

**TMA FINANCE COMMITTEE (FC)**  
**September 14, 2011 \* 9:00am – TGCC**

**MINUTES**

- \*TMA FC members in attendance: Bob Bolcik; Nancy Breo; Mike Dunn; Gene Martin, Chair  
Via Skype: John Leone  
Via conference call: Joe Wojtkowski
- \*TMA-FC member absent: Karen Clark
- \* TMA Treasurer and Board Liaison to FC: Beth Bond
- \* TGCC Staff in attendance: Tony Greising; Larry Perkins
- \* Guests in attendance:  
TMA Board Members: Andy Cotsanas  
TMA Members: Joe Palacio; John Woolley.

PRE-MEETING SPEAKERS: NONE

CALL TO ORDER

Gene Martin called the meeting to order at 8:57am, with a quorum confirmed.

APPROVAL OF MINUTES

**The minutes of the September 7,, 2011 TMA Finance Committee Meeting were approved as presented by a vote of 6-0.**

Bob Bolcik asked for an update from the TMA Board President on the FC request to have FC minutes posted on the TMA web site. Bob Dallesandro was not in attendance to respond.

Bolcik also asked for identification of the landowners for the two empty lots in Tara. Larry Perkins did not know who the owners are but will research it

AGENDA ADOPTION

**John Leone indicated that the opportunity for post-meeting speakers was for non-agenda items only. Other FC members indicated that post-meeting speakers may speak to agenda or non-agenda items. Research is needed to confirm which position is accurate. The agenda was approved by consensus. (Note: A copy of the revised agenda is attached.)**

**2012 BUDGET REVIEW (Draft 2)**

The FC members engaged in a line by line discussion and question and answer session about the second draft of the 2012 TMA Budget (see copy attached) that was presented by Association Management. *Note: Copies of the budget draft were handed out to audience members for their reference during the meeting only and were to be returned to Larry following the meeting.*

A. COMCAST Revenue & Expense

Bolcik asked for clarification of TMA membership numbers as they relate to the Comcast billing. Tony Greising confirmed that the office building at Tara Blvd. & Stone River Road is a TMA member and is billed for one cable service. The Tara CDD Community Center and TGCC each receive one free cable service per the terms of the TMA contract with Comcast. TGCC also receives one free sports package. Greising will check with Comcast to find out if the Tara CDD receives one free sports package also. Dunn stated that there are at least 3 additional free services referenced in the Comcast contract. Greising stated that no other free service is connected at this time. Greising also confirmed that The Preserve Golf Club and the Commercial Building at Stone River Road and Tara Blvd pay TMA membership dues, but TGCC does not pay TMA membership dues. The status of TGCC membership in the TMA will be researched.

Larry Perkins explained that the change in the Comcast budget for draft 2 was a result using the same tax percentages from 2011 and increasing the assessment by 2.6% Mike Dunn pointed out that this was a \$19,000 increase and increases per member assessment by almost \$10/member.

Bolcik asked Greising for an update on confirming the existing retail rate for Cable in Sarasota/Manatee to ensure that the TMA bulk agreement accomplishes a minimum 54% discount. Greising reported that Brighthouse charges \$65/month (plus taxes and fees) as the the retail rate for a similar package. The TMA bulk rate discount is slightly more than 54% compared to Brighthouse.

Dunn pointed out that a comparison of the historical data for the budgeted amount for Cable and the actual expenditure shows that the TMA cable budget has been consistently overbudgeted. Dunn strongly suggested that Association Management approach Comcast to give TMA members a break after consistent increases over multiple years by either reducing or not increasing the current fees. It is understood that Comcast does not have control over the tax rates applied to cable service. Perkins indicated that the 2.6% increase in the budget draft is less than the 5% projection used in past years.

Breo reminded Greising to research the enforceability of a bulk cable agreement relative to possible new legislation. Greising stated that the Brighthouse rep that he spoke with had no knowledge of any legislative restrictions on bulk agreements. However, Greising plans to discuss this with TMA attorney, Sharon Vander Wulp.

B. Allowance for Bad Debt

Larry Perkins explained that he did not make any changes to this budget draft relative to the bad debt allowance. However, Perkins explained that a \$10,000 (decrease or increase) in this line item would result in approximately a \$5.00/member change, dependent on whether the budget item was decreased or increased by \$10,000. This formula applies to any \$10,000 change in a line item.

