

TMA FINANCE COMMITTEE (FC)
September 28, 2011 * 9:00am – TGCC

MINUTES

- *TMA FC members in attendance: Bob Bolcik; Nancy Breo; Karen Clark; Mike Dunn; John Leone, Gene Martin, Chair
Via conference call: 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; Bob Dallesandro; John Lane
 - TMA Members: Lynne Hudson; Joyce Leone; Melanie Kraft; Joe Palacio; John Woolley.

PRE-MEETING SPEAKERS: JOHN LEONE

John Leone expressed concern about the format and language used in preparation of the FC minutes. Gene Martin stated that all members of the committee receive the minutes in advance and have the opportunity to suggest changes. The FC adopted the format being used. Karen Clark suggested that a standardized format for all TMA minutes be adopted.

CALL TO ORDER

Gene Martin called the meeting to order at 9:07am, with a quorum confirmed.

APPROVAL OF MINUTES

The minutes of the September 22, 2011 TMA Finance Committee Meeting were presented for approval. The following changes were requested:

- a) Type out “John Leone” in the first reference to him on Page 1;
- b) Add note about the date correction for the Communications Committee meeting to item 5(c) that appears at the top of the page, using same format under Item F. on page 3
- c) Change “Bob” to “Bolcik” in Item C. on Page 3

The Chair acknowledged Lynne Hudson, TMA Communications Committee Chair. Hudson indicated that the TMA Communications Committee will address the issue of minutes. Hudson requested that page numbers be added to the FC minutes format.

Mike Dunn motioned, seconded by Clark, that the minutes of the September 22, 2011 TMA Finance Committee be approved, as amended. The minutes were unanimously approved (7-0)

AGENDA ADOPTION

Nancy Breo noted a correction on the agenda concerning the date for the minutes being approved.—changing the date from September 21st to September 22nd. With no other objections, the minutes were approved by consensus. (Note: A copy of the revised agenda is attached.)

2012 BUDGET REVIEW (Draft 4—see attached)

The Chair asked Larry Perkins to highlight the changes that appear in Draft 4 of the 2012 TMA Budget.

A. Electric

Perkins indicated that after further research for the non-metered TMA electric charges on FPL invoices, it was discovered that the TMA has been paying the electric expense for the concrete light poles and street lights along Stone River Road, Drewry’s Bluff and Pleasant Hill. This expense has been moved to a Tara only expense in Draft 4 of the 2012 budget. Perkins said that the TMA has not been receiving an invoice from FPL for the meter which covers one-half of the lights along Tara Blvd. from Drewry’s Bluff south to Tara Preserve Lane. It is expected that this invoicing will begin shortly. FPL may bill only from this point forward, but could invoice up to one year’s arrears charges.

Perkins has budgeted an estimated \$460/month to cover the anticipated increase, based upon the cost of the known expense for the other half of Tara Blvd. Association Management is working with FPL to establish an account for this meter. Dunn suggested that an estimated amount for this meter not be placed into the 2012 budget because the amount is unknown and any actual expense, when known, could be covered from the prior years’ excess operating fund balance. Dunn suggested that if an estimated amount is included in the budget, the figure should be more conservative (a \$2,500 rather than \$5,000 increase proposed by Perkins in Draft 4) since TMA has no actual data on which to base an estimate. Leone suggested that the electric expense be

approved as recommended in Draft 4 and that a footnote be made for the next FC to look at this line item relative to actual expenses incurred during 2012. Clark concurred.

Perkins also explained that association management is researching the DRI (development documents filed with Manatee County) to receive confirmation that the street lights along public roads in Tara are a private expense to the TMA vs. a public expense covered through property taxes. Association Management is also working with the Development office to get an address assigned to the meter located by the 13th hole of the TGCC golf course.

Dunn explained that he and Beth Bond had studied the detail page (back of FPL invoices) to learn that the non-metered electric expense in question was for 40 concrete electric poles. Dunn & Bond did field research this past weekend and determined that there are 16 concrete light poles along Stone River Road; 13 concrete light poles along Drewry's Bluff, and 11 concrete light poles along Pleasant Hill, totally 40 concrete electric poles. Bond presented the FC with a map outlining the general location of these concrete light poles. Dunn further reported that meter #5C87965 (which is currently labeled, "Trailer") appears to be for the SR 70 entrance sign and the 19 light poles along Tara Blvd. from SR 70 to Tara Preserve Lane.

Breo pointed out that the Tara only electric expense is subject to further apportionment to the neighborhood associations within Tara. Perkins indicated that Association Management is studying options on how to fairly apportion electric expense within Tara, given that the condo associations and certain neighborhood associations (ie. the French Quarter, Ashley Oaks, Melrose Place and the Plantations) pay separate electric bills each month for their portion of Tara Only electric expense.

