

An aerial photograph of a marina with numerous sailboats docked at a wooden pier. The image is overlaid with a blue gradient and the word "MARINAS" in white capital letters. A solid red rectangle is located in the top right corner.

# MARINAS

# Current Dock Status

- 839 boat slips, up 36 from last year. 142 on the wait list, down 18 from last year.
- 71 PWC slips, 28 on the wait list, up 18 from last year.
- 64 kayak storage spaces, 43 on the wait list, down 1 from last year.
- Budget approval for 32 additional dock slips at Kahite in 2027.
- Budget approval for Kayak storage at Kahite in 2024. 26 kayakers on that wait list. Some want multiple spaces.
- Questions remain about the future of the P-1 parcel, home of the Kahite Docks, access and parking. Future development or change of ownership are unknown factors that affect planning for both the MAC and Public Works.



# MAC Recommendations





In 2023 MAC was directed to make recommendations to the 2024 lease agreement.

► - Not all the changes in the 2024 Lease Agreement were the direct result of the recommendations from the MAC. I will go over some of the changes that we submitted without going into much detail.



## Section 5. Use; condition and care of premises

- ▶ We recommended language to prevent possible damage to the docks or neighboring boats, and prevent conditions that are a hazard to, or are restricting safe access for, other lessees.



# Section 7. Insurance and Registration.

- ▶ Along with the registration updates, we recommended to include the requirement that a current Validation Decal is displayed on the boat. We also recommended that a key to the dock will not be issued until all the required documentation, registration and insurance, is submitted.



## Section 12. Maintenance of Boat.



► We recommended language to be more specific about boat maintenance and upkeep and what we expect our lessees to keep under control.





## Section 13. Utilities and Electrical Requirements.

-We recommended that the language regarding overnight electrical use be added to this section.





## Section 14. Additional Terms and Conditions.

- ▶ We recommended that the lessee has six months to show proof of boat ownership, a deadline which may be extended by TVPOA in its sole discretion.

# Section 17, 18 and Exhibit B.

## EXHIBIT B TABLE OF VIOLATIONS AND FINES

Unless otherwise stated in this table or specified in the Lease Agreement, or unless specified by TVPOA in written notification, the default cure time allowed shall be seven (7) days. Any violations not listed are subject to fines or termination at the discretion of TVPOA.

SECTION	VIOLATION / DEFAULT	PENALTY or FINE
Any Section	Boat remaining in slip after Lease Termination	\$10 per day
Section 2	Non Payment of Rental by due date	10% per month
Section 5	Dangerous property stored in slip	\$10 per day
	Other boat, PWC, containers at slip	\$10 per day
	Improperly secured boat	\$10 per day
	Dock line, spring line, or fender issue	\$10 per day
Section 7	Failing to update Insurance, Registration or Registration Validation Decal	\$10 per day
Section 9	Improperly sized boat for the Leased Slip	\$10 per day
Section 10	New boat documentation after 15 days	\$10 per day
	Sold boat in slip after 30 days when relinquishing the leased slip	\$10 per day
Section 12	Deteriorating condition of boat or cover	\$10 per day
	Deteriorating or missing lines	\$10 per day
	Deteriorating or missing fenders	\$10 per day
Section 13	Unauthorized overnight electrical use	\$10 per day
Section 14C	Unauthorized signs	\$10 per day
Section 14F	Default under paragraph (F)	\$10 per day
Exhibit A-4	Items stored on dock	\$10 per day
Exhibit A-8	Unauthorized overnight electrical use	\$10 per day


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► The POA did adopt a fine schedule which, after a written notification and expiration of cure time, goes into effect for uncorrected violations. The MAC introduced Exhibit “B” together with the resulting changes in Sections 17 and 18.



The background is a photograph of a dock scene, featuring a wooden pier with metal railings and a lifebuoy with a rope coiled around it. The image is overlaid with a semi-transparent teal filter. A solid red rectangle is positioned in the top right corner.


# DOCK SAFETY



**“A combination of Life Rings and Safety Ladders  
at a Marina could mean the difference  
of a person safely getting out of the water  
or not”**

***(Robson Forensic,  
[www.robsonforensic.com](http://www.robsonforensic.com))***






The MAC submitted a report including a “safety plan” as part of a recommendation to make our docks safer with the installation of Life Rings and Safety Ladders.

Sources for Guidelines and Standards:

**USCG - USACE - ASCE**

**NPS - OSHA - MED - ILO**

**PIANC - Fed.29.CFR - NFPA**

- 
- We selected those guidelines that are best suited for our docks because they can be applied as part of a recognizable, repeatable safety system.
  - The objective is to create a consistent system of Safety Centers on our docks.
  - Existing light poles, already used to locate our Fire Extinguishers, will be used to complete the Safety Centers.



- This shows the data on our docks as to their general length and shape, the number of fire extinguishers already in place, and the number of light poles installed.

TELLICO VILLAGE DOCK SYSTEM - SAFETY PLAN - FEB 2024*										SCHEMATIC		
DOCK	SHAPE	TYPE	LENGTH	RBL	LADDERS	RINGS	BOTTLES	BTLS	LIGHT	(GATE)	(FAR)	
								NOW	POLES	END		END
								INST	INST	<100>	<100>	
												<100>
A	I	+COVER	180	1	2	1	1	1	2			
B	I	+COVER	180	1	2	1	1	1	2			
C	I		170	1	2	1	1	1	3			
YC GUEST	I	NO GATE	370	1	2	3	3	3	3			
D	I		340	1	2	3	3	3	4			
E	I	+PWC	340	1	2	3	3	3	4			
F	I	+PWC	340	1	2	3	3	3	4			
G	Y	FUELING+PWC	310	2	4	3	3	2	3			
H	I	FULL SERV+PWC	310	2	4	3	3	3	5			
I	I	+KAYAK	250	1	2	3	3	2	4			
J	I		330	1	2	3	3	2	4			
TAN GUEST	T	NO GATE	90	1	2	1	1	0	0			
K	U	JOINED	100	1	2	1	1	2	3			
L	U	JOINED	100	1	2	1	1	2	3			
M	U	JOINED	100	1	2	1	1	2	3			
WW	U	CONNECT+PWC	300	borrow	borrow	1	1	0	0			
N	L	WALLED	400	2	4	5	5	5	9			
O	I		240	1	2	3	3	0	6			
P	I	+PWC	240	1	2	3	3	3	6			
Q	U	JOINED	190	1	2	1	1	3	4			
Q-R	U	CONNECT+PWC	120	borrow	1	borrow	borrow	0	0			
R	U	JOINED	140	1	2	2	2	2	3			
S	I		150	1	2	1	1	2	3			
T	I		150	1	2	1	1	2	3			
U	I		80	1	2	1	1	1	0			
TL1	I	NO GATE	220	2	2	2	2	2	0			
TL2	I	NO GATE	150	1	1	1	1	2	0			
KA	U	JOINED	175	1	2	1	1	2	3			
WWK	U	CONNECT+PWC	120	borrow	borrow	1	1	0	0			
KB	U	JOINED	310	1	2	3	3	3	6			
KC	I		135	1	2	1	1	1	2			
KD	I		230	1	2	3	3	3	5			
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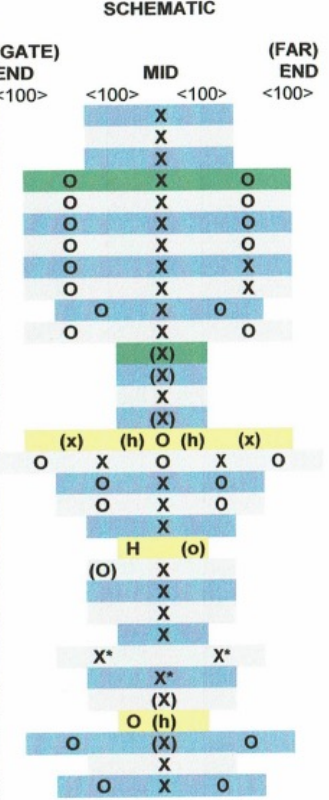
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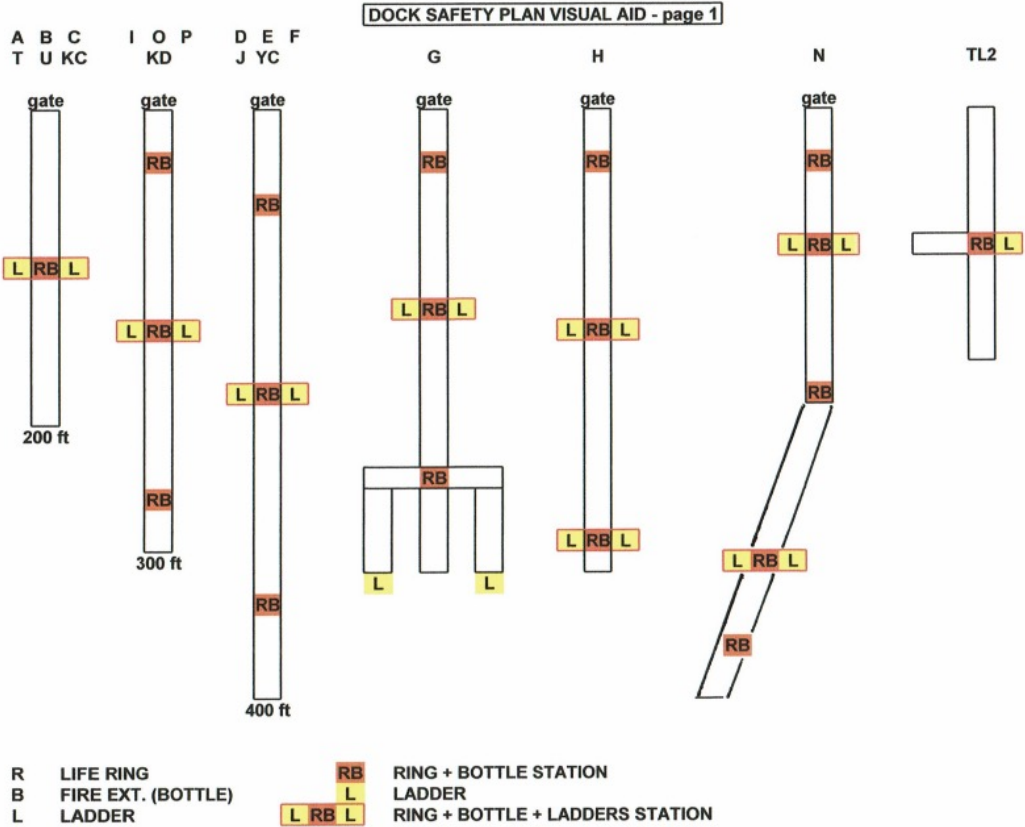
\* Revised N Dock

