



**General Manager Update**  
**7/29/2017**  
**Board of Directors Meeting**

**I. Top recommended GM Priorities for 2017:**

**a. Building Positive Company & Community Culture**

- i. Transparency – Members, Board, Management, Community
  - 1. Annual Assessment change over time / Compounded Annual Growth Rate

Growth in Annual Assessment per Owner Over Time

	<b>5 Year</b>	<b>10 Year</b>	<b>15 Year</b>	<b>20 Year</b>
<b>Operating Fund</b>	7.0%	4.6%	4.6%	4.7%
<b>Capital Funds</b>	6.3%	6.8%	13.1%	8.7%
<b>Combined All Funds</b>	6.7%	5.6%	7.9%	6.3%

Operating 5-year increase driven primarily by winter droughts and regulatory cost increases.  
Capital longer term growth rates driven primarily by aging asset needs of 45-year old Association.

*growth calculated on a Compounded Annual Growth Rate basis*

- 2. 2016 Trout Creek Visitation Mix: 78% Member, 17% Guest, 5% Employee
  - 3. <http://tdlandtrust.org/news/drum-roll-please>
- ii. Finding ways to positively engage community conversations with facts while also soliciting membership feedback to help inform capital infrastructure re-investment decisions and operating service levels.

**II. Employee Retention & Training**

- a. Pay / Benefits
  - i. Complete Compensation Study
  - ii. Explore more competitive retirement plans to attract and retain a strong TDA Team
    - 1. Explore moving from current 401k 50% of first 6 percent of salary company match to;





- 2. 401k Safe Harbor plan with 4% match
- b. Housing
  - i. Continue to stay engaged with community-wide programs to address employee housing, including further exploring a short and long term solution for international, seasonal, and full-time TDA employees.
- c. Conduct employee climate survey
- d. Continued service, function, and safety training

III. **Understanding Community and Association Interest for the Association's Current and Future State.** With solid measurable results from fiscal to capital investment over the last 10 years, along with meaningful 2015 membership survey results, how do we continue these successes to best meet the overall members interest?

- a. Validate the Association Strategic Plan
- b. Define Social Welfare / Mutual Benefit for;
  - i. Owners
  - ii. Members
  - iii. Member Guest
  - iv. Greater Truckee Community (Public)





## I. Key Association Measures of Effectiveness:

- a. Year to Date Net Operating Results (NOR) before assessed revenue: loss of (\$2,114,000) which is favorable to budget by \$1,058,000/33%.
- b. 2015 Membership Survey Key Findings
  1. Tahoe Donner home owners heap high praise on the community, with the amenities playing a central role
    - Strong agreement with the TD vision statement
    - Exceptionally high scores to Tahoe Donner's amenities (as a whole),
    - Amenities described as diverse, and having a positive staff
    - Amenities were reason for some to choose Tahoe Donner over other neighborhoods
    - On & Off the Hill rate the Assessment fees as a good value
  2. Strong desire to improve and enhance amenities, rather than adding more
    - On & Off the Hill agree: Enhance rather than build more
    - Nature is as much a part of the Tahoe Donner experience as the Amenities, and efforts to preserve the natural setting are appreciated
    - A small faction of homeowners want minimal spending on amenities to merely maintain them. This group makes up about 1/5 of On the Hill, and less than 3% of total Tahoe Donner home owners
    - Although they are vocal, their investment priorities are consistent with the rest of Tahoe Donner owners
- c. 2017 Operating Assessment Ratio of Revenue:
  2. **Balance operating revenue and expenses with the need to provide first class services for members, member guests, and where appropriate public.**
    - 2.1. Maintain an equitable relationship between Operating Revenue and Assessed Revenue while not sacrificing membership service level expectations.
      - 2016 Budget represents Operating Revenue as 57%, and Assessed Revenue of 43% of the annual operating fund budget.
      - The 2017 Budget - Operating Fund revenue requirement is \$17.3 million, with budgeted operating revenues funding 64% and annual assessment revenue funding the remaining 36%.
- d. 2017 Annual Assessment Delinquency Rate: 1% (64 units)
- e. Reserved Replacement Funding level: 28% as of 12/31/2016
- f. ExMod Rating: .89