Dunn motioned, seconded by Clark, to accept the electric budget as presented in Draft 4 of the 2012 TMA Budget. Motion unanimously approved (7-0).

B. Decorations

Perkins explained that Mike Dyer had confirmed that a \$500 budget (vs. \$1,000) for decorations is adequate and this amount is reflected in Draft 4 of the 2012.

C. ARC—Self—Help Expenses

Breo pointed out that Amendment #2 to the TMA Master Declarations & CCRE removed the Country Club and Plantations ARCs from under the jurisdiction of the TMA. While the TMA has the right to pay the cost of maintaining foreclosed properties in the Country Club and Plantations ARCs, the cost of this service must be reimbursed to the TMA (per Articles 7.01, 7.04 & 7.05 of the CCRE.) Bond explained that the Self-Help program, approved by the TMA Board, only included mowing. Leone suggested that this issue be brought to the TMA Board and passed along to the TMA attorney for interpretation of the CCRE. Clark suggested that the FC should only provide recommendations to the TMA Board about issues that have financial implications. The FC members agreed that this issue does have financial implications.

D. Bad Debt Allowance

Leone asked the committee to confirm its acceptance of the \$20,000 bad debt allowance as adequate for the 2012 TMA Budget. The FC members confirmed acceptance of the \$20,000 figure by consensus.

E. Reserve Funds

Dunn suggested that an amount be established to initially fund the Tara Only Reserve fund. Perkins explained there is \$300,000+ currently in the unclassified Reserve Fund. FC members have a difference of opinion as to the source of these funds (ie., all common vs. a certain portion having been contributed by Tara Only.) Dunn referred to the Analysis of the Operating Fund Balance previously presented to the FC that indicates that all Reserve funds have been contributed equally by Tara and Preserve residents. Leone, with concurrence from Clark, offered a recollection of a \$20,000 reserve fund balance prior to 2003. Evidence has been requested to substantiate this claim since the Operating Fund Balance in 2003 shows a significant deficit. Perkins stated that future funding will need to be separated as Tara only and TMA Common and that the Asset Study will determine an appropriate amount for the Reserve Fund.

Dunn proposed that \$10,000 be transferred from the existing Reserve Fund to initiate a Tara Only Reserve fund, with \$10,000 transferred from the Excess Operating Fund Balance to reduce the Preserve assessment. Leone said that agreement on the Reserve Fund issue cannot be made until the Asset Study is completed. Dunn requested that completion of the Asset Study be expedited. Breo suggested that the \$300,000+ current Reserve Fund be placed into the Common column. No consensus could be reached about the Reserve Fund issue. However, it was

agreed by unanimous consensus that the term “unknown” (used for the Reserve Fund structure in Draft 4 of the 2012 budget) be changed to “TBD” (To Be Determined).

F. Budget Approval

Dunn motioned, seconded by Leone, that the FC accept Draft 4 of the 2012 TMA Budget, as presented, with the change of “unknown” to “TBD” in the Reserve Fund. Motion passed (6 in favor—Bolcik, Clark, Dunn, Leone, Martin & Joe Wojtkowski; 1 opposed—Breo).

During discussion of the motion, Bolcik raised opposition to the amount budgeted for the management fee due to lack of a basis for its fair value other than an arbitrary figure established by the developer in 2005, with no evidence of a competitive bid process. Bolcik pointed out that the management fee is the only budget line item that not been subjected to examination in the same manner as all of the other budget line items. Leone stated that the decision of the TMA Board at its September 27th meeting has removed discussion of the management fee for 2012. Leone suggested that the FC explore the management fee in its continuing work. Clark stated that the FC does not have the privilege of further discussing the management fee for the 2012 TMA Budget. Breo suggested that while the TMA Board has closed deliberation on the management fee for 2012, the TGCC, Inc. management company could offer the TMA a lowered fee, given the profit margin that TGCC earns on the fee and that this issue is causing contention within the community. Bond confirmed that the TMA Board’s decision at its September 27th meeting., precludes any further review by the Finance Committee for the 2012 budget.

