



**TELLICO VILLAGE
PROPERTY OWNERS' ASSOCIATION
BOARD MEETING AGENDA**

**Wednesday, March 19, 2025 – 1:30 pm
Tellico Village Yacht Club**

<u>Topic</u>	<u>Purpose/Outcome</u>	<u>Presenter</u>	<u>Time Frame</u>
Call Session to Order		John Orr	1:30 – 1:35
Minutes (February 19 th)	Approve	John Orr	1:35 – 1:40
Open Forum	Discuss	Participants	1:40 – 2:10
Opening Remarks	Discuss	John Orr	2:10 – 2:25
Engineering Services	Discuss	Mike Lackey	2:25 – 2:35
Tanasi Rebuild	Update	Scott Macrae	2:35 – 2:50
TAP – Main Lift Station	Update	Scott Macrae	2:50 – 3:05
General Manager Report	Update	Matt Benoit	3:05 – 3:10
Blue Book Update	Update	Kevin Stevens	3:10 – 3:20
Balanced Score Card	Introduction	Joel Reed	3:20 – 3:25
February Finance Report Accounting System Update Capital Requests	Update	Judy Bedford	3:25 – 3:40
Liaison Report Out	Update	All Liaisons	3:40
Other			
Adjourn			



Minutes

Open Forum



Opening Remarks

HOA State of the Village
March 13, 2025

John Orr
TVPOA Board President

Join the Conversation: Strengthening Our Village.

2024 Key Goals

Goal	Target
Reserve Contribution	>\$10M
Business Planning	Implement planning for all departments
Food Service Integration	Fully integrate operations
Continuous Improvement Savings	\$500K in cost savings

2024 Results

Reserve Contribution

- Goal >\$10M
- Result = \$12.5M (\$14.2M less \$1.7M from insurance proceeds)
 - Administration \$2.4M better than budget (including \$1.7M from insurance)
 - Public Works \$1.3M better
 - Golf \$506K better

2024 Results

Continuous Improvement

- Goal: Verified cost out of the business of at least \$500,000
- Result = \$956,000
 - Utility Division \$480,000
 - Public Works \$101,000
 - ACC \$145,000

2024 Results

Food Service Integration

- Goal: Successfully integrate food service into POA
 - Deliver revenue growth of at least 10%
 - Deliver budgeted net subsidy \$300,000
- Result:
 - Successful integration
 - Revenue growth 11.1%
 - Net subsidy \$475,000 (43% subsidy reduction)

2024 Results

Business Planning

- Goal: Develop detailed business plans for all departments
- Result: All 11 departments completed full business plans
 - SWOT
 - Mission / Vision statements
 - Short term objectives/action plans
 - Long term goals
 - Key Performance Indicators

2025 Strategic Goals

Financial Strength

- Deliver **\$12M** in net surplus
- Achieve **\$500K** in Continuous Improvement (CI) savings

Operational Excellence

- Develop a **balanced scorecard** for the organization
- Identify **key performance indicators (KPIs)** for each department
- Successfully complete **Phase 1** of business system implementation

Capital Project Management

- **Tanasi Reconstruction:** Ensure construction stays **on budget** and opens **Q1 2026**

2025 Other Major Initiatives

- Reserve Study Update
- Pilot Study to Address RDII
- Infrastructure Projects
- Policy and Procedure Review and Update
- POA Strategic Plan



Engineering Services



TANASI/TAP Update

Scott R. Macrae, PE, PgMP, PMP

2025 March 19

Tanasi Construction Update

- Cart path concrete placed behind pro shop to starter shack.
- Excavation for new parking lot approximately 65% complete.
 - New parking lot should be ready for service by early April.
 - Spoils used to build up restaurant parking lot and building locations.
 - Soil base is compacted in 12-inch lifts to create a strong base for the building footers and slab.
 - Identified approximately 300 cu. Yds. Of unsuitable soils in near starter shack.
- Retaining wall removed and area behind 9th green excavated.
- Access to the docks is along the gravel path.
- LUB installed overhead power to the pro shop the first week of March.
- Approximately three weeks behind schedule, adjusting work to compensate. Still scheduled for 1Q26 opening.