page 6a



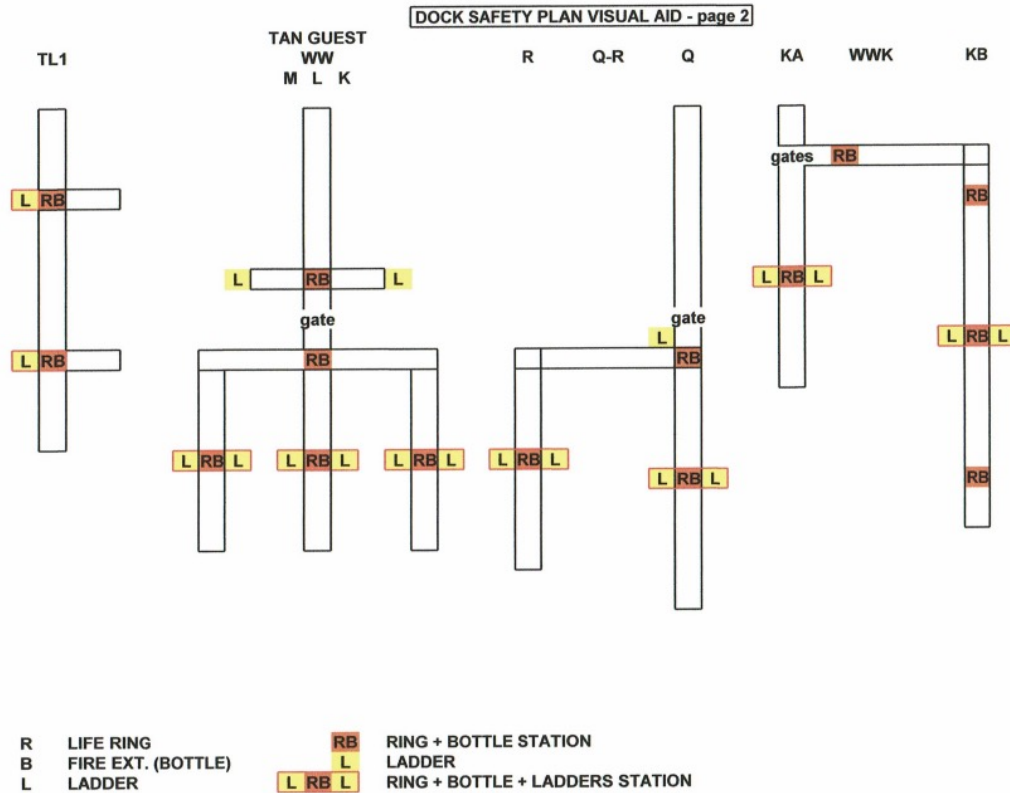
X = RBL (RING+BOTTLE+LADDERS)  
X\* = RBL SINGLE LADDER  
O = RING & BOTTLE  
H = SINGLE LADDER  
(O/H/X): (X) = SHARED DEVICE / STATION  
(o/h/x): (x) = BORROWED FROM NEARBY

- It shows how many Ladders and Life Rings and Fire Extinguishers would be needed on each dock to complete the safety plan.
- It depicts a simplified schematic of safety center locations on each dock.




- ▶ 24 inch diameter Life Rings at every 200 feet, and no more than 100 feet from any point on the main dock, with few exceptions.
- ▶ A fire Extinguisher is co-located with every Life Ring station.
- ▶ A pair of Safety Ladders, at the ends of two slips, one on each side of the main dock, every 400 feet, and no more than 200 feet from any point on the main dock, with few exceptions.





- ▶ Safety Ladders will be co-located with a Life Ring and Fire Extinguisher safety center close to the midway point on a dock, or section of dock, with few exceptions.
- ▶ Both Life Rings and Safety Ladders are currently being researched and samples are ordered. Life Rings will likely be installed first. The ladders may take longer, but all should be installed this year.

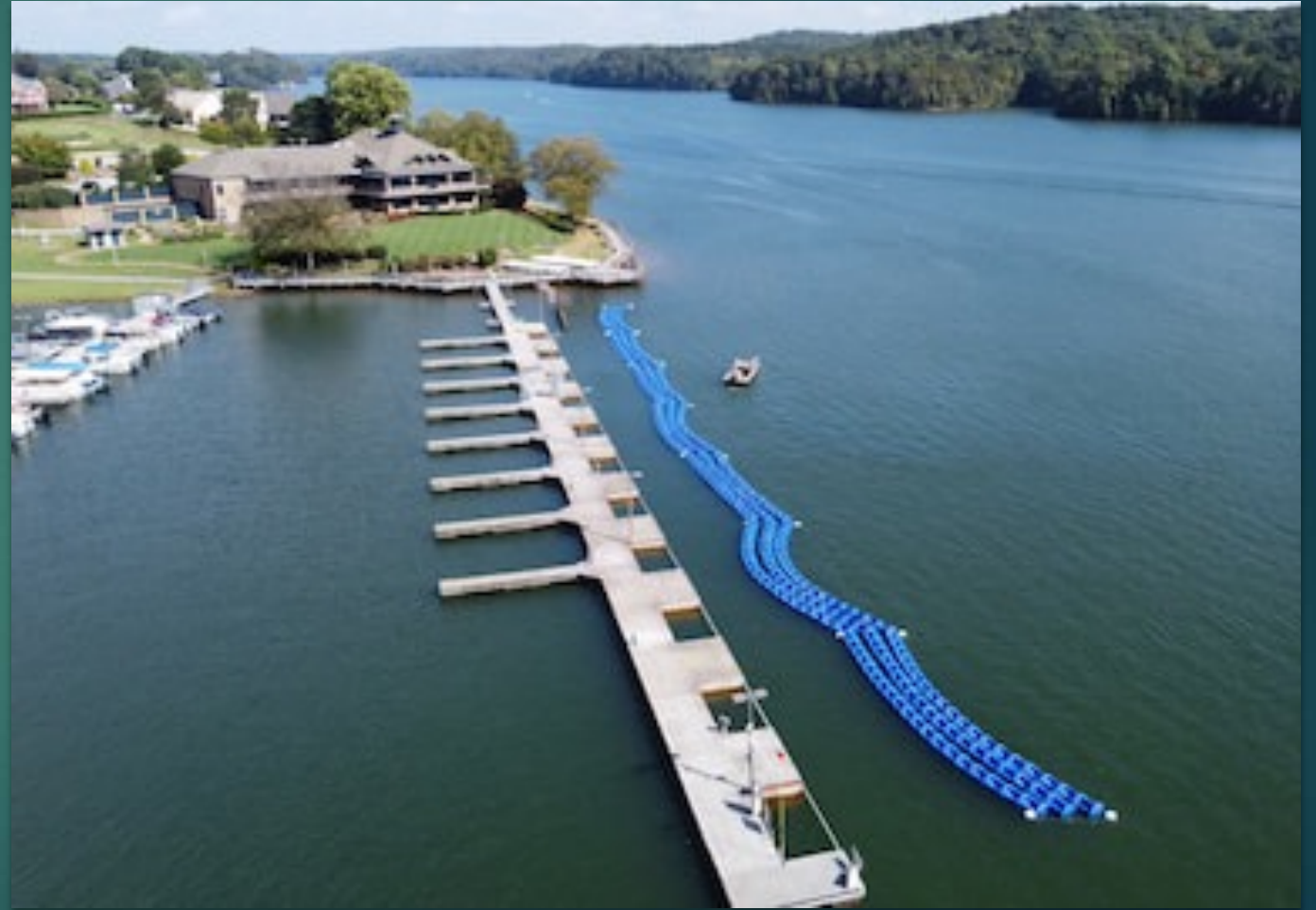


**“There is no requirement for the Tellico Village Common Docks to have any of these safety devices installed. But the safety of our residents and their guests, young and old, does come first. Just because we don’t have to, does not mean that we shouldn’t”.**

Such is the recommendation of the MAC.

# N DOCK WAVE ATTENUATOR

►- We are currently working on getting all the criteria together for our TVA 26A permit. Once that is established TVA will have 45+ days to approved or deny. Also, PW is working with TWRA to determine if the wave attenuator is a navigational hazard.







# KAHITE KAYAK STORAGE

The Kahite Kayak Shed should be constructed within the POA's existing Kahite boat dock complex area (shown as Parcel 25.00 also known as P-1). This location: (1) makes use of existing infrastructure already in place (e.g., parking, pathways, and docks); (2) Allows walking and hand-drawn kayak cart access directly to the water from the shed; and, (3) Allows for future construction of a dedicated kayak launch.

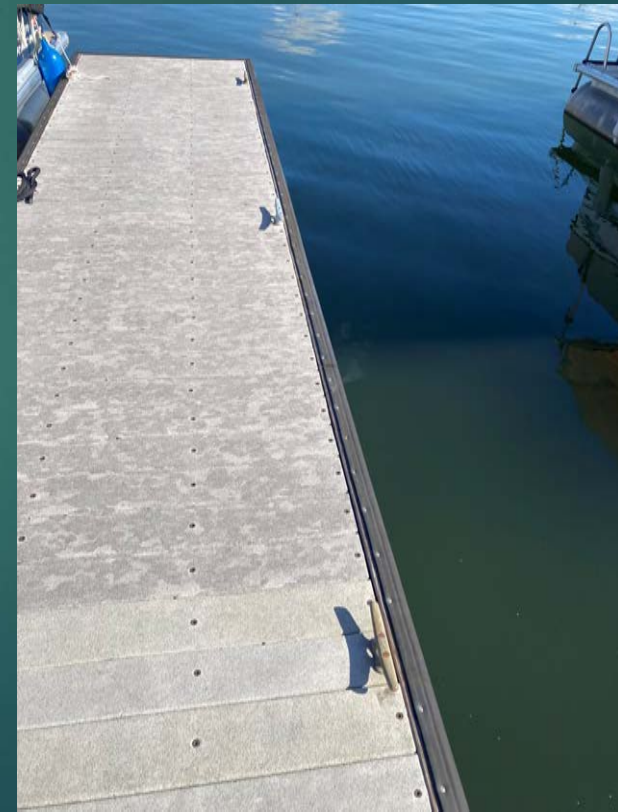






### ► Middle Cleat

In 2023 MAC recommended installing a middle cleat on the fingers of each boat slip. This is going to ensure that all boaters can tie their boat up properly using a spring line in efforts to not damage the dock or boats.





# Marketing Program

## **2023 Year End Report**

**March 20, 2024**

# Composition of Report

- **Marketing Program Overall Objective**
- **2023 Review**
- **Existing Homes Sales**
- **2024 Outlook**
- **Overall Conclusions**
- **Appendix -- Updated 2020 -2023 MLS Sales/Geographical Analysis\***

*\* Will not be presented*

# Marketing Program: Overall Objective

2013 to date

**To build awareness of the Tellico Village brand and its unique appeals and benefits among national, regional, in-state and local target audiences in order to influence the sale of Tellico Village homes and lots and strengthen property values**



# 2023 Review

# 2023 National Housing Market: Summary

- During 2022 -2023, Fed increased interest rates 525 basis points to the highest level in 22 years
- Mortgage Rates = 6.65% week ending Jan 4, 2024
  - Down from peak 7.79% (w/e 10/26/23)
  - Up from 6.48% year ago (w/e 1/5/23) and from 3.32% two years ago (w/e 3/6/22)
- National single family housing market:
  - Total sales (existing plus new homes): down 15.5% (2023 vs. 2022); down 17.2% (2022 vs. 2021)
  - Existing home sales: down 18.3% (2023 vs. 2022); down 17.2% (2022 vs. 2021)
- 2023 National single family median home pricing:
  - Total median sales price: down -.4% vs. 2022
  - Existing home median sales price: up .3% vs. 2022

# 2023 National Housing Market: Conclusions

- **The National Housing market recession that began in 2022 continued unabated throughout 2023 with double digit sales declines for both total and existing home sales.**
- **Median pricing flattened following two years of double digit increases due to weak demand for housing and low housing inventory.**
- **In this context, 2023 Tellico Village real estate performance was remarkable.**