G. OTHER ITEMS

1. Review of FC Recommendations to the TMA Board
The FC had a general discussion about recommendations that the FC should make to the TMA Board. Breo and Clark had both prepared a draft list of suggested items. Dunn suggested that FC members submit proposed recommendations to Breo & Clark, who will form a sub-committee to draft language for the recommendations to be considered by the full FC at a later date.
2. Survey of TMA Common Property & Tara Blvd. Right Of Way Boundaries: Leone stated that he is a member of a TMA sub-committee that is looking into Open Space designations within the boundaries of the TMA. Leone will ask that this survey include clarification of the Tara Blvd. Right of Way and TMA common property boundaries.
3. Emergency Preparedness: John Leone reported that the TMA should develop a plan to do street clean up of Tara Blvd. in the case of an emergency/disaster in which Tara Blvd. is obstructed. Breo reported that Manatee County has primary responsibility for Tara Blvd. street maintenance, but that Manatee Country prioritizes its response and that Tara Blvd. is most likely not a high priority and that the TMA should be better positioned to respond quickly. Tony Greising said the association management already responds to these emergency clearing situations. Breo suggested that association management have a 24-hour/7 day a week hotline established to receive calls during non-business hours. Greising said that association management will look into implementing this service.
4. Wojtkowski reported that he will meet with Greising to follow-up on pending insurance questions (i.e., control boxes and sensors.) Breo asked for clarification on the employee theft policy. Wojtkowski explained that this related to embezzlement. Greising explained that the \$1,250,000 amount was determined by the highest cash-on-hand balance at any time by the TMA.. Dunn mentioned that the TMA Fidelity Bond also insures TGCC, Inc., but asked if TGCC, Inc. carries its own Fidelity Bond and similarly names the TMA as an additional insured. Greising confirmed this to be true.

COMMITTEE MEMBER COMMENTS:

1. Clark stated that today’s session concludes the FC responsibility to prepare the 2012 TMA Budget, unless the TMA Board sends the budget back to the FC for further work.
2. Leone reported that he had just received as estimate of \$86,433.90 for replacing the TMA irrigation system. This figure will be considered in the Asset Study.
3. Martin stated that he had received a request that the FC members support the use of 2011 TMA funds to arrange for bus transportation to an upcoming county meeting about the Tara Bridge Project. Breo does not support the use of TMA funds for the purpose bus transportation without a vote of the membership. Bolcik similarly does not support the use of TMA funds for the purpose of bus transportation without a vote of the membership. Dunn said that carpools should be formed for community organizing purposes; Clark and Leone said that this issue is not in the purview of the Finance Committee.

FUTURE FINANCE COMMITTEE MEETINGS

Clark asked that the FC establish a routine meeting schedule for the remainder of its term. Greising checked the calendar for availability of the TGCC Meeting Room (adjacent to the Cart Barn). The following meeting scheduled was approved by consensus:

*Thursday, October 27, 2011 at 1:00pm at TGCC Meeting Room (adjacent to the Cart Barn.)

*Wednesday, November 16, 2011 at 9:00am at TGCC Meeting Room (adjacent to the Cart Barn.)

*Wednesday, December 21, 2011 at 9:00am at TGCC Meeting Room (adjacent to the Cart Barn.)

*Meetings from January through April 2012 will be held on the fourth Wednesday of each month at 9:00am at the TGCC Meeting Room (adjacent to the Cart Barn).

John Leone motioned, seconded by Bolcik, to adjourn the meeting. Meeting adjourned at 11:28am by unanimous vote of 7-0.

POST-MEETING SPEAKERS: LYNNE HUDSON

Lynne Hudson, Chair of the TMA Communications Committee (CC), reported that the CC is having problems similar to the FC.

a) clarification of the committee mission & charge.

b) development of a committee reference book

c) establishment of a format and access to minutes for all TMA committees

(1) Hudson supports the format of FC minutes and the FC effort to publish minutes on the TMA web site but she has been unsuccessful in receiving permission to post the FC Minutes from the TMA President.

Respectfully Submitted by,

Nancy Breo

DATE APPROVED: October 27, 2011

Tara Master Association Finance Committee Agenda- September 28, 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 22, 2011 Meeting Minutes:

Motion By; _____; 2nd: _____; Vote: _____

Agenda:

Review Proposed 2012 Draft Budget Line Items and any Associated Issues.

Additional Agenda items to be discussed?

Additional Committee Member Comments:

Scheduled Date of Next Meeting Date- TBD

Time- TBD

Place- TBD

Adjournment:

POST-MEETING: TMA Member wishing to speak for 3 minutes on any Item:

