



TAHOE DONNER ASSOCIATION 2017 BUDGET

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Prepared September 30, 2016 for Board Meeting 10/7/2016





2017 BUDGET — AGENDA TODAY

- Budget Oversight and Governance
- Annual Assessment
 - Budget 2011 versus Budget 2016
 - Strategic Planning Guidance update
 - Annual Assessment overview
- Development Fund
- New Machinery and Equipment Fund
- Replacement Reserve Fund
- Operating Fund
 - Surplus in members equity
 - Rates and Fees
 - Revenues Costs and resulting Net Operating Result Loss
- Board Action – 2017 Budget Approval



BUDGET OVERSIGHT

- Governance
 - Federal State Local agencies
 - Laws and regulations
 - Sales tax audits, property tax audits, income tax audits
 - Governing Documents
 - Fiduciary Duty
 - DUTY OF CARE (Due Diligence; Duty to Investigate)
 - DUTY OF LOYALTY (No Self-Dealing)
- Board
- Finance Committee
- Members
- Management
- Internal Controls
 - Authorization Levels
- Financial Reporting
 - Daily Weekly Monthly
 - Annual Report and Annual Audit

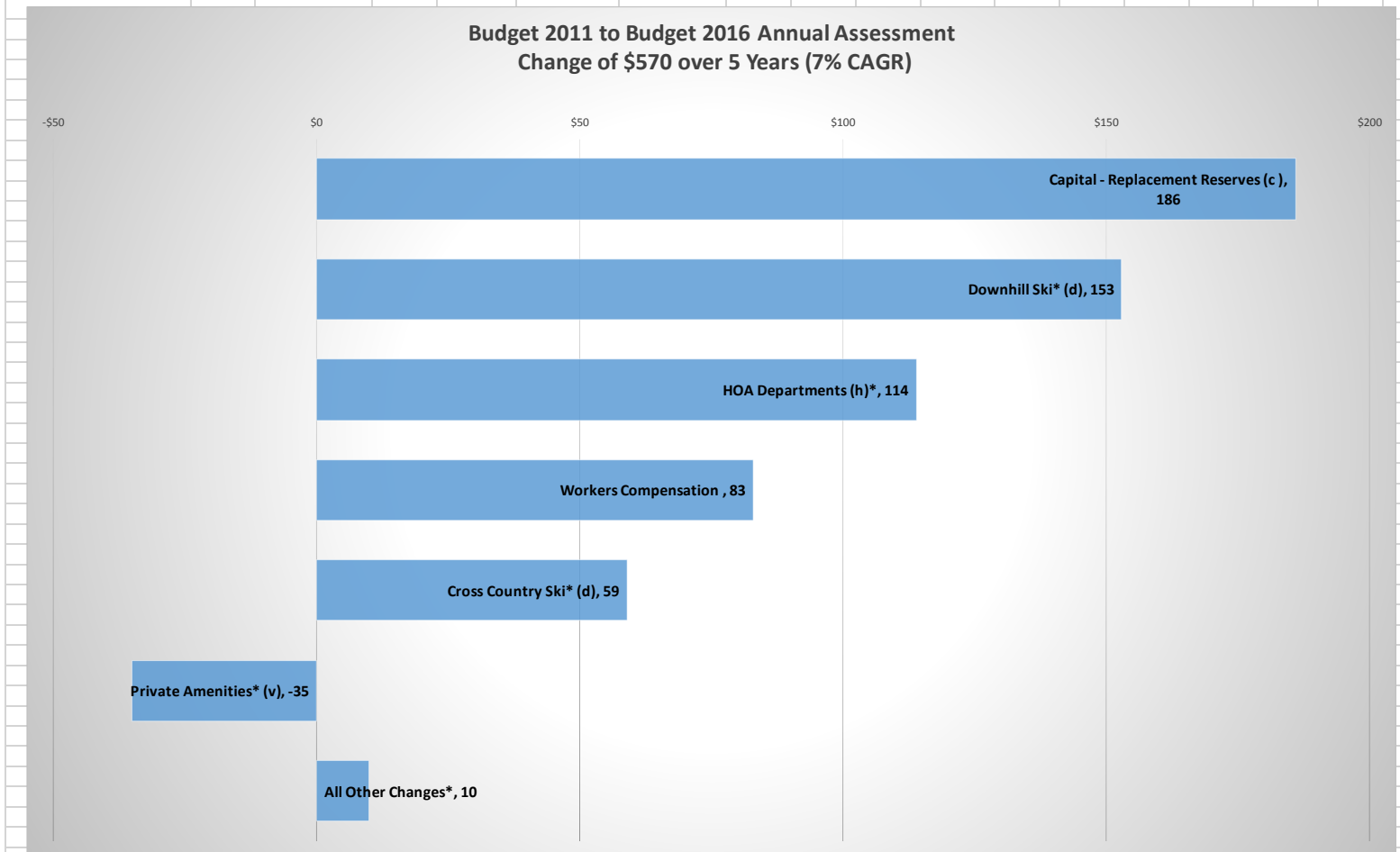


GOVERNANCE

- California's Davis-Sterling Act laws that address reserves require Disclosures and a Reserve Study to be performed every 3 years, updated annually. No specific funding levels or fund balances are required by law. However, the law does require the Board to act with ***Fiduciary Duty***.
- **Fiduciary Duty**. The director must remain focused on the best interests of the corporation.
Loyalty to the corporation means subordinating personal objectives and needs to the financial requirements of the association. In this regard, Civil Code Section 1366 explicitly provides that the homeowners association shall levy regular and special assessments sufficient to perform its obligations under the governing documents and the Davis-Stirling Act, California Civil Code Section 1350.
- Budget must be communicated to members not less than 45 days and no more than 60 days prior to start of new year (DSA & ByLaws XII, Section 5).



BUDGET 2011 VERSUS BUDGET 2016



* Amount excludes Workers Compensation costs, which is listed separately for entire company. Workers compensation insurance increase driven primarily by California regulatory impacts.

(c) change driven by Board policy to improve the percent funded in reserves for existing assets depreciating over time, with now over \$45 million in current replacement costs components.

(d) change driven primarily by drought lack of snow impact on revenue expectations in budget and California minimum wage increases.

(h) change driven by various items, see subschedule page 3

(v) change driven primarily by summer volume growth

Average Home Prices, Truckee, CAGR 5.5% (source Zillow)



BUDGET 2011 VERSUS BUDGET 2016

Tahoe Donner Association			
Change in Annual Assessment B'11 to B'16, HOA Departments subschedule			
\$	114	HOA Departments change	Comments
	35	General	\$15 Property taxes, \$8 Legal Fees (C&Rs project), \$5 Contingency (added due to expense cost savings initiative across all depts), \$3 Insurance, \$2 S&W
	16	Administration	\$13 S&W = 3.7% CAGR
	20	Communications	\$16 S&W = 8.0% CAGR, added Full Time Position; service driven
	14	Member Services	\$11 S&W = 8.9% CAGR, added Full Time Position; service driven
	8	Architectural Standards Office	\$13 S&W = 10.0% CAGR, added Full Time Position; owner construction activity growth and compliance inspections growth. Revenue growth \$9
	18	Information Technology	\$13 S&W = 6.6% CAGR, added Full Time Position; tech needs growth
	15	Accounting	\$11 S&W = 3.2% CAGR, expense savings of \$2
	2	Human Resources	\$5 S&W = 4.8% CAGR, added Part Time position, expense savings of \$4
	4	Facility Administration	Director of Capital Projects added, offset by allocation out to RRF and DevFd
	(5)	Forestry	Trails included in Forestry in '11, Forestry portion essentially flat B2B
	(13)	Maintenance	\$18 S&W = 5.4% CAGR CMW/Market pressures. Less \$34 credit Vehicle Maint reorg
			S&W = Salaries and Wages aka Payroll Direct
			CMW = California Minimum Wage impact
			CAGR = Compounded Annual Growth Rate

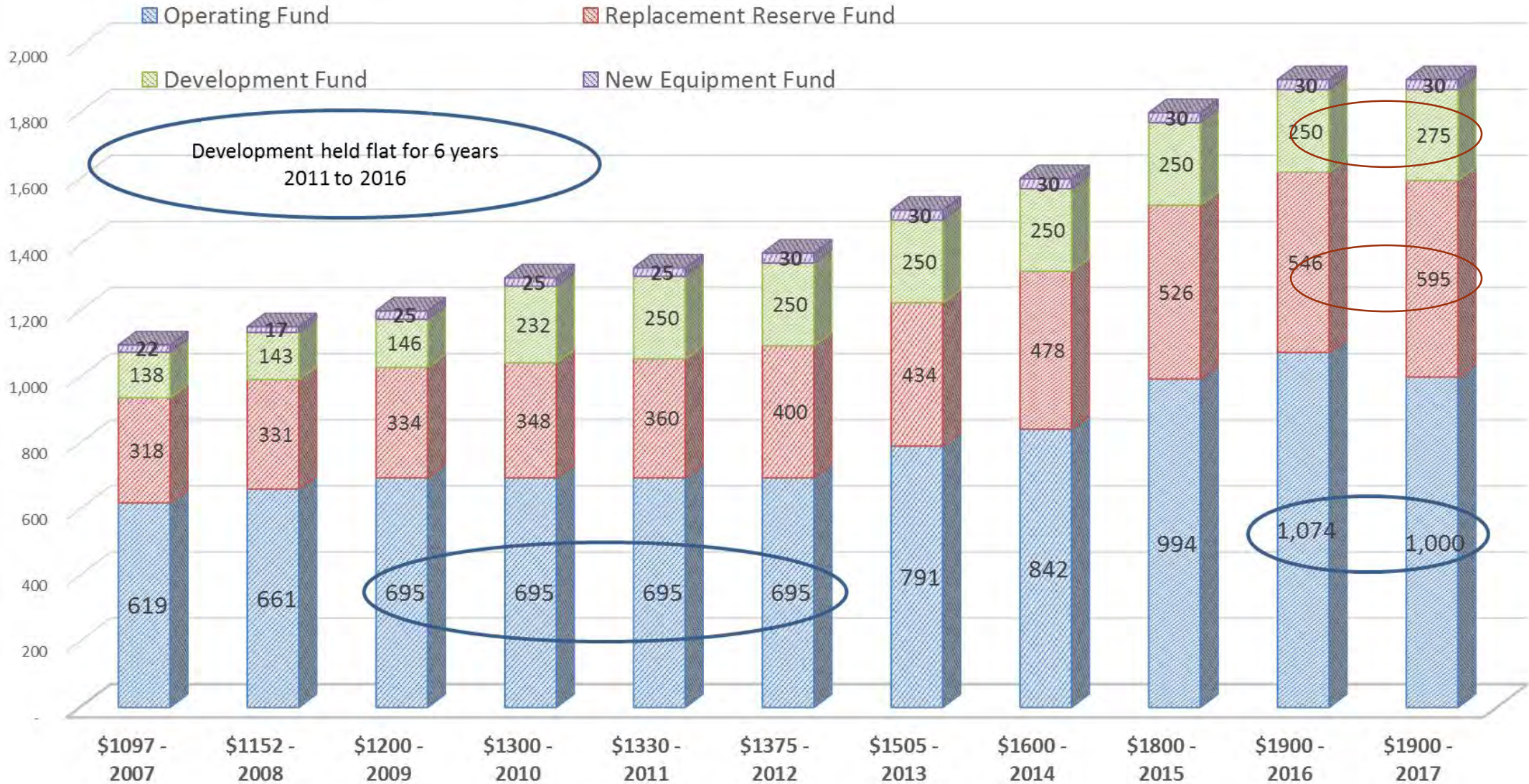
2017 BUDGET - BOARD STRATEGIC PLANNING GUIDANCE

1. In December 2016, as part of 2017 Budget Assumptions:
 - a. Transfer Operating Funds of \$_____ to Replacement Reserve Fund
 - b. Transfer Operating Funds of \$_____ to Development Fund
 - c. Hold in Operating Fund \$_____ or Decrease 2017 OPFd AA
2. No increase in 2017 Annual Assessment (AA), which may require more aggressive revenue assumptions and or cost control service level impacts
3. With ~25% Funded Reserve, hold Replacement Reserve portion of AA
4. Strategic plan priorities are still valid
5. Development Fund values time over increasing funding level
6. Identify Replacement Reserve major improvement plans for Board validation
7. No modification to calendar fiscal year
8. No Change for 2017: Transfer Fee, Recreation Fee, or Daily Member Guest \$6/\$8
9. **Public Amenities – target Public prices for greater increases, minimize Member prices increases where practical**
10. **Private Amenities – minimize Member price increases where practical**