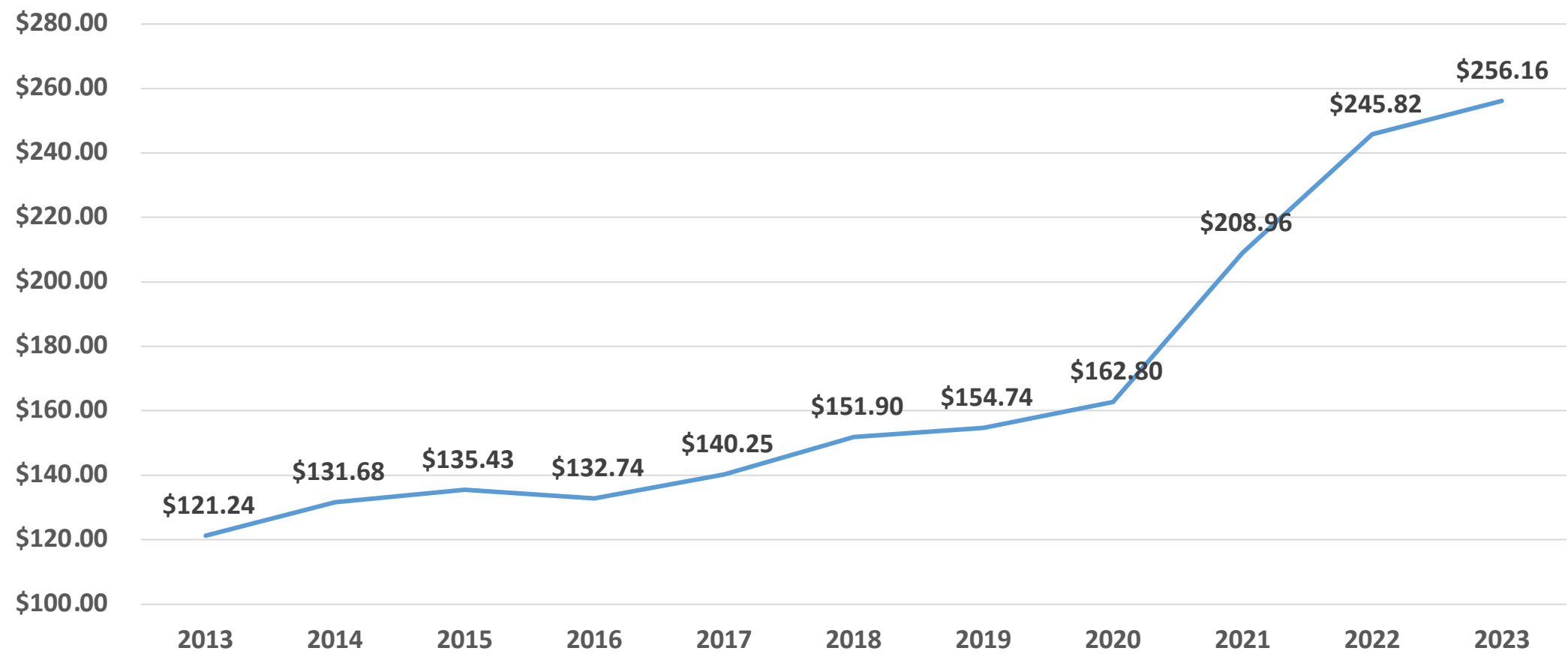


# Tellico Village Residential Sales/Property Values

- **MLS residential sales were up 11% during 2023 vs. 2022:**
  - 2023 - **380 sales** ... Record for Tellico Village
  - 2022 - **343 sales** ... Previous record for Tellico Village
- **Sales to marketing program leads totaled 238 sales, equal to 63% of total MLS residential sales**
- **MLS residential time on market averaged 57 days during 2023, flat with 2022 and representing a return to pre-pandemic levels of 2018 -2019.**
- **Residential sales averaged \$256.16 per square foot during 2023:**
  - Up 4% versus 2022 (\$245.82)
  - Equity of 2023 average sized home sold (2,491 sq. ft.) increased \$25,757
  - Equity of average sized home has increased \$232,560/57% since 2020 (average \$162.80/sq. ft.)

# Tellico Village Residential Property Values

## 2013 – 2023 (Avg. \$ Sales/Sq. Ft.)



# Existing Home Performance vs. U.S. & Southern Region

- **Existing home sales performance:** Tellico Village significantly outperformed both Total U.S. and Southern Region during the 2020 – 2023 period:
  - Tellico Village: down -5%
  - Total U. S.: down -28%
  - Southern Region: down -23%
- **Existing home median sale price:** Tellico Village property values increases were significantly greater than both other areas.
  - Tellico Village: up 51%
  - Total U.S.: up 31%
  - Southern region: up 37%
- Although 2023 data are not yet available from the Tennessee Housing Development Agency, Tellico Village also outperformed 2020 – 2022 State of Tennessee, Knox and Blount county existing home sales/median pricing performance.

*\*Note: 2020 – 2023 MLS Sales/Geographical Analysis has been updated for total year 2023 data where available and is appended to this presentation*



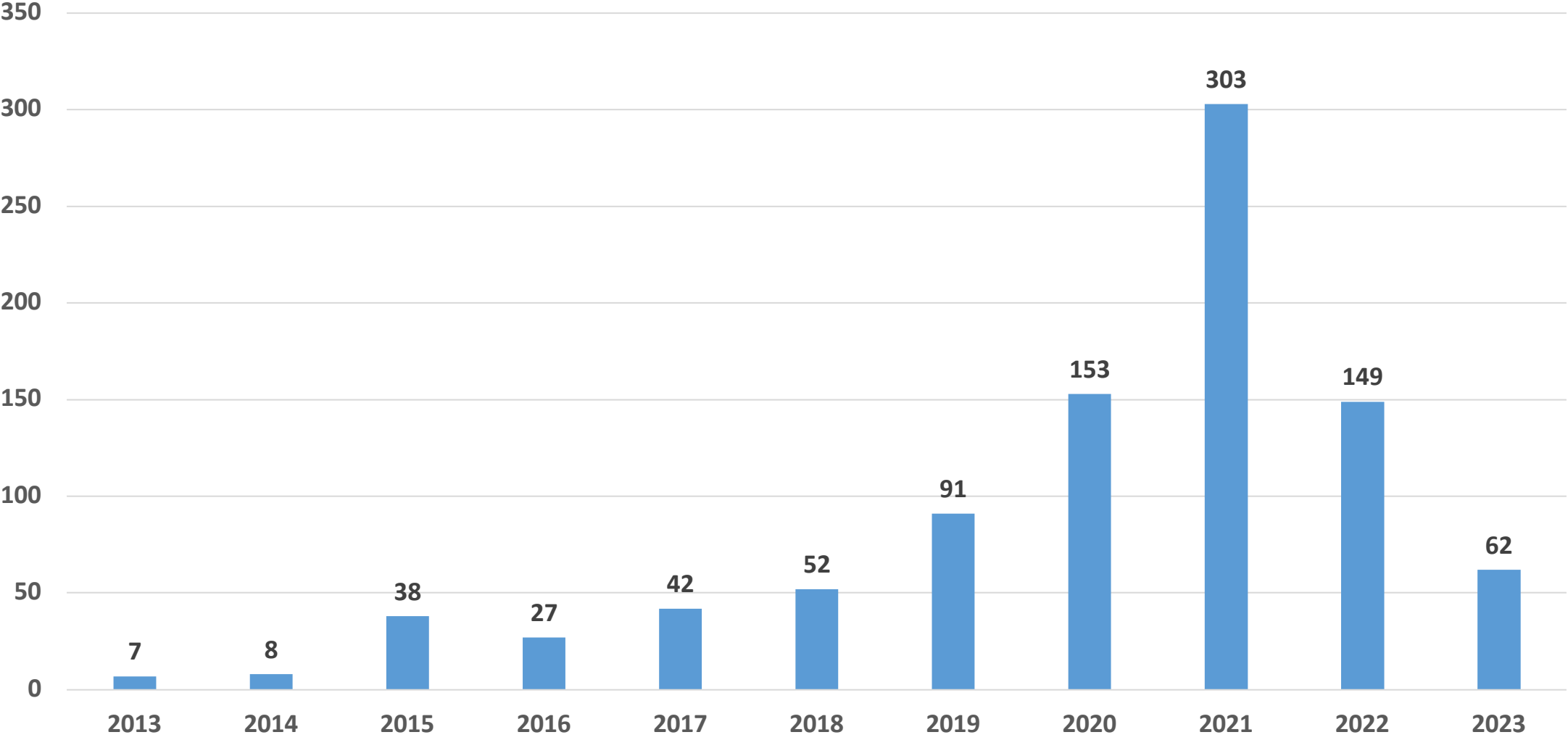
# Tellico Village Lot Sales

- **MLS Lot Sales were flat during 2023 vs. 2022.**
  - 2023 – 162 lot sales
  - 2022 - 161 lot sales
- **Sales from marketing program leads equaled 48% of MLS lots sold during 2023**
- **This represents a continuation of 2022 lot sales performance that declined sharply (-47%) versus 2021 performance (301 lot sales)**
- **2023 lot sales performance signals that, once homes currently under construction are completed, Tellico Village will return to more normal growth which spiked during the Pandemic**

# POA Lot Sales

- **POA Lot Sales were down from 149 sales to 62 sales during 2023 vs. 2022, reflecting:**
  - Low inventory and poor quality lots
- **The POA lot program has proven to be very successful:**
  - Monetized historically unsaleable interior lots returned to POA through bankruptcy
  - Partnered with builders who agreed to put spec homes on these lots
  - Leveraged increasing demand for new homes created by the marketing program
- **The financial return to the POA has been, and will continue to be, extraordinary:**
  - Sales and assessment revenue from the 917 POA lots sold since the Program began in 2015 has totaled over \$7,150,000
  - These lots represent ongoing POA assessment revenue of \$1.6 million+ - **year after year after year - forever**

# POA Lot Sales



# Key Marketing Performance Indicators

- **During 2023, all key internal marketing programs performed well ahead of year-ago:**
  - **Database leads up 14%, driven by a 37% increase in digital leads**
  - **Paid Digital conversions up 92%; cost/conversion down 40%**
  - **Discovery Requests up 22%**
  - **Completed Discovery Visits up 10%**
- **This strong performance is due to largely to active management and mid-course corrections initiated by the Marketing Team and agency during late 2022 and 2023**
- **Weak national housing trends notwithstanding, these marketing program results point to strong bottom line sales and property values performance continuing into the first quarter of 2024**



# 2024 Outlook

# 2024 Outlook

- **Tellico Village currently faces a complex combination of factors that could potentially impact the real estate market during 2024**
- **The national housing market is currently caught in a spiral:**
  - Fed interest rate hikes have caused an historic increase in mortgage rates
  - High mortgage rates negatively impacted both buyer (affordability) and seller (would go from paying low to high mortgage rates on next purchase)
  - Created a lack of inventory and demand
  - Lack of inventory kept housing prices high
  - High housing prices make Fed less likely to drop interest rates
- **Global issues could negatively impact the housing market during 2024 and beyond:**
  - Possibility of direct military involvement with Iran (Gaza), China (Taiwan) and/or Russia (Ukraine)
  - Threat of terrorist attacks from within the United States due primarily to the number of unvetted migrants entering our country illegally
  - An economic recession

