



# TELL-E-GRAM

AUGUST 8, 2017



## COUNTY LOTS UPDATE

**By Bruce Johnson, POA Board President**

After MANY hours of negotiating with the County over the last 4-5 years to reach a resolution on the tax sale lots, we can finally see light at the end of the tunnel. The Loudon County Commission voted 10-0 to approve an agreement that we have been working on since March of this year. We, the Board of Directors, will vote on the agreement at our August Board meeting. If it passes, both parties will then sign the agreement within a few weeks.

The hardest part of our negotiations was finding the sticking points, i.e., the points that were keeping the County from having a tax sale. We concluded that the major points were (1) the County's fear that TVPOA would not pay future taxes and (2) the County was afraid that they would get bad publicity for transferring valuable property to TVPOA.

As to the first matter, we assured the County that the TVPOA will meet its tax liability. As a show of good faith, the TVPOA paid the outstanding taxes, penalties, and fees on the lots that we had acquired over several years through our collection process. We also agreed to pay future taxes on these lots starting in 2017 in a timely manner.

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## POA MEETINGS AND EVENTS (RED DENOTES

### IRREGULARITY OF TIME, DAY, AND/OR LOCATION):

- August 10, 2 p.m., POA 101, Yacht Club
- August 11, 9 a.m., Finance Advisory Committee, POA Conference Room
- August 15, 3 p.m., Golf, POA Conference Room
- August 16, 1:30 p.m., POA Board Meeting, Yacht Club

## CONTINUED FROM PAGE 1...

As to the second matter, we showed the County that they stand to collect a substantial amount of additional tax revenue after the tax sale if they transfer the Tax Sale Lots (approximately 450) to us and we put them in production (i.e., sell them and the new owners build houses on them). Both points seem to resonate with them.

We believe the agreement is a “win-win” situation for the County and Tellico Village. The County will gain additional tax revenue

## JULY 2017 FINANCIAL REPORT

By Parker Owen, Chief Financial Officer

### The 2018 Budget Process

At the July meeting of the TVPOA Board of Directors, President Bruce Johnson presented Board guidance for the 2018 budget process. The guidelines were as follows:

- Use the final 2017 budget as a starting point with no increase for inflation
- Maximum 3% salary increases tied to performance
- No change in rates and fees
- 0% increase in Assessments
- Aside from Toqua and Kahite Projects, no new amenities – unless cost neutral (e.g. boat docks)

In the first round of budget reviews, each department is to state the impact of implementing these initial guidelines. During budget reviews, the Finance Advisory Committee and the Board will consider these impacts and approve exceptions to this initial budget run. Throughout a series of budget iterations, the impact on net income, cash and reserves will be monitored, and the CFO will make recommendations to the Board regarding the assessment rate and user fees. Using standard inflation factors, departments are to submit their 2019 to 2023 Five Year Plans. Each year’s plan can only exceed the previous year’s budget by standard inflation amounts. Additional amenities can be added beginning in 2021.

Let me stress that these Board guidelines are a starting point in the budget process. I do not know where we will ultimately end up regarding rates, costs and user fees. But the recently completed long term maintenance study suggested that maintenance costs, which account for fully one half of all POA dollars spent, are largely influenced by growth in population of the Village and long term inflation rates. Aging of our facilities and increasing quality expectations account for the rest.

When I first learned of these guidelines, they were much more severe. What is summarized above represents a compromise from where we started. And I was concerned that this austerity approach to the 2018 budget would be interpreted as a sign of some underlying financial distress that warranted a significant change in our approach to budgeting. Nothing could be further from the truth. TVPOA is in an enviable financial position that most property owners associations would love to have.

while we will add over 400 additional lots to our inventory. This inventory will provide more choices to prospective buyers and thereby help us grow. Growth enables us to remain a vibrant and thriving community.

In summary, the agreement is past its time. Hopefully, we will bring this “win-win” matter to a successful close at the August Board meeting.