TAP Update

Scott R. Macrae, PE, PgMP, PMP

2025 March 19



TAP Project Review

- Three projects are currently active.
 - Design for a new Main Pump Station (MPS) is being submitted to TDEC and being posted for construction bids.
 - Elevated Water Tank 60% design is under review with PSAC.
 - Kahite Pump Station requirements are being reviewed and discussed with JEG.
- The four other key pump stations will be addressed after the MPS construction begins.
- RDII inspections and remediation efforts began in February.
- Engaging UT interns to complete the Asset Management Plan.
 - Grant funding requires this Plan.

MPS Upgrade Decision – Why New

- MPS is end-of-life and does not meet design standards.
- BoD accepted JEG and PSAC recommendation to build a new MPS rather than upgrade the existing equipment.
- BoD and PSAC held a workshop with JEG to discuss new vs. renovation.
 - Building new meets current Hydraulic Institute and Flygt design standards.
 - Building new reduces operational risks during construction.
 - Building new enables continued operation of the existing MPS during construction.
 - Building new is more cost effective.
 - Old wet wells and facilities are in poor condition and not properly designed.
 - Grant funds cannot be used for renovation.
- MPS upgrade schedule is critical to preserve the opportunity for the Grant funding.

RDII reduction efforts

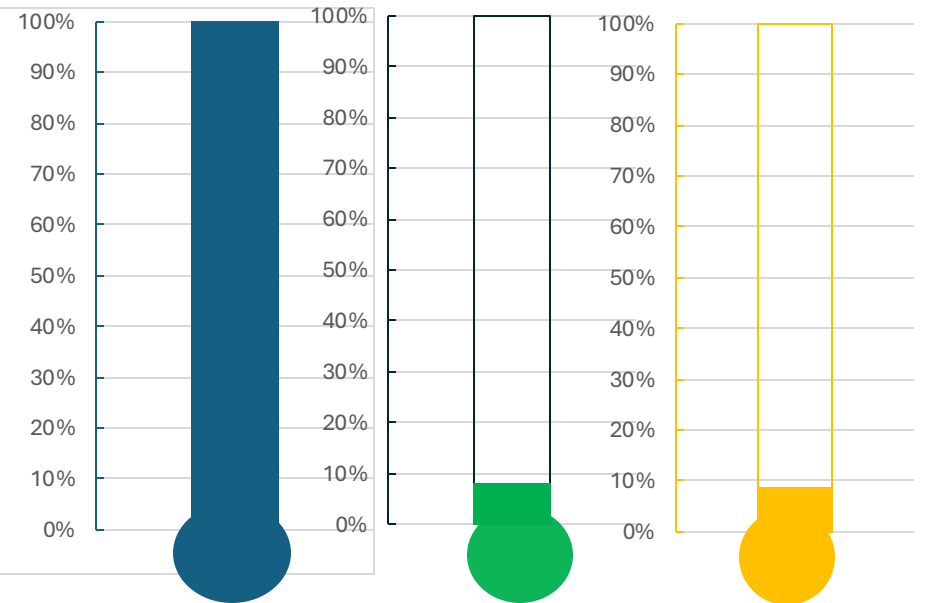
- The rain driven infiltration and intrusion (RDII) Remediation Plan Pilot Study began in February.
 - Goal is to identify the effectiveness of the five-inch extensions.
 - Inspections and meter installations are in specific neighborhoods.
 - Data developed during the Pilot Study will be used for PS designs.
- Results from the Pilot Study will be used to develop the plan forward.
- RDII tank inspections in Kahite completed 6 March 2025.
 - Inspectors completed 659 tank inspections.
 - Identified 213 tanks that are potential sources of RDII.
 - Identified an additional 25 tanks with lids below grade but with favorable drainage.
 - Identified two tanks with tripped circuit breakers (overflowing).
 - Identified two tanks with tree roots penetrating tanks (repaired).
- Five-inch extensions are being added to tanks by PW staff.
- Inspectors moved to Mialaquo in this week.
- Began installing five-inch extensions on tanks in Kahite this week.