Finance Committee
recommends no
transfer at this time



ANNUAL ASSESSMENT PER OWNER





ANNUAL ASSESSMENT PER OWNER

Compounded Annual Growth Rates (CAGR)

	<u>5 Year</u> 2012>2017	<u>10 Year</u> 2007>2017	<u>15 Year</u> 2002>2017	<u>20 Year</u> 1997>2017
<u>Total AA</u>	<u>6.7%</u>	<u>5.6%</u>	<u>7.9%</u>	<u>6.3%</u>
Operating	7.5%	4.9%	4.8%	4.9%
Reserve	8.3%	6.5%	11.7%	7.2%
Development	1.9%	7.1%	18.8%	na
New Equipment	0.0%	3.2%	2.7%	0.7%

Talking Points:

Looking long term, under-funding of reserves and more operations

Looking near term, drought impacts and regulatory cost pressures



2017 BUDGET - DEVELOPMENT FUND

Forecast 12/31/2016 Balance \$ 360,000

2017 Assessment Contribution 1,780,000
Vs B'16, increase of \$162,000 (\$250 to \$275/o)

Operating Fund Transfer IN	-
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2017 Expenditures:

Mailbox Clusters, Planning	25,000
Association Master Plan (started in '16, complete in '17)	12,000
Downhill Ski - Daylodge/Skier Services/Lifts, Planning	50,000
Trout Creek Recreation Facility, Remodel Planning Cost	50,000
Permanent Storage Facility, Planning	10,000
Trails, new trail(s) per trails master plan	67,000
Open Space - Glacier Way Trailhead, planning	20,000
Open Space - two warming huts (yurts or other)	50,000
Land Acquisition, Other Projects, Cost Allocation, Contingency	70,000
Cost Allocation	180,000

TL Spend 534,000

Interest Income/BDExp/Taxes (5,000)

Budget 12/31/2017 Balance \$ 1,601,000



2017 BUDGET – NEW EQUIPMENT FUND

[LINK](#)

2017 Budget

Forecast 12/31/2016 Balance	\$ 50,000
2017 Assessment Contribution	194,000
2017 Expenditures:	
Currently identified items	127,000
Contingency	53,000
TL Spend	180,000
Budget 12/31/2017 Balance	\$ 64,000



2017 BUDGET — REPLACEMENT RESERVE FUND

2016 Budget

2017 Budget

Operating Fund Transfer IN	-	<i>FC recommends no transfer in in 2016</i>
Beginning Balance (A)	\$ 7,000,000	7,500,000 with No Transfer In
Current Replacement Cost	44,925,000	48,103,000
Fully Funded study value (B)	26,204,000	28,188,000
ratio to CRC	58%	59%
Percent Funded (A/B)	26.7%	26.6%

Policy Link

Resolution 2013-3, Replacement Reserve Fund -
policy establishes a % funded minimum of 25%

For 2017 Budget, a full reserve study (including physical inspections) was completed (every 3 years), not just an update



2017 BUDGET — REPLACEMENT RESERVE FUND

Resolution 2013-3, Replacement Reserve Fund Minimum Balance Test

Total Property & Equipment	\$ 71,078,947	*
Less Land and Land improvements	<u>(8,680,240)</u>	*
Net Replc Reserve Assets policy test amount	62,398,707	
policy test %	10%	
Policy minimum balance in Repl Reserve Fund	<u>\$ 6,239,871</u>	
Forecasted Balance 12/31/2016	\$ 7,500,000	<i>above policy Minimum</i>
Forecasted Balance 12/31/2017, per 2017 Budget Draft	\$ 7,400,000	<i>above policy Minimum</i>

*per Audit Report 12/31/2015, footnote 4.



2017 BUDGET — REPLACEMENT RESERVE FUND

	2016 Budget	2016 Forecast	2017 Budget
(F) Beginning Balance	\$ 7,000,000	\$ 6,859,483	\$ 7,500,000
Assessment Contribution	3,534,000	3,534,000	3,852,000
Operating Fund Transfer IN	-	-	
Expenditures	(3,553,000)	(2,953,483)	(3,701,000)
Disposal of Assets proceeds	30,000	30,000	30,000
Interest Income/BDExp/Taxes	5,000	30,000	41,000
Budget YE Balance	\$ 7,016,000	\$ 7,500,000	\$ 7,722,000

(F) the beginning balance is Forecasted in fall of preceding year during budget cycle.
 For the 2016 Forecast, the actual beginning balance is used.

For 2017 Budget, a full reserve study (including physical inspections) was completed (every 3 years), not just an update



OPERATING FUND — MEMBERS EQUITY SURPLUS

- Surplus drivers: loss recovery success and record Summer 2015, December 2015 record results, and record revenues every month of 2016. *Cannot count revenue twice.*
- Currently YTD August NOR is favorable \$1.8 million
- Which places ME balance at \$3.75 million
- Minimum \$500,000 balance, per policy
- Currently ME is above target 10% of Revenues or \$920,000 by \$2,847,000
- Options –
 - **Make no transfers in 2016, hold in Operating Fund, until Association Master Plan is completed**
 - in 2016, transfer \$500,000 to Replacement Reserve Fund
 - in 2016, transfer \$1,000,000 to Replacement Reserve Fund
 - in 2016, transfer \$1,300,000 to Development Fund, due to snowmaking recent spend
 - Revise target 10% to 15%, bolstering contingency in OpFd by ~ \$500,000
 - Other _____
- **Background information paper Board Meeting 2/27/2016**

Finance
Committee
Recommendation

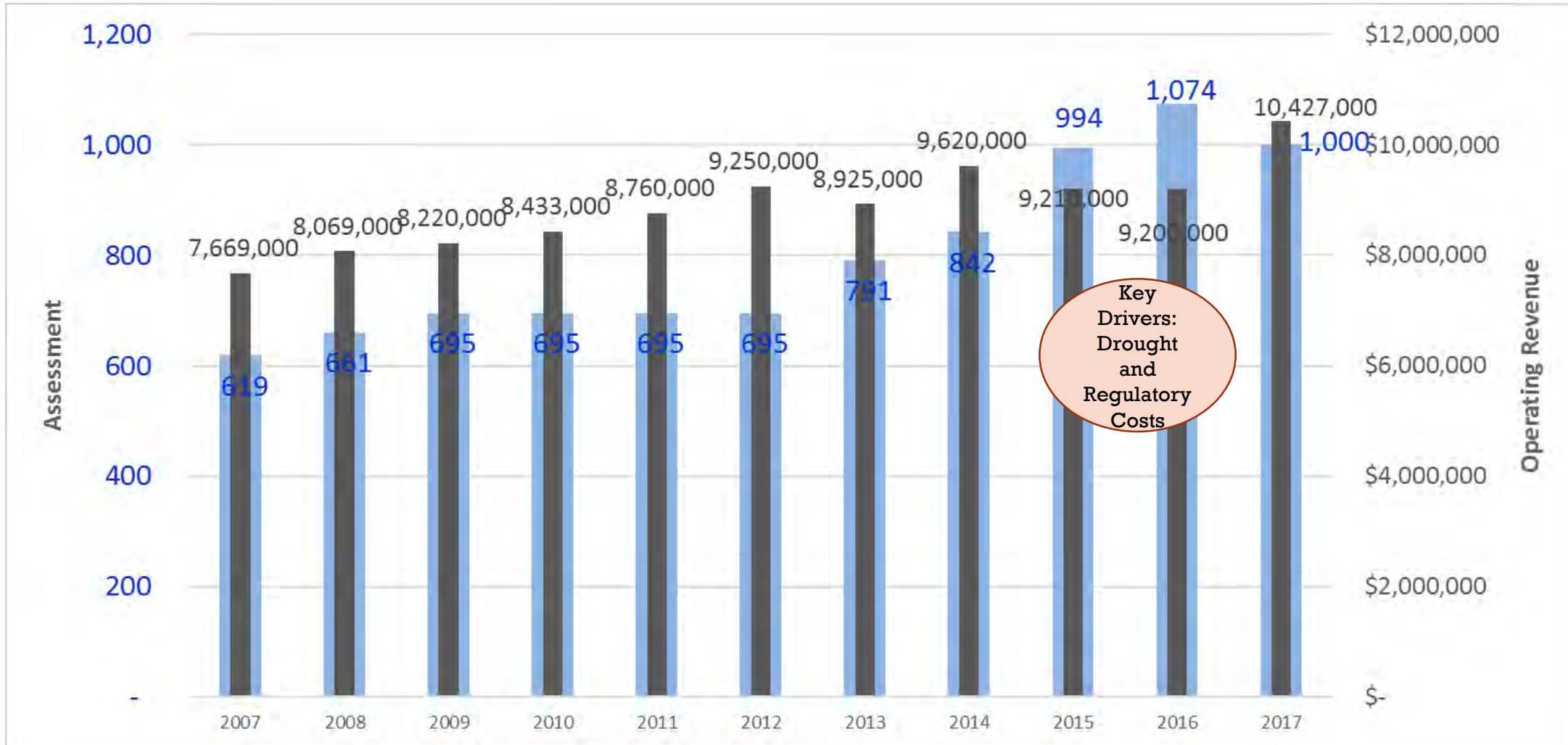


OPERATING FUND - METHODOLOGY

- Top Down and Bottom Up Drivers
- Normalization starting point, 3-Year Average adjusted for known Baseline changes
- Drivers for 2017 (change drivers impacting Revenue and Costs, by Department)
 - Pricing changes – revenues and costs
 - Capital impacts -
 - Merit impacts – isolate this driver, capped
 - Strategic
 - Regulatory
 - Other