The financial position of Tellico Village shines through in its performance. We have produced balanced budgets with positive net income for each of the last five years, and have either beat or come very close to budget in each of those years. Most years have been cash self-sufficient, meaning that the cash generated within the year has been sufficient to pay all of our expenses of operations and all of our capital costs for the year without borrowing or drawing down our reserves. Reserves and operating cash balances have been maintained at or near target levels. We have about \$1 million each in the Amenity Reserve, the Repair and Maintenance Reserve and the Water and Sewer Reserve funds.

Our traditional bank debt levels are at 10 year lows, and the Wellness Center facility note will be paid off in about 3 more years. Our \$1 million expandable line of credit has a zero balance, and our main addition to debt is the loan to build the medical office building to house the Summit Medical Group at Tellico Village. That loan will be fully funded and amortized over 10 years by the lease payments received from the Summit Medical Group. Add to these points a series of clean, unqualified audit opinions by the CPA firm of Coulter and Justus, PC, and we can rightly point to our financial strength as one of the main reasons that prospective new property owners should choose Tellico Village as their long term retirement destination.

Considering the severity of the Great Recession of 2008, Tellico Village managed its spending conservatively and its revenue generation aggressively. As our costs of operations have increased, especially for ongoing maintenance, our assessment rate and user fees have increased as well. There is a tradeoff between paying a little more, or maintaining a little less, for the quality facilities and services that we have come to expect, and therein lies the essence of this year’s budget debate. The Board, the Finance Advisory Committee, management and the property owners will have to wrestle with these issues and arrive at a budget that represents the best value for all for the long term. Regardless of the tradeoffs considered, the projects accepted, the user fees recommended or the assessment rate approved, I promise that the 2018 budget will be the sixth in a series of balanced budgets. We should expect or accept nothing less.

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## Monthly Financials

At the July meeting of the Board of Directors, four project funding requests were approved. The purchase of five used greens mower replacements (two riding and three walking) for Toqua Golf Maintenance Department was approved for \$44,457. These are replacements for greens mowers that have reached the end of their useful lives. They are late model, used John Deere cutting units in excellent condition, turned in off-lease by high-end private clubs, at a savings of about \$60,000 versus new equipment.

Replacement of sand and bunker liners for greenside bunkers on the front nine at Tanasi Golf Course were approved for \$34,630 as the first phase of a two year project. Sand and liners have become a maintenance, playability and safety issue at Tanasi. The replacements will be accomplished using specialized SP55 replacement sand and Capillary Concrete liner material. Installation will be done by Tanasi Golf Maintenance staff with completion over the next five months.

Application of Reclamite pavement preservation material in the

Chatuga, Toqua Coves and Chota Woods neighborhoods was approved for \$143,458. Reclamite has been proven to extend the life of our asphalt by up to five years and is considerably less costly than paving.

Finally, approval of \$26,225 was granted for engineering consulting services to evaluate existing pavement, provide technical plans and specifications, develop front end documents and assist with bidding paving projects at Chota Road, Sequoyah Road, the Yacht Club parking lot and Tanasi Clubhouse parking lot.

At this point in the year we have approved approximately 63% of the 2017 Capital Plan and are about 2%, or \$16,000, over budget for those projects that have been approved. Year to date net income reflects a favorable variance to budget of about \$872,000, though deferred maintenance projects will offset most of that in the coming months. Our current management expectations are that we will perform somewhat better than budget on net income, capital spending and cash flow after including projects that are currently deferred.

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## PSAC ADDRESSES WATER ISSUE

### By Tom Lee and Claire Frazer, Board Members

At the Public Services Advisory Committee meeting held on July 12, Bud Murray, Tellico Village Staff Engineer, gave the committee an overview of the current water pressure situation in Tellico Village, particularly with regards to the Coyatee and Toqua Hills neighborhoods.

Although the present water system is considered adequate and meets Tennessee state requirements, the rapid growth of our community has resulted in a greater demand for water and therefore, less pressure on the system at certain times during each 24 hour period.

