

<p>MINUTES TAHOE DONNER ASSOCIATION BOARD OF DIRECTORS REGULAR MEETING June 21, 2013 9:00 a.m.</p>	<p>ACTION ON <i>July 27, 2013</i> VERIFIED <i>[Signature]</i></p> <p>E.A. - TDA ASSOC.</p>
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A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Friday, June 21, 2013. Vice President Jim Stang called the meeting to order at 9:00 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors present:

- President Tom Johns
- Jim Stang, Vice President
- Ron Wulff, Secretary
- Dick Gander, Director

Via teleconference: Steve Miller (Joined the meeting at 9:40 a.m.)

Staff present:

- Robb Etnyre, General Manager
- Lillian Stahlhoffer, Accounting Manager
- Miah Cottrell, Computer Network Manager
- Bonnie Watkins, Recording Secretary & Executive Assistant

A. ACTION: APPROVAL OF MINUTES

The Board received the preliminary meeting minutes of the following for consideration:

- May 18, 2013 Regular Minutes

Director Wulff made a motion and Director Stang seconded to approve the May 18, 2013 Regular Minutes as presented. Motion passed 4-0 (Director Miller Absent)

B. COMMITTEE MANAGEMENT

Architectural Standards – The Board was provided with the April 24, May 15, and June 5, 2013 for review.

Covenants – The Board was provided with the committee’s May violations report for review.

Election – Regarding the 2013 Director Election, Chair Nan Carnal reported that we have reached quorum.

Finance – The Board was provided with a copy of the committee’s June 13, 2013 report for review. Committee member Art King provided the following highlights of the report:

- John Dundas and Hank Lewis briefed the committee on the proposed Operating Fund and Replacement Reserve Fund policies, as well as the suggested approach regarding establishing a five-year review cycle for all financial policies.
- Director of Finance and Accounting provided a review of the key performance items for the month of May. The weather was good and there were lots of visitors to Tahoe Donner, resulting in the following:
 - Golf Course revenue was up 98% to budget/expenses up 11%
 - The Lodge was up 28% to budget/expenses up 20%
 - Overall year-to-date revenue was up 12%/expenses 3%
- The committee discussed the Affordable Health Care Act and the associated impacts on the Association, due to reclassifying employees who work back-to-back seasons from part-time to full-time, and eligible for health care. Management is working with consultants to understand our options.

General Plan (GPC) – The Board was provided with a copy of the committee’s June 3, 2013 report for review. Co-Chair John Stubbs provided the following highlights from the report:

- Trout Creek Recreation Center Update: Director of Capital Projects, Forrest Huisman reported that the analysis showed that up to 6,000 square feet of additional space could be added within the existing setbacks and Town requirements. This compares with the approximately 12,000 square feet in the current building. However, an expansion above 1,000 square feet is likely to require more parking. Expansion needs and priorities need to be refined, and while there seems to be informal consensus that the Trout Creek expansion is a higher priority than Downhill, no final determination has been made.
- General Plan and Capital Project List: It was agreed that going forward from 2013 and for the next five year phase from 2016 to 2021 that effort should be devoted to establishing a consistent General Plan and Capital Priorities list. The GPC, Staff, Finance Committee, and the Board need to work together to accomplish this. It was recommended that a Board, GPC, and Staff workshop be organized in July or August.

C. ACTION: CONSENT CALENDAR

The Board was provided with the following items for consideration:

- ASC Alternate Appointment (Tanner)

- ASC Regular Appointment (Whitten)
- GPC Alternate Appointment (Sullivan)
- GPC Alternate Appointment (Sherman)
- GPC Alternate Appointment (McGregor)

Following discussion, Director Stang made a motion and Director Gander seconded to approve the Consent Calendar as presented. Motion passed 4-0 (Director Miller Absent)

D. BOARD RESOLUTIONS

The Board was provided with a final draft of a new policy entitled Resolution 2013-3 – Replacement Reserve Fund Policy for consideration. Finance Committee member John Dundas provided an overview of the proposed policy, noting the following key provisions in the policy:

- Changing the minimum balance requirement from \$800,000 in the old policy to 10% of Net Replacement Assets (Total Association Assets minus Land & Land Improvements) in the new policy.
- Adding a Percent Funded requirement to be 25% of the Fully Funded Value of the Total Current Replacement costs of all components of the Reserve Study.
- Adding provisions to increase the annual Replacement Reserve Fund (Annual Assessment) allocation by a minimum of 4% each year until the Percent Funded level exceeds 25% and until the fund balance exceeds 10% of Net Replacement Reserve Assets.
- These threshold provisions are required and appropriate to ensure that the Association remains in compliance with state law, while giving the Board the authority and flexibility to establish the Annual Assessment and to manage their allocation among the Operating Fund and Capital Funds each year in order to meet the Association’s financial requirements.

Following discussion, Director Miller made a motion and Director Stang seconded to approve Resolution 2013-3/Replacement Reserve Fund Policy as presented. Motion passes 4-1 (Director Wulff No)

The Board was provided with a final draft of a new policy entitled Resolution 2013-4 – Operating Fund Policy for consideration. Committee member Art King provided an overview of the proposed policy, noting the following key provisions in the policy:

- The “Whereas” provisions have been modified to reference the language of the Association’s governing documents with regard to establishing and maintaining an operating account, which is commonly referred to as the Operating Fund.