C. Capital Expenditures

Capital Expenditures was added to this draft budget to address the issue of providing funds to hire a landscape architect for the redesign and replacement of landscaping at the SR 70 entrance and along Tara Blvd. Nancy Breo questioned why Reserve funds could not be used for this purpose rather than adding an additional \$8,000 to the member assessment. Dunn stated that until the Asset Study is completed he does not support taking any monies from the Reserve fund. Breo stated that a comparison of the 2010 budget vs. actual for the Landscape & Irrigation budget line item showed an excess of \$18,000 and questioned if this budget item already had ample funds to incorporate the landscape architect cost without increasing the budget. Perkins expects that the 2011 budget vs. actual for the Landscape & Irrigation line item will not have an excess and that the 2010 excess resulted from work not being completed that was planned. **However, Dunn suggested that the Capital Expenditures line item be deleted and that this expense be included in the “Landscape & Irrigation” line item, thus raising the budget amount from \$38,000 to \$46,000. All agreed by consensus.**

D. Landscape & Irrigation

Dunn asked for the source of the increase in the Tara only expense for the Landscape & Irrigation budget line item. Greising explained that in follow-up discussions with Cornerstone representatives that it came to light that the grass cutting around the lake in Melrose Place needed to be added to the Tara only expense. Also, Cornerstone has been evaluating the irrigation system and found that the timers were not set properly and that some zones are on remote sensors. Additional work may be needed on the irrigation system to address these issues, and a portion of this work, might be a Tara only expense.

E. Office Expense

It was discussed that a breakout of the items that are included in the Office Expense line item need to be identified.

F. Mailing & Elections

Perkins explained that he had overlooked separating out the Mailing and Election into two separate line items. Dunn proposed that the “Mailing” line item be expanded to include all communications to members, except billing and elections. Dunn suggests that a new cost code be created for “Communications to Members” and this would include the website and combining printing and mailing expenses for a President’s Letter, ARC Correspondence, and other general member correspondence. Dunn and Perkins agreed to review the Office & Mailing Expense accounts and present a recommendation at the next FC meeting. Perkins confirmed that the current Office Expense line item does not include postage. All postage is included in the “Mailing & Elections” budget line item. Dunn would like to see the Election line item contain all election-related expenses so the true cost of the TMA election is apparent to all members.

Joe Wojtkowski expressed concern that providing too much detail in the budget might have an unintended result of impeding activity.

G. Cash-On-Hand

Dunn initiated a discussion about the appropriate amount of cash-on-hand the TMA should retain from excess operating funds vs. refunding to the membership. This is a very important issue to bring to the Board. Breo

mentioned that it is not fair to TMA members to overbudget line items year after year if the TMA has a large operating surplus. Larry explained that the TMA needs to keep sufficient cash-on-hand for first quarter expenses. Dunn reminded the FC that the TMA prefunds more than 90% of its budget by February 1<sup>st</sup> of each year due to its dues collection schedule being annually by January 31<sup>st</sup>.

H. Electric

Dunn reported that the non-metered electric bill from FPL for Tara Blvd. indicates that there are 20 poles and that FPL owns and maintains the poles, according to the invoice detail. The TMA has incurred expenses from Rayco to change light bulbs along Tara Blvd. Greising and Perkins are communicating with FPL to get clarification of ownership and maintenance of the light poles along Tara Blvd. There are only 19 poles north of Tara Preserve Lane. There is 1 pole that is within the jurisdiction of the CDD. Appropriate apportionment needs to be researched.

Dunn also reported that the non-metered electric bill from FPL for Peach Tree Creek is for 9 poles and that FPL owns and maintains the poles, according to the invoice details. However, there are only 4 light poles on Peach Tree Creek, 1 light pole in the Brookhaven Court/cul du sac; and 4 poles on Turner's Gap. Breo explained that the governing documents (CCRE 7.04 & 7.05) indicate that this electric expense is the responsibility of the homeowners along those streets and its administration is the responsibility of the Umbrella Association, not the TMA. Greising and Perkins are communicating with FPL to confirm the ownership and maintenance of these poles and to ensure that the residents are not already paying the electric expense as part of their property taxes.

Leone stated that this issue needs to be brought to the TMA Board for clarification, along with any other issues that need to be addressed by the Board.

I. Reserves

Breo requested that the next draft of the budget include a structure for the Reserve Fund that includes Common, Tara and Preserve classifications as required by the governing documents, with the understanding that the current figure of \$309,976 be shown in the common column until further research is completed. Dunn and Perkins agreed to meet before the next FC meeting to develop the structure. Related to the topic of the Reserve Fund, Dunn reported that he is completing an analysis of the financial operations of the TMA back to 2003 and he will present his findings at the next FC meeting. Dunn said that his report will show the history of the operating and reserve fund.

