel called the meeting to order at 9:00 a.m.

Present: Brad Spiegel, John Orr, Karol DeStein, Jim Devers, Marty Hulett, Rick Webb, Winston Blazer, Jessica Johnson, Mitzi Lane and Pat White

The April 14, 2022 minutes were reviewed. Minor revisions were made and amended minutes were emailed out Friday afternoon by Mitzi Lane.

Karol DeStein volunteered to take minutes for this meeting.

### **Financial Report**

Jessica Johnson, Accounting Manager, presented the financial report.  
(Comparisons are YTD through April.)

- Property Transfers reached 325 v/s 133 budget and new home permits reached 133 v/s 48 budget.
- Total golf rounds for April were 25,220 v/s budget of 20,447.
- Recreation memberships were down slightly, but still above budget. Household recreation memberships were 1,116 v/s a budget of 850 and Individual recreation memberships were 599 v/s a budget of 570.
- Net Revenue was \$8,902 v/s a budget of \$8,663 and net expenses were \$7,601 v/s a budget of \$9,668. Late Fees are now being charged, bringing that revenue up to budget. The expenses continue to be under budget, partly due to Salaries & Benefits and Personnel. Maintenance expenses still lag behind, as planned projects are not yet complete.
- In reviewing the YTD Comparative Analysis, Jessica Johnson explained the negative bad debt expense as settlements and account balance write-offs. Large variances in the Commercial division are due to the revenue budget being based on full occupancy, salary expense being zero due to the open position, and maintenance being low due to parking lot work not yet done. Jessica explained that the banking expense was loan interest. Brad Spiegel

noted the unfavorable variances in water and sewer revenue, and advised that rate changes be discussed in the next budget plan.

Discussion continued from the last meeting among FAC & Board Members regarding delinquent dock leases. Pat White reported that there were 43 docks relinquished to date, leaving no more delinquencies. The discussion continued to a possible increase in delinquent dock fees, as the current rate schedule may not be aggressive enough to get people to pay timely. The Marine Committee is working on locating “mossy” boats, so they can possibly be donated or sold on consignment.

### **Report on Current Activities**

- The audit is ongoing. It is taking longer than usual, because we are having to make adjustments from the prior year. Two issues Jessica Johnson is working on include a change in the Cooper asset purchase to a business combination, and putting twelve capital projects into service.
- The Audited Financial Statements will not be available until the June BOD Meeting.

### **Capital & Major Maintenance Funding**

- One capital project was reviewed and recommended by the FAC. This was a Wiedenmann Super 600 pull-behind machine costing \$52,695.44 (\$52,000.00 budget). It will be used for cultivation purposes and clean-up after storms by all three golf course locations. Funding from Operating Cash.
- Two capital projects were discussed that did not require FAC or Board approval as they were within the CEO signing authority.
  - The first project was for \$11,337.75 for a storage shed replacement at the Chota Recreation Center (\$12,000 Budget). Public Works will take the old shed and repurpose it where it will not be seen.
  - The second project was for \$7,056.99 for a Water & Sewer Pipe Locator (\$7,000 Budget). This will enable maintenance staff to locate lines where there is no tracer wire.

### **Committee Reports**

Each member gave a brief report of their assigned committee.

Beth Kuberka reported that the new POA Website is live.

## **Reserve Study Report**

Gary Porter from Facility Advisers gave a presentation on the progress he and business partner Pierre made while onsite this week. They have toured Tellico Village and are compiling information on assets including roads, golf courses, irrigation systems, and public buildings. They have been working with John Orr, Brad Spiegel, and the POA management team to review the POA assets, discuss long term replacement projections, and they will work to turn the information into a long term budget and maintenance plan. Mr. Porter plans to submit a report in the next few weeks for consideration in the 2023 budget cycle.

The FAC recommended putting the reserve funds in a laddered CD structure per investment policy. This will get some interest benefit to offset inflation.