

**TMA FINANCE COMMITTEE (FC)**  
**September 22, 2011 \* 9:00am – TGCC**

**MINUTES**

\*TMA FC members in attendance: Bob Bolcik; Nancy Breo; Karen Clark, Mike Dunn; Gene Martin, Chair

Via conference call: John Leone, Joe Wojtkowski

\* 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; Lee Frederick

TMA Members: Joe Palacio; John Woolley.

**PRE-MEETING SPEAKERS: BETH BOND**

Beth Bond presented a “Tale of Two Communities” to explain the principles under which Tara and the Preserve were developed. Bond briefly summarized the governance documents of the TMA and the CDD. Bond stated that “common property” is not the same as “common expense” per the TMA governing documents. Bond also illustrated the SR 70 entrance and Tara Blvd. 120 foot right of way to Tara Preserve Lane is the only TMA common property with common expense to be shared by Tara and Preserve; and that all other common property is a Tara only expense.

John Leone responded to Bond’s presentation by stating that Tara existed before community development districts were formed. A CDD has restrictions to vital services, such as Cable. For Preserve residents to receive these vital services, the developer included Preserve residents as part of the TMA.

Karen Clark described her understanding that Tara common property along the Tara Blvd. Right of Way goes to the boundary of private property lines, and in some cases golf course property lines. Nancy Breo stated that the plat map identifies a strip of land (identified by Leone as parcels 4.01 & 4.02 on the plat map), that is Tara common property, between the Tara Blvd. Right of Way and the private property line. Breo stated that TMA CCRE Articles 7.01, 7.04 and 7.05 need to be applied to properties and expense apportionment subject to Tara neighborhood associations.

**CALL TO ORDER**

Gene Martin called the meeting to order at 9:17am, with a quorum confirmed.

**APPROVAL OF MINUTES**

**Mike Dunn made a motion, seconded by Bob Bolcik to approve the minutes of the September 14, 2011 TMA Finance Committee Meeting. Minutes were unanimously approved as presented by a vote of 7-0.**

**AGENDA ADOPTION**

**Agenda did not receive any opposition and was considered approved by consensus.**

**2012 BUDGET REVIEW (Draft 3—see attached)**

Larry Perkins highlighted the following changes that were made, with explanations, for Draft 3 of the 2012 TMA Budget.

- 1) Removal of Capital Expenditures and move this budget item (\$8,000 for landscape design architect) to the Landscape and Irrigation line item.
- 2) Provision of a back-up document to breakdown Landscape & Irrigation budget expense items (see attached)
  - a) Tree trimming is for the Palm Trees in the median strip along Tara Blvd. and at the SR 70 entrance
  - b) It was decided to rename this budget item “Landscape & Irrigation Projects” to provide a better understanding for TMA members of the difference between this line item and the “Monthly Landscape Maintenance per contract” line item
- 3) Office Expense line item includes billing mailings and administrative expenses
  - (a) Leone asked if paperless billing was an option? Perkins said that he will research this option.
  - (b) Clark stated that a decision to implement paperless billing is not an FC decision
- 4) Election Expense line item includes any expense (copies, postage, mailing supplies, etc.) directly related to the election only.
- 5) Communication With Members/Website line item includes any mass informational mailings (such as a President’s Letter, TMA Committee correspondence, etc.)
  - a) Perkins explained that a mass mailing to TMA members costs approximately \$1,200 (2000 x \$.44 + \$300 for supplies)

- b) Dunn mentioned that this calculation is important to the determination of an appropriate budget for communications with members.
  - c) Breo stated that the TMA Communications Committee (CC) is meeting on September 27<sup>th</sup> and asked that the FC chair ask the CC to make an estimate of the number of mass informational mailings it anticipates and whether the CC plans to initiate a newsletter which might combine information distribution into one or two times per year. The FC will expect a report from CC Chair before the September 28<sup>th</sup> FC meeting which in turn will offer direction as to whether the amount budgeted in the Communications With Members/Website line item should be increased, decreased or remain the same.  
(*Note: It was subsequently confirmed that the TMA Communications Committee (CC) will not meet until October 3<sup>rd</sup>.*)
- 6) A Reserve fund structure was implemented in Draft 3 to comply with the governing documents. Dunn stated that the format is correct. However, Dunn recommends that the FC determine an initial amount to be appropriated into the Tara only column prior to submitting the budget to the Board.

The FC members continued to discuss Draft 3 of the 2012 Budget line by line. *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. Miscellaneous Income

Breo asked for a description of miscellaneous income. Perkins reported that monies paid by members for copies is included in Miscellaneous Income.

B. COMCAST Revenue & Expense

Dunn asked if Association Management had tried to renegotiate the increase in the Cable rate proposed by Comcast. Tony Greising reported that the Comcast rep would not consider reducing the increase in the rate at this time because it is allowed in the contract annually up to 5%.

