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Your Voice in the Village

## HOA Voice of the Village



### CHAT QUESTIONS RECEIVED 10/22/2020 DURING LIVE STREAMING

SUBMITTED AND ASKED/ANSWERED AT FORUM

1. What is the board going to do about the following areas: We pay millions of dollars in property taxes to Loudon County and get nothing for it.
2. What is your position regarding having a City Planner on the POA Board or as a contract employee to make decisions for the present and more importantly for the future?

### NOT ASKED AT FORUM / POST EVENT CANDIDATE WRITTEN RESPONSES

1. **What is your opinion regarding having a Civil Engineer on the POA Board or as a contract employee to make the decisions regarding drainage?**

**Mike Blackwell Response:** If there is someone with civil engineering background who would like to run for the POA Board, theirs would be a welcome candidacy. Engineers of any type are not cheap and a “contract employee” in this field would not yield a “net” benefit to the village.

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**Rick Blough Response:** Drainage is an issue of great concern to the POA Board as well as the Architectural Control Committee. This is especially true as we start to see more homes built on smaller interior lots. When CCI developed Tellico Village, common areas were reserved as a means of taking water from home sites and draining it into the ground or eventually filtering it to the lake.

The ACC has always reviewed drainage as part of their permit approval process. Typically, swales are part of every plan to control the flow of water. Unfortunately, while the swales shown on the plat diagram were in place at final inspection, often landscapers altered them making drainage an issue for the both home owners and their neighbors.

As we have grown and some of the lots being built upon became more difficult, both the POA Board and the ACC realized that professional help was needed. In 2019 and 2020, I worked with the ACC to revise and update the Residential Construction Handbook (“The Blue Book”) to improve enforceability and address problem areas like drainage. What became apparent was that all new construction needed professionally designed drainage plans and a process to enforce them. That is precisely what is now required. The POA has contracted with an engineering firm with specialized experience in this area and charged it with developing a professionally engineered drainage plan for each construction project that must be submitted with every new permit application. During the build, ACC inspection personnel are assigned to make sure that the plan is being followed (we have added inspection personnel to make sure that this happens). At the final inspection, the engineer will certify that the property has all of the elements of the plan in place. Pictures of the final state will be taken to document the plan installation. Any alteration of the original drainage plan will require a new permit and review.

Putting a Civil Engineer on the Board is not appropriate. According to the Covenants and Restrictions, the POA Board consists entirely of volunteers – not compensated employees. It has been my experience that the engineering requirements of the POA are many and varied. It is unlikely that any single individual would satisfy the organization’s needs. It is more appropriate to develop detailed specifications for an assignment and then contract for that specific service – much like what we have done with our drainage issues.

**Pat White Response:** The first part of the question, a Civil Engineer on the POA Board would be possible only if a Civil Engineer was elected by Tellico Village Property Owners to serve a 3 year term. The second part of the question as a contract employee. I will address the contract employee section since the Board has no ability to hire a Board member.

Our drainage and runoff problems are a result of two major concerns. First is the elimination of ground cover which disperses drainage and runoff. When this ground cover is eliminated during construction the water flow from a property is virtually unimpeded. This unimpeded water flow over

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bare ground causes increased erosion and flow of water onto adjoining property. The second major concern is the changing of water flow by property owners in altering landscape causing drainage and runoff to impact adjoining property. These two issues have been addressed (and will continue to be addressed) through hiring two additional compliance inspectors verifying that the conditions of the “Blue Book” are being followed. The POA Board in 2020 approved a new compliance rule that specifies a 3rd party engineering firm must provide an engineered drainage and runoff plan for all new construction. This compliance rule specifies drainage and runoff must be planned and remediated from the initial construction start up through final landscaping completion. The periodic inspections including photographs must be included in the final approval file and provided to the eventual home owner.

Above and beyond these controls of new homes being built there will be drainage and runoff issues that effect property owners that may well not be identified as being generated from any specific one source. In this event the POA, Public Works Department, Public Works Advisory Committee, and ACC have the responsibility and authority to identify problems and recommend 3rd party engineering service providers to study and provide qualified solutions. At that point the POA enters into the bid process to choose the best fit contractors to complete the engineered work.