OPERATING FUND - OPERATING FUND PORTION OF ANNUAL ASSESSMENT AND OPERATING REVENUES

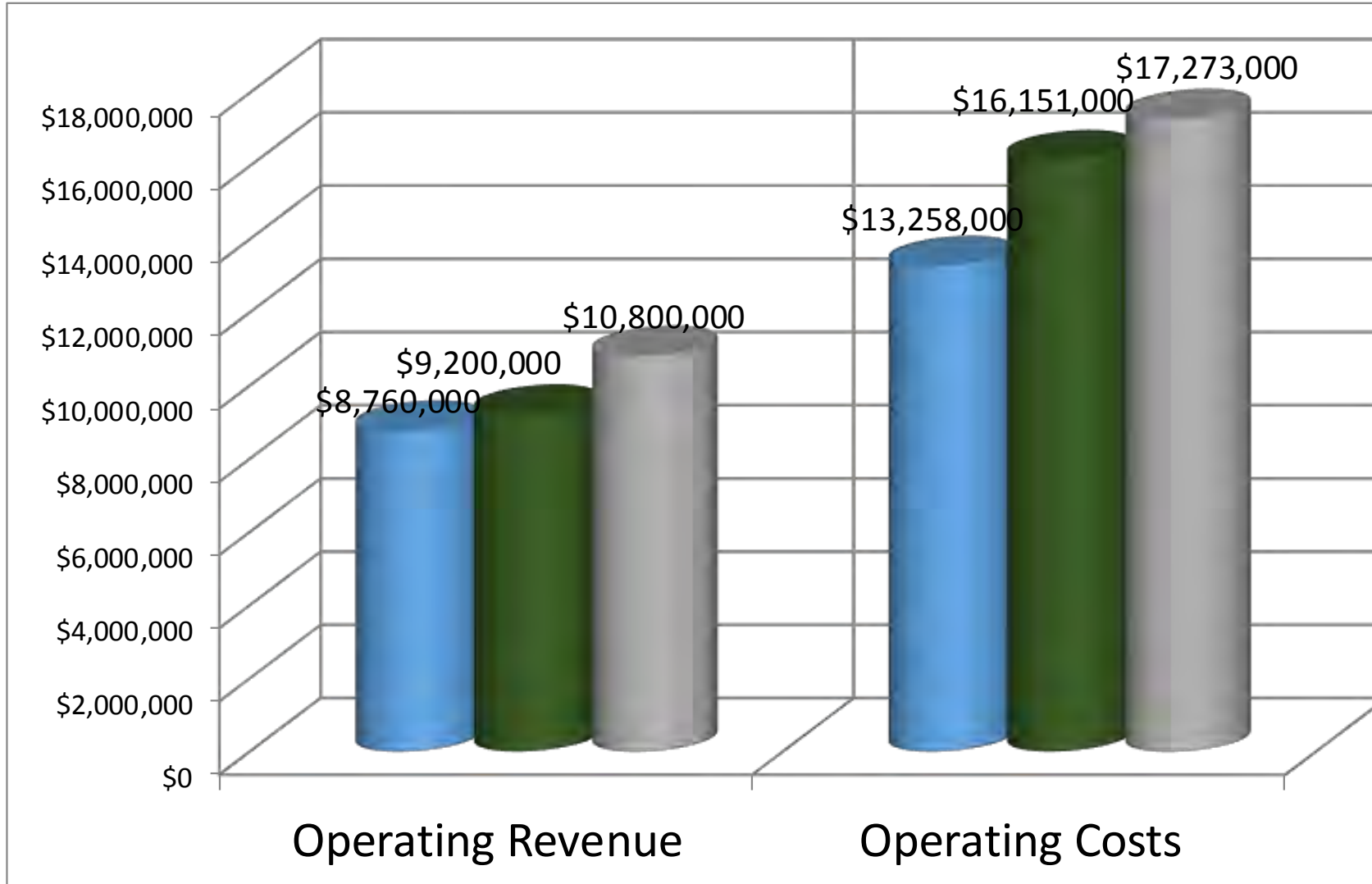




OPERATING FUND

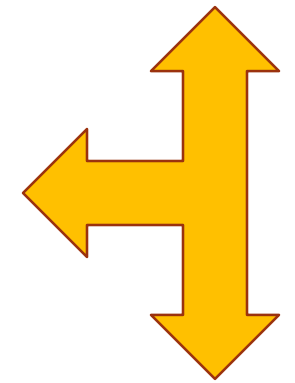
Being an HOA, Operating Costs are Greater than Operating Revenues.....

if both grow at 3%, Costs growth in Dollars is **greater** than the Revenue growth in Dollars



$\$ 9,000,000 \times 3\% = \$ 270,000$ rev
 $\$ 16,000,000 \times 3\% = \$ 480,000$ cost
 $\$ 210,000$ net cost

- 2011 B
- 2016 B
- 2017 B



OR%OC
 66% B'11
 57% B'16
 63% B'17



OPERATING FUND - REVENUE

- \$ 9,442,000 Three Year simple average (2014 Actual, 2015 Actual, 2016 Forecast)
- 472,000 + past years pricing changes impact of ~5%
- 28,000 + net other misc. adjustments for know trends/changes
- \$ 9,942,000 = Baseline for 2017 before Drivers [*Budget 2016 \$9,200,000*]
- 220,000 Pricing changes 2.2% overall impact (notables DHSki, XCSki, Aquatics, Daycamps, Equine)
- 373,000 Capital impacts (Downhill Ski beyond Baseline for Snowmaking investment)
- 82,000 Capital impacts (\$60,000 XCSki, \$7,000 Bikeworks)
- 123,000 Strategic impacts (\$18,000 DayCamps, \$9k Equestrian, \$7k Golf, \$81,000 EE Housing, -\$6k ASO, \$12,000 DHSki)
- 60,000 Regulatory impacts (\$30,000 at Lodge, \$7,000 Pizza, \$10,000 ACCafe, \$13,000 SmrF&B)
- \$10,800,000 = Budget 2017 Operating Revenue



OPERATING FUND — RATES AND FEES

- [See separate PDF document, Section G07](#)
- No increase in \$270 Recreation Fee
- No increase in \$6 Member and \$8 Guest daily entry fees
- Pricing changes more aggressive on Public than Member, where possible
- Aquatics and Day Camps have increases due to program changes, market analysis, and operating cost increases
- Winter Season pass and program rates previously approved
- Golf rates to be approved in February 2017



OPERATING FUND – PAYROLL DIRECT

- \$ 8,655,000 2016 Forecast
- (410,000) -adjust for baseline revenue & known changes/vacancies etc. by department
- \$ 8,245,000 = Baseline for 2017 before Drivers [*Budget 2016 \$8,220,000*]
- 227,000 Merit increases 3.0%, net overall 2.8%
- 7,000 Capital impacts
- 133,000 Strategic impacts (\$45k Trout, \$24k IT, \$14k DayCamp, \$5k MbrSvc, \$20k Trails, \$15k DHSki®, \$5k Equine, \$3k Aquatics, \$2k Marina)
- 115,000 Regulatory impacts (FED OT/Exempt, CA MinWage, and ACA ripple)
- \$ 8,727,000 = Budget 2017 Payroll Direct

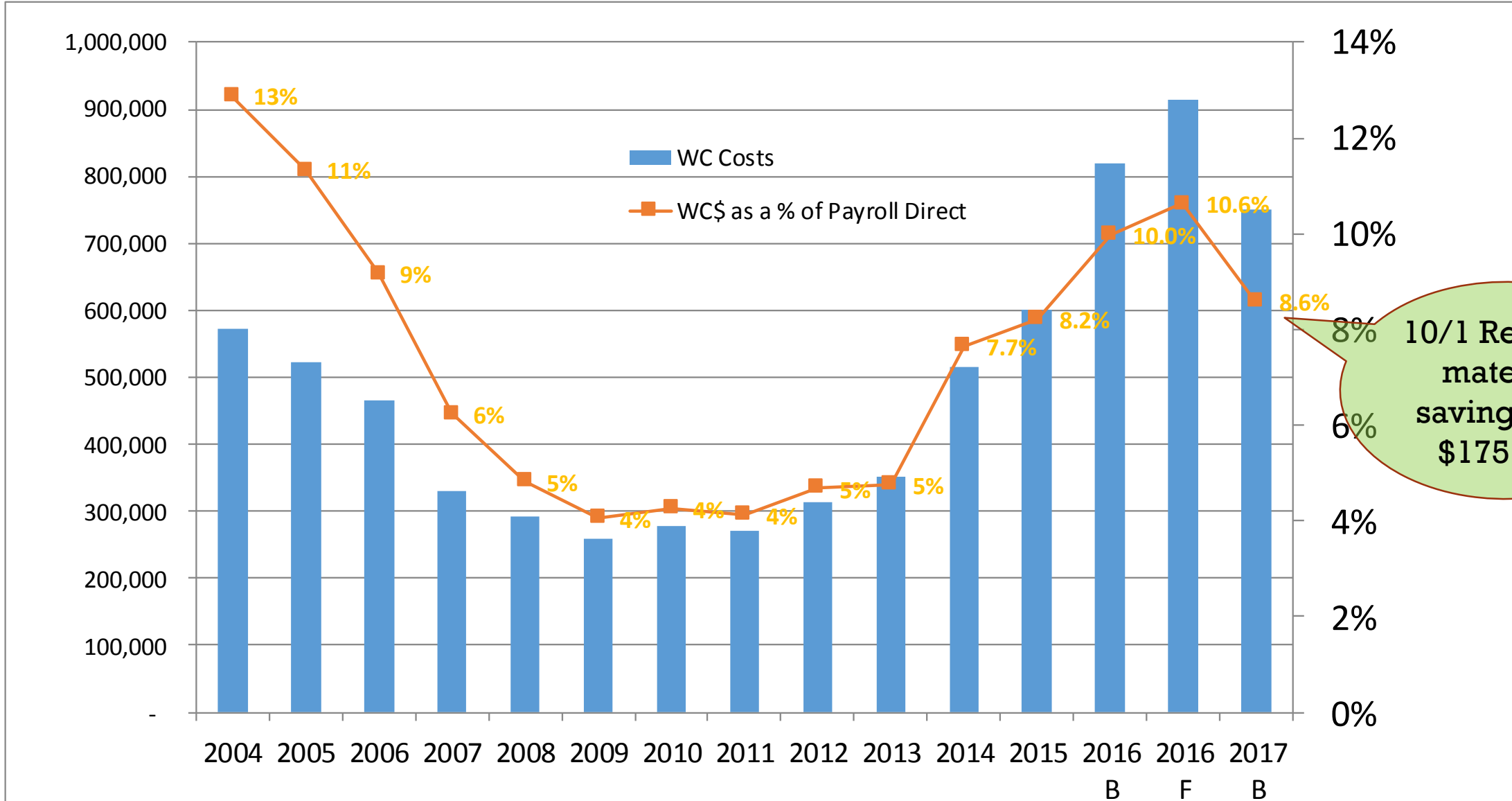


OPERATING FUND — PAYROLL BURDEN

	2015 Actual	2016 Budget	2016 Forecast	2017 Budget	
Payroll Taxes	\$ 754,495	\$ 830,000	\$ 920,000	\$ 950,000	
Workers Comp	601,048	820,000	915,000	750,000	< favorable renewal
Health Insurance	533,972	890,000	690,000	1,050,000	< FED ACA impact
Retirement	149,544	130,000	145,000	150,000	
Total Pay Burden	\$ 2,039,059	\$ 2,670,000	\$ 2,670,000	\$ 2,900,000	
Payroll Direct	\$ 7,304,614	\$ 8,220,000	\$ 8,654,800	\$ 8,727,000	
PT%	10.3%	10.1%	10.6%	10.9%	
WC%	8.2%	10.0%	10.6%	8.6%	< favorable renewal
HI%	7.3%	10.8%	8.0%	12.0%	< FED ACA impact
RM%	2.0%	1.6%	1.7%	1.7%	
TL PB%	27.9%	32.5%	30.8%	33.2%	



OPERATING FUND – WORKERS COMPENSATION COSTS



10/1 Renewal material savings of ~\$175,000



OPERATING FUND — GROUP HEALTH INSURANCE

- Board authorized full time year-round benefited positions
 - 2015 – 71 employees, consistent for several years
 - 2016B – 85 employees, added 15 due to Federal Affordable Care Act impact
 - 2016F – 91 employees, with current ACA calculations, 21p currently qualify
- 2016 Budget
 - Assumed 67ee enrolled of 71ee Authorized (*94% enrollment rate*)
- 2016 Forecast
 - Averaging ~50ee enrolled (vacancies, turnover, turndowns, other)
 - YTD savings \$215,000/36% to Budget
- 2017 Budget
 - Assumes 82 participants, $82/91 = 90\%$ *enrollment rate*
 - Known, Premium renewal increase 9.9% Medical; 8% Dental & 0% Vision
 - No change in 75% Employer/ 25% Employee premiums cost split
 - Contingency is at a *medium to high level* for this cost component for 2017 (used Workcomp savings)