# 2024 Outlook

- **High mortgage rates are currently driving market behavior for both buyer and seller:**
  - If mortgage rates stay high, demand and inventory will stay low in most areas of the country
  - If mortgage rates drop, pent-up demand from both buyers and sellers may result in an end of the current housing recession
  - The global issues cited above are wild-cards in any scenario
- **A disproportionate number of Tellico Village homes may be put on the market sooner than in most other geographical areas:**
  - On the average, an aging population has less control over when to move on to the next stage of life
  - Tellico Village's demographics skew much older than the general population
  - This could potentially turn the Village from a seller's market to a buyer's market.
- **If this happens in 2024, when the significant numbers of new homes currently under construction also become available, a major decline in Tellico Village property values could result.**

# 2024 Outlook

- **The Tellico Village real estate market has performed uniquely well during the real estate turmoil of the last several years**
- **Marketing's 2024 goal is to maintain this level of relative performance, regardless of the economic or market situation**



# 2024 Objectives

- **Total MLS Residential Sales Goal: 368 sales – Down 12 sales/-3% vs. 2023 performance:**
  - **Existing Home Sales: 226 sales - Up 5 sales/2%** vs. 2023 performance
  - **New Home Sales: 142 sales – Down 17 sales/-11%** vs. 2023 performance (fewer homes currently under construction)
- **Program Sales Goal: Total sales from marketing leads of at least 243 residential sales; equal to 66% of MLS residential sales:**
  - **Existing Home Sales: 113 sales/50%** MLS existing home sales from marketing leads
  - **New Home Sales: 59 sales/50%** MLS new home sales from marketing leads
  - **Non MLS Sales: 24%** of total marketing program sales
- **Property Values Goal: Minimum \$256.00 per sq. ft. - flat vs. 2023 performance**

# 2024 Objectives

- **MLS Lot Sales Goal: 150 MLS lot sales – Down -7% vs. 2023 performance**
- **Program Lot Sales Goal: At least 75 lots sold to marketing program leads – equal to 50% of MLS lot sales**
- **POA Lot Sales Goal: A minimum of 40 POA lot sales:**
  - **Down 22 lots/35% vs. 2023 performance**
  - Low inventory of POA lots available for sale
  - Marginal quality of POA lots available for sale

# 2024 Overall Strategies

- **To continue use of the current brand positioning strategy with its four pillars (ideal location, outstanding amenities, exceptional lifestyle, unsurpassed value) to direct all initiatives - recently confirmed as effective with current and anticipated target audiences**
- **To utilize digital programs as core support, maximizing the major program efficiencies achieved during 2023**
- **To maximize PR programs to build awareness and reputation for the Tellico Village brand on a national scale**
- **To launch effective direct email program to marketing database at beginning of spring selling season to stimulate incremental discovery visits**
- **To generate POA lot sales revenue as constrained by available inventory**

# 2024 Overall Strategies

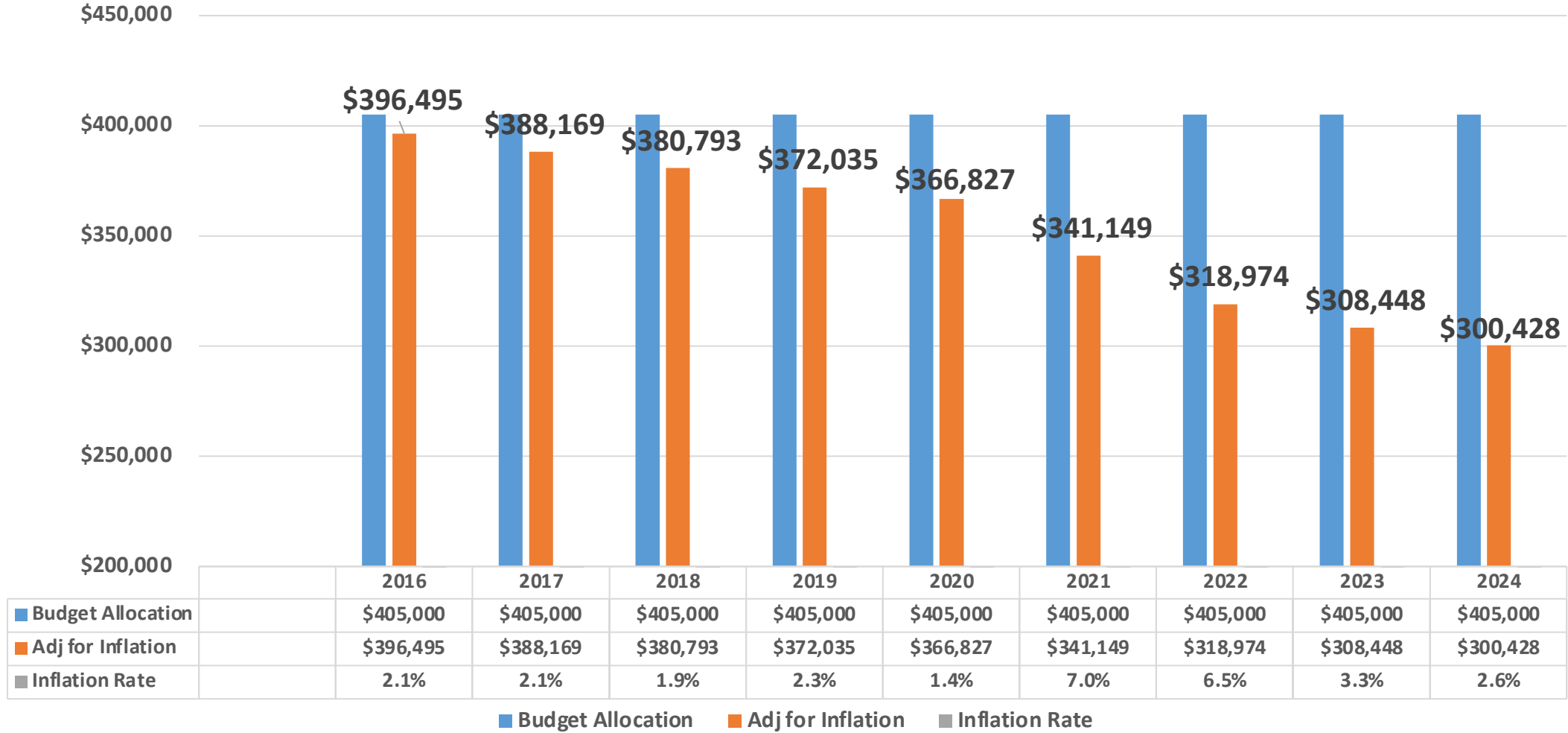
- **To upgrade/freshen website, billboards, magazines and other materials as required**
- **To monitor program performance weekly, making adjustments as warranted by uncertain/changing economic and real estate market conditions**
- **To actively manage the program through mid-course corrections as appropriate, including contingency planning that would allow reallocation of additional funds to paid digital and other programs**
- **To prioritize “hands-on” management of all program-related costs and efficiencies which has been uniquely successful in minimizing POA investment while still providing superior results**



# 2024 Marketing Investment

- **Marketing requested no budget increase for 2024, holding the budget flat at \$405,000:**
  - Marketing budget held constant at **\$405,000** for the ninth straight year.
  - The buying power of this level of expenditure has declined over \$100,000 or 26% due to inflation for the period 2016 - 2024 (est.).
- **Every year since 2016, the marketing team and agency have successfully generated efficiencies sufficient to at least offset the impact of inflation.**
  - Highest priority given to active management of all programs, making mid-course corrections as appropriate.
  - As an example, two major initiatives (**introduction of Performance Max and significant refinements to PPC targeting and messaging**) were successful in reducing 2023 paid digital cost/conversion by 40%.

# Marketing Budget Adjusted for Inflation



# 2024 Marketing Investment

- In fact, the POA's annual financial investment in marketing has been significantly less than the \$405,000 marketing budget because a substantial portion of this investment has been offset by direct realtor, contractor and advertising revenues:
- During 2024, total direct marketing revenues of \$136,409 are projected.
  - Payments for advertising participation in marketing programs/vehicles by realtors, builders and general advertisers
  - This revenue would not exist if the marketing program did not exist (or if it was significantly cut back)
- Accordingly, POA's actual net contribution to the 2024 marketing budget totals \$268,591...which is in line with past years of the program.
- This represents an investment of only \$40.00 per year or \$3.34 per month for the approximately 6,700 Tellico Village property owners.

# 2024 Marketing Investment

- **We are proud to run a lean, mean marketing machine with only one fulltime POA marketing employee.**
- **Specifically, the marketing team consists of :**
  - Chief Development Marketing and Communications Officer: **Approx. 33% of time**
  - Discovery Coordinator: **100% of time**
  - Welcome Center Front Desk personnel: **40% of time**
  - Unpaid Consultant Volunteers
- **Although the Welcome Center is essential to the marketing program, it has proven to be a valuable resource for the entire community:**
  - 2023 Welcome Center traffic totaled **8,403 visitors** of which **3,159/38%** were **marketing-related visits**
  - It's an information and customer service location utilized by **5,244 Villagers** in 2023
  - The **two meeting rooms** are in regular use by the entire community
  - From 2020-2023, Welcome Center traffic has averaged between **8,000 - 9,000 visitors** per year



# 2024 Conclusions

- **The Marketing Program has set a high standard, not only for performance, but also for program efficiency:**
  - No increase in budget for last nine years
  - Cumulative impact of inflation totaling **\$100,000** offset by increases in program efficiency
  - Small, highly motivated team with only **one full-time** POA employee
- **During 2024, marketing will continue to contribute very positively to Tellico Village real estate sales and property values:**
  - History indicates that this will be true for any real estate market or economic situation
  - Value will continue to be maximized through program efficiencies that allow the lowest possible POA and property owner investment consistent with returning superior levels of performance

# Overall Conclusions

# Overall Conclusions

- In 2012, the POA approved investing in a Tellico Village marketing program to enable property owners to sell their properties on a timely basis and at a fair price at a time when it was impossible to do so.
- Since its launch, the marketing program has significantly contributed to Tellico Village's residential sales and property values:
  - MLS residential sales increases from 154 (2012) to 380 (2023) – **147% increase**
  - MLS sales/sq. ft. increases of \$121.24 (2013) to \$256.16 (2023)
  - Equates to a \$336,086/111% average increase in property values for every Tellico Village home
  - Represents a total equity increase of over \$1.75 billion for the **5,278** completed homes in the Village.
- Along the way, the marketing program sold over 900 previously unsaleable POA lots which will contribute \$1,600,000+ in POA assessment revenue every year for as long as there is a Tellico Village.

# Overall Conclusions

- **Over the last 11 years, the marketing program has proven the ability to perform effectively in a variety of economic and housing market situations.**
- **Going forward, Tellico Village will experience an ever changing, often unpredictable, economic and housing market environment.**
- **Some things are, however, predictable:**
  - As the Village approaches build-out (estimated at **6,850** homes), there is no way that the **300 – 400** existing homes listed by residents will be sold on a timely basis and at a fair price without a strong marketing program.
  - An economic recession will at some point put a strain on sales and property values and will require a strong marketing program to maximize performance and avoid major damage
  - Marketing investment cannot be effectively paused and then reinstated based on need. Continuity of spending is dramatically more effective and efficient.