The POA had an engineer on staff until mid-2020. Much thought and analysis has gone into the question of replacing this employee. To date the Board’s decision is that the POA will benefit most from using qualified engineering firms to provide for our specific needs rather than have a paid engineer on staff. There are many specific engineering issues that arise within Tellico Village and being able to outsource these issues to a specific engineering firm is proving much more cost effective than having an engineer on staff.

- 2. Do you support obtaining a professional reserve study that documents the anticipated lives of ALL our components, estimates the repair/replacement costs, prepares a 30 year funding plan. If yes to a reserve study would you support a separate reserve fund that protects the reserve monies from being used for other purposes.**

**Mike Blackwell Response:** No. Any unbudgeted expenditures without an offsetting reduction in expenses or clear evidence of a “net” benefit to the property owners is fiscally questionable. The previous & current POA Boards have done a good job, to-date, of monitoring and attending to these village needs.

**Rick Blough Response:** The short answer is yes, I do support development of a reserve study and approach. In January, the Board took this as a financial objective. The goal reads:

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“Study and develop a plan for reserve funding: (1) determine the minimum reserves needed to repair, renovate and/or replace our assets given our ability to generate revenue and/or borrow funds, and (2) develop a plan to fully fund reserve accounts to the desired minimum balances by 2026.”

This objective will be worked on in 2020 & 2021. Thus far, we have used mostly internal expertise. Both the POA CFO and Controller have extensive experience in reserve management. The Board has several members with this background as well. We have researched and consulted with experts in this area and have come up with the consensus opinion that adequate reserves should reflect about 30% of the organization’s asset value. Given that the POA’s assets amount to about \$27 million, our reserves, to be adequate, should be in the \$9 million range. During our annual audits, we address the expected life of POA assets, so we know when replacement or renovation may be needed.

As you know, in 2019, we extended our planning cycle from budget year plus five to budget plus ten. This gives us a better look at what the future holds. You probably also know that building the new Toqua and Kahite facilities in 2019 plus major investments in our roads depleted our reserves somewhat. As a result, we are in the process of rebuilding those reserves to what we believe is an adequate level of \$9 million. As we plan for 2021 and beyond, this is one of our major objectives. It looks like we will hit our target in the 2024 to 2026 time frame.

The focus of this objective going into 2021 will be to formalize/fine tune our approach to managing our reserves. This may well require additional outside expertise. I am certainly not opposed to working with individuals who have special knowledge and skill sets. I’ve always been of the opinion that you learn from everyone and that you can always make things better.

**Pat White Response:** This question is open to interpretation. I will answer the question on the level that I interpret the capitalization of the word “ALL”. The current Board has asked the Finance group to extend our financial planning from a 5 year to a 10-year plan. This was implemented during the 2019 Budget Planning cycle. The Board is also currently requesting a plan to show how the POA can reach a level of \$9 million in reserves and the effects on future assessment fees. Obviously, the time period to reach that reserve amount will play a major role in future assessment fees. And obviously the ‘hot button’ point of our property owners is the approval of the maximum 5% per year assessment fee increase. The driving issue is “do we know the component estimated repair, renovation, replacement costs?” Yes, we do. This is reviewed yearly during the budget process and involves all facets of our projected expenses. These expenses are detailed in the 10-year plan. I firmly believe that our current system of employing the knowledge base of our Finance Management Team, Finance Advisory Committee (past professionals now retired), and other POA Department Managers and Advisory Committee members are able to provide most of the required information and detail required to detail

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a reserve study. I have also come to realize during my 3 years of serving on the POA Board that those details that cannot be provided in house can be and have been contracted to 3rd party professionals. I support a continuation of this process. As we develop an in-house reserve study any items or issues that we cannot solve can be outsourced at a much less cost.

