

TUSCANY AT TAMPA PALMS OWNERS ASSOCIATION, INC.

June 27, 2019 at 6:30 PM

Location: Compton Place Apartments Meeting Room
6000 Compton Estates Way, Tampa, FL 33647

MINUTES

- 1) The meeting was called to order by President Lura Willhite at 6:30 pm. A quorum was met with Vice President Anand Gudaru, Treasurer Earline Piscitelli, Secretary Linda Hawk, and Director Kevin Hawley attending. A quorum was established. Also attending was our Manager from McNeil Management Services, Jennifer Conti.
- 2) Lura Willhite called the meeting to order at 6:30 calling for a motion to accept the new agenda, Linda Hawk seconded the motion and the new agenda was approved.
- 3) No comments on the agenda items were offered by the homeowners that were present.
- 4) A motion was made by Linda Hawk to approve the Board meeting minutes of March 21, 2019, seconded by Erl and approved as written.
- 5) The President thanked the Board and the Committees for doing the work over the past three months; noting the quarterly meetings were working as we all have more time to get things done before reporting.
- 6) COMMITTEE REPORTS –
 - a) Finance – Erl submitted reports from the Finance Committee (attached) including the latest Reserve Study and Comparison to the report from 2017. She noted the Committee was in the final stages of moving money out of our primary bank and will invest into CDs to protect our reserves.
 - b) Landscape
 - i) The Landscape Maintenance definition document was completed and added to the website for homeowner reference. The document helps homeowners know what they are responsible to do on their property. It was noted we are not a “Maintenance Free Community”.
 - ii) NatureCoast’s performance was discussed noting a few places they could improve. The trim scheduling will be added to website.
 - iii) Lura moved to replace trees on HOA Common property when needed, Linda seconded the motion. Approved unanimously.
 - c) Linda Hawk notified there were 7 Modifications requested and approved. She noted our attorney has not given us input on the pan roofs installed in the community.
 - d) The Orientation Committee reported one house was visited and four houses were for sale.
- 7) MANAGER’S REPORT
 - a) Jennifer Conti reviewed the work done on the property and talked about the Compliance Notice process. The inspectors have sent out over 70 letters asking for cleanup and compliance.
 - b) Homeowners noted yellow stains on the sidewalks that needed pressure washing.
 - c) We have two Delinquencies that have been sent to the Attorney for collection.
- 8) NEW BUSINESS
 - a) Lura moved that we should begin updating the Declaration of Covenants deleting the developer information to ease understanding; Linda Hawk seconded the motion, during discussion Lura said she would begin the process and pass it onto an attorney for final review. On vote it was approved.
 - b) Lura moved to table the Board Election Process discussion as no material had been received, Linda seconded the motion. On discussion, Anand planned to schedule a Board workshop within two weeks to discuss the matrix he has created. On vote the motion carried.
- 9) ADJOURNMENT was called at 7:06 pm.


Secretary, Linda Hawk

Dated: June 27, 2019


President, Lura Willhite

Finance Committee Meeting

June 5, 6:15 p.m.

Present: Members Earline K. Piscitelli, Chair, and Abdullah Algahtani, Anand Gudar; Lura Willhite, guest.

Order of Business:

- Piscitelli reviewed the April 30 financial statements with the committee. One third (1/3) through the fiscal year, annualized, the operations net income is \$177.76 over budget. There are currently 10 units in arrears on their management fees; and, one of these has sold recently and the other will be auctioned soon. Thirty four (34) units are overpaid. The reserves funds are at \$384,939.
- Auditor's Review: This 2018 review was budgeted by the board and commissioned by McNeil Management Services, Inc. It is difficult to follow the review due to both the accrual and cash methods having been employed during 2018 FY. The bottom line agrees with the bank statements and balance sheet, and does not reflect any discrepancies. Of note is the risk of all monies in both operating and reserves on deposit in one bank, though this was not considered a significant credit or loss risk.
- Investment of Reserve Funds: This item was reviewed earlier and has not been acted on to date. Piscitelli presented a print out of June 2019 CD rates at selected financial houses. Algahtani will interview selected financial houses for best rates on \$125,000 CD investment and report back to finance chair within two week, with the goal being to have this investment made prior to end of the month. Based on projected reserve funding balance and expenses, it is anticipated that another CD investment can be made prior to YE.
- 2019 Reserve Study Findings: The study was performed primarily to include the stormwater drainage issues, which had not been included in prior studies. Currently, the HOA reserves are funded at 100.2%, which is very well funded and is a measure of the "financial health" of the HOA. The stormwater drainage was factored into the study and is accounted for in the next five years of reserve funding. A comparison of the 2017 and 2019 studies was presented, and it is projected that unit owner funding of the reserves will need to increase in the next two to three years. Additionally, the committee reviewed a listing of all items that are contained in the reserve funds, and these are the only item expenses which can be paid using reserve funds. There was extensive discussion of what is paid from operations versus reserves.
- Other business: Preparation for the 2020 budget was discussed. Board members and chairs of other committees need to be thinking of any additional funded items they will request or any change in contracts that they foresee for the next budget year. This should be submitted to the finance chair by August, when the new budget process will begin.