J. Ad Hoc Committee Budget Requests

1. Communications Committee: This budget draft has included \$2,000 to be used toward an upgrade/enhancement to the TMA web site.
2. Community Affairs (CAC): Beth Bond reported that Sandy Gilbert, CAC Chair asked her to inform the FC that the CAC is not requesting any additional money for 2012, but requests that if the survey contract is not completed in 2011 (from funds allocated from the 2011 budget), the CAC could finish the survey in 2012 with a carryover from the money already allocated. At this time, the CAC has no additional budget request for 2012.
3. Emergency Preparedness: John Leone reported that TGCC is developing an Emergency Preparedness Response team/protocol and that the Tara CDD already has something in place. Breo questioned the role of the TMA in Emergency Preparedness if the Tara CDD and TGCC had protocols in place. Greising suggested that the TMA roles may be to help coordinate between the two groups. Bond provided Lee Frederick, TMA Board member and TGCC member, with a CD about the Tara CDD program. Greising agreed to research the status of the TGCC plan and report back to the FC at its next meeting. Gene Martin will send another reminder to John Lane to submit any budget request ASAP.

OTHER ITEMS: NONE

COMMITTEE MEMBER COMMENTS:

1. Wojtkowski commented that the job of the FC is to get the budget as close to actual as possible, but to err on the side of overbudgeting to avoid having a deficit budget, by being conservative in providing adequate funding for the needs of the Association.
2. Breo presented a summary of documentation from TMA Board minutes and a legal contract, that confirms the assignment of water monitoring, lake maintenance and security fencing in Tara to the TGCC. The assessment is established and collected by TGCC and the associated expenses are paid by the TGCC. Thus, this is a TGCC (not a TMA) assessment. Greising and Perkins indicated that should TGCC fail to complete its assignment duties the TMA

would be obligated to take over this responsibility. Perkins agreed that TGCC needs to provide better communication to its members and the “orphans” about this issue.

FUTURE FINANCE COMMITTEE MEETINGS

\*Thursday, September 22, 2011 at 9:00am at TGCC Meeting Room (adjacent to the Cart Barn.) *Note: There was a conflict in meeting space availability for Wednesday, September 21<sup>st</sup> and the date was moved subsequent to adjournment.*

\*Wednesday, September 28, 2011 at TGCC Meeting Room (adjacent to the Cart Barn.)

**Mike Dunn made a motion to adjourn the meeting, seconded by Bolcik. Meeting adjourned at 10:50am by unanimous vote of 6-0.**

POST-MEETING SPEAKERS: *Joe Palacio chose to delay his comments until after reading Dunn's historical analysis of the TMA financial operations.*

Respectfully Submitted by,

***Nancy Breo (original signature on file)***

Nancy Breo

DATE APPROVED: September 22, 2011

**Tara Master Association Finance Committee Agenda- September 14, 2011 - 9:00AM**

**PRE-MEETING: TMA Member wishing to speak for 3 minutes on AN AGENDA Item:**

1- \_\_\_\_\_ 2- \_\_\_\_\_

3- \_\_\_\_\_ 4- \_\_\_\_\_

**Establish Quorum, Members Present:** 1- Bob Bolcik; 2- Nancy Bero; 3- Karen Clark; 4- Mike Dunn;

5- John Leone; 6- Gene Martin; 7- Joe Wojkowski (**Strike thru Absentee's**)

**Approval of September 7, 2011 Meeting Minutes:**

Motion By; \_\_\_\_\_; 2<sup>nd</sup>: \_\_\_\_\_; Vote: \_\_\_\_\_

**Agenda:**

**Review Proposed 2012 Draft Budget**

**Additional Agenda items to be discussed?**

**Additional Committee Member Comments:**

**Scheduled Date of Next Meeting** Date- September 22, 2011

Time- 9:00AM

Place- TGCC Conference Room

**Adjournment:**

**POST-MEETING: TMA Member wishing to speak for 3 minutes:**

1- \_\_\_\_\_ 2- \_\_\_\_\_

3- \_\_\_\_\_ 4- \_\_\_\_\_

Tara Master Association  
2012 Proposed Budget  
Draft 2

OPERATING INCOME						Projected 2011	Budget 2011	2011 VARIANCE	2010 Actual
	Tara	Preserve	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget				
3905100			9,000	\$ 9,000	20%	\$ 9,025	\$ 7,500	\$ 1,525	11,900
3947100	26,200		102,351	128,551	-87%	1,005,953	1,005,000	(47)	1,019,846
3952100			104,549	104,549	#DIV/0!				
			3,957	3,957					
			4,043	4,043					
3955100			734,305	734,305	#DIV/0!				
3965100			1,200	1,200	0%	1,154	1,200	(46)	471
3966100			900	900	25%	957	720	237	622
3975100			-	-	0%	9	-	9	153
3976100			19,400	19,400	-23%	21,993	25,200	(3,207)	22,051
			-	-	-100%	-	40,000	(40,000)	
<b>TOTAL OPERATING INCOME</b>	<b>\$ 26,200</b>	<b>\$ -</b>	<b>\$ 979,705</b>	<b>\$ 1,005,905</b>	<b>-7%</b>	<b>\$ 1,039,091</b>	<b>\$ 1,080,820</b>	<b>\$ (41,529)</b>	<b>\$ 1,055,043</b>