Kahite RDII Remediation Progress

WEEK ENDING	TOTAL HOMES INSPECTED	WEEK ENDING	TOTAL HOMES NEEDING RISER	WEEK ENDING	TOTAL HOMES REMEDIATED
3/8/2025	659	3/8/2025	212	3/8/2025	214
3/15/2025	659	3/15/2025	212	3/15/2025	214
3/22/2025	659	3/22/2025	212	3/22/2025	214
3/29/2025	659	3/29/2025	212	3/29/2025	214
GOAL	659	GOAL	212	GOAL	214
TO DATE	659	TO DATE	17	TO DATE	19
% COMPLETE	100%	% COMPLETE	8%	% COMPLETE	9%
TARGET %	100%	TARGET %	100%	TARGET %	100%

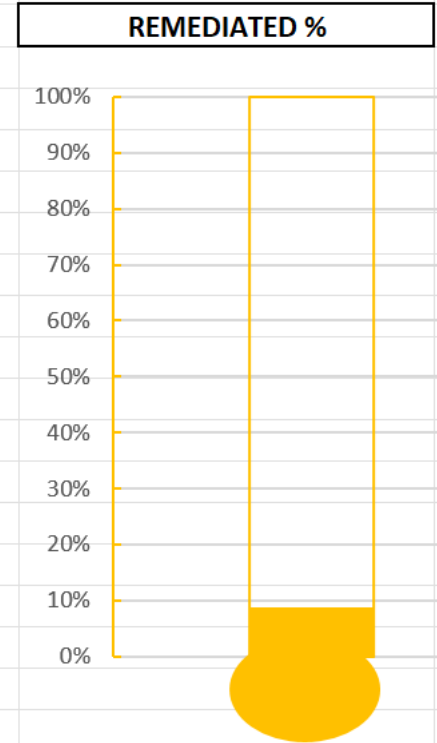
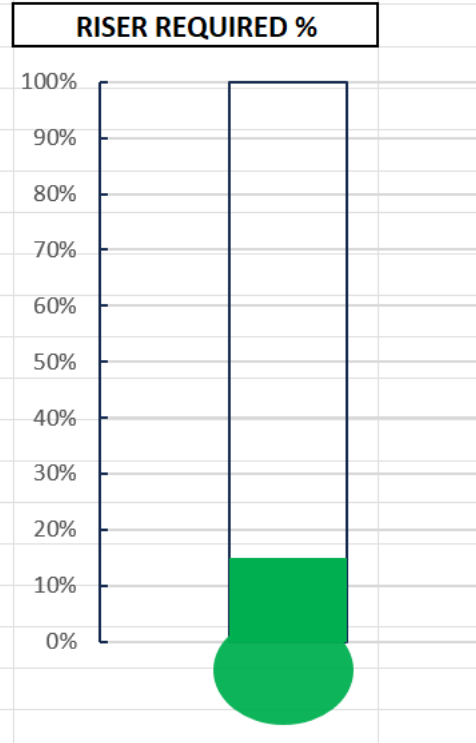
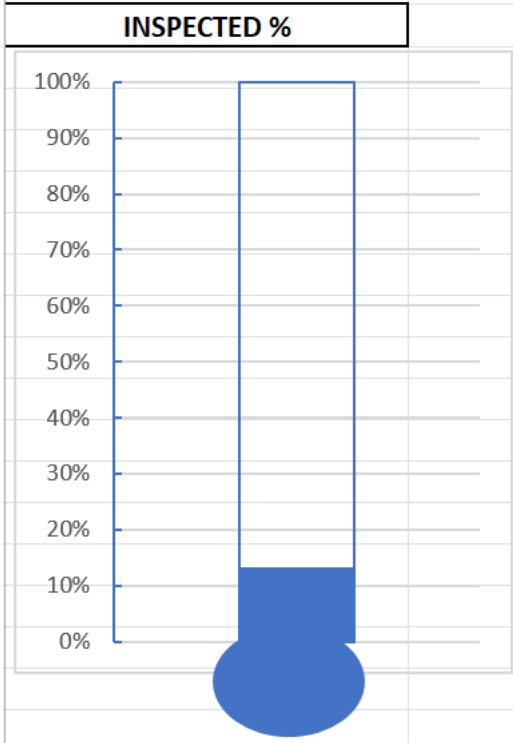
INSPECTED % RISER REQUIRED % REMEDIATED %