# Overall Conclusions

- Will Tellico Village always need to be marketed?
- The short answer is Yes
- An adequately funded, well executed marketing program helps Tellico Village maintain control of its own destiny in the face of outside, uncontrollable forces like the economy.
- Current property owner marketing investment is about \$3.34 per month, or less than half the cost of a bucket of range balls at Toqua or Kahite.
- This is a win – win for Tellico Village property owners and the POA as exhibited by marketing program performance over the last 11 years



Thank you for your attention!  
Questions?

# New Villagers



# NV Board Members

President: Kathy Ruzic

VP-Activities: Kurt McDonal

VP- Social: Cathie Dunn

VP-Communications: Bernie Horton

VP-Membership: Wendy Freed

Treasurer: Kevin Land

Secretary: Susan Kilday

POA Liaison: Debbie Haliscak

HOA Liaison: Doug Schetzel



## MEMBERSHIP

1. New individual membership this year: 80
2. Total individual membership: 1258



## GOALS

1. Update public resources
  - NV website
  - NV Orientation materials
2. Update existing NV Policies
3. Increase NV event offerings at Kahite
4. Provide some weekend events to accommodate NV that work
5. Consolidate and preserve NV official communications and correspondence to an electronic source for seamless transition each year.





## ACCOMPLISHMENTS

1. Changed format of social events to allow for more socializing at tables.
2. Regularly occurring events have been scheduled through to the end of 2025.
3. NV Board member emails now linked to titles rather than individuals.
4. New updated rack cards have been supplied to the Welcome Center.
5. NV administrators are now responsible for posting all events on Tellico Life to include Golf.



## EVENTS

1. Record number of events held in January & February
  - January: 11 events
  - February: 12 events
  - March: 19 events scheduled
2. Events currently posted up through July

# February Finance Report

## Capital Funding Requests



# Budget Goals

- **Maintain our excellent financial condition**
- **Maintain & Enhance Community's Assets and Amenities**
- **Control Spending/ Reduce Subsidies**
- **Contribute \$8-10M to reserves**

# Balance Sheet and Cashflow Highlights

\$ in Thousands

Balance Sheet			24-Feb	23-Dec	Other Balance Sheet Highlights			24-Feb	23-Dec
Operating Cash (ROI 4.75% main Ops)	\$	3,390	\$	2,684	Accounts Receivable	\$	1,927	\$	1,650
Reserve Cash (Wgt Avg Effect ROI 4.6%) (includes Tanasi Insur Proceeds 2.5M)	\$	19,775	\$	18,615	Allowance for Doubtful Accounts ***	\$	(1,038)	\$	(975)
Total Cash	\$	23,165	\$	21,300			-54%		-59%
Total Assets	\$	60,164	\$	58,238					
Total LTDebt (incl Leases)	\$	9,695	\$	9,811	Unearned Revenue	\$	6,917	\$	4,988
Total Liabilities	\$	16,784	\$	15,072					
Equity **	\$	43,380	\$	43,166					
Debt to Equity Ratio		22%		23%					
Selected Debt Measures			24-Feb	23-Dec	Selected Uses of Cash			24-Feb	
UCB - Summit Medical Bldg (7/27)	\$	424	\$	444	Reserve Fund - Capital	\$	279		
UCB - CCI Acq (12/26 Balloon)	\$	3,517	\$	3,553	Reserve Fund - Maint	\$	6		
Operating Lease - Golf Cart (9/26)	\$	507	\$	539					
Capitalized Lease - TRDA (12/44)	\$	5,247	\$	5,274					
* Adding back depreciation / amortization									
** Equity = Retained Earnings, Contributed Capital, Current Earnings									
*** Unimproved Properties Delinquent =92 ; Homes Delinquent = 34									



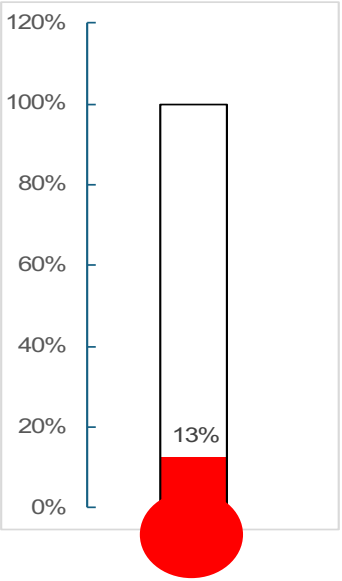
# TVPOA

## Where we stand:

\$ in Thousands

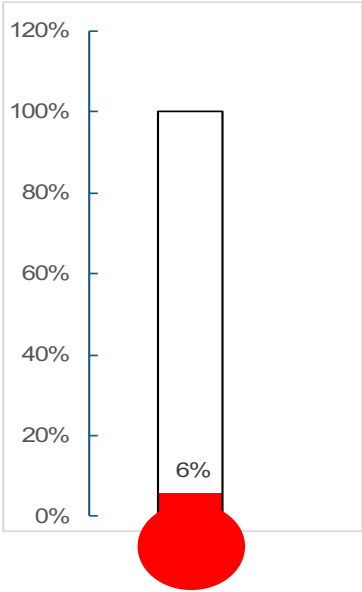
### 2024 REVENUE

<b>YTD Total</b>	<b>\$ 5,124</b>
<b>% to Goal</b>	<b>13%</b>
<b>Goal</b>	<b>\$ 40,854</b>
<b>Goal %</b>	<b>100%</b>



### AVAILABLE FOR RESERVES/ SUBSIDY

<b>YTD Total</b>	<b>\$ 594</b>
<b>% to Goal</b>	<b>6%</b>
<b>Goal</b>	<b>\$ 9,927</b>
<b>Goal %</b>	<b>100%</b>



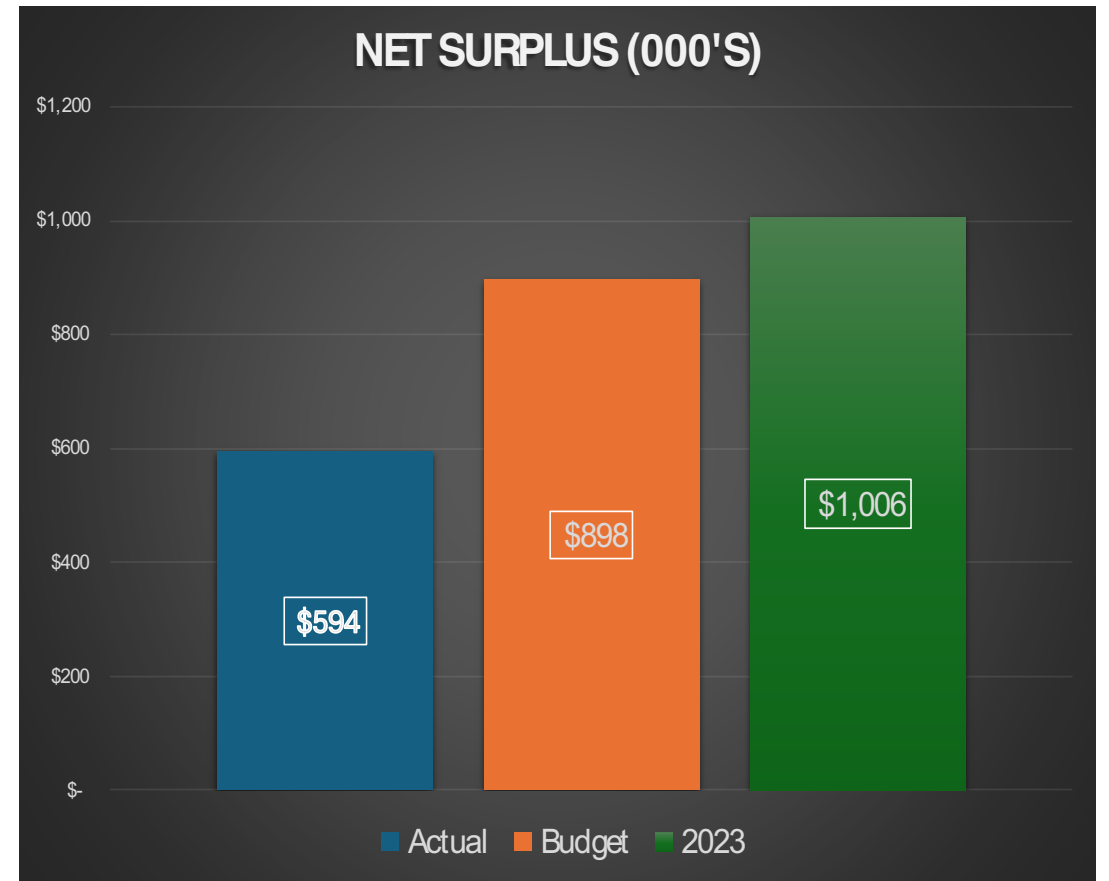
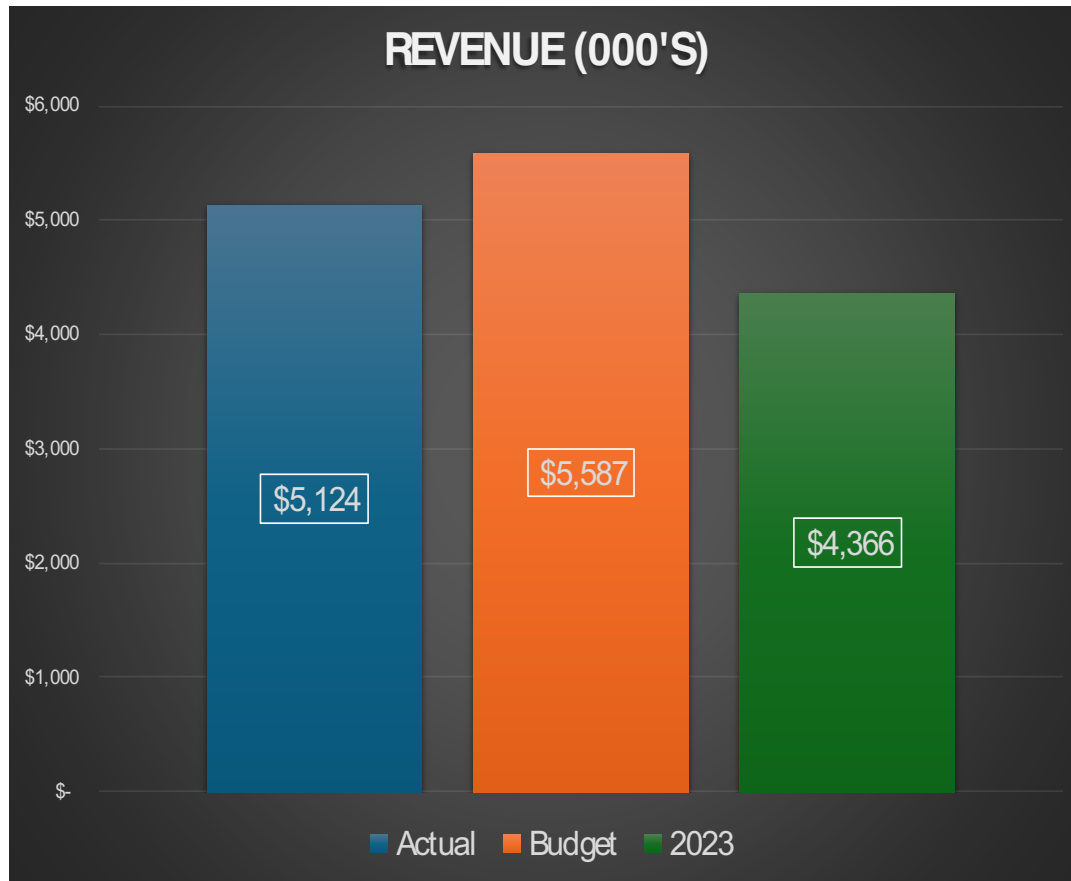
**As of February, 2024:**

