

**TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS**

RESOLUTION 2015-1

**POLICY REGARDING THE MAINTENANCE
OF TAHOE DONNER ASSOCIATION'S
INCOME TAX EXEMPT STATUS**

WHEREAS, as defined in the Restated Bylaws of the Tahoe Donner Association¹, the Association is a nonprofit, mutual benefit corporation organized and operated for the purpose of owning and maintaining common areas and facilities for the use of the Tahoe Donner community, and administering and enforcing protective covenants designed to maintain that community's character; and,

WHEREAS, the Tahoe Donner Board of Directors petitioned the IRS in 1992 for Federal tax exempt status as a non-profit Internal Revenue Code 501(c)(4) social welfare organization after approving an amendment to the Association's Articles of Incorporation, which was subsequently approved by the membership through the passing of Resolution 92-10 (Appendix A); and,

WHEREAS, the Internal Revenue Service in a letter dated July 1, 1993 (Appendix B) determined that the Tahoe Donner Association is exempt from Federal income tax under section 501 (a) of the Internal Revenue Code as an organization described in IRC Section 501(c)(4); and,

WHEREAS, the above-referenced code, and the Treasury Regulations² and Revenue Rulings implementing and interpreting it, provide the following qualifications, among others, for an organization to achieve such status:

- That it not be organized or operated for-profit; and,
- That it be operated exclusively for the promotion of social welfare in that it is primarily engaged in promoting the common good and general welfare of the people of the community, and in promoting and generating civic betterments and social improvements; and,

¹ Restated Bylaws of Tahoe Donner Association, ARTICLE I, Section 3

² Treasury Regulation, Section 1.501(c)(4)-1(a)

- While advocating or opposing legislation is permissible, that it not have as a primary purpose the direct or indirect intervention or participation in political campaigns, either on behalf of or against any political candidate for office³; and,
- That it benefit the community as a whole, and the purpose of which is not solely for the benefit of individual members or their privately-owned properties; and,

WHEREAS, it was determined that Tahoe Donner possesses those characteristics necessary for it to be regarded, in and of itself, as a "community", which allowed for the subsequent determination that the Association's provision of services to Tahoe Donner, in the form of owning and managing common areas and facilities for the benefit of the members of that community, and administering and enforcing governing documents designed to maintain its character, as it currently does, satisfies the qualification requirements for social welfare organization tax exempt status; and,

WHEREAS, achievement of such status has eliminated the need for a considerable annual expenditure of Association funds in the form of federal income taxes; and,

WHEREAS, the following constitutes the policy regarding the favorable income tax exempt status of Tahoe Donner Association and supersedes the previously approved policy pertaining to the maintenance of such status (Resolution 97-8);

NOW, THEREFORE, BE IT RESOLVED, that it shall be the policy of Tahoe Donner Association to preserve, maintain, and defend its income tax exempt status through the adoption of policies and procedures, and the initiation and conduct of activities and projects that promote such status, including but not limited to:

- Remaining focused on the Association's purposes in all decision-making processes, those purposes being the ownership and management of common areas and facilities for the use of the community, and the administration and enforcement of governing documents designed to preserve its character; and,
- Abstaining from the provision of maintenance or other services the sole purpose of which is to benefit individually owned properties, as opposed to the community as a whole; and,
- Adhering to Treasury Regulations and the Internal Revenue Code requirements related to the Association's tax-exempt status, undertaking no activity, political or otherwise, that will jeopardize that tax exempt status.

APPROVAL

³ Treasury Regulation, Section 1.501(c)(4)(a)(2)(ii)

Approval of the Policy Regarding the Maintenance of Tahoe Donner Association's Income Tax Exempt Status and any changes, amendments, or modifications thereafter, may only be accomplished at a properly noticed meeting of the Board, after a full reading of the policy in open session, with reasonable time allowed for property owner comment.

ACCEPTED AND DATED: May 30, 2015

JIM STANG, President

TOM JOHNS, Vice President

STEVE MILLER, Treasurer

RON WULFF, Secretary

COURTNEY MURRELL, Director

DECISION PAPER



Issue:

Date: March 16, 2015

2015 Downhill Ski Area Rental Equipment Replacement

Background:

Below is the recommended replacement for 2015 Rental Equipment. In 2014, it was decided not to purchase any replacement equipment. For 2015, replacements are recommended to prevent falling behind on the 5 year replacement plan and having rental equipment inventory fall out of indemnification by the manufacture. A recommended revised 5 year ski area rental equipment replacement schedule is included for review.

Below is the purchase recommendation for the fall of 2015 utilizing Replacement Reserve Funds with a budget not to exceed \$82,000.