GOAL	6000
TO DATE	800
% COMPLETE	13%
TARGET %	100%

GOAL	2000
TO DATE	300
% COMPLETE	15%
TARGET %	100%

GOAL	2000
TO DATE	175
% COMPLETE	9%
TARGET %	100%





General Manager Report



Blue Book Update



Balanced Scorecard

2026 Tellico Village POA Balanced Scorecard



What is a Balanced Scorecard?

The **Balanced Scorecard** (BSC) is a strategic planning and management system **described in the landmark book, *The Balanced Scorecard*.** ⁽¹⁾

Organizations use **a Balanced Scorecard** to:

- Communicate what they are trying to accomplish
- Align the day-to-day work that everyone is doing with strategy
- Prioritize projects, products and services
- Measure and monitor progress towards strategic targets

The name **Balanced Scorecard** comes from the idea of looking at strategic measures in addition to traditional financial measures to get a more “balanced” view of performance.

What are the Benefits of a Balanced Scorecard?

A key benefit of using a disciplined framework is that it gives organizations a way to “connect the dots” between the various components of strategic planning and management.

This means that there will be a **visible connection** between the **projects and programs** that people are working on, the **measurements being used to track success (KPIs)**, the **strategic objectives** the organization is trying to accomplish, and **the mission, vision, and strategy of the organization**.



What Are the Balanced Scorecard Perspectives?

The BSC suggests that we examine an organization from four different perspectives to help develop objectives, measures (KPIs), targets, and initiatives relative to those views.

Financial or Stewardship	<ul style="list-style-type: none">• Financial Performance• Effective Resource Use	
Customer & Stakeholder	<ul style="list-style-type: none">• Customer Value• Satisfaction and/or Retention	
Internal Process	<ul style="list-style-type: none">• Efficiency• Quality	
Organizational Capacity or Learning & Growth	<ul style="list-style-type: none">• Human Capital• Infrastructure & Technology• Culture	

Development Plan

- The LRPAC first proposed adoption of a Balanced Scorecard in 2021
- The POA Board of Directors made the development of a Scorecard a goal for the LRPAC in 2025
- A subcommittee of the LRPAC is meeting weekly to:
 - Read the book, *The Balanced Scorecard*
 - Identify elements applicable to Tellico Village
 - Build on the Tellico Village Vision and Mission to develop a prototype Scorecard
- Timeline:
 - Develop first draft by May
 - Test Scorecard with six months actual + six months forecast data
 - Revise Scorecard for adoption as part of 2026 budget process

February Finance Report Accounting System Update Capital Funding Requests

A large stone sign for Tellico Village POA. The sign features a central fountain with a tall, thin water column and a lower section with cascading water. To the left of the fountain is a circular emblem depicting a bird in flight. To the right, the words "Tellico Village" are inscribed in large, gold-colored letters. An American flag flies on a tall pole to the right of the sign. The background consists of lush green trees and a clear blue sky. The foreground is a well-maintained green lawn with some orange flowers and greenery at the base of the sign.