Breo stated that she had emailed Greising some documents found on the internet about the FCC position on enforcement of bulk cable agreements. Breo offered to forward this info to all FC members for their reference.

C. Management Fee

Bolcik stated that the FC has conducted extensive research for most other line items in the 2012 budget draft, but that the management fee has not been subject to similar research. Bolcik reminded the FC that the management fee is the third largest budget item and he can find no historical evidence that determines if the fee charged is a fair price. Bolcik asked each FC member if they were comfortable with the fee amount, and if so, provide their rationale for why. No one offered support or rationale for the amount of the management fee in the budget. Breo stated that she is not comfortable with the amount budgeted and offered the following rationale for her opposition viewpoint: the management fee has never been negotiated or researched to determine fair value; and two other TMA contracts subjected to open bidding during the past year resulted in significant savings (30%+) to the budget.

Bolcik recommended that the FC send a strong letter to the TMA Board questioning the validity of the management fee. Martin informed the FC that the TMA Board had called a Special Meeting for 9AM on September 27<sup>th</sup> at TGCC (Dining Room) to discuss specific issues relative to the existing management agreement. Martin suggested that the FC delay action on this issue until after the September 27<sup>th</sup> TMA Special Board Meeting. **FC members agreed by consensus to postpone further discussion on the management fee until the September 28<sup>th</sup> FC meeting.**

D. Accounts Receivable Aging (ARA) Format

Breo asked Mike Dunn to provide his opinion to the FC about the acceptability of the format for analyzing ARA. Dunn stated that he is comfortable with the format.

E. Insurance

Martin reported that Joe Wojtkowski (via speaker phone), Greising, Perkins, and Richard VanNostrand (the Brown & Brown agent who oversees TMA insurance policies) met as a sub-committee on September 21<sup>st</sup>. Insurance premium quotes will be finalized after October 1<sup>st</sup>. Perkins indicated that the premium quote is expected to remain flat, but he has budgeted a 10% increase in the event that some yet unresolved issues impact the premium and any unknown impact that reinsurance might have.

The ownership (FPL vs. TMA) of the light poles along Tara Blvd. is not confirmed. Perkins is setting up meetings with FPL Supervisor and Manatee County to research the development order that may confirm ownership of the poles. At this time, Perkins recommends that TMA insure the lights poles. If FPL ownership is confirmed, the TMA can receive a credit on the premium. The Brown & Brown agent did not express any concern about language in the TMA

management agreement relative to insurance. Wojtkowski stated that it is standard to have cross insurance between parties to a contract, naming each other additional insureds on their respective insurance policies.

Dunn stated that exclusions in the property insurance policy lead one to consider the relevance of the TMA having the insurance. The agent explored adding wind coverage to the policy, but the premium is very expensive and the deductible is about \$25,000. It was not recommended to add wind coverage. Lightning is the only covered event that applies to the declared insured assets. The FC may wish to recommend that the TMA Board consider self-insurance and forego the property insurance policy and eliminate the premium expense. The agent also suggested that TMA consider identity theft insurance. Martin explained that the TMA does not keep financial-related information about members, other than address and phone number. The insurance sub-committee determined that the TMA has no financial liability relative to identify theft and recommends that the TMA decline identify theft coverage.

Wojtkowski explained that there were two declared items that were Tara only expense-related—Signage (located at Braden River and Drewry’s Bluff, Braden River & Pleasant Hill, and Braden River & Peachtree Creek); and the wooden fence along Stone River Road and the sewage station. The total insured amount for these items is \$28,000, resulting in a combined premium expense of \$150. Some FC members do not see the value in apportioning this premium expense to Tara only.

Martin offered to email a copy of the insurance declarations and quote to the FC members for their reference.

F. Asset Study

Leone asked the FC members to express their opinion on the importance of providing a hard copy of the Asset Study (once it is completed) to all TMA members. Breo agreed that it is important to make the Asset Study available to TMA members, but suggested that this could be accomplished through the TMA web site at no expense. Dunn suggested that the FC Chair bring this issue to the Communications Committee (before their September 27<sup>th</sup> CC meeting) for their recommendations on the appropriate way to disseminate the Asset Study and to report their recommendation back to FC for determination of any financial implication. Bolcik prefers mailing a hard copy to TMA members in addition to website posting, and suggested that the asset study distribution could be combined with another mailing. Breo suggested that the ideal combination would be to mail the Asset Study and TMA Budget together. Dunn stated that the Asset Study would most likely not be completed in time to be mailed with the budget to TMA members.

*(Note: It was subsequently confirmed that the TMA Communications Committee (CC) will not meet until October 3<sup>rd</sup>.)*

G. Records Storage

Breo asked for the basis of the storage cost (i.e., per box, square foot, etc.) Perkins reported that the storage cost is based per square foot of the storage space.