- A purpose section has been added to clearly state the purpose of the Operating Fund and to differentiate it from the capital funds of the Association. This section also now includes a description of the process by which the Association develops and approves operating budgets to support the Operating Fund.
- The language in the Minimum Fund Balance section is the same as the old policy, with some editing with regard the review process.
- The minimum balance requirement has been changed from a fixed amount of \$500,000 in the old policy to be “no less than \$500,000 and up to 10% of the current year’s gross Operating Revenue Budget at the discretion of the Board” in the new policy.

Following discussion, Director Stang made a motion and Director Miller seconded to approve Resolution 2013-4/Operating Fund Policy as presented. Motion passes 5-0

It was noted by Finance Committee member Art King that the Finance Committee recommends that the Board, working with senior staff and the Finance Committee, establish a process and timeline for the development of the annual Reserve Study.

Director Miller left the meeting at 10:05 a.m.

F. DIRECTOR OF FINANCE AND ACCOUNTING REPORT

In the absence of Director of Finance and Accounting, Mike Salmon, Accounting Manager, Lilian Stahlhoffer provided the Board with a presentation on the Association’s unaudited preliminary May 2013 financial reports, a complete set of which are attached to these minutes as Exhibit “A”.

Following discussion, Director Wulff made a motion and Director Stang seconded to approve the unaudited preliminary May 2013 financial reports as presented. Motion passed 4-0 (Director Miller Absent)

GENERAL MANAGERS REPORT

General Manager Robb Etnyre reported the following:

- **May Financials:** Year-to-date May net operating results (NOR), before assessed revenue, was a loss of (\$1,442,000), which is favorable to budget by \$288,000 or 17%.
- **Forestry:** Forrester Bill Houdyschell has applied for a \$50,000 grant and we are waiting official award notification. These funds, if acquired, can be used for the start of a firebreak along the Bucknam/Sinclair tract.

The plan is to begin a firebreak along the south side of Skislope Way from Bucknam to McGlashan.

- With the new home inspection program, by grid and at the point of transfer, a concern has been identified with regard to old metal roofs and the viability of painting them. Staff requested the ASC to review this aspect of the program to determine if painting old faded roofs is an acceptable alternative to roof replacement, including identifying paint products and vendors who could actually carry this out to the satisfaction of owners and the ASC.
- **Golf Course:** Year-to-date NOR is \$10,145 or 3% ahead of budget. Volume is 335 rounds or 71% ahead of budget with the early season opening. Overall pass sales remain strong and are higher than 2012 group bookings already recorded.
- **Equestrian:** This operation opened June 15th, with a meet and greet being held on June 14th. Equestrian Camp programs were brought back this year that were not available in 2012, and at this point, are sold out.
- **Truckee Thursdays:** Tahoe Donner started a shuttle bus from Trout Creek to Downtown Truckee on June 13, 2013, to support Tahoe Donner members attending this weekly event. This service is planned to continue the entire summer to benefit the membership, as well as decrease traffic at the event.
- **Town of Truckee Trail #13:** In order to move forward with the final design of the trail and evaluate construction costs, the Town has formed a working group to review the proposed plan. Directors Johns and Miller are participating along with Association Staff members, and members of the community.
- **Solid Waste:** The Truckee Town Council unanimously approved an increase to the residential solid waste fee from \$252.80 to \$263.48 for the 2013-14 fiscal year starting July 1st.
- **Slurry Seal Work:** The Town of Truckee has awarded their 2013 Slurry Seal contract and slurry seal work began on June 17th.
- **Traffic Count Study:** The Town is currently conducting a traffic count study to justify providing turn lanes at Trout Creek Recreation Center and at Northwoods Clubhouse. These areas are a particular hazard in the winter, as the berms become quite high and impair visibility.

ADJOURNMENT

The Board adjourned to Executive Session at 10:30 a.m.

The regular meeting reconvened at 11:30 a.m.

EXECUTIVE SESION REPORT

Secretary, Ron Wulff reported that the Board met in Executive Session on the following dates:

- April 24, 2013, the Board met in executive session and discussed legal and contract matters.

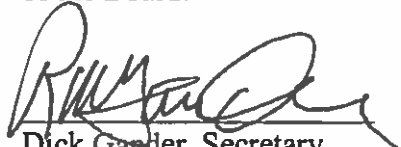
- April 27, 2013, the Board met in executive session and discussed legal and contract matters.
- May 18, 2013, the Board met in executive session and discussed contracts and a personnel matter.
- Today the Board met in executive session and discussed legal, personnel, and contract matters.

Submitted by:


Bonnie Watkins, Recording Secretary

SECRETARY'S CERTIFICATE

I, Dick Gander, Secretary of Tahoe Donner Association, do hereby certify that the foregoing is a true and correct copy of the minutes of the Tahoe Donner Association Board of Directors regular meeting held on June 21, 2013, as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.


Dick Gander, Secretary