

**TMA FINANCE COMMITTEE (FC)**  
**September 7, 2011 \* 9:00am – TGCC**

**MINUTES**

- \*TMA FC members in attendance: Bob Bolcik; Nancy Breo; Karen Clark; Gene Martin, Chair  
Via SKYPE: Joe Wojtkowski (lost connection after 9:10am)  
Via conference call: Mike Dunn; John Leone
- \* TMA Treasurer and Board Liaison to FC attending via Conference Call: Beth Bond
- \* TGCC Staff in attendance: Tony Greising (until about 10:30am); Larry Perkins
- \* Guests in attendance:  
TMA Board Members: Bob Dallesandro  
TMA Members: Joe Palacio; Peter Pfeiffer; Dan Quinn; Cathy Woolley (until 9:15am); John Woolley.

**PRE-MEETING SPEAKERS:** *Cathy Woolley*

*Ms. Woolley presented some historical background information to the committee regarding Tara only allocations; signage at Tara Blvd. and Linger Lodge Road; Water Monitoring, Lake Maintenance, and Security Fencing in Tara; and Finance Committee composition.*

**CALL TO ORDER**

Gene Martin called the meeting to order at 9:12am, with a quorum confirmed.

**APPROVAL OF MINUTES**

**The minutes of the August 11,, 2011 TMA Finance Committee Meeting were approved as presented by a vote of 5-0.**

**The minutes of the August 31,, 2011 TMA Finance Committee Meeting were approved as presented by a vote of 5-0.**

*(Note: Due to technical difficulties with SKYPE (and conference call service), John Leone and Joe Wojtkowski were unable to participate in the approval of the minutes.)*

There was brief discussion about the status of posting approved minutes on the TMA web site. Bob Dallesandro was asked to provide an update on the FC request to post minutes on the TMA web site. The request is still under consideration; but there is no history for the posting of Finance Committee minutes on the TMA web site.

*Note: Beth Bond, Mike Dunn and John Leone rejoined the meeting via conference call (in lieu of SKYPE) at 9:20am. Several attempts to reconnect Joe Wojtkowski were unsuccessful and he was unable to participate in the meeting.*

After rejoining the meeting, Leone requested that info presented must be fact-checked.

**AGENDA ADOPTION**

**John Leone requested that the FC agenda also include an opportunity for post-meeting speakers. Gene Martin, FC Chair, made this addition to the agenda. The agenda was approved by consensus.** *(Note: A copy of the revised agenda is attached.)*

**2012 BUDGET REVIEW (Draft 1)**

The FC members engaged in a line by line discussion and question and answer session about the first draft of the 2012 TMA Budget (see copy attached) that was presented by Association Management.

**A. COMCAST Revenue & Expense**

Larry Perkins explained the increase in total number of members from 2065 to 2068. Preserve membership = 1046 (this number includes the Preserve Golf Club.) Tara membership = 1024 [this includes 2 empty lots; he commercial building at Tara Blvd. & Stone River Road. The Tara CDD Community Center and TGCC get free cable service per TMA contract with Comcast. The change in the numbers is a result of reconciling the TMA billing data and Comcast account data.

Mike Dunn read Article 13.05(a) of the CCRE, which establishes the base rate for the bulk cable service and the maximum allowable annual rate increase, in the TMA bulk cable agreement, and requested that Association Management confirm that the rate paid by TMA members is in compliance with this clause. Dunn also asked Management to attempt to renegotiate with Comcast to achieve a lower rate increase, citing lower economic conditions since the contract was first negotiated. Tony said it was unlikely that Comcast would lower the rate increase without assurance of a new contract, but that he would try this approach and report back to the FC at its

next meeting. Tony explained that Comcast rates are set from the Philadelphia headquarters and that the local representative does not have the ability to alter rates.

Larry explained that the amount of taxes included in the TMA contract price is only an estimate that is provided by Comcast. Last year, the estimate was lower than the actual. Karen Clark asked Larry to suggest what is an appropriate cushion to allow for fluctuation from the tax estimate. Perkins suggested 3%. However, the increase was 4% last year. Leone suggested that the 4% figure be used for budgeting this year.