OPERATING FUND — EXPENSES

	2015 Actual	2016 Budget	2016 Forecast	2017 Budget
Utilities	\$ 789,742 21%	\$ 837,000 21%	\$ 927,000 21%	\$ 995,000 23%
R&M Bldg/Grnds/Equip	406,320 11%	467,000 12%	521,000 12%	500,000 12%
Insurance (GL/PropCas)	401,718 11%	411,000 10%	436,000 10%	411,000 10%
Forestry Contract Work	325,327 9%	276,000 7%	270,000 6%	230,000 5%
Taxes, Property/Income	211,638 6%	242,000 6%	238,000 5%	240,000 6%
Staff Expenses	194,365 5%	260,000 6%	263,000 6%	260,000 6%
Credit Card Fees	162,625 4%	180,000 4%	250,000 6%	216,000 5%
Advertising	152,466 4%	137,000 3%	143,000 3%	135,000 3%
Janitorial Svcs/Supplies	152,466 4%	131,000 3%	176,000 4%	121,000 3%
Printing, TDNews/Brochure	147,389 4%	147,000 4%	152,000 4%	150,000 3%
License Fees Permits	108,236 3%	100,000 2%	110,000 3%	110,000 3%
Fuel & Oil	81,807 2%	166,000 4%	141,000 3%	135,000 3%
R&M Golf Course	62,993 2%	72,000 2%	65,000 2%	65,000 2%
Employee Housing	- 0%	- 0%	5,000 0%	137,000 3%
All Other	537,356 14%	630,000 16%	633,000 15%	586,000 14%
Total Op Expenses	\$ 3,734,448 100%	\$ 4,056,000 100%	\$ 4,330,000 100%	\$ 4,291,000 100%
2017 Budget variance	556,552 15%	235,000 6%	(39,000) -1%	

Rent Revenue of \$88,000
Net Cost of \$56,000



2017 BUDGET — BOARD APPROVAL

- Operating Fund
 - Excess Members Equity Transfer(s): None in 2016 or Budget 2017
 - Rates and Fees
 - Revenues, Cogs
 - Costs – Payroll, Payroll Burden, Expenses
- Replacement Reserve Fund
- Development Fund
- New Equipment Fund
- Annual Assessment
- **Other** *minor adjustment to & between departments allowed between 10/7 and final details/Budget Report. Examples include another change from Nonexempt(NE) to Exempt(E) due to ACA, Payroll Burden refinement between NE/E and or between departments.*

Tahoe Donner Association	2012	2017	Change			
OpFd - Financial Comparative	Actual	Budget	change	% change	5yrCAGR	per owner
Revenue	8,204,902	11,000,000	2,795,098	34%	6%	\$ 431.81
Cogs	(1,024,719)	(1,360,000)	(335,281)	33%	6%	\$ (51.80)
Payroll Direct	(6,665,006)	(8,491,800)	(1,826,794)	27%	5%	\$ (282.22)
Payroll Burden	(1,679,057)	(2,859,200)	(1,180,143)	70%	11%	\$ (182.32)
Expense	(3,221,130)	(4,600,000)	(1,378,870)	43%	7%	\$ (213.02)
N O R	(4,385,010)	(6,311,000)	(1,925,990)	44%	8%	\$ (297.54)

Note 2012 Budget was \$9.3m in revenue, actual was \$8.2. No snow until mid-january, cost savings initiatives instituted for entire year.
The 2012 NOR budget was \$4.5m loss, actual was \$4.4m loss. Accordingly, this comparative is a cost savings/low revenue year to regular ops budget.

Payroll Burden	Burden % of Payroll Direct		Change			Change Dollar Impact on Budget 2017 vs 2012 A	
	2012 Actual	2017 Budget	change	% change	5yrCAGR	amount	per owner
a Workers Comp	4.7%	8.7%	4.0%	85%	13%	\$ 340,000	\$ 52.53
b Payroll Taxes	10.2%	11.0%	0.8%	8%	2%	\$ 68,000	\$ 10.51
c Health Insurance	9.2%	12.3%	3.1%	34%	6%	\$ 263,000	\$ 40.63
d Retirement	1.1%	1.7%	0.6%	55%	9%	\$ 51,000	\$ 7.88
Payroll Burden	25.2%	33.7%	8.5%	34%	6%	\$ 722,000	\$ 111.54

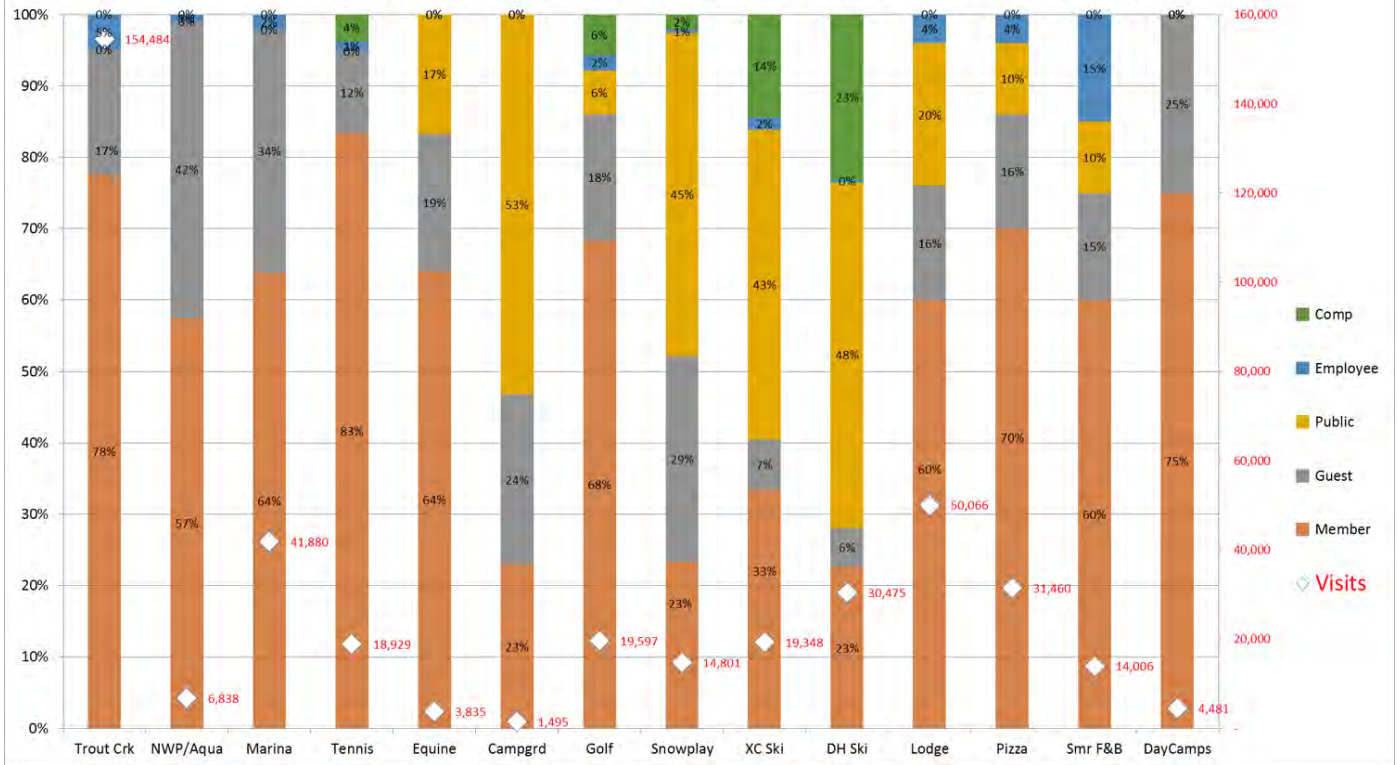
\$722,000 due to rate% increase
\$458,000 payroll direct growth

- a Workers Comp increase driven two-fold, 1) primarily by California regulatory changes 2) experience mod negative impacts (trending down now)
- b Payroll Taxes
- c Health Insurance increase driven primarily due to Federal Affordable Care Act. Carrier renewals, plan benefits/deductibles reviewed/ revised annually via broker.
- d Retirement increase driven by auto-enrollment enhancement feature and deferred compensation program

EXPENSE - Notables	2012 A	2017 B	Change	Chg%	CAGR
Forestry/trails	(173,000)	(359,000)	(186,000)	108%	16%
Trout Creek/Aquatics	(357,037)	(440,800)	(83,763)	23%	4%
Recreation	(106,852)	(122,900)	(16,048)	15%	3%
Golf	(307,689)	(321,900)	(14,211)	5%	1%
Cross Country Ski	(150,779)	(257,800)	(107,021)	71%	11%
DHSki Snowmaking	-	(33,200)	(33,200)	na	na
DHSki all other	(417,506)	(601,900)	(184,394)	44%	8%
General dept	(491,543)	(718,500)	(226,957)	46%	8%
Mktg/Commc	(237,612)	(246,100)	(8,488)	4%	1%
Info Tech/MIS	(141,448)	(179,100)	(37,652)	27%	5%
The Lodge	(310,887)	(384,400)	(73,513)	24%	4%
Alder Creek Café	-	(30,900)	(30,900)	na	na
notables	(2,694,353)	(3,696,500)	(1,002,147)	37%	7%
% to total exp	84%	80%	73%		

CC Fees, 2012A	(\$145,368)
CC Fees, 2017B	(\$206,920)
Change	(\$61,552)
% Change	42%
CC Fees, 2012A %Rev	-1.8%
CC Fees, 2017B %Rev	-1.9%

Visitation Mix and Total Visitation - 5 Year Averages (2012 to 2016)





Carpenter Valley

The Truckee Donner Land Trust will wrap-up the Campaign for Carpenter Valley on July 15th. Nearly \$5 million has been raised from private sources and state and federal agencies have pledged another \$5 million, putting the Land Trust and its partners, The Nature Conservancy and the Northern Sierra Partnership, within striking distance of its \$10.3 million goal.

But we need your help. Please consider a gift to help us get to the finish line.

The Carpenter Valley acquisition is 1,320 acres just north of Truckee's Town boundary and Tahoe Donner. It includes over two thirds of the Valley comprised of a pristine meadow, healthy stands of willows, and two miles of the North Fork of Prosser Creek.

More specifically, Carpenter Valley contains a variety of habitat types and is a top priority for biodiversity conservation in the Sierra Nevada. The entire Valley, thanks to conservation-minded private landowners to the west and the

previous owners, provides an extremely large, complex mixture of high quality Sierran habitat. It includes wet meadow, fresh water emergent wetland, riverine, and fen habitat types, as well as red fir, lodgepole pine, and mixed-conifer forest. It supports wildlife species including black bear, mountain lion, bobcat, coyote, and various bird species and is summer range for the Loyaltan-Truckee deer herd. Several special-status species are likely found in Carpenter Valley including willow flycatcher, wolverine, mountain yellow-legged frog, and Pacific fisher.

If the Land Trust and its partners had not acquired the 600 acres in the lower meadow, it could easily have been subdivided into seven estate parcels. The impacts from development would be devastating to the meadow and rich habitat the lower meadow provides.

"The Land Trust has done bigger deals in terms of 'bucks and acres,' but very few as important from a bio-diversity and ecological perspective. The resource

values are unique, highly functioning and near pristine," said John Svahn, the Land Trust's Associate Director.

Given its size, healthy geomorphic condition, and hydrologic regime, Carpenter Valley retains a large quantity of runoff from the Sierra Crest. During the summer, the meadow feeds Prosser Creek with clean, cold water, that in turn sustains high quality aquatic habitat in Prosser Creek and the Truckee River. It is, in short, an example of how a sub-alpine Sierra meadow should work. Federal and state officials have identified the North Fork of Prosser Creek that bisects the meadow as ideal for the recovery of native Lahontan cutthroat trout. These federally threatened fish have been documented in the creek as recently as the late 80s and may still be present.

The protection of this property is a key part of a larger conservation effort in the middle Truckee River basin. This basin includes the Little Truckee River and Prosser Creek, two of the largest

tributaries to the Truckee River. The Nature Conservancy, Northern Sierra Partnership, The Trust for Public Land, and the Land Trust have protected over over 17,000 acres in the watershed.

Thanks to Auerbach Engineering, new trails are being planned. While the Land Trust readies the property for the public's enjoyment, it will offer frequent docent lead hikes starting in July (see page 14). Because of Lower Carpenter Valley's extraordinary natural resources, public enjoyment of the property needs to be carefully managed.