- Above 100% of Goal**
- Between 85%- 100% of Goal**
- Between 50%- 85% of Goal**
- Less than 50% of Goal**

# TVPOA

## CONSOLIDATED RESULTS

### February 2024 YTD



# TVPOA

## February 2024 YTD

### Revenue

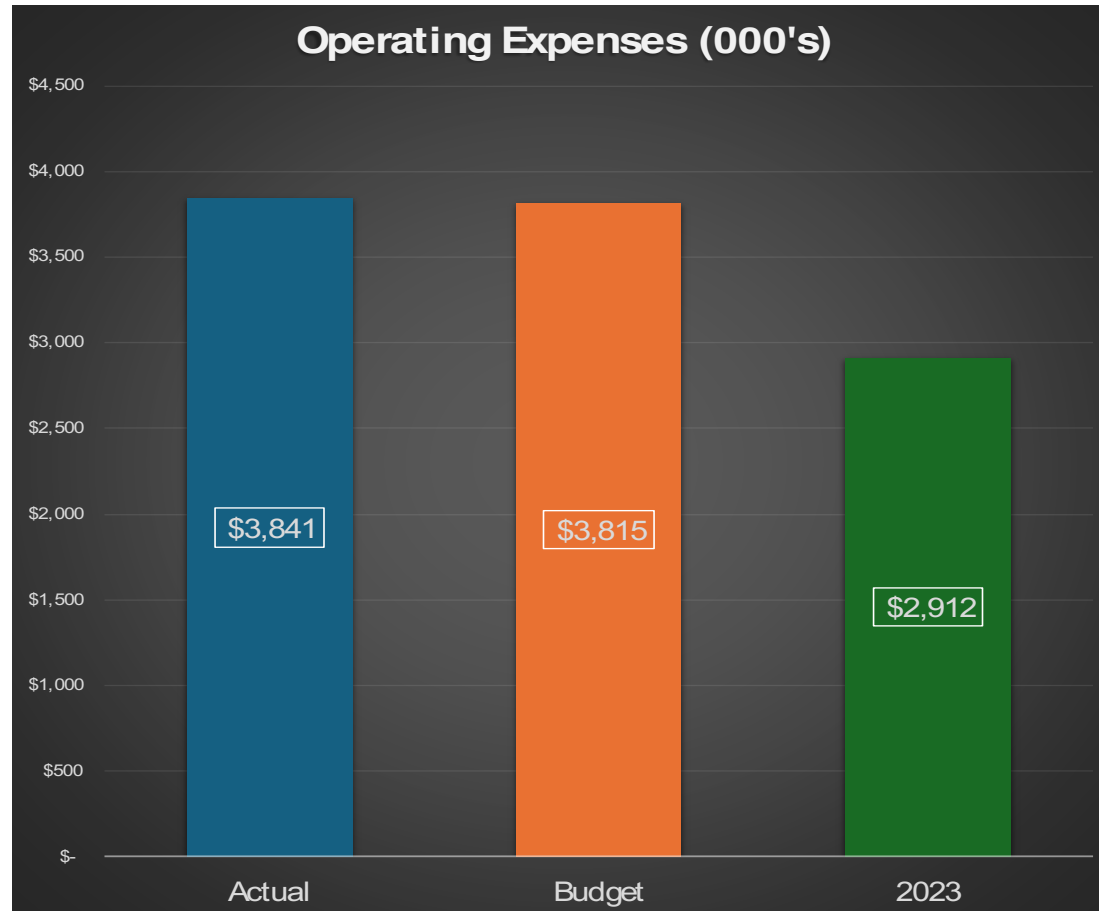
- Overall positive trend in revenue generation year-over-year, despite not meeting budgeted expectations through February.
- Actual results are 8% below budget, but 17% greater year-over-year
- Variances in Golf, Utilities Department and Food Services

### Revenue (000's)



# TVPOA

## February 2024 YTD



### Operating Expenses (Excluding Cost of Sales)

- Total Expenses are over budget by 1%, 32% improved year over year  
Spending was contained to planned budgetary constraints.
- Notable Year-over-Year Influence:  
POA's transition to managing FS Operations in-house
- Some timing differences at play
- Insurance \$30K better than budget
- Unbudgeted Bad Debt Expense \$69K

TVPOA  
P&L Highlights  
Through February 2024  
\$ in Thousands

Operating P&L Highlights \$ **		2024A	2024B	2023A	Act-Bud	%	Act-PY	%
Revenue		\$ 5,124	\$ 5,587	\$ 4,366	\$ (463)	-8%	\$ 758	17%
Cost of Sales (COS)		\$ (809)	\$ (926)	\$ (550)	\$ 118	-13%	\$ (258)	47%
		-16%	-17%	-13%				
T. Expense (Excludes COS)		\$ (3,841)	\$ (3,815)	\$ (2,912)	\$ (26)	1%	\$ (929)	32%
		-75%	-68%	-67%				
Depreciation		\$ (380)	\$ (385)	\$ (354)	\$ 4	-1%	\$ (26)	7%
Reserve Maintenance Expenses		\$ (9)	\$ -	\$ -	\$ (9)		\$ (9)	
		0%	0%	0%				
Other Income (Expenses)***		\$ 129	\$ 52	\$ 103	\$ 77	149%	\$ 26	25%
		3%	1%	2%				
Net Income		\$ 214	\$ 513	\$ 652	\$ (299)	-58%	\$ (438)	-67%
		4%	9%	15%				
Net Surplus (Subsidy)*		\$ 594	\$ 898	\$ 1,006	\$ (304)	-34%	\$ (412)	-41%
		12%	16%	23%				
* Adding back depreciation / amortization								
** Highlights are % of Total Revenue								
*** Includes Gain (Loss) on Sale of Assets, Interest Income & Interest Expense								

# TVPOA

## UTILITY DEPARTMENT

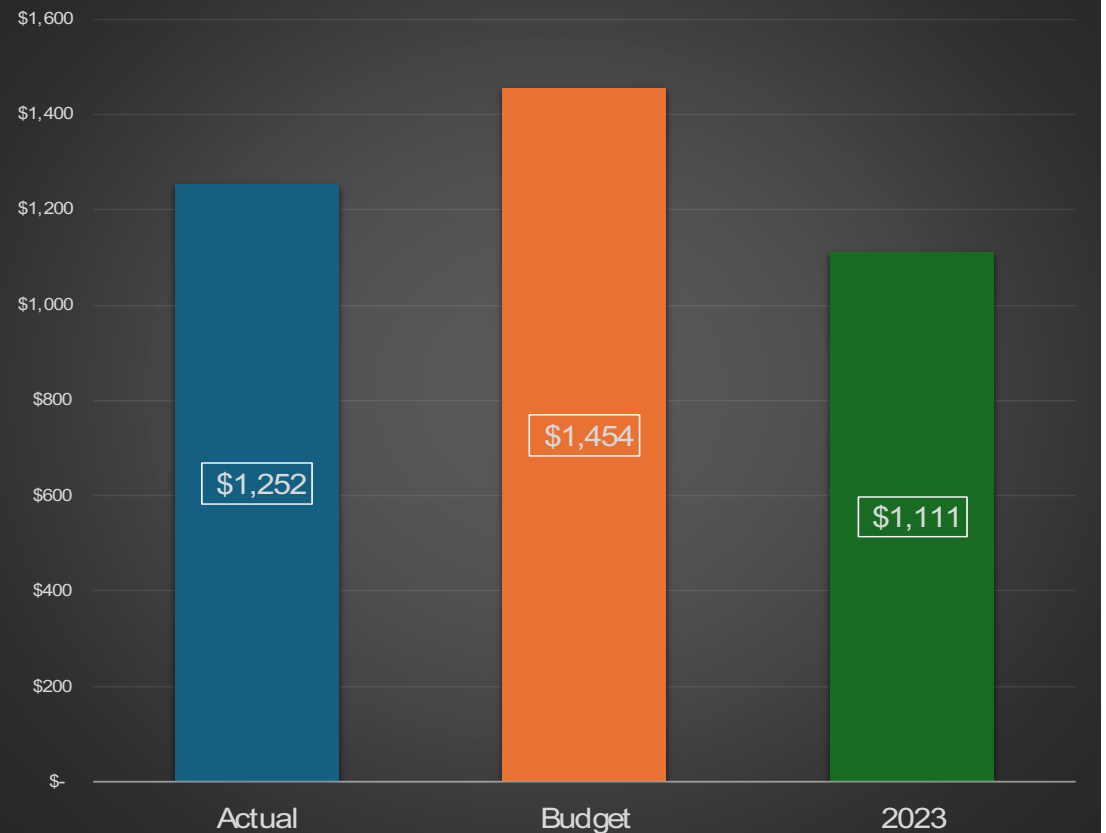
(WATER / SEWER / UTILITY TANK INSTALLATIONS)

February YTD 2024

### Revenue

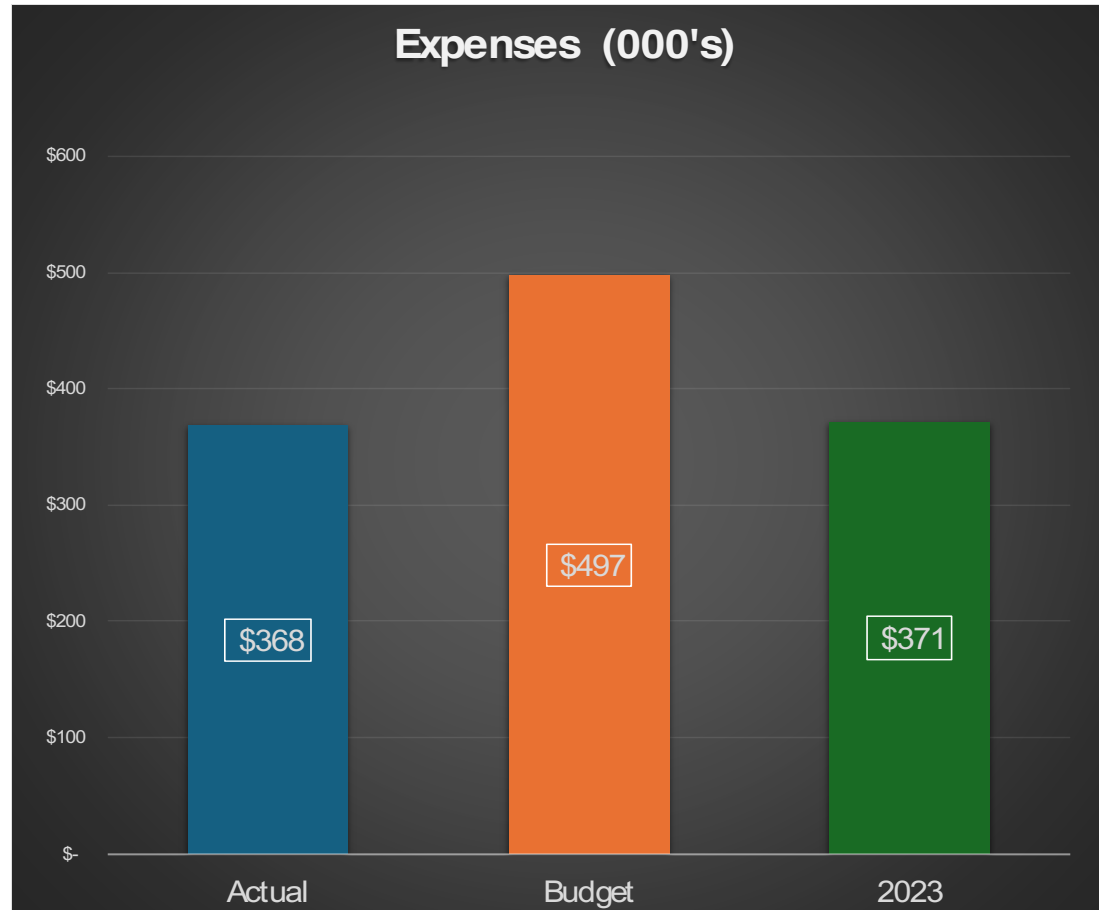
- **While actual revenue is below budget, there is improvement in year-over-year results.**
- Water: Below budget by \$20k; up \$41K year-over-year
- Sewer: Above budget by \$5K, up \$43k year-over-year
- Warranty Revenue = Warranty Expense  
Exceeds budget by \$9.7K and \$13.7K year-over-year
- Tank Installs: \$193K below budget; up \$46K yr-over-yr
- Tank Installations Completed YTD: 31  
(272 Budgeted for 2024 / 288 completed in 2023)  
Weather and timing differences at play