No, I would not support a separate reserve fund that protects the reserve monies from being used for other purposes. I can foresee many instances where the operation of Tellico Village could be harmed if monies were available in say an Amenity Reserve with no foreseeable expenses planned and an immediate need for a facility repair to be paid through the Repair and Maintenance that exceeds or heavily impacts the amount within the reserve. At that point, even though the POA had adequate funds to cover the expense from total reserves the limitation of not being able to use those available total reserve funds would force the POA into a financing or debt situation. At that point in time the decision would have to be made to void the rule of protecting the reserve fund thus putting us in the situation of not having the rule at all. I believe that it is the responsibility of the POA Board and Staff to keep us out of these situations. Adding a reserve protection rule provides no benefit other than adding an additional layer of control.

### 3. As a POA Board member, what new amenities do you envision will attract future residents to our community?

**Mike Blackwell Response:** Difficult to say. Amenities are driven by our property owner/resident/constituents. An Amenities Reserve Fund is a good safety net for unanticipated, amenities-related expenditures, but right now we are not having difficulty attracting residents and I don't anticipate difficulties any time soon.

**Rick Blough Response:** Future amenities pose an interesting challenge in divining the future. When I first came to the Village, most folks didn't know about Pickleball. Who could have predicted how that sport has exploded?

There is a process to evaluate new amenities and to maintain the competitive edge of Tellico Village. When I was a member of the Long Range Planning Advisory Committee, this was one of our jobs. We did that in a variety of ways. We nationally benchmarked other communities like us to see what they offered, often visiting to verify what our research told us. We polled various organizations like our numerous clubs, the HOA and New Villagers. We worked with our advisory committees like Recreation and Golf to identify trends. We got input from our marketing department. We surveyed the community to understand what Villagers wanted. We conducted numerous focus groups and

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researched new developments in the industry. All of this went into developing our Long Range Strategic Plan which is a blue print for the next 30 years.

However, in most cases a plan obsoletes itself fairly quickly. When the original plan was done in 2010, it was fantastic. Unfortunately, there was not an update until 2019. By that time, many of the priorities had changed. So, when the new plan was rolled out, as a Board, we required that there be a method for keeping it up to date. Long Range Planning is charged with continuing to research developments, fine tuning their recommendations and fully revisiting the plan at least every two years.

I'm not sure that I can predict what the next "big thing" will be. Will it be Disc Golf, Bocce Ball, Bowling or the like? What I can tell you is that we have a robust process in place to assess our offerings and make sure that we are competitive with other communities like us. If we are competitive in our offerings and manage our finances prudently, we will attract folks to Tellico Village. Recent history tells us that people want to be here. Who wouldn't? It's a great place to live that has a lot to offer.

**Pat White Response:** As a property owner and resident for the past 13 years I have been involved in many conversations discussing "New Amenities". My question always has been, "What new amenities?" Note, I do not consider bunker replacements, expansion of walking trails, adding pickleball courts, etc. new amenities. Tellico Village has those amenities currently. I am answering the question regarding amenities that Tellico Village does not currently have that will attract future residents.

With our current level of amenities and comparing Tellico Village amenities to similar communities as studied by our Long Range Planning Advisory Committee I do not see an amenity that would outshine our current level of amenities that would be a make or break for a future resident.

The two most mentioned major new amenities are the addition of a community/conference/theatre type facility and connected paved walking/riding trails connecting all of the Tellico Village neighborhoods. At this point in the life of Tellico Village I do not believe we can afford or support a community/conference/theatre facility. With New Villagers, HOA being the largest attendance groups, 4 to 6 concerts per year that are being held in our local churches I do not see the cost justification and payback usage to support such a venue. Perhaps in the future as Tellico Village increases in population. I support scheduling of events, and multiple performances of the events prior to investing in a facility that will be underutilized but paid for from assessment dollars for years.

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The paved walking/riding trail connector is just impractical based on the layout of Tellico Village. The last study performed estimated the cost at over \$1 million dollars per mile. This was the initial phase 1 that included only Tellico Parkway. Extending this walkway throughout Tellico Village with our narrow streets and easements would be extremely expensive and I am not willing to support such an expense passed on to future Tellico Villagers.

I do support all new amenities being self-supporting. I do not support adding an amenity that will be used by a few property owners but being subsidized by all property owners. The POA has a process in place where requests for new amenities must be justified by providing documented user participation numbers prior to the amenity being started. The most recent example is the kayak storage facility which remains 100% funded by users. Tellico Village was founded as a "Pay to Play" community. The original developer in marketing Tellico Village overbuilt our amenities (3 golf courses for a population of 8,500?). We have inherited this system and have made it work, very well. My belief is that we do not add to subsidized amenities.