“The Land Trust is working with The Nature Conservancy to ensure public enjoyment of Lower Carpenter Valley is compatible with protecting its significant conservation values,” Svahn added.

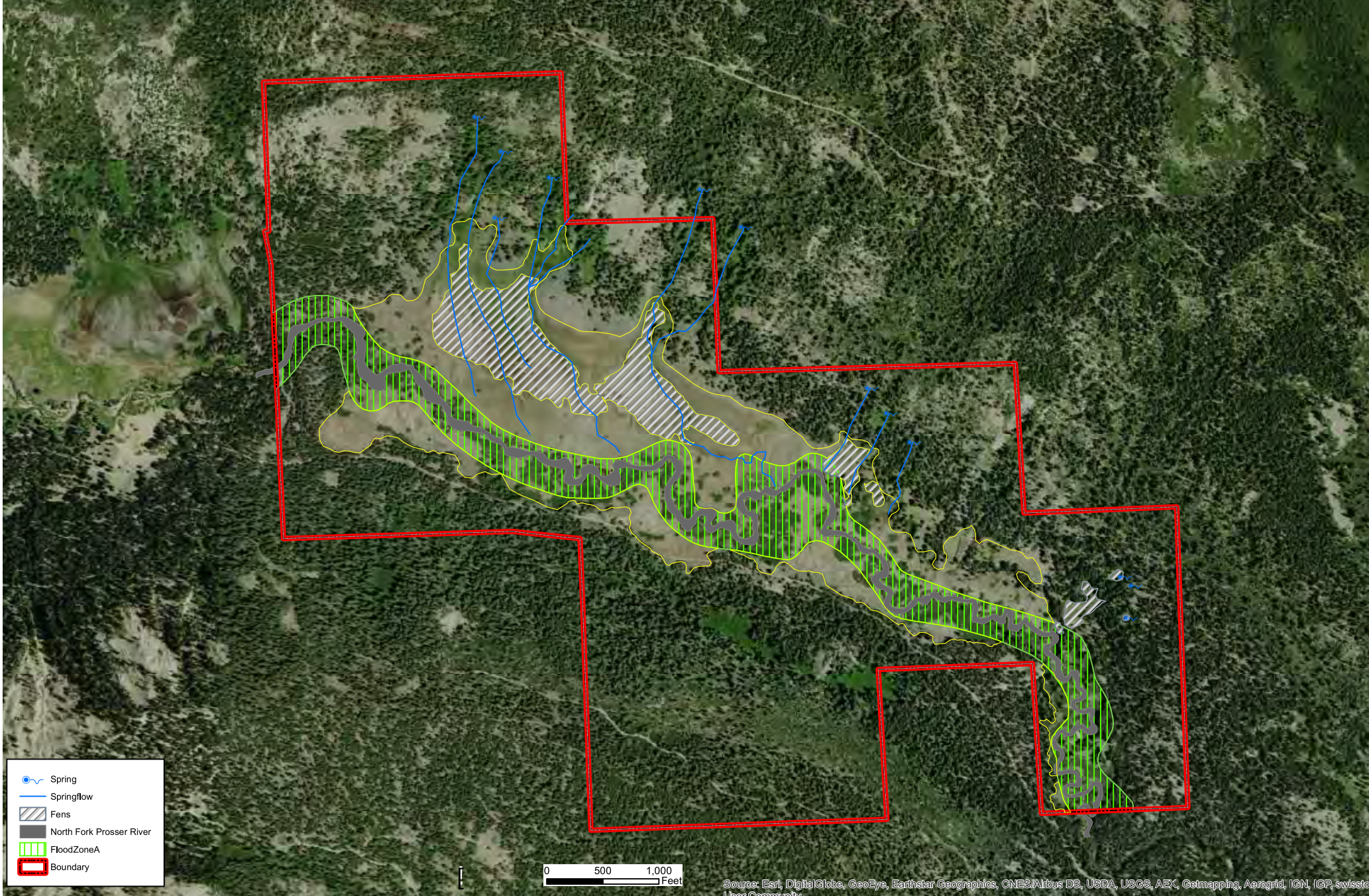
The first phase of the acquisition closed over a year ago. The Land Trust purchased 620 acres that included Crabtree Canyon, recorded a conservation easement on the property, and resold it to Tahoe Donner Association for inclusion in their summer and winter trail system.

Clarifying ownership in Carpenter Valley

Part of Carpenter Valley remains in private ownership. The Land Trust will own approximately 63% of the meadow that comprises the Valley's floor that is the conservation prize. A lateral moraine neatly divides Land Trust and private ownership. For good relations with the Land Trust's neighbors, it is important to respect their right to privacy and not trespass onto property to the west. Signs mark the property boundaries.

Left: Photo Credit, Elizabeth Carmel, The Carmel Gallery

Map: Lower Carpenter Valley has areas providing critical and rare habitat including fens, springs, riparian areas and willow forests. The map depicts sensitive and special resource areas. Map courtesy of The Nature Conservancy.





Tahoe Donner 20 Year Plan

Owner Research on Investment Priorities

Conducted for Tahoe Donner General Plan Committee

September 2015

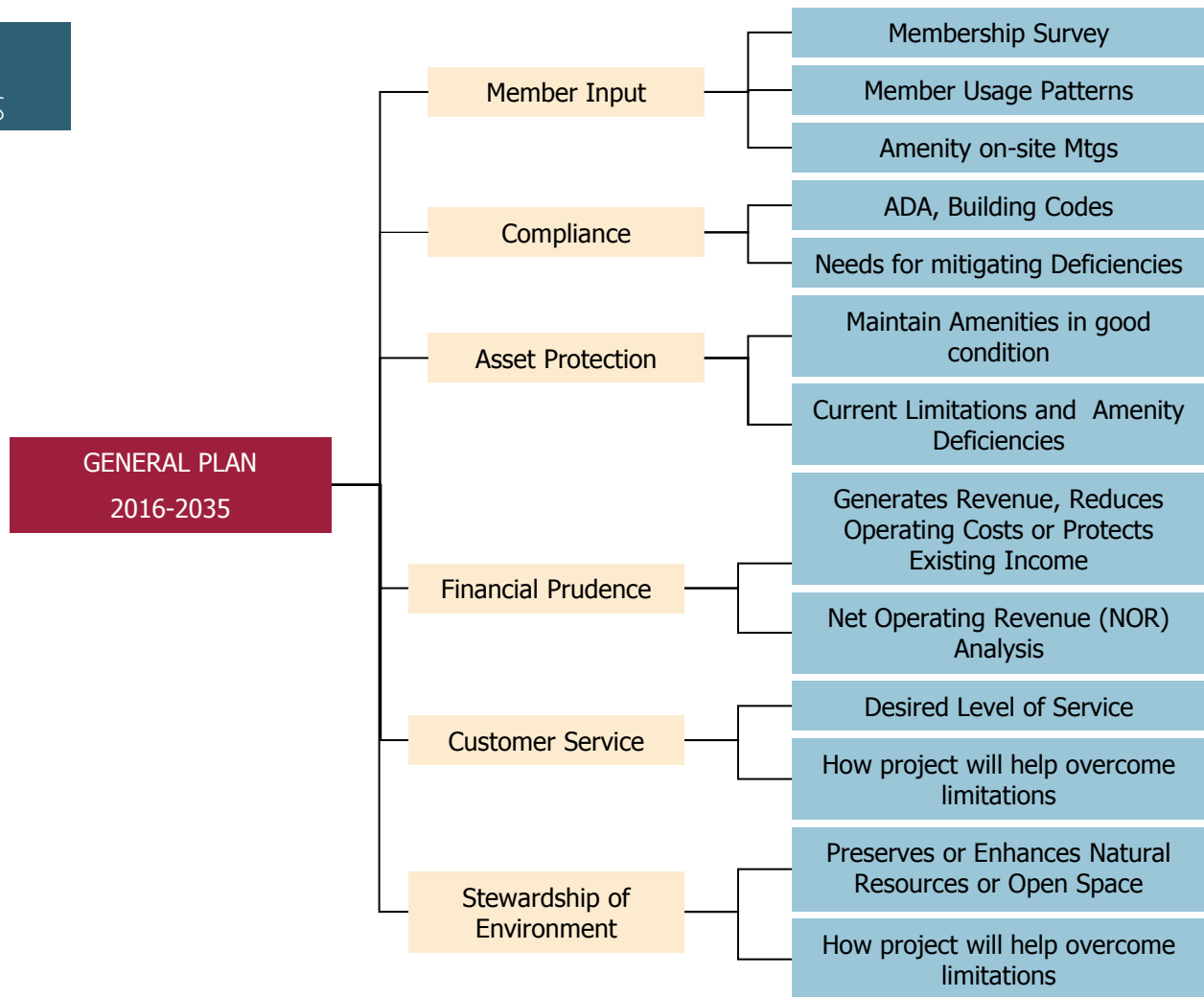


Purpose of Research

Survey Tahoe Donner homeowners, as a part of the General Plan Committee's (GPC) process, to make recommendations regarding future Development Fund project planning on the capital infrastructure wants and needs of our community.



Tahoe Donner General Plan Process



Methodology

- 10 minute online survey distributed by email
- Supplemented with iPad surveys conducted over several weekends at Tahoe Donner Events
- Prizes offered as an incentive to participate
- Large sample sizes achieved:

1,447

**Total
Interviews***

297

**On the
Hill**

1,150

**Off the
Hill**

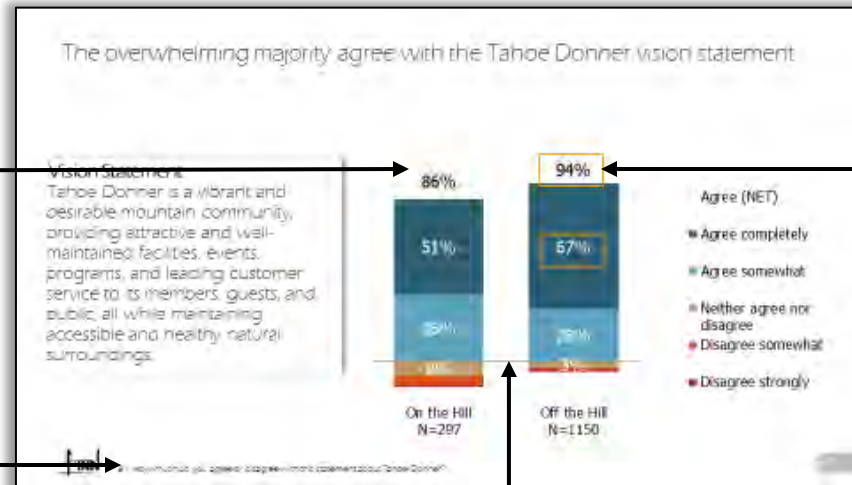


*Unique households. Duplicates from the same household were removed.

Tips for reading the report

Charts report percentages, unless otherwise noted

The survey question is included in the footnote on each page



Significant differences between On the Hill and Off the Hill are indicated by boxes

Most analysis compares On the Hill and Off the Hill groups.

- 1. Tahoe Donner home owners heap high praise on the community, with the amenities playing a central role**
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 - Amenities described as diverse, and having a positive staff
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Top Investment Priorities

1. Invest / Protect Adjacent Rec. Open Spaces

- Solid winner – ahead of the pack

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- Solid 2nd place, with both On & Off the Hill

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- Water conservation & Alternative Energy Investments
- Alt Energy more important to On the Hill

4. Marina deck/seating/food, Trout Creek Fitness, Euer Valley, & Non-Weather Dependent Kids Activities make up the next tier of investment priorities

- Different Opinions for On & Off Hill groups
- Marina ranks very low among On the Hill
- Trout Creek ranks very high among On the Hill

Residents have opposing desires. On one hand they want to protect open spaces; while on the other, they want more trails for all types of activities. It is likely that they do not view trails as disturbing the natural setting, whereas something like a soccer field would be considered so.