### Revenue (000's)





TVPOA  
UTILITY DEPARTMENT  
(WATER / SEWER / UTILITY TANK INSTALLATIONS)  
February 2024 YTD



### Operating Expenses (Excluding Cost of Sales)

- Total Expenses 26% below budget / in line with prior year

#### Drivers to Variance:

- Material Expenses \$27K favorable to budget (88%)
- Operating Expenses: \$15K favorable to budget (51%)
- Maintenance Expenses are \$52K favorable to budget (34%)
- Services are \$33K favorable to budget (95%)

#### TAKE-AWAY:

- There are still some timing differences in play

# TVPOA

## UTILITY DEPARTMENT P&L HIGHLIGHTS

### Through February 2024

(Water / Sewer / Tank Installations)

\$ in Thousands

Operating P&L Highlights \$ **		2024A	2024B	2023A	Act-Bud	%	Act-PY	%
Revenue		\$ 1,252	\$ 1,454	\$ 1,111	\$ (202)	-14%	\$ 141	13%
Tank Installs Completed* * *		31	272	288				
Cost of Sales (COS)		\$ (586)	\$ (695)	\$ (514)	\$ 110	-16%	\$ (72)	14%
		-47%	-48%	-46%				
T. Expense (Excludes COS)		\$ (368)	\$ (497)	\$ (371)	\$ 129	-26%	\$ 3	-1%
		-29%	-34%	-33%				
Depreciation Expense		\$ (43)	\$ (45)	\$ (33)	\$ 3	-6%	\$ (10)	30%
Net Income (Loss)		\$ 256	\$ 216	\$ 194	\$ 39	18%	\$ 62	32%
		20%	15%	17%				
Net Surplus (Subsidy)*		\$ 298	\$ 262	\$ 226	\$ 37	14%	\$ 72	32%
		24%	18%	20%				
Reserve Spending - CAPITAL & MAINT		\$ (101)						
		-8%						
Net Surplus (Subsidy) after CAPX		\$ 197						
		16%						

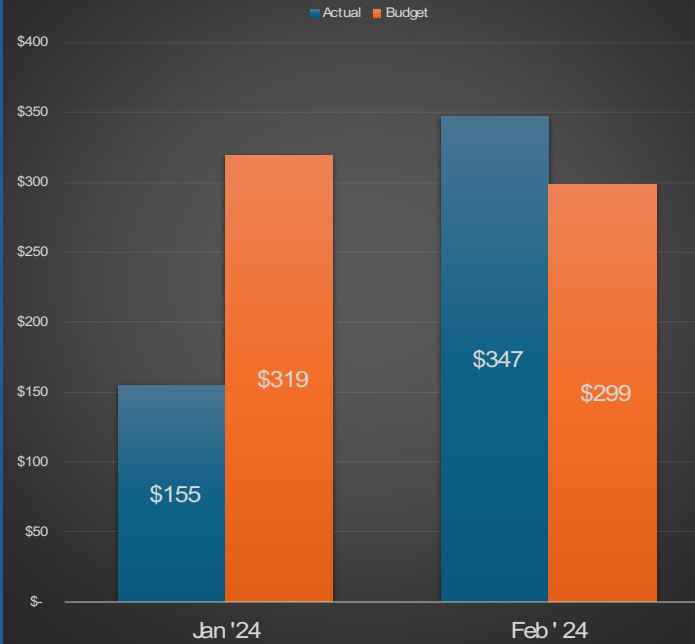
## Food Service Revenue

- Off to a promising start, despite January training and bad weather.
- Restaurants closed for three weeks (only opened for 10 days)

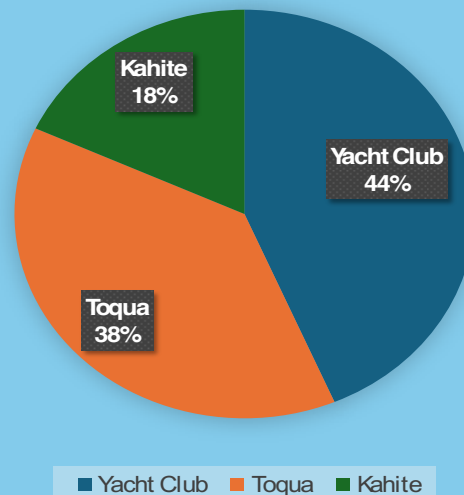
### February YTD 2024:

- Food/Beverage Revenue \$489K; Rent to POA \$13K
- Revenue \$59K below expectations
- A La Carte Food Sales \$328K/ 67%
- A La Carte Wine Sales \$56K/ 11%
- Beer Sales \$47K/ \$10%
- Banquet Food / Drink \$32K/ 6%
- A La Carte Mixed Drink Sales \$26K/ 5%

## Food Service Revenue (000's)



## Food & Beverage Revenue



## Revenue

- Yacht Club Revenue \$219K
- Toqua Revenue \$192K
- Kahite Grill Revenue \$91K

## Food Service Expenses (000's)



Actual

Budget

## Food Service Expenses

February 2024 YTD

- Components of Expense as % of Revenue:  
COGS: 40%; Salaries / Benefits: 69%; Overhead: 39%
- COGS \$12K better than budget
- Wages & Benefits \$63K over budget
- Operating Expenses on budget
- No Marketing budget expended to date, \$10K
- Material & Supplies \$9K over budget (Software / Supplies)
- Operating Expenses \$21K over budget
- Taxes \$18K under budget
- Personnel Expenses over budget \$4.7K (Uniforms)
- While COGS and Operating Expenses hit the target in absolute dollars, they ran higher than expectations as a percentage of gross revenue.

# Tellico Village Food Service POA & LLC

February 2024 YTD  
\$ in Thousands

Operating P&L Highlights \$ **	2024A	2024B	2023A	Act-Bud	%	Act-PY	%
Revenue	\$ 502	\$ 618	\$ 59	\$ (116)	-19%	\$ 444	753%
Cost of Sales (COS)	\$ (200) -40%	\$ (212) -34%	\$ (22) -37%	\$ 12	-6%	\$ (178)	811%
T. Expense (Excludes COS)	\$ (543) -108%	\$ (480) -78%	\$ (127) -216%	\$ (63)	13%	\$ (416)	326%
Depreciation Expense	\$ (58)	\$ (54)	\$ (51)	\$ (4)	7%	\$ (7)	14%
Other Income (Expenses)***	\$ 0	\$ -	\$ -	\$ 0	0%	\$ 0	
Net Income	\$ (298) -59%	\$ (128) -21%	\$ (141) -240%	\$ (170)	133%	\$ (157)	111%
Available for Reserves (Subsidy)*	\$ (240) -48%	\$ (74) -12%	\$ (90) -154%	\$ (167)	227%	\$ (150)	166%

\* Adding back depreciation / amortization

\*\* Highlights are % of Total Revenue

\*\*\* Include Gain (Loss) on Sale of Assets, Interest Income & Interest Expense, Depreciation, and Reserve Maintenance Expenses

**Tellico Village POA**  
**Board Reserve Spending Report**  
**For the 2 months ending 2/29/24**  
**\$ in Thousands**

		Budget						% Over /
Division		Carryover	2024 Budget	Authorized	2023 Paid	2024 Paid	Balance /	Under
		from 2023					Excess	Authorize
Admin		\$ -	\$ 30	\$ -	\$ -	\$ -	\$ -	0%
Golf		\$ -	\$ 589	\$ 176	\$ -	\$ 99	\$ 78	10%
Parks		\$ 100	\$ 492	\$ 210	\$ 16	\$ 46	\$ 148	0%
Public Works	Maint	\$ -	\$ 155	\$ 16	\$ -	\$ 1	\$ 15	0%
Public Works	Roads	\$ -	\$ 1,190		\$ -	\$ -	\$ -	
Public Works	Water	\$ -	\$ 672	\$ 30	\$ -	\$ 13	\$ 17	47%
Public Works	Sewer	\$ -	\$ 975	\$ 498	\$ 81	\$ 69	\$ 348	23%
Food		\$ -	\$ 395	\$ -	\$ -	\$ 5	\$ (5)	0%
Docks		\$ -	\$ 420	\$ -	\$ -	\$ -	\$ -	0%
Strategic		\$ 1,800	\$ 2,800	\$ 220	\$ 198	\$ 23	\$ (1)	90%
Reserve Spending Totals		\$ 1,900	\$ 7,718	\$ 1,150	\$ 295	\$ 256	\$ 600	48%
Spending Details								
Food	Maint	Yacht Club	Bridal Room Ceiling			\$ 5		
Maint	Maint	Maint	Entrance signs			\$ 1		
Parks	Capital	Chota Fitness	Sprinkler Fire System			\$ 46		
Golf	Capital	Tanasi Maint	Golf Maintenance Facility			\$ 8		
Golf	Capital	Toqua Maint	Golf Maintenance Facility			\$ 25		
Golf	Capital	Kahite Maint	Trim Mower			\$ 66		
Public Works	Capital	Sewer	Sewer Holding Tank			\$ 65		
Public Works	Capital	Sewer	Odor control study			\$ 4		
Public Works	Capital	Water	Wellness Ctr Pipe (Eng / Construc)			\$ 13		
Strategic	Capital	Tanasi	Tanasi Rebuild			\$ 23		
						\$ 256		



**The STEVE Report**  
**Net Surplus / (Subsidy)**  
**For the 2 months ending 2/29/24**

<b>Division</b>	<b>Operations Surplus / (Subsidy)</b>	<b>Capital Reserve Spending</b>	<b>Net Surplus / (Subsidy)</b>	<b>Total 2023- 2024 Capital Reserve Budget- Authorized</b>
<b>ADMIN</b>	\$ 1,827		\$ 1,827	
<b>ACC</b>	\$ 75		\$ 75	
<b>GOLF</b>	\$ (700)	\$ 99	\$ (799)	\$ 176
<b>PARKS/REC</b>	\$ (43)	\$ 46	\$ (89)	\$ 210
<b>PUB WRKS</b>	\$ (644)	\$ 1	\$ (646)	\$ 16
<b>WTR/SEWER</b>	\$ 298	\$ 82	\$ 217	\$ 528
<b>PUB SAFETY</b>	\$ (32)		\$ (32)	
<b>FOOD SERV</b>	\$ (240)	\$ 5	\$ (245)	
<b>DOCK / RV</b>	\$ (2)		\$ (2)	
<b>COMM</b>	\$ 54		\$ 54	
<b>STRATEGIC</b>	\$ -	\$ 23	\$ (23)	\$ 220
<b>Total</b>	<b>\$ 594</b>	<b>\$ 256</b>	<b>\$ 338</b>	<b>\$ 1,150</b>

