

ACTION ON October 7, 2016

VERIFIED [Signature]

E.A. - TDA ASSOC.

MINUTES

TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

Northwoods Clubhouse
September 3, 2016
12:00 p.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, September 3, 2016. President Jeff Bonzon 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: Jeff Bonzon, President
 Ron Wulff, Vice President
 Steve Miller, Treasurer
 Jeff Schwerdtfeger, Secretary
 Darius Brooks, Director

Directors Absent: none

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

I. CALL TO ORDER

II. MEMBER & DIRECTOR COMMENTS

The 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.

- Jeff Bonzon, provided the membership with a review of the Board Authorized Management Compensation plan and the General Manager hiring process

conducted in 2009, which utilized a professional CEO search firm. An employment agreement was offered to Robb Etnyre, and has been renewed with 7 different Boards of Directors covering the years 2009-2020. This employment agreement includes deferred compensation utilizing approved IRS 457f programs and required IRS Form 990 annual disclosures. Jeff Bonzon, continued to explain that the General Manager's employment contract and deferred compensation is reviewed and extended or terminated by the Board of Directors before a new Board of Directors is elected, since the current Board of Directors have worked with the General Manager all year, and the newly elected Board of Directors has not.

- Jeff Bonzon also discussed this year's Tahoe Donner senior management off-site, which was not a part of the annual assessment, but utilized surplus operating funds of \$9,034.08, which is considered a normal corporate function for a mid-sized company with a \$21-million-dollar annual budget, 65 full-time and over 450 seasonal employees. Teambuilding, setting objectives and goals, and strategic planning are important functions of corporate off-sites.
- California Proposition 64, Marijuana Legalization (2016), Town of Truckee planned policies, and impact on Tahoe Donner.

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

III. D. DISCUSSION: SAFETY WITHIN TAHOE DONNER

In recent months, the Board of Directors have been receiving numerous Membership concerns about speeding in Tahoe Donner. To address the issue, Adam McGill, the Chief of Police of the Truckee Police Department was present to address public roadway safety within Tahoe Donner. Adam McGill informed members and the Board of Directors, that traffic complaints within Tahoe Donner, especially complaints regarding speeding, are no different from those of Glenshire or Sierra Meadows or other residential areas. As such, to address the speeding concerns on Northwoods Blvd., the Truckee Police Department used a special traffic enforcement program to create Special Enforcement Zones, by analyzing data and working with concerned neighbors, to determine if appropriate signage is currently displayed, and if increased enforcement is needed at certain times. To collect the data needed to determine if a true public safety issue is present on Northwoods Blvd., the Police Department used discreet radar devices to analyze the speed of vehicles traveling in both directions. The speed data revealed that on average 85 percent of the 15,000 vehicles tracked, were traveling at 43 MPH or less. This information was then cross-referenced with data collected on traffic accidents and citations. On Northwoods Blvd. alone, in 2013 there were 93 citations issued, 143 issued in 2014, and 134 issued in 2015. As a result, the Police Department has made efforts to increase their presence, warnings, and traffic enforcement within Tahoe Donner, however factually based, there is no real public safety concern along Northwoods Blvd. With that being said, Adam McGill stated that the best way to tackle the issue is for everyone to be constantly aware of their speed and the speed limit while driving, as well as set an example for others within the community by going the speed limit.

IV. A. ACTION: APPROVAL OF MINUTES

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

- July 23, 2016 Regular Meeting Minutes

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

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

- **Architectural Standards** – The Board was provided with the committee’s July 13th, 2016 meeting minutes.
 - Rod Whitten, Chairman of the Architectural Standards Committee recommended to all members to speak with the Architectural Standards Department before going about any household or property projects. Rod also reported that the Architectural Standards Committee is still working to restructure the homeowner inspection program.
- **Covenants** – The Board was provided with the committee’s July 14th and August 11th, 2016 meeting minutes.
- **Election** – No report.
- **Finance** – The Board was provided with the committee’s August 11th, 2016 meeting minutes.
 - John Dundas, a member of the Finance Committee, reported that the committee has begun to work on the budget for 2017, and that it will be the top priority going forward.
- **General Plan (GPC)** – The Board was provided with the committee’s August 1st, 2016 meeting minutes and the General Plan Committee August 25th, 2016 Board Report.
 - Michael Sullivan, Chairman of the General Plan Committee, explained the new capital projects review process. The top projects currently being reviewed are the Cluster Mailboxes project, Amenity Master Plan, and the Downhill Ski Lodge.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s Recap of the 2016 Fiscal Year Results.
 - Richard Gander, Chairman of the Tahoe Donner Giving Fund Committee, reported that the committee raised over \$28,000, \$15,000 was given out as grants and \$5,000 was given out in scholarships. Another \$2,700 has been given to the Boys and Girls Club that was raised at the Tails and Ales event. Overall the financial status of the Giving Fund is looking to be quite positive, much better than last year. Richards emphasized that if 15% of the membership donated on average a \$100, then the committee would be