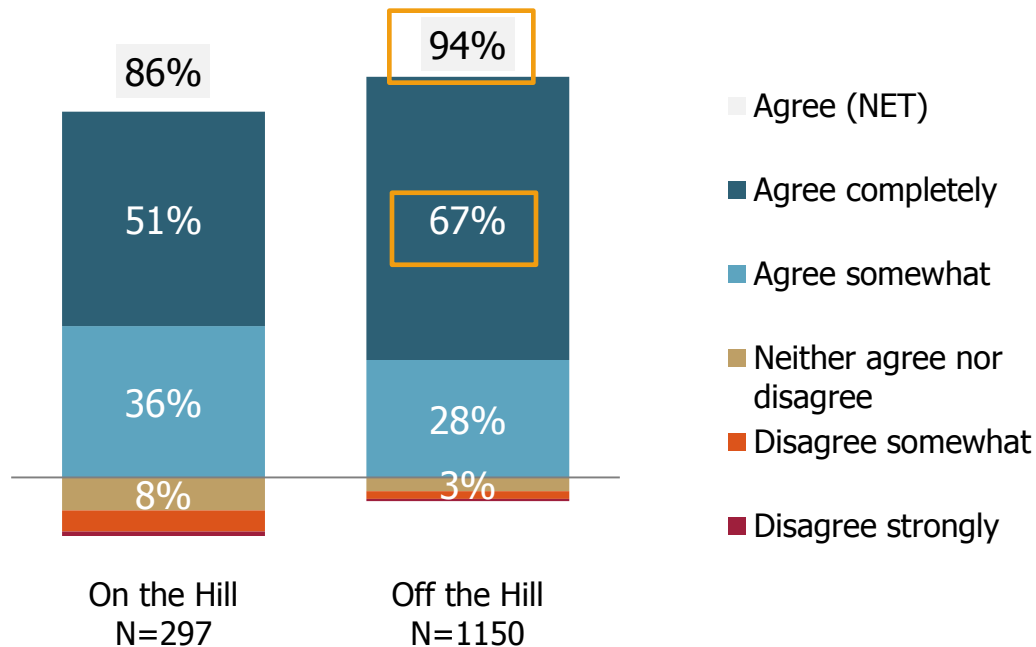


Attitudes Toward Tahoe Donner

The overwhelming majority agree with the Tahoe Donner vision statement

Vision Statement

Tahoe Donner is a vibrant and desirable mountain community, providing attractive and well-maintained facilities, events, programs, and leading customer service to its members, guests, and public, all while maintaining accessible and healthy natural surroundings.



What words in the vision statement are most important?

On the Hill

Tahoe Donner is a vibrant and desirable mountain community, providing attractive and well-maintained facilities, events, programs, and leading customer service to its members, guests, and public, all while maintaining accessible and healthy natural surroundings

Off the Hill

Tahoe Donner is a vibrant and desirable mountain community, providing attractive and well-maintained facilities, events, programs, and leading customer service to its members, guests, and public, all while maintaining accessible and healthy natural surroundings

Legend:



Net Promoter Score (NPS) – A method for measuring engagement

By asking one simple question — *How likely is it that you would recommend Tahoe Donner?*— we can identify three groups and get an overall measure of performance.

Homeowners respond to a 0-to-10 point rating scale and are categorized as follows:



- **Promoters** (score 9-10) are loyal enthusiasts who will keep referring others
- **Passives** (score 7-8) are satisfied but unenthusiastic
- **Detractors** (score 0-6) are unhappy and can damage your reputation and impede growth through negative word-of-mouth.

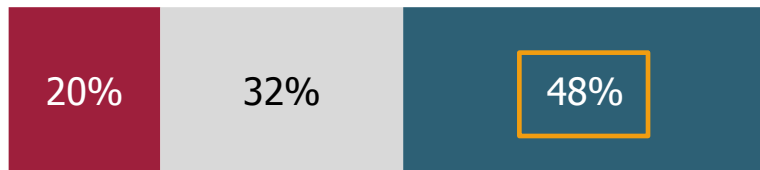
To calculate NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors. A positive score means there are more promoters than detractors.



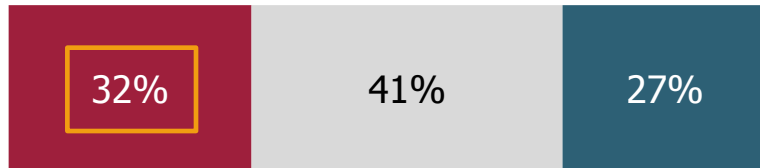
Not surprisingly, On vs. Off the Hill owners feel differently about Tahoe Donner as a full time place to live

Recommend Tahoe Donner as a Place to Live Full Time

On the Hill



Off the Hill



■ Detractors ■ Neutrals ■ Promoters

NPS

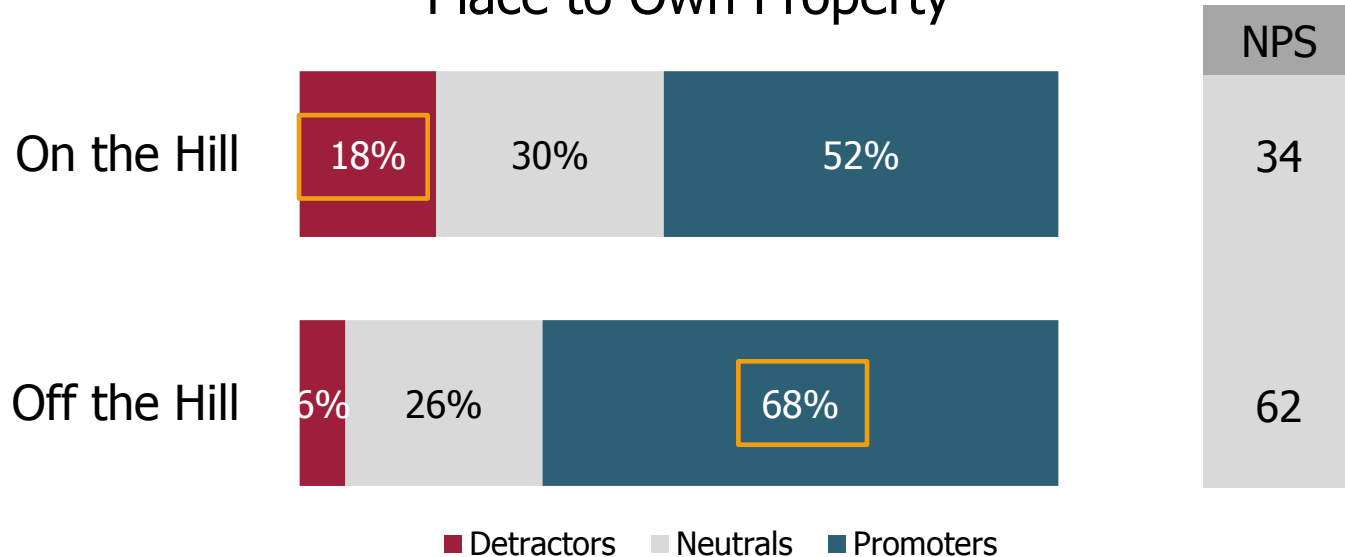
28

-5

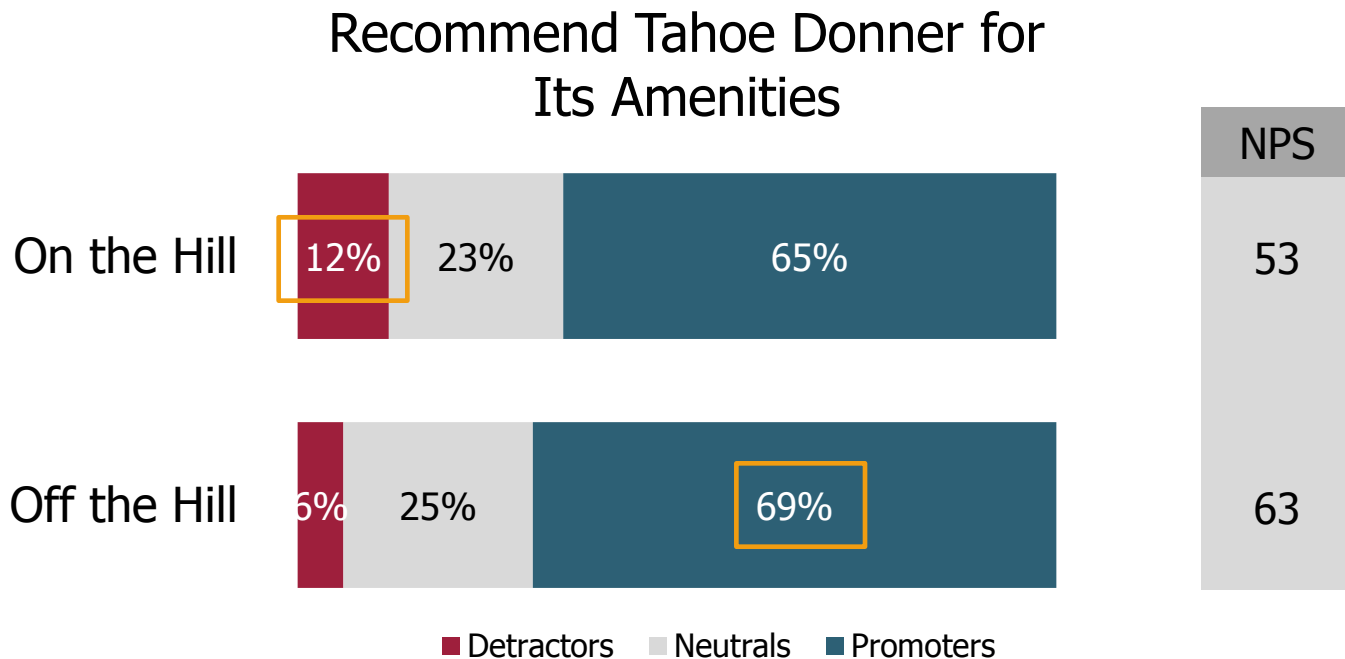


Both groups are in agreement that Tahoe Donner is a good place to own property; however, just under 1 in 5 of those On the Hill rate as Detractors

Recommend Tahoe Donner as a Place to Own Property

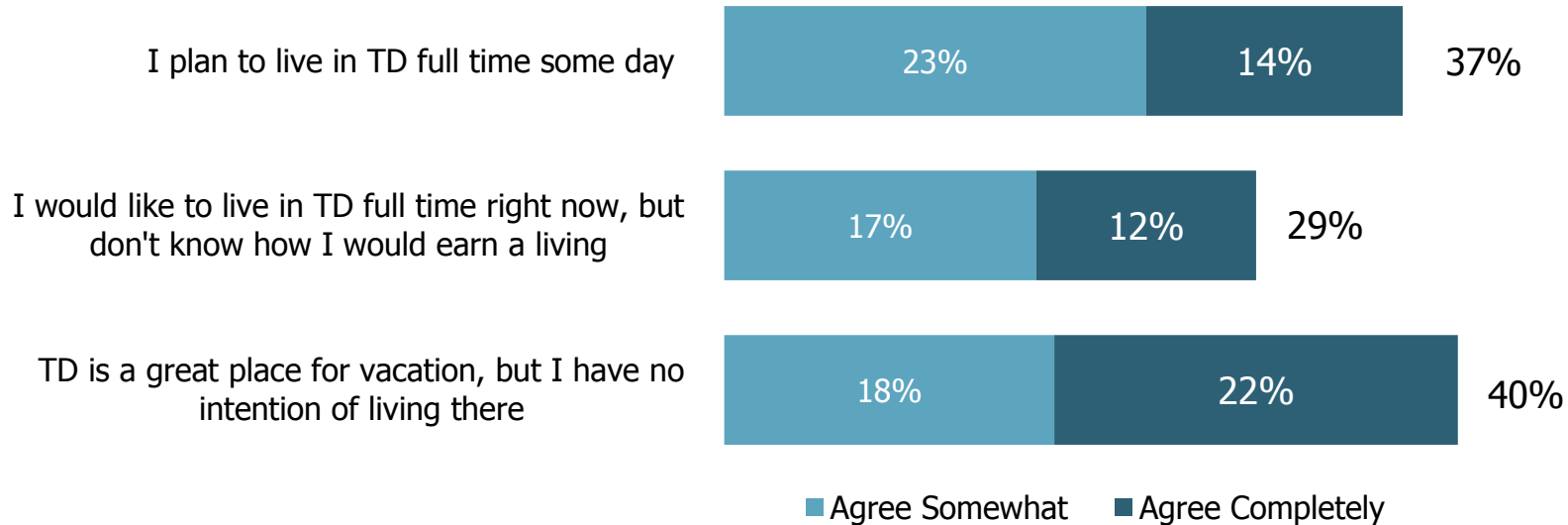


Amenities receive very high scores among both groups



Off the Hill are more likely to view Tahoe Donner as a place for vacation vs. a place they want to live permanently