The Public Works department regularly measures water pressure at peak times, namely in the summer during early morning hours when irrigation systems are in the greatest use. The lowest pressure measured is 23 pounds per square inch at a flow rate of 500 gallons per minute. The state requires a minimum of 20 pounds per square inch. Although we are exceeding minimum requirements, Murray said that with the current growth rate of new housing starts we need to address the situation to prevent further loss of pressure and to ensure that we have acceptable levels for future homeowners and fire hydrants.

Public Works Department Director, Jeff Gagley, says that Jacobs Engineering has been requested to submit a proposal to conduct a study of the water systems in Coyatee and Toqua Hills and to make recommendations as to what we should do to ensure that we have adequate water pressure in the future. An elevated tank in the Coyatee neighborhood will most likely be required. Gagley estimates that the cost of this tank will probably not exceed \$150,000 and will be funded from the Water and Sewer Reserve Fund. As there is no suitable location for a tank in the Toqua Hills area, we will need to find an alternative approach for that neighborhood. The water tank for Coyatee is in the five- year plan for 2019. However, Murray says that depending on the results of the Jacobs study, the project may need to be moved to 2018.

According to Gagley, "these are the types of infrastructure requirements that we have anticipated and why we established our reserves. However, due to our rapid growth, it is coming a little sooner than we anticipated". We are on pace to experience 100 new housing starts in 2017. To date, there have been 71 new house permits approved by the ACC. Public Service department monitors our water supply and pressure on a daily basis.



# TELLICO COURSES RECOGNIZED BY AUDUBON INTERNATIONAL

Recently, the Tanasi and Toqua Golf Courses received recognition in Environmental Planning from the Audubon Cooperative Sanctuary Program for Golf Courses (ACSP). ACSP is an international program administered by Audubon International designed to help landowners preserve and enhance the environmental quality of their property.

The Audubon Cooperative Sanctuary Program for Golf Courses provides an educational service to help existing golf courses develop effective conservation and wildlife enhancement programs, and achieve recognition for their efforts. After the environmental plan is approved, properties in the program may apply for recognition in Wildlife and Habitat Management, Chemical Use Reduction and Safety, Water Conservation, Water Quality Management, and Outreach and Education by demonstrating that they have met minimum requirements for each category. Once the course has been recognized in all categories, they are designated as a Certified Audubon Cooperative Sanctuary.

By joining and participating in the ACSP, Tanasi and Toqua will be involved in projects that enhance habitat for wildlife and preserve natural resources for the benefit of the local community. These projects may include: placing nesting boxes for cavity-nesting birds such as bluebirds and swallows, utilizing integrated pest management techniques, conserving water, and maintaining food and cover for wildlife. Congratulations to the Golf Department for this great accomplishment!

## TELLICO VILLAGE 30TH DINNER CELEBRATION

Join us as we celebrate Tellico Village turning 30! We will be having a dinner celebration at the Yacht Club on August 24th. Tickets are now available to purchase at the Welcome Center. Tickets are \$35 per ticket and **we only have 40 tickets left!** There will be tables of 10 and if you would like to sit with a group, those tickets need to be purchased together. If you have a group smaller than 10, you will be paired with another table. Along with dinner, Bill Landry will be our guest speaker and harpist, Amy Carty, will be playing throughout the evening. Contact Lisa McCray at 865-458-5408, ext. 4131 or [LMcCray@tvpoa.org](mailto:LMcCray@tvpoa.org). Tickets will also be sold at tonight's HOA Social. All guests will receive a special commemorative gift.

The menu will be as follows:

- House Salad with choice of dressing
- Pan seared chicken breast, served with roasted fingerling potatoes & grilled white asparagus OR Grilled Bistro Steak, served with roasted fingerling potatoes & grilled white asparagus
- Chocolate Lovin' Cake, a giant mouthful of chocolate pudding between two layers of dark, moist chocolate drenched chocolate cake.