Respectfully Submitted,

Earline K. Piscitelli, Treasurer

Comparison of Reserve Studies 2017 to 2019

2017 Study				2019 Study			Note
Year	Member Mo. Dues	Association Annual Dues	Proposed Reserve Balance	Member Mo. Dues	Association Annual Dues	Proposed Reserve Balance	
2019	\$ 18	\$ 42,845	\$ 371,410				
2020	\$ 18	\$ 43,916	\$ 400,243	\$ 19	\$ 45,900	\$ 410,801	w/o wall rep.
2021	\$ 19	\$ 45,014	\$ 435,716	\$ 20	\$ 47,048	\$ 448,996	
2022	\$ 19	\$ 46,139	\$ 383,877	\$ 20	\$ 48,224	\$ 398,655	
2023	\$ 20	\$ 47,293	\$ 341,832	\$ 21	\$ 49,429	\$ 357,820	
2024				\$ 21	\$ 50,665	\$ 411,153	
2025				\$ 22	\$ 51,932	\$ 369,384	
				2019			
Projected 2019 YE		2018 YE \$ 367,263	2019 Expenses \$ 30,000	Mo Dues \$ 20	Annual Dues \$ 47,520	Est. YE Balance \$ 384,783	

Five Year Reserve Funding Anticipated Annual Expenses

Year	Annual Expenses	
2020		
2021	# Sidewalk Repairs	
2022	Wall Repairs	\$ 13,041
	Well Starter	\$ 1,940
	Well Pump	\$ 7,922
	# Rainbird Controllers	\$ 78,960
2023	Monument Signs Refurbishment, north and south	\$ 23,206
	Irrigation System	\$ 25,585
	Pond Banks and Erosion Control	\$ 43,318
	# Stormwater Drainage Repair	\$ 1,105
2024	#	
Total	#	

2019 Reserve Study:

This study was performed primarily to include the stormwater drainage issues, which had not been included in prior studies.

Key points from this study include the following:

- 1) It did not include a field inspection, but was an update and inclusion from the 2017 study.
- 2) It assumes a 2.5% inflation rate and a 1% interest rate, which is the same as 2017 study.
- 3) Currently, the HOA is funded at 100.2%, which is very well funded and is a measure of the "Financial Health" of an association.

The stormwater drainage was calculated to have cost \$370,700. Five Percent (5%) of this amount has been set aside in the Reserves over a five year period, totaling \$18,500.

Addendum to Finance Committee Minutes June 26, 2019

Pursuant to Finance Committee Minutes from June 5, 2019, Abdullah Algahtani has researched financial institutions relative to their interest, terms, HOA access, penalties and history/affiliation/assets.

Based on this research, as Treasurer and Finance Committee Chair, I am recommending the HOA invest in an \$125,000 CD for up to 15 months at a rate of at least or near 2.15% and invest in an \$160,000 CD for up to 24 months at a rate of at least or near 3.25%. In compliance with the auditor's report, this will result in a very low amount of HOA funds unprotected by either FDIC or Certificate of Deposit.

Actual: May 31, 2019		Recommendation	
Operating Acct	\$ 152,796	Operating Acct	\$ 152,796
Reserves Acct	383,320	Reserves Acct MM @ 1.5% i	100,000
Total in BBT	\$ 536,116	Total Insured BBT	<u>\$ 250,000</u>
Available FDIC coverage	250,000		
Balance Uninsured	<u>\$ 286,116</u>	CD Investment	
		CD 13 mo @ 2.15% APY	\$ 125,000
		CD 24 mo @ 3.25% APY	160,000
		Total CD acct (insured)	<u>\$ 285,000</u>
		Total insured funds	<u>\$ 535,000</u>
		Balance uninsured	<u>\$ 1,116</u>

* Note: This will be a moving target as operating funds fluctuate according to monthly expenses and reserves grow monthly by \$3,960. Reserves will grow \$27,720 by YE, and the only anticipated expenses fall in June at approximately \$17,000.

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See attached spreadsheet for a summary of research.