#### 4. **How can we the people of Tellico Village promote the election of village members to county board seats to present our positions here within our village?**

**Mike Blackwell Response:** There is an old Chinese proverb that says . . . . "A journey of a thousand miles begins with a single step." Someone has to actually run for county government positions! We are also talking about TWO counties as Kahite is located in Monroe County. I believe that the property owner/residents of Tellico Village would support such candidates, but someone has to take the "first step". It is also important to improve the nature of our community's relationship with our local government entities. That would be a great "first step"!

**Rick Blough Response:** This is an interesting question. Presently, in the Loudon County portion of the Village, we have three individuals representing us (in Monroe County, there is one). The largest portion of this area is represented by a resident of the Village. In the North end, there are two commissioners. However, the majority of their support comes from areas outside of Tellico Village. These individuals have not been overly supportive of our needs. Part of this is due to the fact that residents of the Village have a history of not voting in county elections. So, the first thing that we can do is vote (county elections are scheduled for next year). I believe this will result in Loudon County politicians understanding that they need to listen to us.

The second thing is to find candidates for county commission that are willing to step forward and be willing to serve. This has proven to be a daunting task since I've been in Tellico Village. Most of us didn't come here to run for political office. Nonetheless, I'm sure that there are individual's interested

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in and capable of representing us on the county level. Our task is to identify them and support their candidacy.

Last year, the Board chartered the Government Affairs Advisory Committee. Their mission is to educate Villagers, get out the vote and take our message to those who represent us. They have also been asked to identify potential commission candidates from the Village.

Finally, and in recognition of the fact that the County Commission doesn't necessarily listen to us, the Board has stepped up its outreach and lobbying efforts in Nashville. With the support of our representative Lowell Russell and Lieutenant Governor Randy McNally, we have seen some success. As a 501(c)(4) mutual benefit association, we are like a city, but we are not a city. Our ultimate goal is to help the legislature understand that we are a special case that should get the benefits of a city without being saddled with the onerous requirements of incorporation (there's a reason that there hasn't been a single new incorporation in Tennessee since 1993 when the law was changed to make the process more difficult). As I said, we've had some success. One example is that we now don't pay sales tax on certain safety and public works purchases. Each time the legislature gives us a benefit of this nature, it moves closer to acknowledging that we should receive the full benefits of a municipality.

So, the short answer to your question is: Vote, attend meetings to let your voice be heard and, if you are so inclined, run for office.

**Pat White Response:** This is an extremely difficult question to answer. First, from personal experience we property owners, the majority of us, retired and moved to Tellico Village. Many of us have found a personal need to be involved in our community. Both inside and outside Tellico Village. Though we have elected Board members and Advisory Committee members who devote 3 years of their lives to serving Tellico Village, I find very few of us willing to give up this hard-earned retirement life for a new job as an elected local government official.

All of us can recruit, beg, and plead that our qualified friends run for office, but unless they are willing to give up their lives in retirement.....

What I do see and have experienced is that our elected officials know who we are. They know the strength of our voice by the number of votes we cast in elections. It never ceases to amaze me when I visit any of our elected representatives that they know how many votes were cast by each Tellico Village precinct. This tells me that we have power in our voice and our voice level is dependent on the votes we cast. Make no mistake. Not party affiliation or philosophical designations, total votes cast.



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I firmly believe that when Tellico Village votes in mass we will send a powerful message that we (Tellico Village) have the power to elect or re-elect. We are almost 9,000 strong. In mass we can equal the typical voter turnout of all of Loudon County. Tellico Village currently has a property owner serving on the Loudon County Commission, as Chairman. He is a voice of one (1) among a voice of 10. I believe our voter turnout will have more impact on the perceived value of Tellico Village to Loudon County than a single Commissioner. If we can find someone to run for the office.

As a final note. I realize I used Loudon County as a talking point and did not refer to Monroe County. The same holds true for our Tellico Village residents in Kahite, Monroe County voters.