

**TANYARD SPRINGS HOMEOWNERS ASSOCIATION, INC.**  
**BUDGET MEETING – VIA TELECONFERENCE**  
**9:14 P.M. ON DECEMBER 8, 2020**

The Board of Directors of the Tanyard Springs Homeowners Association met via teleconference on December 8, 2020. The following persons were in attendance:

**BOARD OF DIRECTORS**

David Gurulé, President  
Jessica Arseneault, Vice President  
Patricia Warner, Secretary

Daniel Zadra, Treasurer  
Christopher Augustine, General Director  
Cheryl Brownell, Assistant Treasurer

**OTHERS**

Shireen Ambush, Abaris Realty  
Glen Mammen, Abaris Realty  
Mark Moorman, Abaris Realty

Glen Charles, Abaris Realty  
Henry Leung, Abaris Realty

**HOMEOWNERS PRESENT** – Refer to GoToMeeting attendance sheet.

**BUDGET MEETING**

**CALL TO ORDER**

David Gurulé called the Regular Session to order at 9:14 p.m.

**BUDGET REVIEW**

Board Treasurer, Daniel Zadra, went over the budget line-by-line discussing all General Ledger (GL) items and noting the GLs that would be changing since the 2021 draft budget was posted.

Daniel Zadra started reviewing the budget with the expected revenue for 2021 from member assessments. The budgeted revenue consisted of \$1.367 million collected from homeowner association fees based on a rate of \$80.00 assessment for the entire community, plus \$180,432.00 based on the \$12.00 townhome assessment. He noted that no one-time assessment fee was expected for 2021, which relates to special assessments to pay for a large cost to the association. Revenue for clubhouse rental fee was based on an estimated 86 rentals for the year and the additional cleaning fee of \$125.00 was also factored in. The recreation fee for Stonehouse run was budgeted at \$21,194.00. The expected revenue from legal fees was increased to 17,500.00 taking into account the increased delinquencies caused by the pandemic. Cheryl Brownell clarified the line item regarding owner onetime assessment was not based on a special assessment but the contribution by Lennar the builder due to the sale of any newly built homes, which is no longer happening. David Gurulé confirmed this. Mike Brown commented that he thought the current financials should be placed in the budget to help provide more information to the residents. Daniel Zadra continued that the total yearly budget of revenue based on homeowner assessments will be \$1.636 million.

Daniel Zadra continued on the next slide for other revenue budgeted for 2021, which included interest revenue, vending machine revenue, pool guest users, fines, garden plot income, access cards, and other miscellaneous items which came to \$32,870.00. Daniel concluded that the total budgeted revenue for 2020 was \$1.652 million and that for 2021 the total would be \$1.669 million.

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Daniel Zadra continued to the next slide which began the expense portion of the budget. Daniel Zadra started with administrative expenses, he stated that the budget for management fee was increased from \$85,000 to \$174,000 which is in line with decrease in GL 54680 contract staffing. This is due to the fact that Abaris has more staff working from the home office and having less staff onsite. Comparing GL 54680 which was budgeted at \$222,000.00 for 3 onsite workers down to 1 onsite worker pushing the 2021 budget to \$95,446.00, additionally since the management contract year begins in July, Abaris has requested a raise in management fee for the 2021 year due to the volume of work and having to hire additional home office staff. This fee has also absorbed some old CMC line items. Daniel Zadra asked David Gurulé to ask Abaris to further explain the increase in cost based on the increase in workload. David Gurulé explained to the residents that when they had first met with Abaris that they would start with the initial contract and changes were expected to which the Board was aware. Shireen Ambush from Abaris stated that during the time of interviewing there were 2 full-time onsite staff, with the consideration of hiring a 3<sup>rd</sup> member due to the volume of work. Abaris entered with the understanding that there would be 2 onsite staff and then monitor the volume of work this staff would undertake. Shireen Ambush continued that due to the volume of work she had to hire 2 full-time workers on her team to ensure that any number of items could be done in a timely fashion. Mrs. Ambush continued that the decision was also made not to carry over any of the previous staff from CMC and hire Mark Moorman as an onsite manager. At this juncture Abaris made the decision to keep only Mark as the onsite manager with the support of more experienced staff back at the home office and to monitor and adjust accordingly. She continued that Abaris is more comfortable handling the administrative tasks at the main office, where Tanyard Springs will have the benefit of having her 8-person team manage the association administrative business and allow Mark Moorman to be able to focus on the day-to-day activities there in the community. Shireen stated that we continue to work along this path which seems to be working out for both the community and Abaris. Shireen stated that Abaris had to take on the added expense of additional staffing and honored the contract that was in place and is now asking for an increase for the following year due to this reason.