## II. Operating Fund:

Operating Fund, Members Equity Balance is currently \$2,161,433. Board Policy 2013-04 addresses review and potential transfers or adjustments to this balance. Policy indicates a desired member equity operating fund balance per this policy is 10% of annual budgeted revenue. Finance Committee reviewed this balance, existing board policy, and recommended the excess balance be transferred to both the Development Fund and Replacement Reserved Fund. In June 2017, the board approved a transfer of \$1.5M to the Replacement Reserved Fund and \$1.8M to the Development Fund.

The following charts represents quick facts on the budgetary aspects of the association.

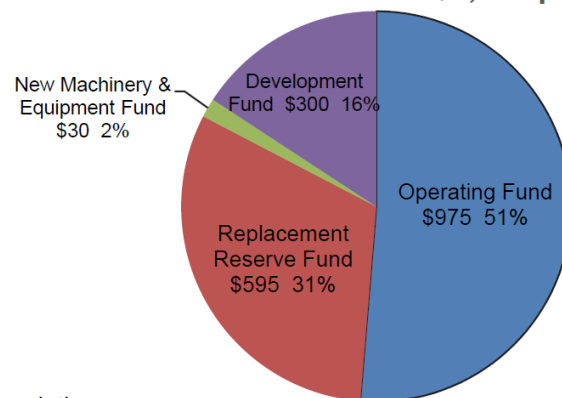




### 10 Year Operating Analytic Budget 2007 to Budget 2017

	<u>2007 B</u>	<u>2017 B</u>	<u>Change</u>		<u>CAGR</u>
Revenue	7,669,000	10,800,000	3,131,000	40.8%	3.5%
Costs	11,660,882	17,273,000	5,612,118	48.1%	4.0%
NOR	(3,991,882)	(6,473,000)	(2,481,118)	62.2%	5.0%

### Tahoe Donner Association 2017 Annual Assessment \$1,900 per Property



### 2017 ANNUAL ASSESSMENT \$1900

#### Growth in Annual Assessment per Owner Over Time

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#### 1. General Manager Monthly Authorizations & Regulatory Updates

General Manager Authorization level, approved by the board of directors, is up to \$15k not in budget and \$50k within budget. The Director of Finance and Accounting (Dir of F&A) has been delegated this same authority level by the board of directors to be used in the absence of





the general manager. Dir of F&A has also been assigned Assistant Treasure (corporate officer status) to sign necessary corporate materials as needed. The GM section of board books (Board Papers online app) will note authorizations made under GM/Dir of F&A signature as a brief back to the board of directors on a monthly basis. Additionally, adjustments for positions between salary ranges is briefed back as well.

Member / Guest / Public Visitation: See attached 5-year chart attached, with updated numbers in the Strategic Budget Guidance chart.

Fraud Prevention Policy: As of this report there have been no instances of fraud reported or detected since the previous report. A detailed quarterly report covering internal and external controls will be reviewed during Executive Session at the July 29, 2017 board meeting.

Lahontan Region Water Quality Control Board: Cleanup and abatement order R6T 2007 – 0015 – close out; Closed.

5 Year Trails Plan: Briefed separately as agenda item.

## **2. Strategic Plan Goals 2015-2020**

### **1. Execute the Board approved Capital Plan on time and within budget.**

#### **1.1. Development Fund**

##### **1.1.1. Implement the 2030 General Plan**

- Final Draft of the Association Master Plan has been completed and waiting final board direction and or approval
- Quarterly Capital Funds Project tracks board approved Development Fund Projects

#### **1.2. Replacement Reserve Fund (RRF)**

##### **1.2.1. Execute a replacement reserve program in concert with the reserve study**

- The monthly financial package includes an overview, detailed brief back on projects implemented, and future planned projects. These details are available to the board and members in the monthly financials.