Tony Greising explained that complaints made by TMA members to Comcast result in a credit on the next bill from Comcast. This accounts for differences in revenue vs. expense.

Association Management was also requested to provide a confirmed list of current franchise cable providers in Sarasota and Manatee Counties.

Nancy Breo asked for verification of any legal changes (either FCC or Florida Statute 720) that have changed the enforceability of bulk cable agreements. Leone stated that he would look into any possible changes. Tony said that he will ask the TMA attorney to look into the legal status of bulk cable agreements.

B. Management Fee

Breo asked that the FC recommend that the TMA Board conduct an open competitive bid process for the management contract. Clark indicated that the Board does not have enough time to complete an RFP process for the 2012 budget year. Breo amended her suggestion to recommend to the Board that the terms of the existing contract be renegotiated given the savings that have been achieved through bidding and renegotiating the landscape and audit contracts.

C. Allowance for Bad Debt

Breo requested that Perkins provide justification for reducing the allowance from \$60,000 (2011 budget) to \$20,000 (2012 budget proposal.) Larry believes that \$20,000 allowance is the minimum, but he would be more comfortable with \$25,000-\$30,000. Dunn believes that the \$20,000 is appropriate and prefers to wait a week or two to compile additional research data before any change to this figure is made. Leone asked that a \$25,000 figure be plugged into the next draft to compare its impact on the annual assessment.

D. Insurance

Breo asked for a copy of the current insurance declarations pages. Perkins said that Wojtkowski has been assigned the task of overseeing TMA insurance. Joe Wojtkowski has a meeting with Greising on September 21<sup>st</sup> and will make recommendations to the FC following this meeting. Breo asked that Wojtkowski evaluate the Declarations as either Common or Tara only. Clark believes that if any Tara only items are listed their impact on the budget would be negligible and would not warrant apportionment.

E. Legal Fees

Martin asked if the TMA Board has indicated that they plan to have an attorney present at Board meetings; and if so, if this cost is included in this budget line item. Perkins said that this draft budget line item includes having the attorney at Board meetings and other contractual questions. Bolcik does not think the Board needs an attorney present at meetings given that Board meetings are audio recorded. Perkins gave an example where the attorney would be asked for a ruling or interpretation during the meeting. Beth Bond reminded the FC members that the role of the FC is to recommend to the Board. It is the Board who has final authority to make the decision whether to budget for an attorney at Board meetings.

F. Office Expense

Gene Martin asked for clarification of items that are included in this budget line item. Perkins explained that all copies, printing costs, envelopes, stationery, CAI membership dues, TMA statements. Gene requested a clarification of the office expense description. Dunn said newsletter should be an office expense. Martin & Perkins agreed to get together to clarify descriptions for office expense.

G. Mailing & Elections

Perkins explained that all mailings (including the President's letter; the election package, etc.) are included in the Mailing & Elections budget line item.

**Leave Mailing & Elections category as is. Motion: Leone; Second: Clark. Motion failed 1 (in favor-- Leone) to 5 (opposed—Bolcik, Breo, Clark, Dunn, Martin.)**

**Leone tried to motion to postpone a vote about separating the Mailing & Election categories until Perkins could provide a breakdown of the amounts for each category. Motion failed for lack of a Second.**

**Separate Mailing & Elections budget line items. Assign Cost Code 738100 to Elections and assign a new cost code to Mailings. The Election category will include postage, printing and all items related to the TMA Election. The Mailing category will be postage only for all other TMA mailings. Motion: Bolcik; Second: Dunn. Motion passed 5 (in favor—Bolcik, Breo, Clark, Dunn, Martin) to 1 (opposed—Leone.)**

H. Monthly Landscape Maintenance

Breo asked for clarification about the inclusion (or exclusion) of trimming of the viburnum hedges along Tara Blvd. in this budget line item. Perkins said that he would check the contract and clarify this at the next meeting. Dunn asked if this budget line item includes mowing under the power lines; and if so, is Cornerstone or Troyer's providing the service. Perkins confirmed that mowing under the power lines will continue to be done by Troyer's. This cost is included in this budget line item, even though it is not a monthly expense, because it is a recurring routine maintenance item.

