

Tellico Village POA  
Finance Advisory Committee Minutes  
October 16, 2020

Bob Coates called the meeting to order at 9:00am via Zoom

Present: Bob Coates, Brad Spiegel, Marty Hulett, Mike Poulsen, Kevin Ellsworth, Parker Owen, Beth Kuberka, Chris Sykes, Marty Inkrott, Rick Blough, Pat White, Bruce Johnson, Mitzi Lane, Cap Pervis, and Chad Johnson

Approved September 11th meeting minutes

Rotation of minutes by FAC members – Brad Spiegel

**Financial Report**

Reviewed analysis based upon Sept YTD actuals and budget performance (\$1,783K net income favorable with revenue over budget and spending under budget by nearly equal amounts).

Real estate activities continue well above budget for sold lots and transfers. Personnel staffing is below budget and thus favorable for expense. Golf rounds are up 17% YOY. Docks are leased 100%. Rec membership has fallen significantly for both individual (179) and family memberships (334) vs September budget. Temporary staff for Rec Dept is running \$11,000/month due to Covid-19 protocols and cleaning. Maintenance spending is picking back up as we work various project deferred earlier in the year.

**CFO's Report on Current Activities**

Received \$30K from State of Tennessee for unrestricted Covid-19 relief which is independent from Payroll Protection Program. Booked to Other Income.

Small Business Administration's Paycheck Protection Program forgiveness has been filed and is pending review and approval for just under \$1.2M.

\$48k employee relief against payroll taxes received for Covid 19 absences.

Form 990 and 990T are completed and awaiting audit committee review and approval. No issues anticipated.

### **Capital Project Review and Approval**

Grapple truck for brush pick up \$161K pulled in from 2021 budget by POA board vote

UV-C Air Purification System for Wellness Center \$13K approved by POA board vote

- Addresses air quality in one of our more vulnerable environments
- May be expanded to other publicly available buildings if it works well for ~\$85k

(2) HVAC Replacements for Yacht Club \$32K - FAC approved

Yacht Club First Floor Renovations \$104k - FAC approved

Kahite Exhaust and Make Up Air Fans for Kahite Grill \$8K - Emergency approved by Winston

(4) Projects for Lift Station & Wet Well Coating /Repair totaling \$83K - FAC approved

Over \$1.5M capital is being deferred into 2021 including water pressure tank, wave attenuator, wellness center roof, and a number of mowers and vehicles. Anticipated remaining 2020 capital expenditure is \$137k.

### **2020 FAC Goals**

Capital Project Documentation Requirements for FAC – Kevin, Bob, & Linda recommended to FAC to slim down requirements for committee review. Having staff members there for Q&A is helpful and appreciated. New documentation levels have been deemed sufficient in most cases and revised requirements approved by FAC vote.

### **Cash Self-Sufficiency Check**

Net cashflow is \$3.1M ahead of budget YTD and projected to be \$2.6M for year end driven by positive net income, and capital expenditure deferrals. PPP forgiveness would add \$1.2M to these amounts.

### **2021 Budget Review**

FAC 9/30/2020 recommendations to POA Board have been rolled through the budget submissions.

Rates/Fees/Assessment increase approved by FAC and recommended to the POA Board.

LUB Water Supply Contract Proposal reflected in updated revenue and expense. Water meter replacements increased to 450/year to keep pace with new builds and installed base on a 10 year replacement cycle.

Capital expenditures updated to reflect timing changes for grappler truck, water tower replaced by pumps in LUB agreement, docks, Kahite boat launch, cars instead of trucks for POA enforcement staff and other lower investment projects.

Beach security changes were not yet agreed by the board.

Medical insurance rates came in at 15% increase and there will be continued negotiations prior to finalized budget.

**Committee Reports** - Reports not given due to meeting over run

Communications – Brad Spiegel

Golf – Jeff McMillan

LRP – Marty Hulett

Public Services

Recreation – Mike Poulsen

Audit – Bob Coates

POA Board - Marty Inkrott

**Meeting adjourned at 12:15pm**

**Next FAC meeting November 13, 2020 9:00am**