##### **1.2.2. Ensure the Reserve Fund is adequately funded.**

- As of 12/31/2016 RRF was 28% funded per the 100% funded method of calculation.
- From 2012-2016 24% of budgeted RRF projects were deferred.

#### **1.3. New Machinery & Equipment Fund**

##### **1.3.1. Ensure adequate funding supports Goal # 2.**

- The monthly financial package, F-14, page 4 of 13, details the planned NM&E expenditures for the year, and/or newly added items. New items not





on the established list will also be covered in the monthly board books with decision papers approved at the appropriate level.

**2. Balance operating revenue and expenses with the need to provide first class services for members, member guests, and where appropriate public.**

**2.1. Maintain an equitable relationship between Operating Revenue and Assessed Revenue while not sacrificing membership service level expectations.**

- 2016 Budget represented Operating Revenue as 57%, and Assessed Revenue of 43% of the annual operating fund budget.
- The 2017 Budget - Operating Fund revenue requirement is \$17.3 million, with budgeted operating revenues funding 64% and annual assessment revenue funding the remaining 36%.

**2.2. Establish outstanding year-around association programs and special events to benefit the membership.**

- Separate detail in summer and winter fun guides and baseline budgeting to be covered in the 2018 budget process.

**2.3. Employ and retain knowledgeable and dedicated full-time and seasonal employees who are willing to serve member needs.**

- Reviewing decreasing affordable seasonal workforce housing
  - Winter 2016/2017 J-1 visa worker housing were addressed with rental properties and conversion of the one TDA owned single family home.
  - Reviewing regional and TDA oriented solutions to available affordable employee housing.

- In 2016, Board approved Extending Full-Time Equivalent (FTE) benefits (Health Care, Paid Time Off, Sick Leave, etc.) to all employees who meet the now federally mandated Affordable Care Act requirements to be offered health care coverage. 2016 Budget identified 85 employees, 2017 Budget identifies 91 employees eligible. Current 2017 budget has 91 FTE authorized.

- Updated pay range table to address the increase minimum wage in California – December 17, 2016 board approved.

- Reviewing options to change the 401k plan to a more flexible and competitive 401k Safe Harbor program.

**2.4. Continue to improve information technology services to support and integrate resort and member operations.**

- Three projects approved by the board of directors in 2016 included; improved Wi-Fi, increased loss prevention security cameras, and software update for our association digital signage.





- Additionally, we are replaced the Revel point of sale system at Pizza on the Hill with an Aloha system like we use at the Lodge Restaurant & Pub.
  - Improved online consent forms for camps and passes are updated.
  - Launched new LAMA system for internal and membership use to access ASC/Covenants.
  - Human Resources, Paychex timeclock & payroll software/hardware update completed.
- 2.5. Ensure employee and customer health and safety are first and foremost in our planning, and operations, while encouraging individual responsibility given inherent assumption of risk in resort activities.
- TDA ExMod rating dropped from 1.24 to .89!
  - Only 340 reportable safety instances in 2016 out of an estimated 500,000 visits across the association.
3. **Execute effective approaches to maintaining the association's architectural, covenants, and communication standards.**
- 3.1. Execute the long term architectural standards homeowner inspection program as approved by the board of directors.
- Underway and updated monthly in board books
- 3.2. Continue to improve the communication vehicles to the membership with regard to resort activities, while also emphasizing our unique large scale common interest development budgetary model.
- Annual Budget Report, Audit Report, Monthly Financials, Online monthly video summary continue – all available to the membership on the website and two key yearly issues of Tahoe Donner News published.
  - Updated information graphic on Communications presented and discussed at this board meeting.
  - New Tahoe Donner.com website launched 6/2017.
  - Director of Finance developed a list of frequently asked questions (FAQs)
  - Additional communication eblast and mailings were developed this election cycle to encourage voter participation. Membership voter participation rates in Tahoe Donner Board of Director elections:
    - 2017 – 33% of eligible voters
    - 2016 – 31% of eligible voters
    - 2015 – Uncontested election.
    - 2014 – 27% of eligible voters
    - 2013 – 30% of eligible voters
  - Communication Department posting on Nextdoor.com and staff engagement with members posting on this platform to clarify information is increasing and will be reviewed in more detail as a new Marketing is formalized.