I. Landscape & Irrigation

Breo asked for clarification on which tree trimming included in this budget line item is done 2 times/year. Perkins explained that the Palm Trees in the Tara Blvd. media are scheduled to be trimmed 2 times/year. The Oak Trees are not trimmed annually. The 2012 budget does not include trimming of Oak Trees.

Dunn requested an explanation of the basis for the breakdown between Common and Tara only expense in this budget line item. Perkins explained that the 86%/14% split is just an estimate for this draft. Perkins used the following apportionments for this budget draft: Annuals (70% Common; 30% Tara); Mulch (90% Common; 10% Tara); Plants (90% Common; 10% Tara); Irrigation (90% Common; 10% Tara); Tree Trimming (100% Common.) Dunn stated that an apportionment for Common expense and Tara only expense also needs to be applied to Tree Trimming. Perkins plans to ask Cornerstone representatives to help determine apportionment. Clark stated that her research indicates that common property goes to the homeowner property lines. Breo stated that the Tara Blvd. Right of Way only goes up to the common property. Dunn explained that confusion exists and that not all common property is a common expense.

Clark and Bond described their proposal for including \$8000 in the budget for the cost of a landscape architect to redesign the front entrances and subsequently incorporate a redesign of the Tara Blvd. Right of Way. Perkins suggested that a Capital budget line item be added for new projects. Additionally, a Contingency Category could also be added to address unplanned projects that might arise during the year. Breo said that Reserves cannot be used for a Contingency Fund. Perkins said that TMA Reserves are not considered "statutory reserves," and can be used at Board discretion. Leone said that TMA Reserve funds are part of the Asset Study that he is overseeing. Dunn reminded FC members that Article 5.11 of the CCRE explains the use of TMA reserve funds.

**Add \$8,000 line item to the 2012 TMA budget to investigate a change to the landscape design at the SR 70 entrance. Motion: Clark; Second: Dunn. Motion passed 5 (in favor—Breo, Clark, Dunn, Leone, Martin) to 1 (opposed—Bolcik.)**

It was agreed that Clark would email Perkins a more detailed explanation of this request.

Leone asked for clarification of the funds that have been identified to conduct a land survey. Perkins and Bond confirmed that the \$15,000 allowance will come from a reallocation of excess operating funds in the 2011 budget item. There is no land survey line item needed for the 2012 budget.

J. Electric

Perkins said that he is communicating with FPL to get clarification about the non-metered electric expenses. Dunn asked that FPL confirm who has the ownership of the poles and maintenance responsibility for non-metered light poles/lamps. Bond said that 19 non-metered poles (with 38 lamps) are within the TMA boundaries of the Tara Blvd. Right of Way. However, 1 non-metered pole is in the small median that is within the CDD boundary. Bond will investigate who (CDD or TMA) has the ownership & maintenance responsibility for Pole 20. Breo brought up the non-metered light poles/lamps in Peach Tree Creek. Articles 7.04 and 7.05 in the CCRE address how the expense for these light poles (and landscape maintenance) are to be handled. TMA has the right to maintain, but not the obligation. Any associated costs must be reimbursed to the TMA by the lot owners. Perkins said that he is researching this issue.

K. Ad Hoc Committee Budget Requests

1. Communications Committee: Total Budget Request of \$3,600 (includes \$2,000 for web site enhancements.)
  2. ARC: No Budget Requested. Bond requested clarification that expenses arising from ARC related legal correspondence is included in the Legal Fees-Corporate. Perkins confirmed.
  3. Elections Process Committee: The cost of construction for a new, secure ballot box is expected to be about \$200. This amount is included in the Elections budget line item.
  4. Community Affairs (CAC): 2012 budget request is due by September 15<sup>th</sup>.
  5. Emergency Preparedness: John Lane, Board Liaison, has not responded. FC members discussed that there are expenses involved in establishing a CERT.
- Gene Martin will send a reminder to Sandy Gilbert, CAC Chair, and John Lane to submit their budget request ASAP.