Tellico Village POA February 2025 Financial Overview

Community-Conscious Fee Structure

Control Operational Costs

Contribute \$12.1M to Reserves

Balance Sheet and Cashflow Highlights

\$ in Thousands

Balance Sheet	25-Feb	24-Dec	Other Balance Sheet Highlights	25-Feb	24-Dec
Operating Cash (ROI 3.5% Main Ops)	\$ 3,220	\$ 2,420	Accounts Receivable	\$ 2,364	\$ 2,169
Reserve Cash (Wgt Avg Effect ROI 4.53%) (includes Tanasi Insur Proceeds 4.3M)	28,952	27,267	Allowance for Doubtful Accounts ***	\$ (909)	\$ (866)
WSIAF Account Fund	\$ 1,882	\$ 1,113	AFDA / AR	38%	40%
Total Cash	\$ 34,055	\$ 30,800			
			Suspended Account Information (90 Days Past Due):		
Total Assets	\$ 71,764	\$ 68,451	Feb 2025: 45 Lots /14 Homes	\$ 920	39%
			Dec 2024: 59 Lots /15 Homes	\$ 894	41%
ST Portion of LT Debt	\$ 663	\$ 683	Feb 2024: 92 Lots /34 Homes	\$ 1,058	
Total LT Debt (incl Leases)	\$ 8,295	\$ 8,397			
Total Liabilities	\$ 17,636	\$ 15,252	Utility Service Assessments	\$ 2,560	\$ 2,603
			Unearned Res Sewer Repairs Rev	698	653
Equity **	\$ 54,127	\$ 53,199	Golf Related Prepayments	1,607	476
			Unearned Revenue - WSIAF	1,869	1,109
Debt to Equity Ratio	17%	17%	Other Prepay (Assess/Docks/Rec)	2,151	1,676
			Food Service Gift Cert / Banquet Dep	69	71
			Unearned Revenue	\$ 8,954	\$ 6,588
**Equity = Retained Earnings, Contributed Capital, Current Earnings					
*** 100% of Delinquent Assessments one year or more past due					

WSIAF Acct Fund Activity As of February 28, 2025

Type	Description	Date	WSIAF Acct Fund			Capital Project Elevated Water Tower		Capital Project Main Pump Station Wastewater Storage	
	Balance C/F	31-Dec-24	\$ 1,113,436	*		Asset # 0061632		Asset # 0071626	
Deposit	0125 WSIAF Billing	31-Jan-25	\$ 453,200						
Withdrawal	Main Pump Station Storage	31-Jan-25	\$ (67,445)		1/31/2025	\$ 23,979	1/31/2025	\$ 67,445	
Withdrawal	Elevated Water Tower	31-Jan-25	\$ (23,979)		2/28/2025	\$ 37,868	2/28/2025	\$ 23,141	
Deposit	Interest Income	31-Jan-25	\$ 2,426						
Deposit	0225 WSIAF Billing	28-Feb-25	\$ 458,880						Total '25
Withdrawal	Main Pump Station Storage	28-Feb-25	\$ (23,141)			\$ 61,847		\$ 90,586	\$152,433
Withdrawal	Elevated Water Tower	28-Feb-25	\$ (37,868)						
Deposit	Interest Income	28-Feb-25	\$ 6,365						
		WSIAF Deposits 2025	\$ 912,080	*					
		Actual Expenditures = Earned Revenue 2025	\$ (152,433)	*					
		Unearned Revenue - 2025	\$ 759,647						
		Unearned Revenue - 2024	\$ 1,109,454						
		Total Unearned Revenue	\$ 1,869,101	*					
		Interest Income 2025	\$ 8,791	*					
		Interest Income 2024	\$ 3,982						
		Balance in Account	\$ 1,881,875	*					

Income Statement Highlights As of February 28, 2025 (\$M)

Budget:

Total Revenue Var YTD = \$77K (**Worse**)

Source: Golf / Sewer/Utility Tank Installs

Prior Yr:

Total Revenue Var = \$411K (**Better**)

Source: Food Service & Utility Dept

Expenses (Excluding COS):

Variance to Budget = \$186K (**Better**)

Primary Source: Maint Exp \$169K(**Better**)

Overall Net Surplus **Better** than Budget = \$543K

\$729 Better than PY

Source: Gross Profit /Maintenance Exp /
Rev from WSIAF Spending / Interest Income