## ATTEND POA 101 ON AUGUST 10TH!

Are you new to Tellico Village and want to learn more about the history of the Village, clubs, and amenities? Come to POA 101 on August 10th at 2 p.m. at the Yacht Club! RSVP to Jessica Miles at [JMiles@TVPOA.org](mailto:JMiles@TVPOA.org) or 865-458-5408, ext. 4115.

## UPCOMING EVENTS AND MEETINGS

### TELLICO CRUISING CLUB - AUGUST 9

The Tellico Cruising Club will hold its monthly meeting on Wednesday, August 9th, at the Tellico Village Yacht Club. The social hour begins at 5 p.m. with the meeting starting promptly at 6 p.m. All Tellico Lake boaters are welcome. Any questions should be directed to Commander Tom Morgan 865-657-5257

### TELLICO RIDERS MEETING - AUGUST 10

The Tellico Riders will conduct their monthly meeting at the Tellico Village Yacht Club on Thursday, August 10th. The club social starts at 5 p.m. in the Yacht Club Bar followed by a meeting on the 3rd floor at 6 p.m. If you own a motorcycle, ride in East Tennessee, or would like to meet those that do, come join us. At 7pm after the meeting, it's optional to join many of the Tellico Riders for dinner in the Yacht Club Dining Room. If you desire to have dinner, we recommend you place your dinner meal order during the Club Social Hour... tell them you are with the Tellico Riders. For additional information, please contact Dave Johnson, Director Tellico Riders at [ae0e@hotmail.com](mailto:ae0e@hotmail.com)

## TELLICO VILLAGE LADIES BOOK CLUB - AUGUST 10

The TV Ladies Book Club will be meeting on Thursday, August 10th at the Tanasi Clubhouse. Lunch will begin at 11:30 a.m. and the book discussion will begin at 12:15 p.m. The book being discussed is "The Nightingale" by Kristin Hannah. Discussion leader is Connie Eichenauer.

## VILLAGE QUILTERS GUILD MEETING - AUGUST 11

Please join us for our monthly meeting at Christ our Saviour Lutheran Church just off HWY 72 at 9:30am on Friday August 11. We have over 300 members -- and they are all lovely! From beginner to master, you will enjoy the learning, the giving and the skill and project classes. Our meetings are active and fun! Join us and see!!

## TELLICO VILLAGE HIKING CLUB - AUGUST 11

### Cove Mountain to Lauren Falls

On Friday, August 11th, we will depart at 8 a.m. from Chota Center. We will drive to Sugarlands Visitor Center to consolidate for the trip back to begin the shuttle at the famous Laurel Falls Trail. In 1.3 miles the 75' waterfall appears for our enjoyment. The difficult 1700' climb over 4 miles is rewarded with a view at the top, a look at the air quality monitoring station, and the junction with Cove Mountain Trail. This beautiful, comfortable walk has some views, waterfalls, and hopefully we will see some mountain laurel, azaleas, and rhododendron blooming on our 2700' decent in 8.5 miles. Driving time is 1-1.5 hours and the total distance is 12.5 miles. It is rated as a difficult hike. The leader for this hike is Terry Nyenhuis. Contact info: 865-206-9476 or terrynyenhuis@gmail.com.

## ROADRUNNERS RV CLUB MEETING - AUGUST 15

Tellico Village Roadrunners RV Club general meeting will be August 15th on the top floor of the Yacht Club. The social hour begins at 7:00PM and the meeting begins at 7:30. Visitors are welcome. There will be an introduction of new members, highlights of prior and future rallies as well as discussion of 2018 rallies. For more information, visit <http://tellicovillagerclub.org>

## HAVE SOME FUN...TRY SOME SQUARE DANCING!

**Two FREE square dance lessons:** August 29th and September 5th at 7 p.m. in the Memorial Building (103 North B Street, Lenoir City).