Burton:

140 snowboard Snowboards @ \$22,950
40 Snowboard bindings @ \$5,200
63 Snowboard boots @ \$6,345
Estimated sales tax/shipping \$7,019.73
Total: \$41,514.73

Scarpa:

27 telemark boots @ \$9,703.80
Estimated sales tax/shipping \$1,974.73
Total \$11,678.53

Dabello:

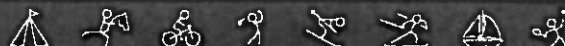
136 ski boots @ \$13,447.60
Estimated sales tax/shipping \$2,736.58
Total: \$16,184.18

Scott Polls:

130 pairs of polls @ \$2,914.00
Estimates sales tax/shipping \$593.00
Total \$3,507.00

Marker/ Volk:

9 demo skis @ \$5,541.00
9 ski bindings @ \$1,677.00
Estimated sales tax/shipping \$1,468.86
Total \$8,686.86



DECISION PAPER



Options:

Option 1: Approve the purchases for the 2015 replacement of the ski area rental equipment inventory utilizing Replacement Reserve Funds with a budget not to exceed \$82,000.

Option 2: Defer the replacement of the rental equipment to 2016 and reevaluate and review the 5 year replacement schedule during the 2015 budget cycle.

Recommendation:

Staff recommends the Board of Directors approve Option 1: Approve the purchases for the 2015 replacement of the ski area rental equipment inventory utilizing Replacement Reserve Funds with a budget not to exceed \$82,000. This year's focus is on purchasing new snowboarding equipment, ski boots, demos, and telemark boots. The orders are anticipated to ship in mid-October, 2015, for delivery for the 2015/2016 winter season.

Prepared By: Tommy Kelly, Miguel Sloane *MS*

Reveiwed By: Forrest Huisman *FH*

Board Meeting Date: March 16, 2015

General Manager Approval to Place on the Agenda: *TS*

Date: *5/8/15*

Rental Shop Reserve 5 Year Plan

2015

Rental Shop Equipment

<u>Equipment Needs</u>	<u>Number Replaced</u>	<u>Estimated Cost</u>
Demo Skis	12	\$7,089.00
Ski Boots	136	\$13,448.00
AD Skis	0	\$0.00
Child Skis	0	\$0.00
Telemark Boots	27	\$9,703.80
Telemark Skis	0	\$0.00
Poles	130	\$2,914.00
AD Ski Bindings	0	\$0.00
Child Ski Bindings	0	\$0.00
Snowboards	140	\$22,950.00
Snowboards Boots	63	\$6,345.00
Snowboard Bindings	40	\$5,200.00
Helmets	0	\$0.00
Shipping		\$8,273.44
Tax		\$5,648.76
		\$81,572.00

2016

Rental Shop Equipment

<u>Equipment Needs</u>	<u>Number Replaced</u>	<u>Estimated Cost</u>
Demo Skis	20	\$12,000.00
Ski Boots	100	\$10,000.00
AD Skis	50	\$12,000.00
Child Skis	50	\$5,000.00
Telemark Bindings	0	\$0.00
Telemark Skis	0	\$0.00
Poles	0	\$2,500.00
AD Ski Bindings	50	\$5,150.00
Child Ski Bindings	50	\$5,150.00
Snowboards	50	\$7,750.00
Snowboards Boots	20	\$2,100.00
Snowboard Bindings	0	\$1,000.00
Helmets	150	\$5,550.00
Shipping		\$10,000.00
Tax		\$5,694.70
		\$83,894.70

2017

Rental Shop Equipment

<u>Equipment Needs</u>	<u>Number Replaced</u>	<u>Estimated Cost</u>
Demo Skis	20	\$14,000.00
Ski Boots	75	\$7,950.00
AD Skis	80	\$14,080.00
Child Skis	80	\$8,560.00
Telemark Bindings	0	\$0.00
Telemark Skis	0	\$0.00
Poles	50	\$1,300.00
AD Ski Bindings	80	\$6,320.00
Child Ski Bindings	80	\$4,720.00
Snowboards	20	\$3,100.00
Snowboards Boots	20	\$2,140.00
Snowboard Bindings	20	\$2,720.00

Board of Directors
Tahoe Donner Association
Truckee, CA

May 25, 2015

Subject: Resignation from Tahoe Donner Finance Committee

To: Board of Directors

In view of my recent election to the Tahoe Donner Board of Directors, to be effective on June 21, 2015, this is to advise you that, on June 21, 2015, I will officially relinquish my position as Finance Committee Chair and will resign from the Finance Committee of Tahoe Donner Association.

I have thoroughly enjoyed my 5 years on the Committee, and I am looking forward to the next three years as a member of the Tahoe Donner Association Board of Directors.

Sincerely,

Jeffrey Bonzon
12496 Muhlebach Way,
Truckee Ca. 96161