

**BOARD APPROVED**

**MINUTES ACTION ON** *Oct 25, 2014*  
**TAHOE DONNER ASSOCIATION**  
**BOARD OF DIRECTORS SPECIAL MEETING**  
**E.A. - TDA ASSOC.**

**Northwoods Clubhouse  
September 17, 2014  
3:00 p.m.**

A special meeting of the Board of Directors of Tahoe Donner Association was held Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Thursday, September 17, 2014. President Stang called the meeting to order at 3:10 p.m. The following Board and Staff members were present:

Directors present: Jim Stang, President, Steve Miller, Treasurer, Ron Wulff, Secretary, & Courtney Murrell, Director

Directors absent: Tom Johns, Vice President

Staff present: Robb Etnyre, General Manager  
Forrest Huisman, Director of Capital Projects  
Mike Salmon, Director of Finance & Accounting  
Miguel Sloane, Director of Operations  
Bonnie Watkins, Executive Assistant/Recording Secretary

The main purpose of this special meeting was for the Board, along with members of the Finance Committee, to discuss the 2015 Budget. Finance Committee member Art King called the Finance Committee portion of the meeting to order at 3:00 p.m. and conducted committee business until Board of Director quorum was established with the arrival of Director Wulff at 3:10 p.m. Director Murrell joined the meeting at 3:20 p.m.

**AUDITOR SELECTION SUBCOMMITTEE REPORT**

Director of Finance and Accounting Mike Salmon reported that the committee met in early September and formulated a Request for Proposal that was sent to six CPA firms, which are due back by September 30, 2014. The committee will narrow the six proposals down to three firms to meet with in early October, in anticipation of making a final recommendation to the Board at the October 25<sup>th</sup> Board meeting.

## AUGUST PRELIMINARY FINANCIALS (INCLUDING GOLF/SUMMER ACTIVITIES)

Director of Finance and Accounting, Mike Salmon, provided the Board with a presentation on the Association's unaudited preliminary August 2014 financial report. Highlights of the report follow:

- Overall net operating results year-to-date is still \$119,000 unfavorable to budget, but we are catching up.
- Golf results year-to date are minus \$13,000, which is \$184,000 unfavorable to budget and \$158,000 favorable to last year. This favorable trend is expected to continue through the end of the year.
- The Lodge results year-to-date are also favorable to budget and favorable to last year. In the month of August the net operating results for this operation was approximately \$100,000.
- Members Equity is still increasing and is now up to \$657,000.
- Trout Creek Recreation Center member visits are down compared to budget and last year. Management is looking into the reason for this.
- Preliminary results for September look good, due primarily to cost savings.

A complete copy of the preliminary August 2014 financial report is attached to these minutes as Exhibit "A".

## 2015 BUDGET

Director of Finance & Accounting Mike Salmon took the Board through a PowerPoint presentation on the variables and key assumptions that were considered in the preparation of the draft Annual Budget as well as key changes from the 2014 Annual Budget as compared to the proposed 2015 Annual Budget. A copy of Mr. Salmon's 2015 Budget Summary is attached to these minutes as exhibit "B". Highlights of the presentation follow:

- New Machinery & Equipment proposed 2015 spend is \$194,000. The total 2014 spend was \$214,000.
- Draft 2015 Replacement Reserve forecast spend is \$2,724,833.
- Significant Factors impacting the 2015 Operating Budget are:
  - **Workers Compensation Rate Increases**  
Workers Compensation rates are up 62% or \$344,000 overall. Payroll gross wages increased \$13,000 or 2%, with the remaining \$331,000 or 60% due to cost increases in market and experience factors.
  - **Minimum Wage Increase**  
Governor Brown signed a new minimum wage law in September 2013. The law raised the minimum wage pay in California from the current \$8 per hour to \$9 by July 2014, and will be raised to \$10 per hour by January 2016. This will have a financial impact for the latter half of 2015.

- **New California Sick Paid Leave**  
The law will require most employers to provide paid sick leave to employees who work 30 or more days within a year, and workers will earn a minimum of one hour of paid sick pay leave for every 30 hours worked. The law goes into effect July 1, 2015. Staff is currently assessing this cost impact to the Association.
- As currently drafted, the proposed Annual Assessment will increase from \$1,600 to \$1,800, an increase of 12.5 percent. The four components of this increase are:
  - Replacement Reserve funding increase of 10% is \$48 of the proposed \$200 increase.
  - Workers Compensation increase estimate, due to industry increased rates as well as the Association's experience rating is \$53 of the proposed \$200 increase.
  - Merit Pay increase, an average of 3% is \$36 of the proposed \$200 increase.
  - Management's estimated operating results, which is a \$410,000 net revenue decrease is \$63 of the proposed \$200 increase.

### **STRATEGIC PLAN UPDATE**

General Manager Robb Etnyre provided the Board with a presentation on the Association's Strategic Plan, in particular the development of a process moving forward for updating the Association's Strategic Plan Vision Statement and Strategic Plan Goals for the next five years 2015 to 2020. Highlights of the presentation follow:

- At the Board's direction a small working group was put together to start the process of updating the Association's Vision Statement. The Association Mission Statement remains the same, as it still embodies what the organization is.
- The working group met on September 11, 2014 to review the existing Strategic Plan Vision. To follow are some topics discussed by the group:
  - What forces or trends will impact Tahoe Donner over the next five years?
  - With regard to the community, what tensions and philosophical differences exist today and into the future?
  - Analysis of the 2015 – 2020 Vision Statement: Where do we want the Association to be in Five years and what language most clearly captures that vision?

A copy of Mr. Etnyre's presentation is attached to these minutes as Exhibit "C".

### **CONSTRUCTION STEERING COMMITTEE**

Art King reported that construction on the new Alder Creek Adventure Center facility is progressing and there are no change orders at this time.

**ADJOURNMENT**

Director Wulff made a motion and Director Stang seconded to adjourn the meeting at 5:05 p.m.

Submitted by:

  
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Bonnie Watkins, Recording Secretary

**SECRETARY'S CERTIFICATE**

I, Ron Wulff 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 meeting held on September 17, 2014, as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

  
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Ron Wulff, Secretary

Date 10-29-14