Little T Square Dance Club will meet every Tuesday September through December, 7 p.m. - 8:30 p.m., \$5 per person for each dance night. For more information, call Maggie at 865-617-1267 or Shea at 865-816-4061/PrezlittleT@comcast.net. There is no commitment, come enjoy yourself and have some fun! Visit our website at [www.LittleTSquares.com](http://www.LittleTSquares.com)

## MUDDY BOOTS HIKE - AUGUST 14

Date: August 14, 2017, Indian Boundary Lake

Time: 7:45 AM for 8:00 AM departure

Depart: Chota Center (across from Marathon gas station & in parking lot of Lakeside Realty)

Distance from Chota Center: about 1 hour

Length of Hike: 3.1 miles

Rating: EASY

Hike Leader: Rosie Sylvester - if questions, call 715-880-0340 or email: kittycat2x2@gmail.com, Printed directions to the hike location will be handed out the morning of the hike. This hike is very easy, extremely flat, and there is a lot of shade going around the lake with beautiful mountain/lake views. To ensure that hikers are optimally prepared for a scheduled hike and, in the event of a situation requiring medical intervention during a hike, we are suggesting that each participant wear their Name Tag and bring:

- Photo ID (generally driver's license) and Medical Information cards (Health Insurance Card or Medicare + supplemental Health Insurance Cards)
- Hiking boots or hiking shoes
- Hiking poles
- Lots of water and snacks for the trail
- \$5.00 for your car pool driver

Lunch Options after the hike:

- Bring a picnic lunch - there is a picnic and swimming area (bring a suit, if you wish)
- Restaurant - Tellico Kats on the River - 1829 Cherohala Skyway, Tellico Plains - great daily specials (specialty sandwiches, gourmet coffee, salads, pastries)

## MARTIN LUTHER LECTURE SERIES

The Martin Luther Lecture Series is as follows:

- The final presentation will be on Saturday, August 12 on "Luther, the Musician", presented by Dr. Carl F. Schalk, Professor of Church Music Emeritus at Concordia University in Chicago

This August 12 session will be held at Shepherd of the Lake Lutheran Church, 143 Chota Center at 4 p.m. For more information, call the Shepherd of the Lake church office at 865-816-4756.

## TELLICO VILLAGE GUITAR WORKSHOP

This newly formed group, known as the Tellico Village Guitar Workshop, meets weekly, every Friday, for one hour. Beginner/Intermediate group meets from 10 a.m. – 11 a.m. The Advanced group meets from 11 a.m. – Noon. Everyone is welcome, we are beginner friendly! We are currently meeting in various facilities because of space availability. **This Friday, August 11th, we will meet at the top floor of the Yacht Club at 10 a.m.** We will also meet on the top floor of the Yacht Club on August 18th and August 25th. For more information, contact Ken Padgett at 865-458-0161. To join our email distribution list, contact: rich8899@charter.net

## TELLICO VILLAGE UNIVERSITY

### COMING UP IN AUGUST...

The TVU Fall Semester curriculum is now on the website: [www.tvuniversity.org](http://www.tvuniversity.org). Be sure to read all of the details and participation requirements of these upcoming classes prior to registration. Some require prepayment or have enrollment limits. If you register and do not attend, you may be sent a bill. If you register but cannot make the class, please remember to cancel so we can make your seat available to someone on our waiting list. All courses require registration on our website, you will receive confirmation once you are registered. Curious about dates, times, locations, and fees? Check out the website!

- **iPad/iPhone Basic Workshop:** August 14, 15 (8:30-10:30) in Chota Room D. This class is taught by Jennifer Dancu who is known for her patience and individual attention. Class is limited to only 5 individuals so you will get lots of help. You must prepay for this class at the Welcome Center.
- **Android Basics:** August 14, 15 (10:45-12:45) in Chota Room D. Same as the above but for Android Devices. These classes are the closest we can get to private tutoring at a fraction of the cost. No large classes, but you will pay a little more for personal attention. Prepay at the Welcome Center.
- **DIY Lawn Maintenance:** August 18th, 9-11 a.m. in Chota Room D. This class is for the do-it-yourselfers who want to know what products your lawn needs, what type of maintenance schedule you should follow, and how to trouble-shoot lawn problems. John Goddard, our Loudon County UT Agricultural Extension Agent, will be teaching this course.

