

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

December 17, 2016
Northwoods Clubhouse
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held that the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Saturday, December 17, 2016. President Jeff Bonzon called the meeting to order at 9:01 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Jeff Bonzon, President
Ron Wulff, Vice President (arrived at 9:08 a.m.)
Steve Miller, Treasurer
Jeff Schwerdtfeger, Secretary
Darius Brooks, Director (via conference call)

Directors Absent:

Staff Present: Robb Etnyre, General Manager
Forrest Huisman, Director of Capital Projects
Miguel Sloane, Director of Operations
Mike Salmon, Director of Finance & Accounting
Annie Rosenfeld, Director of Facilities & Risk
Brinn Talbot, Director of Marketing
Megan Rodman, Recording Secretary and Executive Assistant

I. CALL TO ORDER 00:16

DISCUSSION: SOCIAL MEDIA UPDATE 01:05

Brinn Talbot, Director of Marketing, presented to the Board and to the membership a summary of comments and activity across all Tahoe Donner social media platforms and on Next Door as an additional way to stay abreast of emerging issues among the membership.

The most common topics this month were:

- The tent structure at The Lodge Restaurant and Pub

- Members not being allowed to attend Finance sub-committee meetings
- Leasing homes in Tahoe Donner to employees
- Controlled burns
- Incident at Drifter Hut regarding loose dogs
- Power outages
- New Tahoe Donner webcams

Brinn Talbot also reported on Board meeting video recording statistics, providing a brief overview of what is being tracked, total video viewings and other general information.

II. MEMBER & DIRECTOR COMMENTS

05:17

Board President, Jeff Bonzon, recognized members to comment on agenda items as they occurred. But, opened the meeting addressing the following topics that were not on the agenda but perceived as important to address and potential items to be placed on future board meeting agendas.

- Director Jeff Bonzon notified the membership that in an effort to accommodate members who cannot attend the board meeting in person, Tahoe Donner staff are now streaming video live and taking live chat questions via Skype. Members viewing the meeting remotely can access the live chat using a link posted on the Tahoe Donner Board of Directors page, that will be activated once the meeting begins. Questions should be relevant to the agenda discussion items and asked during the agenda item topic. Questions will be presented during the time-frame given for member comments throughout the meeting.
- Director Jeff Schwerdtfeger notified the membership that the Truckee Fire Protection District is starting up a volunteer Community Emergency Response Team program to educate citizens about disaster preparedness for hazards that could impact our area, and to train them in basic disaster response skills. Any resident living within the Truckee Fire Protection District, over the age of 14, is invited to join the Community Emergency Response Team (CERT).

Members may submit additional comments by email to the Board (board@tahoedonner.com).

III. A. ACTION: APPROVAL OF MINUTES

08:44

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

- November 12, 2016 Regular Meeting Minutes

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the meeting minutes as presented. Motion passed: 5 – 0 .

**IV. B. DISCUSSION: COMMITTEE MANAGEMENT
(Committee Chairs)**

09:07

- **Architectural Standards** – The Board was provided with the committee’s November 16, 2016 meeting minutes.
 - Rod Whitten, Chairman of the Architectural Standards Committee, reported that things are pretty slow, no new houses or projects. Some homeowners asked for extensions on projects, which were granted.
- **Covenants** – The Board was provided with the committee’s November 10, 2016 meeting minutes.
- **Election** – No report.
- **Finance** – The Board was provided with the committee’s November 10 and December 8, 2016 meeting minutes.
 - Art King, Chairman of the Finance Committee, notified the Board that the Compensation Study subcommittee has conducted extensive internal research within the committee, and chosen two consulting firms to send request of proposals to. The estimated cost of the project is \$5,000 to \$10,000, and the projected completion date of the project is March 31, 2017. The Board agreed by consensus to approve the subcommittee moving forward with the project.
- **General Plan (GPC)** – The Board was provided with the committee’s December 5, 2016 meeting minutes, the Capital Projects at a Glance Report and the Taxonomy of the Tahoe Donner Association Report.
 - Michael Sullivan, Chairman of the General Plan Committee, reported that there are three projects he would like to report on – (1) the remodel of the poolside locker rooms at Trout Creek is complete, (2) a feasibility study and draft drawings are being created for the space reallocation project at Trout Creek, and (3) the Association Master Plan draft, has been presented to the committee for review.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s November 7 and December 13, 2016 meeting minutes.
 - Richard Gander, Chairman of the Tahoe Donner Giving Fund Committee, reported that Jennifer Jennings has joined the committee, a MOU with the Truckee Community Foundation has been agreed upon and updated from an old one for approval, TD♥CARES is going well thus far and the committee is already busy planning events for the new year.

V. C. **DISCUSSION: COMMITTEE ROSTERS AND COMMITTEE GOALS** 48:50

The Board was provided with updated committee rosters from each of the chartered Tahoe Donner Committees that reflect updated member terms. The Board was also provided with each committee’s goals for 2017. The Board thanked each committee for working to complete this project by the new year.