able to raise \$100,000 or more, to be given to deserving programs and youth.

VI. C. **ACTION: CONSENT CALENDAR**

The Board was provided with the following for consideration:

- Employee Policy and Procedure Manual update
- Tahoe Donner Giving Fund Grant Authorization
- Dissolve Equestrian Committee
- Audio and Video Equipment for Board Meeting Recordings

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

The following Consent Calendar items were pulled from the original consent calendar and were reviewed further before being voted upon by the Board of Directors.

- **Health Insurance Renewals, effective 10/1/16**
 - Director Darius Brooks, asked for clarification on what the additional cost to our current Health Insurance offered to full-time employees would be, if we were to add the additional 21 full-time employees, who qualify for Health Insurance based on total hours worked, excluding overtime. Mary Peterson, Director of Human Resources, clarified that out of the 21 full-time employees who qualify for insurance, only 8-10 employees would actually sign up for Health Insurance. Our broker, KC Krichbaum, Northpointe Insurance, negotiated our renewal rate with Anthem Blue Shield to a 9.9% increase. The decision paper presented to the Board was specifically asking for the renewal rate increase to be approved, and that the 8-10 employees who would potentially elect to have Health Insurance through Tahoe Donner, would be built into our current budget for Health Insurance coverage.

Following discussion, Director Darius Brooks moved and Director Steve Miller seconded to approve the Health Insurance Renewal, effect 10/1/16, as presented. Motion passed: 5 – 0.

- **CalFire Weather Tower Land Lease (Concept Review)**
 - Director Darius Brooks expressed concerns about the current proposed location of the weather station by CalFire. Director Brooks asked that it be considered for the weather station to be located more remotely and not be so close to the trails that are often used by members. Director Jeff Schwerdtfeger also asked that the data collected from this weather station be accessible to our members. Robb Etnyre, General Manager clarified that the decision paper presented to the Board is for the approval of the concept only, and that exact details of the contract, including location and data usage, would be a separate approval item.

Following discussion, Director Jeff Bonzon moved and Director Steve Miller seconded to approve the proposed CalFire weather station concept, as presented in the decision paper. Motion passed: 5 – 0.

- **Additional Storage at Alder Creek Adventure Center**
 - Director Ron Wulff expressed concerns about the location of the additional storage at Alder Creek Adventure Center, saying that it would take up additional parking spaces, that are already so limited at that location. Forrest Huisman, Director of Capital Projects clarified that the current shed taking up parking spaces would be removed and replaced with this newly proposed additional storage, resulting in no further parking spaces being taken.

Following discussion, Director Jeff Bonzon moved and Director Steve Miller seconded to approve the additional storage at Alder Creek Adventure Center, as presented in the decision paper. Motion passed: 5 – 0.

- **Winter 2016/2017 Rates for Season Passes, Season Programs, and Group Business**
 - Winter 2016/2017 Rates for Season Passes, Season Programs, and Group Business was reviewed and voted upon in Agenda Item XV.

VII. E. ACTION: BOARD GOVERNANCE, AUTHORITY, MEETING PROCEDURES, AND AGENDA POLICY

Robb Etnyre, General Manager, presented to the Board the final draft of the Overview of Board Governance, Authority and Meetings and Policy and Procedures on the conduct of Board Meetings Policy 2016-1. The Overview of Board Governance, Authority and Meetings section of the policy is intended to provide Tahoe Donner Association members (including those members considering running for the Association’s Board of Directors), with a summary of the California laws and provisions of the Association’s governing documents regarding board governance and authority and the conduct of board meetings. The Policy and Procedures on the Conduct of Board Meetings section of the policy is intended to help ensure that Board meetings are carefully planned, facilitated and documented. The final draft policy was reviewed by the associations corporate council and independently by a third party common interested development legal firm to produce the final draft.