## RECENT PROPERTY OWNERS MARKETING SURVEY FACTOID: A SHORTENED PURCHASE CYCLE

Since 2014, an average of 2.4 years elapsed between when recent property owners became aware of Tellico Village and when they actually purchased their first property. For those purchasers who were involved in some facet of the marketing program, their purchase cycle was shorter (2.0 years) versus non-marketing program purchasers (2.8 years). One factor influencing the Village's shortened purchasing cycle was the higher concentration of marketing program purchasers involved in Village real estate transactions in 2016 and early 2017.

Source: TVPOA Marketing Team. Recent Property Owners Marketing Survey. June, 2017. pg. 22.

## 2017 KIWANIS CHARITY GOLF TOURNAMENT - AUGUST 26

The 2017 Kiwanis Charity Golf Tournament will be taking place at the Toqua Golf Club on Saturday, August 26th. Continental breakfast and registration starting at 8 a.m., shotgun start at 9 a.m.. Lunch will be provided after tournament completion and prize presentations will occur during lunch. Entry fee is \$50 per person plus green and cart fees. If you'd like to sign up, team registration forms are in all three proshops or contact Jim Duncan at 865-458-0078.

## HIKE THE EAST LAKESHORE TRAIL IN AUGUST

Join us on August 15th when we hike 2.5 miles of the the Sinking Creek Branch of East Lakeshore Trail. We will gather at the Poplar Springs Boat Ramp parking lot at 9:00 AM, where we will car pool to the trail head. Hikers coming from from Kahite, can meet us around 9:15 AM at the Sinking Creek Trailhead, which is on Axley Chapel Road/East Coast Tellico Parkway. The East Lakeshore Trails are just across the lake and are one of the most beautiful and accessible hiking trails in East Tennessee and have been designated as National Recreation Trails by the Department of the Interior. If you would like to become more familiar with these trails and/or would just like to take a short 2 1/2 to 3 mile hike, then come join us on the 3rd Tuesday of every month. All of the monthly hikes should finish no later than 11:30 AM. Your hike leaders will be Larry Elder and Jon Foreman. For additional information feel free to contact: Larry: lelder49@gmail.com / 865-657-9722 or Jon: for4man@charter.net / 412-337-5500

## TELLICO VILLAGE BRIDGE LESSONS

- Basic/Intermediate Bridge Lessons will start at 1:30 p.m. and last until 3:45 p.m. on Thursdays, August 24th-Nov 16th (no class on Nov 2nd) at First Baptist Church of Tellico Village. There will be a pre-class Question and Answer each week at 1 p.m.
- Advanced Intermediate Bridge Lessons will start at 10 a.m. and last until 12:15 p.m. on Thursdays, August 24th-Nov 16th (no class on Nov 2nd) at First Baptist Church of Tellico Village. There will be a pre-class Question and Answer each week at 9:30 a.m.

Seating is limited to 28 for each class. Pre-registration and payment are required to confirm participation. Participants are expected to be familiar with basic bridge bidding and play.

12 lessons for \$150 - ACBL Certified Instructor. To find out more about the content of either class, contact Jim Ricker at jdricker.jdr@gmail.com or 865-805-0420. Send payments to Jim Ricker, 1825 Raven Hill Court, Knoxville, TN 37922



Tellico Village Yacht Club

Join us for  
**TIKI**  
Friday

August 4th NO TIKI  
August 11th Bo Ashby  
August 18th Southern Star  
August 25th AM Station  
7-10:00pm

Weather permitting outside on  
the patio  
865-458-4363

Keep a look out for  
September's Soc Hap



COME ENJOY DELICIOUS CHEF-INSPIRED BREAKFAST  
LAKESIDE AT

*Tanasi*  
*Bar & Grill*

THURSDAY THROUGH SATURDAY 8:00 AM TO 11:00 AM  
SUNDAY 8:00 AM TO 1:00 PM (WITH BUFFET)