- 3.3. Update the Association's governing documents to align with the California Corporation's Code and current Davis Stirling Act.
  - Board authorized engaging the law firm Berding & Weil for this project
  - Board reviewed updated draft 5/2017.
  - Next steps being developed.
4. **Establish a proactive approach to maintaining the health of our natural resources and defensible space.**
  - 4.1. Implement the 10 Year Forest Management Plan
    - Ongoing, special briefing to the board semi-annually
    - Board briefed on program status at the April 2017 board meeting. Board authorized additional funding of \$150k to address heavy winter forestry damage
  - 4.2. Continue to emphasize and execute the 8-year homeowner lot defensible space inspection program.
    - Ongoing, updated monthly in board books
  - 4.3. Promote efficiencies in energy and water use for greater self-reliance and energy independence while properly maintaining our amenities.
    - Solar project implementation as documented in the capital funds projection
    - Various water reduction projects across the amenities implemented in 2015 and 2016, met or exceeded requirements from the Truckee Donner Public Utility District / State of California.
  - 4.4. Develop an association-wide recycling program for amenities.
    - Ongoing development and implementation
  - 4.5. Continue to develop a Land Management Plan in cooperation with the board of director established Land Management Working Group.
    - Complete, board approved, and posted online.
  - 4.6. Implement the Trails Master Plan as approved by the board of directors.
    - 5-year trail implementation plan, as part of the Trails Mater Plan, approved by Nevada County.
    - 9/14/2016 The Zoning Administrator provided full approval and clearance. This allows TDA until the end of the 2020 building season to implement the defined scope of work within the 5YIP, with opportunity for (1) two-year extension, if necessary. Any approved items that are not implemented by end of 2022, would clearly require another review and be included in subsequent 5YIP clearance applications.
    - With final grading permits and weather, very little time to implement work was available in 2016. Permitted work continues in 2017.







### **3. Capital Projects**

All approved projects are currently underway utilizing the newly approved capital project approval process. Amenity Master Plan depending board review and direction 7/2017.

### **4. Facilities / Architectural Standards / Covenants / Risk – Loss Prevention**

- **Forestry:**
  - No further updates at this time.
- **Trails:**
  - No further updates at this time.
- **Facilities Maintenance:**
  - Two billings from two different incidents of hazardous material clean-up are for board review 7/2017.
- **Architectural Standards / Covenants:**
  - Both committees' reports are in the board books.
- **Risk - Loss Prevention:**
  - Executive Session Update

### **5. Human Resources**

- Interim Director of Human Resources still in place, expecting requirement for new full-time Director starting 7/25/2017.
- 79 active year-round, benefited positions (91 authorized, 91 Budgeted in 2017). Part-time positions: 75 active employees; Seasonal positions: 347 active employees; 1 Temp position: active employees; Total: 502 as of June 2017,.
- Jul 10 - 31: receive vendor renewal proposals and negotiations via broker; obtain agreement on new rates
- Aug. 1 - 31: prepare and present Decision Paper to BoD for benefit rate approvals
- Sept. 1 - 15: open enrollment for employees; submit changes to carriers/vendors
- October 1 - effective date of new benefit year (October 1, 2017-September 30, 2018)

### **6. Marketing (Communication Department/Public Relations/Member Services)**

- Interim Marketing Manager in place; Lindsay Hogan
- New Director of Marketing & Member Relations starts 7/25/2017; Christian Anderson Schwartz

### **7. 2017 Operations**

- Page F-7, 2 of 3 of the Financials denotes the year to date NOR for each department.