VI. D. **ACTION: CONSENT CALENDAR** 49:42

The Board was provided with the following for consideration:

- Appointment of Karolyn Gander as a new member to the Elections Committee
- Appointment of Jim Beckmeyer as a new alternate member to the General Plan Committee
- Appointment of Jennifer Jennings as a new alternate member to the Tahoe Donner Giving Fund Committee
- Tahoe Donner Giving Fund Grant Authorization

Following discussion, Director Steve Miller moved and Director Ron Wulff seconded to approve the Consent Calendar items as presented. Motion passed: 5 – 0 .

VII. E. DISCUSSION: TRUCKEE NORTH TAHOE REGIONAL WORKFORCE HOUSING NEEDS

50:56

Stacy Caldwell, CEO of the Tahoe Truckee Community Foundation, presented to the Board of Directors the Truckee North Tahoe Regional Workforce Housing Needs Assessment report. Stacy informed the Board that this study was created to inspire and activate the community to address the housing problem. While housing issues in the area is not a new found idea, and while people know it's an issue, it's about doing the research to really understand what we need to do as a community to solve the problem. The study was conducted for the North Tahoe Region only, encompassing an area of 30,000 people in the region, 16,000 alone in Truckee, and over 100,000 at peak periods during the year. The main challenges of this study included the nature of a seasonal work force, the numerous districts and towns involved, and the ever fluctuating population in such a small area. Key statistics that Stacy pointed out in her presentation were:

- There are 33,300 housing units in the region, 80% are single family homes, 50% of the homes were built before 1979, and 65% of the homes sit vacant half of the year.
- 76% of residents are overpaying for their housing, meaning that 30% of a person's income is going towards paying for housing. 26.1% of the 76% of residents who overpay for their housing, overpay by 50%. Overpaying for housing creates a ripple effect in the community – people get creative with housing situations, others make do, we lose friends as people move away from the area, people make choices against their futures, and we lose the sense of community.
- While the average home price is \$500,000 in the area, people who live here should only be paying \$93,000 to a maximum of \$350,000 for housing, in order to not be considered overpaying.
- Total rentals, with affordable rates, in the area are 474 units, 0 of which are available to rent, all of which have a 6 month to 2 year waiting period for one of the units. This causes approximately 58.6 % of local employees to commute in from outside of our region, and 46.5% of local residents to commute outside of our region for employment opportunities.
- The current additional unmet demand is 12,160 units – 5,296 of which represents the existing unmet demand within the region due to overcrowding and sub-standard

housing, and the remaining 6,964 unmet demands are commuters who would relocate to the community if available.

Stacy emphasized that there are opportunities for us to take advantage of – maximize opportunities for existing 7,400 units remaining for build out, set aside portions of land for development, rehabilitate existing stock, permit streamlining for projects that include workforce housing, and explore alternative housing project types. To further explore these options and others, and to begin enacting change, a Regional Housing Council has been created. As members of the Association, and contributors to the community, Tahoe Donner can help to promote change by remaining engaged in this discussion, encouraging others to join, and assisting the Housing Council where needed. To view the full Truckee North Tahoe Regional Workforce Housing Needs Assessment report visit www.ttcf.net.

VIII. F. DISCUSSION: BOARD AMENITY ACCESS POLICY

1:25:02

The Board discussed two information papers – one regarding creating a Board of Directors Amenity Access and Privileges policy and the other regarding creating a Board of Directors Expense Reimbursement policy.

While Board members are encouraged to utilize the amenities offered by the Tahoe Donner Association, enabling them to visit the amenities and assess their quality, observe staff, and interact with Tahoe Donner members, the Board would like to create a policy dictating exactly what kind of access active Board members should receive as well as certain allowable privileges. The types of access to amenities and privileges discussed included:

- Board members receiving an annual amenities pass at no charge, allowing access to all public and private amenities;
- Board members receiving a Recreation Pass, at no cost, to allow participation in amenity activities;
- Discounts on rental equipment;
- Discounts on food, excluding alcoholic beverages;
- A “Board Member Name Tag” expectation; and
- Removing black-out restrictions to all amenities from Board Member passes.

Following discussion, the Board agreed to rework the “Board Member Name Tag” expectation, explore the idea of having frequency limitations on amenity access passes, food, and rental equipment, and to have the presented information paper reviewed by one of Tahoe Donner’s Accounting Firms to verify compliance as well as other appropriate legal and professional representatives before further Board review.

The Board also discussed defining exactly what kinds of expense reimbursements active Board members should be able to receive. The types of expense reimbursements discussed included:

- Reimbursements for personal travel;
- Reimbursements for meal expenses, both for Board members and guests, whether each Board member should have an expense budget, or be limited to Tahoe Donner facilities only; and

- Access to both laptops and iPads to use during a Board member’s term in office.

Following discussion, the Board agreed that all expenses incurred by Board members while performing their duties, should be reimbursable with receipts, that no kind of budget should be given to active Board members, and that guests should not be included under the reimbursement policy. The Board requested that the basic concepts discussed be reviewed with appropriate legal and professional representatives before further Board review.

IX. BREAK 11:02 A.M. 2:00:51

The regular meeting reconvened at 11:14 a.m.