Daniel Zadra continued with the Administrative Expenses portion of the budget, he clarified with Shireen Ambush that legal admin cost item 50032 which has been dropped to \$0.00 will be now categorized under 500300 legal owner billing. They budgeted \$34,176.00 for community inspections 50190, it is not guaranteed that they do it, but it is in the budget. Item 50280 dues subscriptions were increased to provide more training for Board members. Annual Meeting item 50300 was budgeted at \$4000.00 due to election buddy and mailing. Line item 50380 Bank Charges was clarified by Shireen as a new line item for bounced checks, which washes out the revenue line item 43920. Daniel Zadra asked if line item 50640 Engineering Study budgeted at \$4000.00 should be increased. Shireen Ambush clarified that the bylaw require that the community do a reserve study update done yearly. Smaller communities can do this study every 4-5 years, but due to the size of Tanyard Springs, and numerous components within the community the developer inserted this provision into the governing documents. Abaris based the budget number on the average cost, and the item needed to be budgeted for as per the governing documents. Daniel Zadra asked Cheryl Brownell what her thoughts were in this regard. Cheryl Brownell stated that she had seen invoices from Becht Engineering for past reserve studies that

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were much more than \$4000.00. Shireen clarified that we won't know until we get bids, additionally if the same engineer conducts the update study annually, as they won't have to retake the field measurements which is the bulk of the cost of the initial study. However, if the Board were to bid to another engineering company to undertake the study the initial cost would be more. Cheryl Brownell reiterated the need to see the old invoices to get a better understanding of the cost. Daniel Zadra asked if the Board was okay with increasing the item to \$8,000.00, to which the Board did not object. Daniel Zadra continued to enumerate the line items related to administrative expenses. Daniel Zadra asked if line item 50840 reimburse compliance was incorporated into another line item. Shireen Ambush stated that this item was from previous management and that Abaris does not have a similar line item, and that it is a catch all line item for reimbursing homeowners, instead Abaris will use the most appropriate line item regarding the expense in question. Cheryl clarified that the reimburse compliance item is the cost the association takes to bring a homeowner's unit into compliance such as mowing an unkempt lawn. Cheryl feels that it is important to see those figures. Shireen Ambush stated that those figures will be seen on the monthly financial statements. Daniel Zadra continued stating that the miscellaneous line item has been reduced significantly as each expense should be placed or coded to the most appropriate line item. Cheryl Brownell stated that she would like to see that item removed because Abaris used the line item more often than CMC to which Shireen Ambush responded that it is the initial year of management and trying to work mid-year with a budget that has been developed by the prior management company, and that going forward Abaris and the Board have developed a more comprehensive budget with more line items for which to code the expenses.

Daniel Zadra continued to the utilities portion of the budget. Daniel Zadra asked Shireen if the line item for water/sewer should be eliminated to which Shireen Ambush stated that we should wait another year. Daniel Zadra concluded with that a total of \$109,100.00 has been budgeted for utilities in 2021.