Attitudes on Living Full Time in Tahoe Donner (Off the Hill)

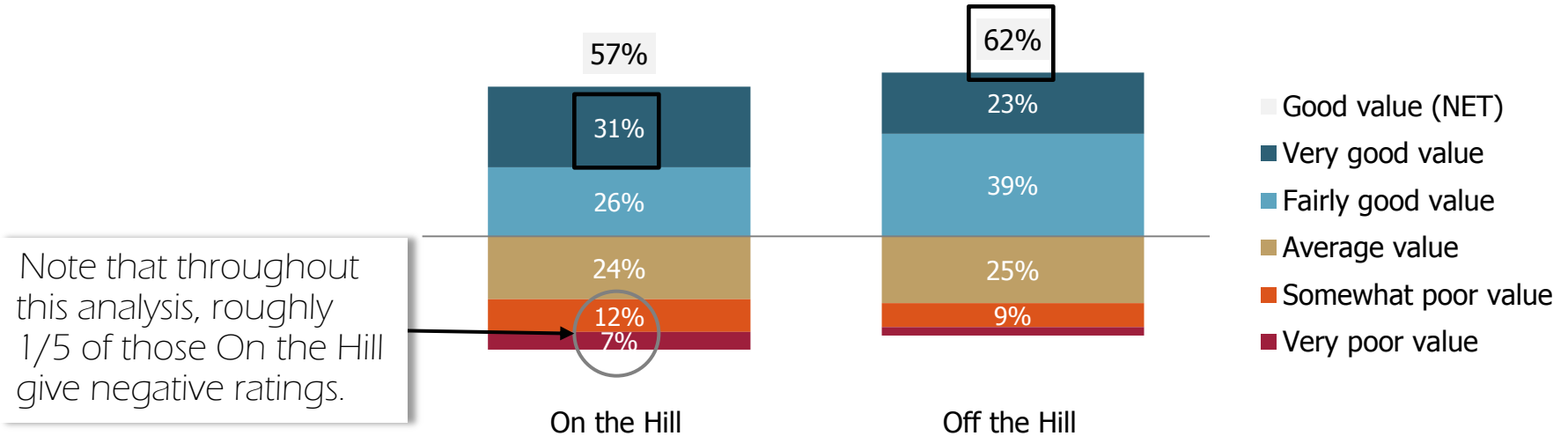




Attitudes about the Amenities

A majority in both groups feel the Annual Assessment is a good value

Value of Tahoe Donner Annual Assessment



Most home owners have positive things to say about the amenities

"It is nice to have fun places to go within Tahoe Donner"

"The amenities are plenty, high quality, and best of all it seems the staff looks for ways every year to improve the experience at the amenities."

"We have been property owners for over 30 years. Our children have fond memories of many activity filled summers here now they are bringing their children to enjoy these same great facilities"

"Tahoe Donner has something for everyone"

"Outstanding diverse recreational opportunities. Enviably."

"The amenities are amazing. There is something for everyone and we actively use all of them."

"Because there are amenities, and great ones. I've seen some associations with rundown equipment, little or no staff. Just the basics. TD has the finest."

"Tahoe Donner offers a wide variety of activities no matter what the season"

"The amenities of TD are one reason that motivated us to buy there and not in nearby neighborhoods like Prosser"

Over 1,000 comments can be found in the raw data file from this research. The ratio of positive to negative comments was greater than 10 to 1.



There exists a small faction with negative perceptions about the amenities. Their concerns are predominantly about the costs

“We enjoy the amenities, but the golf course is a financial drain to the association. If there was no golf course I would rate it a 10.”

“Overall good amenities. Becoming too costly for home owners (in as much as we also pay HOA dues)”

“Overpriced for the most part. Too many wasteful improvements wanted by few.”

“They are very good but could be better. Some need upgrading/enlarging. Others need to pay their own way”

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On the Hill perceptions about Tahoe Donner Amenities

On the Hill Attitudes

Statement A

I believe amenities are important because they **improve property value**

I would rather TD **preserve** recreational open spaces in their natural state

Tahoe Donner should be investing more to **enhance** existing amenities

More amenities should be **open to public** to help fund TD improvements

I would spend more time in Tahoe Donner if there were more amenities

I would like Tahoe Donner to **build more new amenities**

Statement B

I do not believe amenities improve my property value

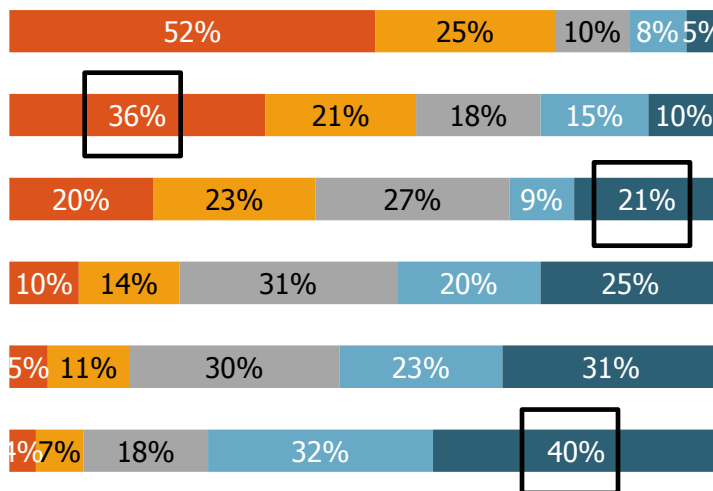
I would rather Tahoe Donner **enhance** recreational open spaces

Tahoe Donner should invest **only to maintain** existing amenities

More amenities should be **exclusive** to Tahoe Donner members

Our amenities don't influence how much time I spend at Tahoe Donner

I would like TD to **focus more on improving** the amenities we have



■ Strongly agree with A
 ■ Somewhat agree with A
 ■ Both about the same
■ Somewhat agree with B
 ■ Strongly agree with B



Off the Hill perceptions about Tahoe Donner Amenities

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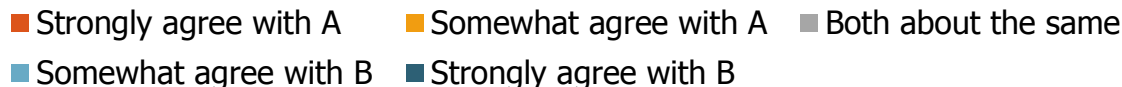


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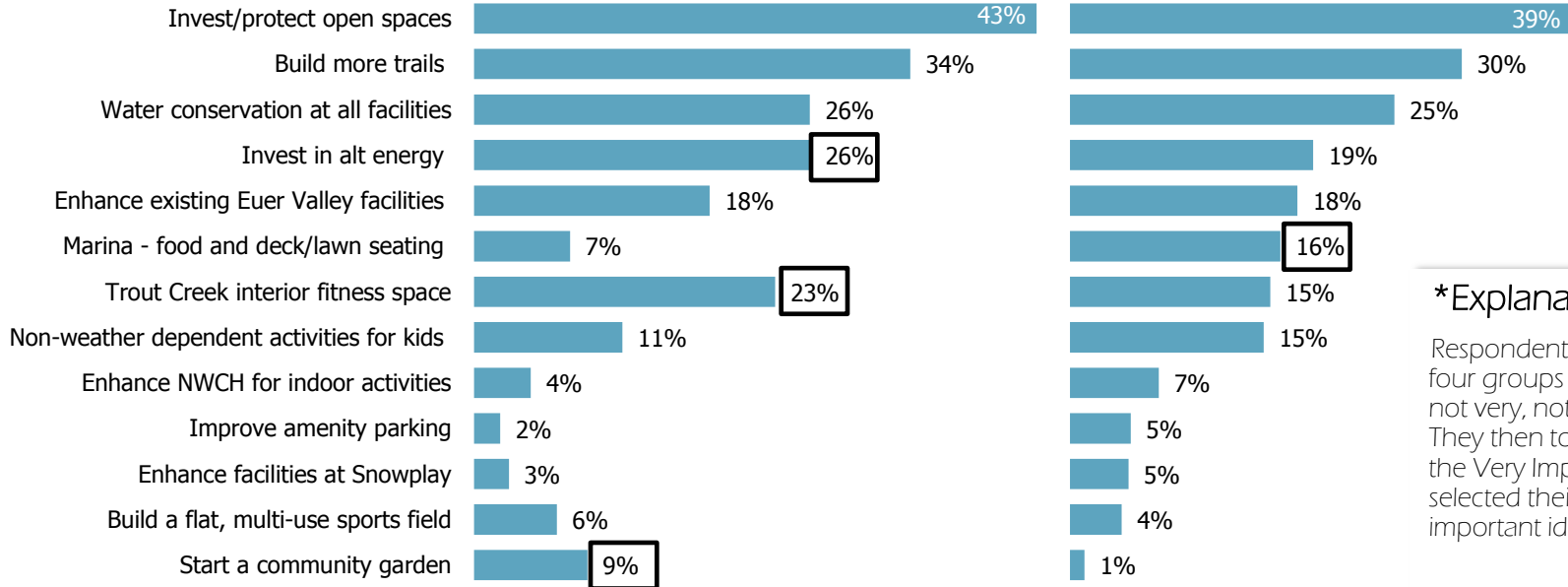


Investment Priorities

Based on Top 3 Picks*

On the Hill

Off the Hill

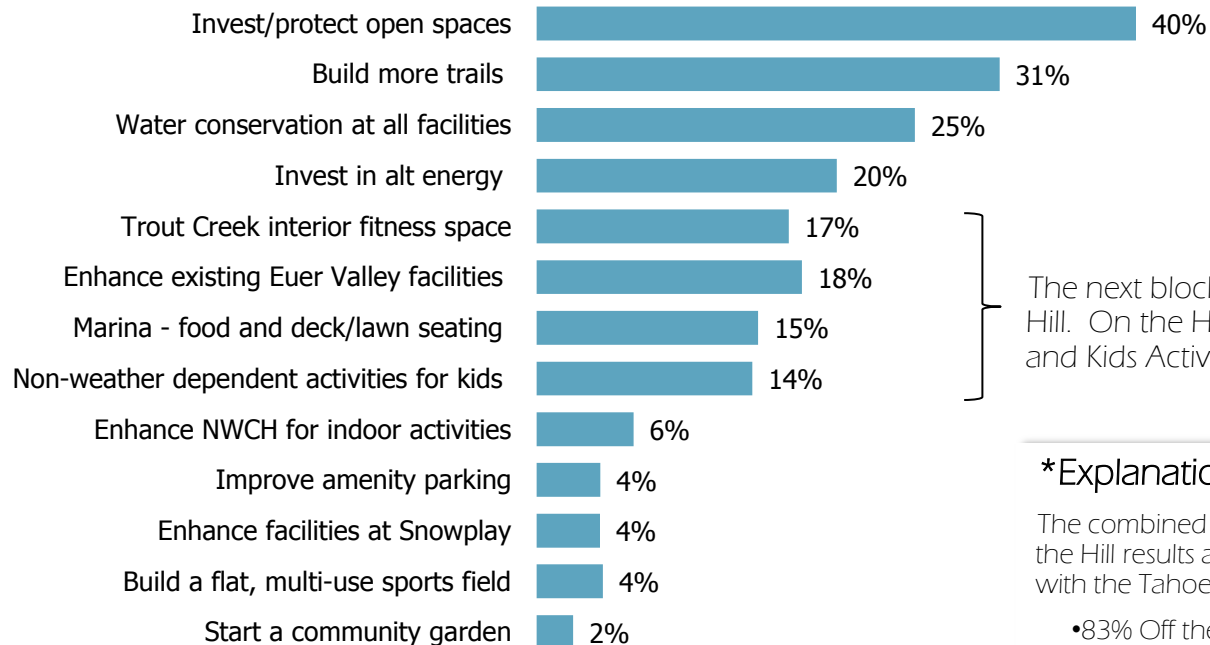


*Explanation

Respondents sorted ideas into four groups (very, somewhat, not very, not at all important). They then took the ideas from the Very Important bucket, and selected their top 3 most important ideas.