Martin raised the issue of electronic records storage as a back-up. Perkins reported that he backs up current records electronically weekly in two sets; he keeps one set of electronic records in the office and brings the other set home each night (rotating which set stays in the office.) Perkins stated that the TMA would not lose current functionality if the records in storage were lost, but certain historical records would be lost. Bolcik reported that Johnson Photo charges \$.75/sheet to scan documents. Perkins stated that the TGCC staff could do it for much less, but it would be a very large, time-consuming task that might not outweigh the benefit. Dunn reported that regulatory requirements dictate certain back-up. It was recommended that the FC recommend that the TMA Board take up the issue of electronic storage.

H. Decorations

Perkins explained that the \$1,000 budget is not based on any actual figures. Dunn offered to contact TMA member, Mike Dyer, who oversees the TMA decorations, for a report on actual expenditures over the past years to help determine an appropriate budget expense for this line item.

I. Electric

Dunn stated that the electric budget has been apportioned to the best of our ability at this time, pending further information from FPL about ownership and billing clarification and Manatee County regarding the Development Order.

J. Apportionment to Neighborhood Associations & Commercial Property

Breo reminded the FC members about TMA CCRE 7.01(b)(ii); 7.01(d); 7.04(a); 7.05(a); 7.05(b) that reference possible further apportionment of some Tara only expenses to neighborhood associations. Joe Palacio informed the FC that many neighborhood associations in Tara have been disbanded. Clark reported that Pleasant Hill never had a neighborhood association, but that Turner’s Gap, the French Quarter, the Plantations; and all condo associations still have separate associations. John Woolley reported that he is President of the Turner’s Gap neighborhood association and that TMA

property extends 20 feet from the wall along Braden River toward the street; the remainder of the property is owned and maintained by Manatee County. Breo asked for confirmation of existing Tara neighborhood associations and legal basis under which certain Tara neighborhood associations could have disbanded.

Leone stated that a survey needs to be completed to determine boundaries between Tara common property and neighborhood association property. Clark said that this issue needs to be addressed for the 2013 TMA budget. Dunn said that the FC has an obligation to point out issues to the Board in the CCRE & Bylaws that may not be in compliance.

Breo referenced CCRE Article 15.08 and asked for clarification of responsibility for landscape expense for the commercial property along Tara Blvd. north of Tara Preserve Lane to SR 70. Perkins stated that the TMA only maintains landscape in this commercial area that belongs to the TMA.

I. Ad Hoc Committees

There has been no response from John Lane regarding any budget request for the TMA Emergency Preparedness Committee. The CDD has an Emergency Preparedness (CEWRT) program in place and TGCC is developing a CERT program at this time. **By consensus, the FC decided that any TMA role would likely be coordination only and would not require any funds to complete.**

J. Reserve Fund

Dunn prepared and distributed an Analysis of the TMA Fund Balance 2003- Present (see attachment) in response to TMA member remarks made at a previous meeting to the effect that Tara residents had contributed more monies to the TMA Operating fund and Reserve fund than Preserve residents. Dunn briefly summarized the content of the analysis showing that the current Operating Surplus and Reserve Funds have been equally contributed by Tara and Preserve residents, and therefore must be shared equally. Leone requested that further discussion of this issue be tabled for the September 28<sup>th</sup> FC meeting.

OTHER ITEMS:

1. Leone asked why a private corporation (Preserve Golf Club) is listed on the SR 70 sign. The FC members agreed that the Board should look into collecting a fee for this signage exposure. Breo suggested that the only reference on community signage at SR 70 should be "TARA," not "Tara Golf & Country Club.
2. Bolcik asked if the data resulting from the land survey commissioned by the TMA Board, coupled with the Asset Study, would clarify any TMA boundaries. Martin asked if the Land Survey would include Tara Blvd. Lee Frederick stated that the land survey commissioned by the TMA Board was for the perimeter of TMA property only and would not include Tara Blvd. The FC cannot rely on the land survey to answer apportionment questions.
3. Bolcik asked if rain gauges are installed for the TMA irrigation system. The FC Chair will remind Greising to look into this and report back at the September 28<sup>th</sup> meeting.
4. Breo summarized FC recommendations to the Board that have been recorded in the minutes. FC members requested that a copy of the recommendations be emailed to them for review and discussion at the next FC meeting.

FUTURE FINANCE COMMITTEE MEETINGS

\*Wednesday, September 28, 2011 at 9:00am at TGCC Meeting Room (adjacent to the Cart Barn.)

**Dunn made a motion, seconded by Bolcik, to adjourn the meeting, Meeting adjourned at 10:55am by unanimous vote of 7-0.**

POST-MEETING SPEAKERS: *Joe Palacio chose to waive his speaking request.*

Respectfully Submitted by,

*Nancy Breo (original signed copy on file)*

Nancy Breo

DATE APPROVED: September 28, 2011