Tellico Village POA  
Reserve Funding Request Summary  
03/16/24

Division		Project Description	Project ID	Budget	Supplemental	Prior Request	Amount This Requested	Variance Under/(Over)	% Variance Under/(Over)
Golf	Capital	Turfbreeze 59" Direct Drive Fan-Toqua	2024 Project	11,440			11,691	(251)	-2.2%
Golf	Capital	Turfbreeze 59" Direct Drive Fan-Tanasi	2024 Project	11,440			11,691	(251)	-2.2%
PW	Capital	PMM SealCoating	2024 Project	529,667			338,365	191,302	36.1%
				552,547	-	-	361,747	190,800	

**Tellico Village POA  
Funding Request  
Fact Sheet**

POA042 Date 1/1/2002 Revised 1/25/2023

Project Number : \_\_\_\_\_

Date: 03/11/24

Department: Public Works

Manager: Matt Benoit, Director of Public Works

Budget Amount: \$ 529,667.00

Request Amount: \$ 338,365.00

Equipment or project being requested: Polymer Modified Masterseal, Street Seal Coating

Is this project classified as Capital or as Maintenance? Maintenance

Purpose & Project Justification: (Describe in adequate detail why we need this, what it does, who uses it. If less than three bids, explain why. If requesting other than the lowest bid, explain why.)

See Attached.

Internal Rate of Return \_\_\_\_\_ % (for projects with direct economic justification)  
This is ☐ a new item, ☐ a replacement item or ☒ an addition to existing item. Project Economic Life \_\_\_\_\_ Years  
(State what will happen to the item this replaces.)

Source of Funds: \$ \_\_\_\_\_ Unrestricted Operating Cash; \$ \_\_\_\_\_ Budgeted From \_\_\_\_\_ Reserve Fund  
\$ \_\_\_\_\_ Bank Loan/LOC; \$ \_\_\_\_\_ Leasing  
(Describe results of Lease vs. Buy Analysis, if applicable.)

If project varies significantly from budget, explain why. If over budget, describe how you will balance your overall budget.

Received good bids (lower unit cost provided by the same vendor last year). PSAC also recommends reduction in scope (fewer streets receiving application than what is budgeted).

Approvals: Manager Matt Benoit Director Matt Benoit Chief Financial Officer Andy Bedford CEO/COO Chad Heston  
Has this project been reviewed by FAC? Yes ☐ No ☐ Recommended ☐ Not Recommended ☐  
Is this project included in the Long Range Plan? Yes ☐ No ☐  
Requested Board Action: Funding Approval of \$ 338,365.00 Funding From Maintenance Reserve  
Other Board Action Requested \_\_\_\_\_

Date Placed in Service \_\_\_\_\_ Date Capitalized \_\_\_\_\_  
Amount Capitalized: \$ \_\_\_\_\_ POA Asset number \_\_\_\_\_

\*\*\*\*\*Has this project been reviewed by Advisory Committee? Yes ☒ No ☐ Recommend ☒ Not Recommend ☐



# Tellico Village Board of Directors 3/20/24

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MATT BENOIT, DIRECTOR OF PUBLIC WORKS

## Funding Request for PMM (Polymer Modified Masterseal).

- PMM is in the category of street sealers, a maintenance application.
- Within the category are chipped aggregates and sealers. Chipped aggregate sealers are very uncommon presently.
- There are several kinds of oil-based products:
  - Pure oil product that is mixed with asphalt.
  - Combination of an aggregate (like limestone or sand), water and asphaltic oil.
- Because they are water-based asphaltic emulsion, these products achieve the goal of sealant, but require more time to dry (approximately 8 to 12 hours) and present inconvenience to the resident because the entire street segments are typically shut down.
- The following hypothetical illustration demonstrates the financial benefit of sealants:

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Total Investment
Street X				\$31,000				\$31,000				\$380,200					\$31,000		\$473,200
Presumed PASER raiting after maintenance				8				6.5				9					7		
Street Y								\$380,200										\$380,200	\$760,400
Presumed PASER raiting after maintenance								9										9	

## **Funding Request for PMM (Polymer Modified Masterseal).**

- From a financial standpoint, sealants are cost-effective provided they can (relatively) maintain a PASER rating with applications every 4-5 years.
- Where this illustration falls short (as it relates to Tellico Village) is the two streets are presumed to have been constructed the same and have the same level of traffic. Not all Tellico Village streets are constructed the same.
- Furthermore, neighborhoods with the brunt of single-family construction are experiencing considerably more traffic in general and considerably more heavy-truck traffic.
- Tellico Village has cycled through three other pavement sealants:
  - Reclamite was used sporadically from about 2000 to 2011. It was not believed to effectively penetrate the asphalt surface.
  - PDC is a (virtually) pure oil (cold-tar) and was used between 2013 and 2015, but had unacceptable environmental side effects.
  - HA5 (used between 2018 and 2020) doesn't adhere well in the shaded areas.
- Beyond Reclamite, there hasn't been a consistent use of any product to determine if it extends the life of asphalt in the manner illustrated above.
- Both Lenoir City and Farragut do not use them because a mill and overlay is faster and easier to apply (maintains 1 lane of traffic), can be driven on immediately, and carries the benefit of public perception.
- Still, asphalt sealers are used by the Tennessee Department of Transportation and in communities in the Nashville area. But empirical evidence as to their effectiveness isn't easy to come by.

## **Funding Request for PMM (Polymer Modified Masterseal).**

- Tellico Village has been using PMM for three years. The streets and parking lots that have received the treatment appear to be experiencing an extended life. However, it is in years 4 and 5 that they demonstrate their value.
- If the “Street x and y” chart above is manipulated for “Street x” to receive a three-year PMM schedule with mill and overlay every nine years, “Street x” becomes less cost-effective.
- Beyond that, even if PMM falls short of the 4-5 year threshold, it doesn’t necessarily mean PMM is ineffective. Factors such as heavy-truck traffic and variations of original asphalt depth may lead to deterioration beyond the capability of PMM.
- TVPOA received two bids for the project:



Description	Est. Quantity (square yards)	Watson's Contracting (Vonore, TN)	Performance Striping Group, LLC (Athens, TN)
Tanasi Drive	28,000	\$46,200	\$43,400
Chota Road	17,000	\$28,050	\$26,350
Chatuga Drive (east and west)	16,800	\$27,720	\$26,040
		\$101,970	\$95,790
A, B and C Dock Parking Lots and Tugaloo Lane	5,300	\$8,745	\$8,215
Tanasi Boat dock parking (off Canaly Lane in Tommotley)	2,300	\$3,795	\$3,565
		\$12,540	\$11,780
Tanasi Neighborhood Roads	85,000	\$140,250	\$131,750
Tommotley Neighborhood and Tommotley Shores	55,200	\$91,080	\$85,560
Chatuga Neighborhoods (east and west)	70,500	\$116,325	\$109,275
		\$347,655	\$326,585
		\$462,165	\$434,155

## **Funding Request for PMM (Polymer Modified Masterseal).**

- As this issue is considered, keep in mind, the bids submitted envision closing both lanes of traffic within various segments from essentially sunrise to sunset to allow the project to dry; twice for two coats.
- One possibility is to award bid and contract for parking lots only at cost of \$11,780 (this price would have to be verified with the contractor as an economies of scale unit cost may be used). Parking lots have little difficulty being shut down for a day. – Cost is \$11,780.
- Another possibility is to award bid and contract for parking lots and neighborhood streets at a cost of \$338,365. This would allow continued review of the PMM product without necessarily falling behind. – Cost is \$338,365
- Finally, the grand total of the low bid (\$434,155) would allow continued verification on the higher-traffic streets.
- In 2017, a sub-committee of PSAC members prepared a pavement report. The report is a result of discussions with pavement engineers (a vendor, a municipal engineer and a representative of a consulting engineering firm). Throughout the nine-page report, a reference to having a pavement engineering consulting agreement is mentioned (directly or indirectly) five times in the context of preparation of bids specifications, evaluation of products and on-site inspection.
- The low bid supplied by Performance Striping Group, LLC is less than the previous year (\$1.77/square yard last year, \$1.55/square in 2024). Performance Striping Group performed the same services last year and completed the work with as little disruption and inconvenience as possible.
- The Adopted 2024 Budget includes \$529,667 for PMM. Depending on the direction PSAC wishes to recommend, Public Works staff wishes to request consideration of the excess funds (\$95,512) to outsource some or all of the preparation for PMM work (which includes 280,100 square yards of asphalt requiring segments of patching and crack sealing). No attempt has been made at this time to procure those services, and nothing should be done until the square yards of PMM application are identified.

## ROW Mowing

- Tellico Village Property Owners Association contracts for Right-of-Way mowing during an 8-month period.
- Also, these services are utilized for Kahite sewer easements, powerline easements, the fields surrounding the Wellness Center and the Tanasi powerline easements. The road rights-of-way mowing element includes road frontage for all undeveloped lots as well as road frontage attached to TVPOA Common property and/or road frontage that isn't privately owned. Bidders were provided with a map of the +/- 110 road miles within the TVPOA road network, and were responsible for identifying the rightsof-way that need to be mowed and establishing a price.

Service	Thomas Contracting, LLC (Sweetwater, TN)			Mills Lawn Services (Loudon, TN)		
	2024	2025	2026	2024	2025	2026
Basic Rights-of-Way Mowing	\$ 188,000	\$ 197,400	\$ 206,870	\$ 350,000	\$ 385,000	\$ 404,250
<u>Special Mowing Services</u>						
Kahite Sewer Easement	\$ 600.00			\$ 375.00		
Powerline Easement (Hwy. 444)	\$ 5,700.00			\$ 1,875.00		
Wellness Center Fields	\$ 450.00			\$ 750.00		
Tanasi Powerline Easement	\$ 1,800.00			\$ 2,875.00		
Boom Mowing	\$150/hr.					

## ROW Mowing

- The vendor who provided services for the last six years (Nathan Millsaps Mowing) declined to bid.
- In 2023, TVPOA paid \$129,564 (including the Basic Rights-of-Way and the special services).
- The adopted 2024 Budget includes \$147,100 for this service. The estimated cost (based upon the low bid provided by Thomas Contracting) is \$218,600 (estimated as follows):

		Est. Mow/year	
Kahite Sewer Easement	\$600	3	\$1,800
Powerline Easement (Hwy. 444)	\$5,700	1	\$5,700
Wellness Center Fields	\$480	3	\$1,440
Tanasi Powerline Easement	\$1,800	1	\$1,800
Boom Mowing	\$150/hr.	133 hrs.	\$19,950
			\$30,690
	Basic Rights-of-Mowing -		\$188,000
			\$218,690

- ***Recommended Motion: Recommend approval of the low bid from Thomas Contracting, LLC in the estimated amount of \$218,600 for 2024 Common Property and Specialty Mowing Services.***