Daniel Zadra continued to the expenses for contracted services of the budget and began reciting the line items. Daniel Zadra explained that the new grounds/landscaping contractor will be SBC and they absorbed line item 53270 flower rotation. Shireen elaborated that the current contractor was charging piecemeal for certain things, while the new 2021 grounds contract is more comprehensive, and included this. Daniel Zadra continued with the budget and asked Cheryl if she could elaborate on the line item 52071 Architectural Inspection, to which she mentioned it was charged by CMC when they undertook reviewing DRC applications. Daniel Zadra stated that the budget pool expense has changed with the decision to hire American Pools changing the line item to \$77,990.00. Michael Brown asked what line item the HVAC maintenance contract was in, and also is the Security System on another line item or lumped into anything else. Daniel Zadra stated that the total budgeted for contracted services is \$404,855.00.

Daniel Zadra continued to the maintenance repairs expenses portion of the budget. Daniel Zadra asked why plumbing had been increased to which Shireen Ambush responded that as the building ages there may be more need of repairs. Daniel Zadra asked if the \$30,000.00 budgeted for ground/landscaping maintenance would be reduced under SBC's contract. Shireen Ambush said she had to look it up. David Gurulé stated that aeration and reseeding are likely what that

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would be as SBC does not believe they would have to treat the entire community, as they would evaluate and bill it as needed. There has been an increase in the tree care budget 53280 which absorbed line item 53282 Tree Removal, and also reflects all the tree requests that homeowners have made since Abaris has taken over. Daniel Zadra asked if water truck irrigation would be covered under the maintenance contract or the irrigation line item to which Shireen Ambush stated that it would be under the maintenance contract. Cheryl Brownell clarified with Shireen Ambush that item 53310 is for maintenance but that watering by truck would be under 53260. Daniel Zadra mentioned that item 53420 general repairs has been reduce due to Mark Moorman tasking the handymen appropriately. Daniel Zadra continued enumerating the line items listed for expenses regarding maintenance and repairs. Homeowner Connie was called on, her question was regarding the increase in \$125.00 for cleaning, to which David Gurulé commented that the increase in revenue for cleaning was balanced by the expense of it. Pool furniture has been reduced as it will be coded as a reserve expense going forward. Daniel Zadra concluded that the total maintenance budgeted is \$237,200.00.

Daniel Zadra continued enumerating the line items associated with the personnel services portion of the budget. Daniel Zadra restated that line item 54680 contract staffing has been reduced and incorporated in the management fee as described earlier. The Board also wanted to clarify as the number they are using \$100,260.00 was higher than the one provided by Abaris. Shireen stated that the number will be based on the salary so a little over is ok to use. Daniel Zadra continued go over the remaining line items. Daniel Zadra stated that the association is trying to reduce the storm water taxes. Michael Brown asked a question regarding the storm water taxes believing that it would be increased not decreased to which David Gurulé responded that he had found a 50% tax credit that could be applied.

Daniel continued to recite the budget now starting with the expenses which related to the replacement reserves. Daniel mentioned that the changes in the budget were per the most recent reserve study. Daniel concluded this portion that the total contribution to reserves is budgeted at \$405,535.00.

Daniel Zadra concluded the expense portion with the statement that the total expenses was \$1,669,038.00. Daniel continued that they were over by \$9,060.00 to which he proposed to place that overage into reserves to which the Board did not object.

Christopher Augustine made a motion to approve the budget noting a \$0 increase in homeowner assessments for 2021, which was seconded by Daniel Zadra. The motion passed unanimously.

**OPEN FORUM:**

- Mike B. – We had an HVAC maintenance contract over the past couple years, what line item is that in? What about the security system? Mike enjoyed the presentation, compared to year's past as he felt it was well organized.
- Sally R. – When hired Abaris stated they had the experience and capability to do all the responsibilities required. We shouldn't have to pay them more.
- Alyssa S. – Where is the budget for the water bill from the club house?

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**ADJOURNMENT**

David Gurulé adjourned the Regular Session at 10:34 p.m.

  
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**SIGNATURE**

12 January 2021

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**DATE**