OTHER ITEMS: NONE

COMMITTEE MEMBER COMMENTS:

1. Dunn explained that the 2012 budget will establish fund balance for Tara only and Common expenses. Dunn stated that a separate Tara only reserve fund needs to be established per Article 5.06 of the CCRE. Bond said that a Tara only reserve fund needs to be established immediately. Bond suggests that an agreed upon amount be taken from 2011 excess operating funds to establish the Tara only reserve fund. An equal amount could be applied to reduce the annual assessment for Preserve members to complete a fair apportionment. Clark referred the FC to statements made by Ms. Woolley at the beginning of the meeting that imply that initial funds that established the TMA reserve came from Tara members only through an accumulation that occurred while the developer was controlling the assessments and expenses. Dunn requests that the FC research the process by which the existing TMA reserves were accumulated. All agreed that further discussion and research about the TMA reserve funds is needed.
2. Leone asked that clarification be provided to the "Orphans" about the assessment that they pay to TGCC for water monitoring, lake maintenance and the fence. Dunn reminded the FC that these expenses were assigned to TGCC. Breo read from TMA Board minutes from January 2006 and January 2007, and showed members a detailed contract, that assigned these expenses and associated collection of revenues to the TGCC. Perkins said that it is the responsibility of the TGCC to communicate with these residents about this assessment.

FUTURE FINANCE COMMITTEE MEETINGS

\*Wednesday, September 14, 2011 at 9:00 at TGCC Meeting Room (adjacent to the Cart Barn.)

\*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.)

**Gene Martin made a motion to adjourn the meeting, seconded by Bolcik. Meeting adjourned at 11:25am by unanimous vote.**

POST-MEETING SPEAKERS: NONE

Respectfully Submitted by,

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

Nancy Breo

DATE APPROVED: September 14, 2011

**Tara Master Association Finance Committee Agenda- September 7, 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 August 11 2011 Meeting Minutes:**

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

**Approval of August 31 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 14, 2011

Time- 9:00AM

Place- TGCC Conference Room

**Adjournment:**

**Post-Meeting Speakers:**

**Tara Master Association  
2012 Proposed Budget  
Draft 1**

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	25,000		101,361	126,361	-87%	1,005,953	1,006,000	(47)	1,019,846
3952100			103,539	103,539	#DIV/0!				
3965100			715,445	715,445	#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>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 950,845</b>	<b>\$ 975,845</b>	<b>-10%</b>	<b>\$1,039,091</b>	<b>\$1,060,620</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			715,445	715,445	0%	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%	9,821	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			1,600	1,600	-47%	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)	954
7410100			320	320	-43%	561	561		61
8640100	15,804		44,504	60,308	-40%	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	-6%	14,217	16,000	(1,783)	13,275
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		-
						10,000			
						15,000			
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 24,494</b>	<b>\$ -</b>	<b>\$ 949,816</b>	<b>\$ 974,311</b>	<b>-10%</b>	<b>\$1,034,316</b>	<b>\$1,080,108</b>	<b>\$ (50,790)</b>	<b>\$ 987,402</b>
<b>EXCESS INCOME OVER EXPENSES</b>	<b>\$ 506</b>	<b>\$ -</b>	<b>\$ 1,029</b>	<b>\$ 1,535</b>		<b>\$ 4,773</b>	<b>\$ 512</b>	<b>\$ 9,261</b>	<b>\$ 67,641</b>

	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	24.41	-	98.99	\$ 123.40	
Cable TV Assessment	-	-	345.96	345.96	
<b>Total Tara Assessment per member</b>	<b>24.41</b>	<b>-</b>	<b>444.95</b>	<b>469.36</b>	<b>-4%</b>
Regular Assessment - Preserve	-	-	98.99	\$ 98.99	
Cable TV Assessment	-	-	345.96	345.96	
<b>Total Preserve Assessment per member</b>	<b>-</b>	<b>-</b>	<b>444.95</b>	<b>444.95</b>	<b>-9%</b>

Budget 2011	VARIANCE
\$ 139.62	
347.54	
\$ 487.16	\$ (17.80)
\$ 139.62	
347.54	
\$ 487.16	\$ (42.21)

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