Operating P&L Highlights \$ **	2025A	2025B	2024A	Act-Bud	%	Act-PY	%
Revenue	\$ 5,535	\$ 5,612	\$ 5,124	\$ (77)	-1%	\$ 411	8%
Cost of Sales (COS)	\$ (782)	\$ (925)	\$ (809)	\$ 144	16%	\$ 27	3%
Gross Profit	\$ 4,753	\$ 4,686	\$ 4,315	\$ 67	1%	\$ 438	10%
Gross Margin	86%	84%	84%				
T. Expense (Excludes COS)	\$ (3,786)	\$ (3,971)	\$ (3,841)	\$ 186	5%	\$ 56	1%
% of Revenue	68%	71%	75%				
Depreciation	\$ (404)	\$ (421)	\$ (380)	\$ 17	4%	\$ (23)	-6%
Other Income (Expenses)***	\$ 364	\$ 73	\$ 129	\$ 291	396%	\$ 235	182%
% of Revenue	7%	1%	3%				
Net Income	\$ 928	\$ 367	\$ 223	\$ 561	153%	\$ 705	316%
% of Revenue	17%	7%	4%				
Net Surplus (Subsidy)*	\$ 1,332	\$ 788	\$ 603	\$ 543	69%	\$ 729	121%
% of Revenue	24%	14%	12%				
* Adding back depreciation / amortization							
** Highlights are % of Total Revenue; Gross Margin = (Revenue - COS) / Revenue							
*** Includes Gain (Loss) on Sale of Assets, WSIAF Revenue, Interest Income & Interest Expense							

TVPOA
Net Surplus / (Subsidy)
For the 2 months ending February 2025
\$ in Thousands

Division	Operations Surplus / (Subsidy)	Reserve Spending (Capital & Maintenance)	Net Surplus / (Subsidy)	Total 2024- 2025 Capital Reserve Budget- Authorized
ADMIN	\$ 1,968	\$ -	\$ 1,968	\$ -
ACC	\$ 69	\$ -	\$ 69	\$ -
GOLF	\$ (692)	\$ 38	\$ (730)	\$ 260
PARKS/REC	\$ (24)	\$ -	\$ (24)	\$ -
PUB WRKS	\$ (622)	\$ 94	\$ (716)	\$ 637
WTR/SEWER	\$ 741	\$ 206	\$ 535	\$ 1,712
PUB SAFETY	\$ (33)	\$ -	\$ (33)	\$ -
FOOD SERV	\$ (190)	\$ -	\$ (190)	\$ -
DOCK / RV	\$ 63	\$ 77	\$ (15)	\$ 624
COMM	\$ 53	\$ -	\$ 53	\$ -
STRATEGIC	\$ -	\$ 224	\$ (224)	\$ 10,393
Total	\$ 1,332	\$ 640	\$ 692	\$ 13,626

Tellico Village POA
Board Reserve Spending Report
For the 2 months ending February 2025
\$ in Thousands

Division	Budget		Authorized	2024 & Prior		Balance / (Excess)	
	Carryover from 2024	2025 Budget		Yrs Paid	2025 Paid		
Admin		\$ 322				\$ -	
Golf	\$ 112	\$ 568	\$ 260	\$ 1	\$ 38	\$ 221	
Parks		\$ 465				\$ -	
Public Works	Maint	\$ 34	\$ 358	\$ 168	\$ 34	\$ 81	\$ 53
Public Works	Com Prop		\$ 426	\$ 440		\$ 13	
Public Works	Roads		\$ 1,500	\$ 28			\$ 28
Public Works	Water	\$ 300	\$ 1,935	\$ 754	\$ 46	\$ 65	\$ 643
Public Works	Sewer		\$ 3,000	\$ 957	\$ 767	\$ 141	\$ 49
Food			\$ 37				\$ -
Docks		\$ 600	\$ 160	\$ 624	\$ 282	\$ 77	\$ 265
Strategic		\$ 4,600	\$ 7,300	\$ 10,393	\$ 620	\$ 224	\$ 9,549
Reserve Spending Totals	\$ 5,647	\$ 16,071	\$ 13,626	\$ 1,751	\$ 640	\$ 10,807	

Liaison Report Outs