X. G. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT 2:12:06
(Director of Finance & Accounting, Mike Salmon)

The Board was provided with the 2016 October Financials report by Mike Salmon, Director of Finance and Accounting.

- **2016 October Financials**
 - The month financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$675,000) which was favorable to budget by \$43,000. The month of October operating revenues of \$475,000 were \$28,000 favorable to budget and total expenses of \$1,132,000 were \$15,000 favorable to budget. Compared to last year same month, revenues are up \$4,220,000 and net operating results are unfavorable by \$16,000.
 - Year to date financials for the Association indicate that net operating results (before assessment revenues) through the month was a loss of (\$3,644,000) which was favorable to budget by \$1,956,000. Year to date operating revenues of \$10,995,000 were \$2,886,000 favorable to budget and total expenses of \$14,639,000 were \$930,000 unfavorable to budget. Compared to year to date last year, revenues are up \$4,220,000 and net operating results are favorable by \$1,274,000.
 - Member’s Equity as of October 31, 2016 is \$3,910,000, which exceeds our Policy Peg Balance of \$920,000.
 - As of October 30, 2016, there are 36 members who have not paid their annual assessment fees for 2016.
- **Month of November**
 - Revenue is at \$240,000 favorable to budget. As of December 15, 2016, revenue is favorable by \$62,000, wages are unfavorable by \$27,000 and NOR will be in the \$2,000 to \$10,000 favorable range.

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the 2016 October Financials as presented. Motion passed: 5 – 0 .

XI. H. ACTION: CALIFORNIA MINIMUM WAGE PAY RANGE ADJUSTMENTS 2:27:23

Over the last several years, Tahoe Donner Association, along with many other local resorts, have struggled to be at full capacity to meet staffing needs. This has mostly impacted our winter operations, but summer operations have had their challenges too. Minimum wage in California will increase to \$10.50, effective January 1, 2017. In addition, minimum wage is expected to increase consistently over the next several years, reaching \$12.00 by January 1, 2019. As such, in order to be competitive in this market, we have identified positions that require more pre-employment screening, experience and that are more difficult to fill. To address attracting qualified candidates and reducing compression in pay rates, Mary Peterson, the Director of Human Resources, has adjusted certain pay ranges. Thankfully, the government has postponed an increase to salaried employees to be paid at the rate of \$3,956.66 per month, effective December 1, 2016. However, we are still required to pay exempt employees twice the minimum wage. Thus, management recommends to approve changing Tahoe Donner pay rates in order to remain compliant with the increase in California minimum wage requirements and to be competitive in the employment market.

Following discussion, Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve Option 2 of the Decision Paper as presented. Motion passed: 5 – 0.

XII. I. DISCUSSION: TAHOE DONNER COMMUNITY SOLAR SHARE PROJECT 2:31:44

The Board was provided with a progress update on the feasibility of a Solar Garden in Tahoe Donner from Director Darius Brooks and Forrest Huisman, Director of Capital Projects. Thus far, Director Brooks and Forrest Huisman have met with Steven Poncelet, the Public Information and Conservation Manger from the Truckee Donner Public Utility District, to review Tahoe Donner’s objectives regarding this project and the feasibility of actually making it happen. The following discussion points were discussed in varying detail during the meeting:

- Solar pricing
- California rebates
- Tax incentives
- Solar Share project in Sacramento, CA
- Solar Share Garden in Tahoe Donner logistics
- Distribution within Tahoe Donner
- Power generation and sales

Following discussion, the Board agreed by consensus to continue research on the feasibility of a Solar Garden in Tahoe Donner.

CLOSED SESSION 2:51:57

Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to move into Closed Session to hear an Appeal Hearing at 11:54 a.m. Motion passed: 5 – 0 .

XIII. APPEAL HEARING

The Board convened to an Appeal Hearing at 12:00 p.m.

XIV. EXEC. EXECUTIVE SESSION AND LUNCH

The Board adjourned to Executive Session at 12:30 p.m.

XV. APPEAL HEARING

The Board reconvened to an Appeal Hearing at 1:10 p.m.

OPEN SESSION

The Board reconvened to Open Session at 2:13 p.m. At this time, the Board agreed to not resume the video recording of the meeting.

XVI. EXEC. EXECUTIVE SESSION REPORT

Board Secretary, Jeff Schwerdtfeger reported that the Board met in Executive Session today and discussed litigation, personnel matters and the formation of a contract.

XVII. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS

- Board Amenity Access Policy
- Board Expense Reimbursement Policy
- Truckee Fire Protection District, CERT presentation
- Employee Housing
- Solar Garden Project Update

XVIII. ADJOURNMENT

Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve adjournment of the Board Meeting at 2:23 p.m. Motion passed: 5 – 0

Submitted by:

Megan Rodman, Recording Secretary and Executive Assistant

SECRETARY'S CERTIFICATE

I, Jeff Schwerdtfeger, 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 December 17, 2016 as approved by the Board members in attendance and constituting a quorum at a duty convened subsequent meeting of the Board.

Jeff Schwerdtfeger, Board Secretary