OPERATING EXPENSES						Projected 2011	Budget 2011	2011 VARIANCE	2010 Actual
	Tara	Preserve	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget				
5150100			734,305	734,305	2%	699,993	717,668	(17,675)	674,569
7320100			76,128	76,128	0%	76,128	76,128	-	76,129
7317200			20,000	20,000	-67%	50,000	60,000	(10,000)	50,000
7345100			10,050	10,050	10%	9,137	9,144	(7)	9,707
7317100			10,000	10,000	33%	10,313	7,500	2,813	7,086
7380100			9,500	9,500	-5%	9,621	10,000	(379)	8,433
7405100			4,500	4,500	-10%	4,602	5,000	(398)	5,802
7350100			3,050	3,050	-48%	3,050	5,665	(2,615)	5,520
6100100			3,600	3,600	20%	2,050	3,000	(950)	2,205
5760100			1,159	1,159	-3%	1,164	1,200	(36)	1,159
5770100			1,000	1,000	0%	1,000	1,000	-	-
8700100			500	500	-70%	888	1,650	(762)	964
7410100			320	320	-43%	561	561	-	61
8640100	17,000		44,504	61,505	-39%	82,200	100,492	(18,292)	105,194
5580100	5,180		33,120	38,300	0%	38,944	38,300	644	17,485
8620100	2,050		13,000	15,050	-8%	14,217	16,000	(1,783)	13,276
5750100	660		5,940	6,600	10%	4,655	6,000	(1,345)	8,686
8660100	800			800	0%	795	800	(5)	1,126
9200101							10,000		
9200102							10,000		
						15,000			
<b>Total Operating Expenses</b>	<b>\$ 25,690</b>	<b>\$ -</b>	<b>\$ 970,677</b>	<b>\$ 996,367</b>	<b>-8%</b>	<b>\$ 1,034,318</b>	<b>\$ 1,080,108</b>	<b>\$ (50,790)</b>	<b>\$ 987,402</b>

CAPITAL EXPENDITURES						Projected 2011	Budget 2011	2011 VARIANCE	2010 Actual
	Tara	Preserve	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget				
Landscape Architech	-	-	8,000	8,000		-	-	-	-
<b>Total Capital Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>\$ 8,000</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL OPERATING AND CAPITAL EXPENSES</b>	<b>\$ 25,690</b>	<b>\$ -</b>	<b>\$ 978,677</b>	<b>\$ 1,004,367</b>		<b>\$ 1,034,318</b>	<b>\$ 1,080,108</b>	<b>\$ (50,790)</b>	<b>\$ 987,402</b>
<b>EXCESS INCOME OVER EXPENSES</b>	<b>\$ 510</b>	<b>\$ -</b>	<b>\$ 1,029</b>	<b>\$ 1,538</b>		<b>\$ 4,773</b>	<b>\$ 512</b>	<b>\$ 9,261</b>	<b>\$ 67,641</b>

Per Member Assessment @ 2070 Residents					
	Tara Only	Preserve Only	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget
Regular Assessment - Tara	25.59	-	99.95	\$ 125.54	
Regular Assessment - Tara - Capital	-	-	3.86	3.86	
Cable TV Assessment	-	-	355.08	355.08	
<b>Total Tara Assessment per member</b>	<b>25.59</b>	<b>-</b>	<b>458.90</b>	<b>484.48</b>	<b>-0.55%</b>
Regular Assessment - Preserve	-	-	99.95	\$ 99.95	
Regular Assessment - Preserve - Capital	-	-	3.86	3.86	
Cable TV Assessment	-	-	355.08	355.08	
<b>Total Preserve Assessment per member</b>	<b>-</b>	<b>-</b>	<b>458.90</b>	<b>458.90</b>	<b>-5.80%</b>

Budget 2011	VARIANCE
\$ 139.62	
-	
347.54	
\$ 487.16	\$ (2.68)
\$ 139.62	
-	
347.54	
\$ 487.16	\$ (28.26)

Reserves	
Balance at 12-31-10	\$ 309,976
Interest Reserves 2011 projected	937
Projected Balance	\$ 310,913