Following discussion, Director Steve Miller moved and Director Ron Wulff seconded to approve the Overview of Board Governance, Authority and Meetings and Policy and Procedures on the conduct of Board Meetings Policy 2016-1 as presented. Motion passed: 4 – 1. (Director Jeff Schwerdtfeger voted “No”).

**VIII. F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT
(Director of Finance & Accounting, Mike Salmon)**

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

- **2016 July Financials**
 - The 2016 Budget for Tahoe Donner is split between the winter and summer months. This winter (January-April, November-December) equated to be 41%, roughly \$3.8 million of the budget, and this summer (July-October) so far, as equated to be 59%, roughly \$5.5 million of the budget.
 - The month of July was another record revenue month, the 18th consecutive record revenue month, with total revenues of \$1.8 million and were \$173,800 favorable to budget. Expenses totaled \$1.8 million and were \$25,000 favorable to budget. Compared to last year same month, revenues are up \$269,200 (17%) and NOR is favorable \$81,000 (121%).
 - Year to date, net operating results for the month was a loss of (\$2,119,000) which was favorable to budget by \$1.8 million. Operating revenues of \$8.4 million were \$2.7 million favorable to budget, and total expenses of \$10.5 million were \$925,000 unfavorable to budget. Compared to year to date last year, revenues are up \$4 million and NOR is favorable \$1.5 million.
 - Member's Equity as of July 31st, is at \$3.8 million, which exceeds our Policy Peg Balance by \$2.8 million.
 - Month of August
 - Revenue is at \$1,357,000 to budget. Month to date as of August 16th, revenues are favorable by \$32,000. Overall the month should end right at budget resulting in yet another record revenue month.
 - As of August, there are 61 members who have not paid their annual assessment fees for 2016.

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

IX. G. ACTION: ARCHITECTURAL STANDARDS FEES AND PERMITS

Annie Rosenfeld, Director of Facilities and Risk Management stated that the Architectural Standards Committee and staff have discussed architectural standards project fees over the last six months in relation to the overall goals of the Strategic Plan, committee, and department. The Committee and staff reviewed the budget foundations for the department, historical permit statistics, community association architectural standards fees and permitting processes benchmarks, member and other client feedback in an effort to further provide a reasonable and modern approach to the project improvement processes and fees associated, all the while being conscious of the fiduciary responsibilities. As a result, the Committee and staff presented to the Board a decision paper to eliminate some of the Minor Change to Existing Project fees. The improvement projects included in this are:

- Paint/stain changes
- Front door/Garage door paint/stain changes
- Roof/gutter changes
- Exterior lights updates
- Door changes: garage, front/back/side (without reframing)

- Window changes (without reframing)
- Animal Resistant Garbage Can Enclosures – with the exception of custom built
- Hot tubs placed on/under existing structures
- A/C placed on/under existing structures

These projects would fall into a “Maintenance” category and only require a notice only application along with a before and after photo.

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

X. EXECUTIVE SESSION

The Board voted 5-0 to adjourned to Executive Session at 2:57 p.m. to consider the formation of a contract.

XI. OPEN SESSION

The Board reconvened to Open Session at 3:12 p.m.

XII. EXEC. EXECUTIVE SESSION REPORT

Jeff Schwerdtfeger, Board Secretary, reported that the Board met in Executive Session today to review Contract Bids by Contractors for the Trout Creek Recreation Center Poolside Locker Room Remodel.

**XIII. H. ACTION: CONSTRUCTION CONTRACT AWARD:
TROUT CREEK RECREATION CENTER POOLSIDE
LOCKER ROOM REMODEL**

Planning efforts for a poolside locker room and steam room/sauna tenant improvement began in 2015, with proposed construction for Fall of 2016. On June 16, 2016, Staff solicited proposals from the following five General Contractors:

1. Accent Custom Builders, Inc.
2. R and D Professionals, Inc.
3. Mt. Lincoln Construction, Inc.
4. Truckee Custom Homes
5. Kurt Engel construction

With Board approval at the July meeting, Staff engaged the Town of Truckee Building Department permitting process, and now holds all necessary project permits to proceed with construction in early September of 2016. In an effort to complete the Remodel prior to Christmas 2016, Staff recommended to the Board to approve Staff to award project contract and release additional Replacement Reserve Funds of \$62,375 (15%), for unknown items and contingency's, utilizing Replacement Reserve Funds and a total project budget not to exceed \$521,819.00.