Investment Priorities: Combined On/Off the Hill Score

Combined Score*



Winner: Open spaces, followed ironically by wanting more trails.

The next block of 4 are a virtual tie amongst Off the Hill. On the Hill places lower importance on Marina and Kids Activities.

*Explanation

The combined score merges together On the Hill and Off the Hill results according to the size of these two groups with the Tahoe Donner community

- 83% Off the Hill
- 17% On the Hill



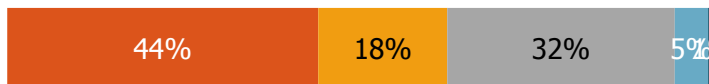
C1: Please rate how important each of these is to you.? (Ideas were sorted into four groups: very, somewhat, not very and not ant all important)
C2: Now please identify the ideas that are most important to you. (Ideas from Very Important group were ranked 1st, 2nd, and 3rd most important)

Both On & Off the Hill strongly favor amenities that they can enjoy alone or with their families. There is a slight preference for summer (vs. winter) amenities.

Statement A

Amenities and activities that allow me to enjoy the mountains independently and with my family

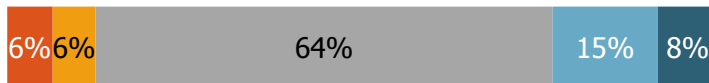
On the Hill



Statement B

Amenities and activities that allow me to interact socially and meet new people

Winter amenities



Summer amenities

Off the Hill

Amenities and activities that allow me to enjoy the mountains independently and with my family



Amenities and activities that allow me to interact socially and meet new people

Winter amenities



Summer amenities

- A is much more important
- A is a little bit more important
- Both about the same
- B is a little bit more important
- B is much more important



Profile of Home Owners

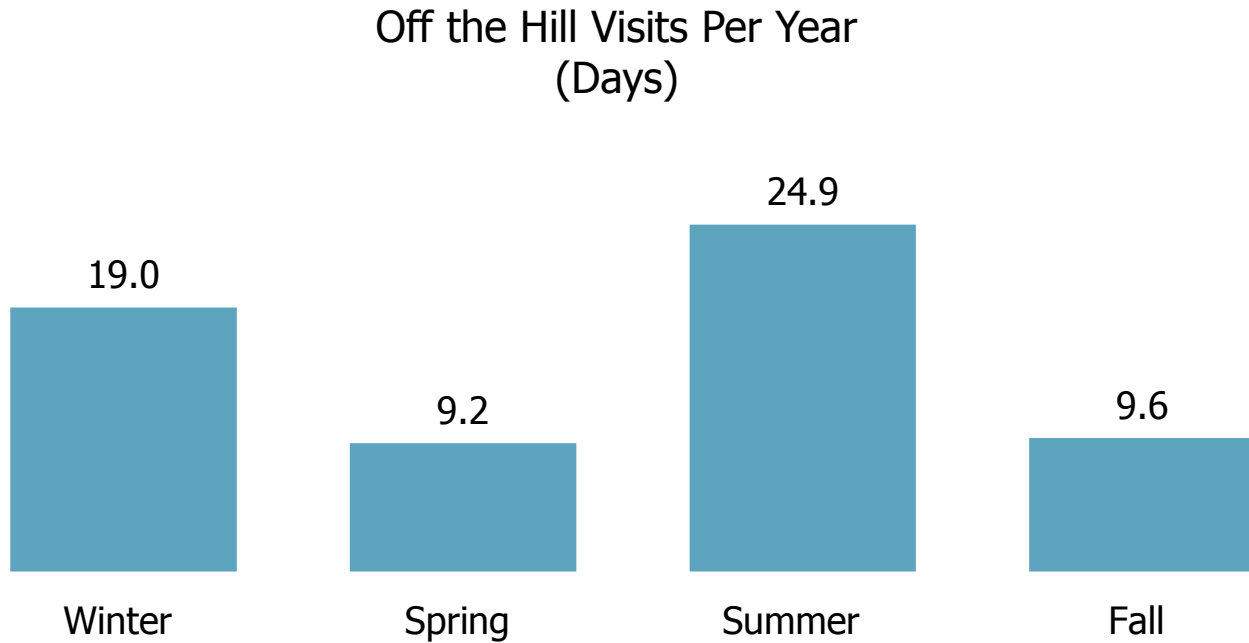
Similar Ages of On the Hill & Off the Hill

Your Age	On the Hill	Off the Hill
18 to 29	1%	--
30 to 39	8%	5%
40 to 49	17%	21%
50 to 59	30%	33%
60 to 69	30%	28%
70+	13%	13%
Mean	56.28	56.58

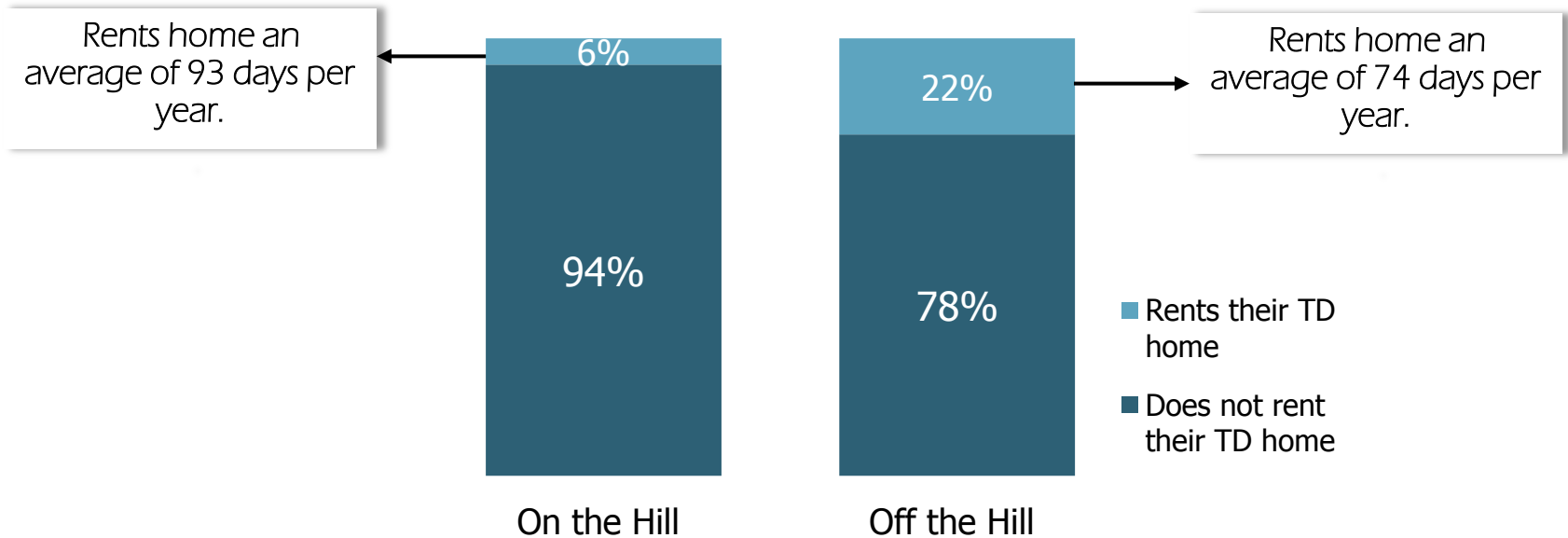
Off the Hill home owners are more likely to have young visitors.

Age of People at Your Home	On the Hill		
	Full Time	Part Time	Off the Hill
5 years and under	9%	9%	19%
Age 6 to 12	13%	14%	31%
Age 13 to 17	11%	10%	23%
Age 18 to 29	6%	32%	32%
Age 30 to 39	11%	34%	25%
Age 40 to 49	23%	25%	40%
Age 50 to 59	37%	21%	45%
Age 60 to 69	36%	8%	38%
Age 70 to 79	17%	10%	18%
Age 80 or over	1%	2%	3%

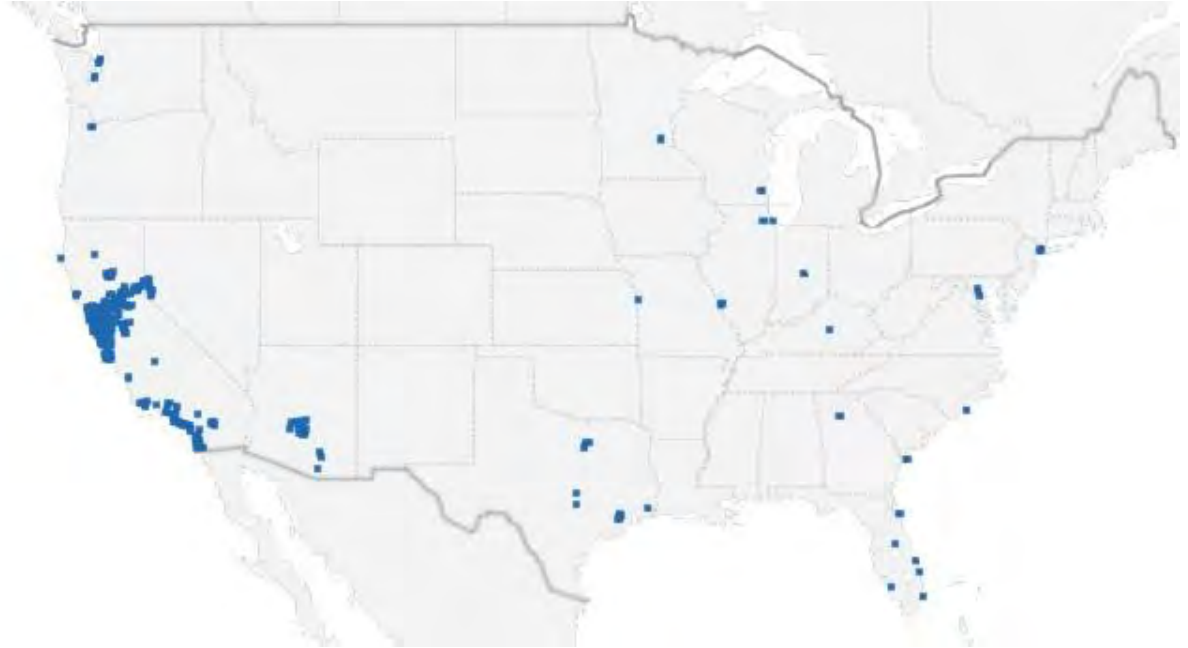




Rents Tahoe Donner Home



Off the Hill home owners are scattered about the country, although the majority are in Northern CA



D3: What is the zip code of your primary residence?

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Contact Information

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