1- _____ 2- _____

3- _____ 4- _____

Tara Master Association
2012 Proposed Budget
Draft 4

OPERATING INCOME						Projected 2011	Budget 2011	2011 VARIANCE	2010 Actual
	Tara	Preserve	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget				
3905100 ADMIN PROCESSING FEES (90 NEW OWNERS)			9,000	\$ 9,000	20%	\$ 9,025	\$ 7,500	\$ 1,525	11,900
3947100 REGULAR ASSESSMENT - Tara (1024 residents)	32,200		105,418	137,618	-86%	1,005,953	1,006,000	(47)	1,019,846
3952100 REGULAR ASSESSMENT - Preserve (1046 residents)			107,682	107,682	#DIV/0!				
3965100 CABLE ASSESSMENT (2068 residents)			734,305	734,305	#DIV/0!				
3965100 INTEREST EARNED			1,200	1,200	0%	1,154	1,200	(46)	471
3968100 INTEREST - RESERVE			900	900	25%	957		237	622
3975100 MISC INCOME			-	-	0%	9	-	9	153
3976100 FINANCE CHARGES			19,400	19,400	-23%	21,993	25,200	(3,207)	22,051
Excess carry over from 2010			-	-	-100%	-	40,000	(40,000)	
TOTAL OPERATING INCOME	\$ 32,200	\$ -	\$ 977,905	\$ 1,010,105	-7%	\$1,039,091	\$1,080,620	\$ (41,529)	\$1,055,043

OPERATING EXPENSES						Projected 2011	Budget 2011	2011 VARIANCE	2010 Actual
	Tara	Preserve	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget				
5150100 CABLE TV EXPENSE			734,305	734,305	2%	699,993	717,668	(17,675)	674,669
7320100 MANAGEMENT FEE			76,128	76,128	0%	76,128	76,128		76,129
7317200 ALLOWANCE FOR BAD DEBT			20,000	20,000	-67%	50,000	60,000	(10,000)	50,000
7345100 INSURANCE			10,050	10,050	10%	9,137	9,144	(7)	9,707
7317100 LEGAL FEES			10,000	10,000	33%	10,313	7,500	2,813	7,086
7380100 ELECTION EXPENSE			5,000	5,000	-50%	9,621	10,000	(379)	8,433
7405100 OFFICE EXPENSE			2,250	2,250	-55%	4,602	5,000	(398)	5,802
7350100 ACCOUNTING / AUDITING			3,050	3,050	-46%	3,050	5,665	(2,615)	5,520
6100100 COMMUNICATION WITH MEMBERS/WEBSITE			10,350	10,350	245%	2,050	3,000	(950)	2,205
5760100 RECORD STORAGE			1,159	1,159	-3%	1,164	1,200	(36)	1,159
5770100 DECORATIONS			500	500	-50%	1,000	1,000	-	-
8700100 Miscellaneous			500	500	-70%	888	1,650	(762)	964
7410100 TAXES			320	320	-43%	561	561	-	61
8640100 Monthly LANDSCAPE MAINTENANCE per contract	17,000		44,504	61,505	-39%	82,200	100,492	(18,292)	105,194
5580100 LANDSCAPE AND IRRIGATION	5,180		41,120	46,300	21%	38,944	38,300	644	17,485
8620100 ELECTRIC	8,400		11,724	20,124	26%	14,217	16,000	(1,783)	13,276
5750100 REPAIR AND MAINTENANCE (GENERAL)	660		5,940	6,600	10%	4,656	6,000	(1,345)	8,686
8660100 WATER & SEWER	800			800	0%	795	800	(5)	1,126
9200101 RESERVE STUDY				-		-	10,000		-
9200102 LEGAL REVIEW COMMON VS TARA/PRESERVE EXP				-		-	10,000		-
Community Affairs - Consultants						10,000			
Land Survey						15,000			
Total Operating Expenses	\$ 32,040	\$ -	\$ 976,901	\$ 1,008,941	-7%	\$1,034,318	\$1,080,108	\$ (50,790)	\$ 987,402
EXCESS INCOME OVER EXPENSES	\$ 160	\$ -	\$ 1,005	\$ 1,164		\$ 4,773	\$ 512	\$ 9,261	\$ 67,641

	Tara Only	Preserve Only	Common Expenses	Budget 2012	Percent Increase 2012 vs. 2011 budget
Per Member Assessment @ 2070 Residents					
Per Member Assessment @ 2068 cable Residents					
Regular Assessment - Tara	31.45	-	102.95	\$ 134.39	
Cable TV Assessment	-	-	355.08	355.08	
Total Tara Assessment per member	31.45	-	458.03	489.47	0.47%
Regular Assessment - Preserve	-	-	102.95	\$ 102.95	
Cable TV Assessment	-	-	355.08	355.08	
Total Preserve Assessment per member	-	-	458.03	458.03	-5.98%

Budget 2011	VARIANCE
\$ 139.62	
347.54	
\$ 487.16	\$ 2.31
\$ 139.62	
347.54	
\$ 487.16	\$ (29.13)

	Tara	Preserve	Common Expenses	Budget 2012
Reserves				
Balance at 12-31-10	Unknown	0	Unknown	\$ 309,976
Interest Reserves 2011 projected	Unknown	0	Unknown	937
Projected Balance	Unknown	0	Unknown	\$ 310,913