Following discussion, Director Darius Brooks moved and Director Jeff Schwerdtfeger seconded to approve Option 1 of the Decision Paper as presented. Motion passed: 5 – 0 .

XIV. I. DISCUSSION: 2017 BUDGET REPORT

Tahoe Donner's Board of Directors is the governing body of the Association and ultimately responsible for the direction and oversight of the affairs of the organization. As such, the Board is entrusted with the money and property of the association and to act in the best interests of the membership and corporation. To assist the Board with budget planning for the upcoming new year, Michael Salmon, Director of Finance and Accounting, presented to the Board an overview of the 2017 Budget drivers. This briefing included the strategic goals of the Association for 2017, a 2016 Annual Assessment analysis, visitation statistics, key economic and regulatory operating assumptions for 2017, operating revenues for the year, and corporate resolutions and governing documents that impact the budget planning process, along with recommended board planning guidance for 2017. The main areas of focus for budget planning for 2017 are:

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

XV. J. ACTION: LAND MANAGEMENT PLAN

During the summer of 2014 management provided an overview of needs for a guiding document for land management of the 4,000 association owned acres. As a result of the presentation, the Board of Directors directed staff to begin developing a scope of work for a land management plan request of proposal with the assistance of a working group. The goal of this project is to create a guiding document, which provides a written account of existing conditions of Tahoe Donner's physical environment and provides information needed to proactively protect, maintain, and enhance the Tahoe Donner lands and its unique environment, says Director of Facilities and Risk Management, Annie Rosenfeld. After the Final Draft of the Land Management Plan was published in July 2016, Annie stated that the next step moving forward is for the Board of Directors to consider adopting the Land Management Plan as a guiding document for policy, maintenance, and planning and development of Tahoe Donner owned land. A discussion was had regarding Fatbikes and their introduction to the Nordic Center this past winter. While the Board expressed concerns about the quality of the product that was being offered at the time, members present supported the introduction of the Fatbikes, and expressed that they would like to have more bikes, of better quality available, and more trails opened to ride them on.

Following discussion, Director Ron Wulff moved and Director Jeff Schwerdtfeger seconded to approve Option 2 of the decision paper to adopt the final draft of the Land Management Plan as presented. Motion passed: 4 – 0 (1 Abstained).

- **Winter 2016/2017 Rates for Season Passes, Season Programs, and Group Business**
 - The Board addressed the increased rates for Nordic Passes for members, asking why it couldn't remain at the same rate. Mike Salmon, Director of Finance and Accounting, informed the Board that the increased rates for the Nordic Passes are due to the past low snow years, as well as to cover overall costs of running the Nordic Center due to factors such as the Affordable Care Act, increased minimum wage rates, and since some passes were made valid for two years because of the low snow years. The member pass rates will be increasing by 3% and the public pass rates will be increasing by 6%. Robb Etnyre, General Manager also commented on the reduced rates for the Snow Shoe Pass, explaining that the price reduction was to try and find a product that would appeal to members and the public that would not otherwise participate in the sport because of a price point.

Following discussion, Director Jeff Schwerdtfeger moved and Director Ron Wulff seconded to approve the Winter 2016/2017 Rates as presented. Motion passed: 5 – 0.

XVI. K. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS


- Committee Rosters & Committee Goals
- Management Compensation
- Grow Houses

XVII. ADJOURNMENT

By consensus the Board adjourned the meeting at 4:28 p.m.

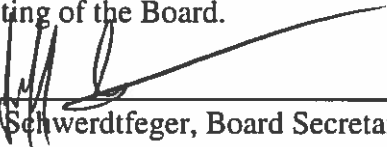
Director Ron Wulff moved and Director Darius Brooks seconded to approve adjournment of the Board Meeting at 4:28 p.m. Motion passed: 5 – 0.

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 September 3, 2016 as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.



Jeff Schwerdtfeger, Board Secretary