

ACTION ON June 23, 2017

VERIFIED Megan Rodman

E.A. - TDA ASSOC.

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

May 20, 2017
Northwoods Clubhouse
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Saturday, May 20, 2017. 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 (via conference call 9:27 a.m. – 11:45 a.m.)

Directors Absent: none

Staff Present: Robb Etnyre, General Manager
 Lilian Stahlhofer, Finance & Accounting Controller
 Miguel Sloane, Director of Operations
 Miah Cottrell, Computer Network Manager
 Derek Moore, Interactive Communications Manager
 Megan Rodman, Recording Secretary and Executive Assistant

I. CALL TO ORDER 0:00:10

II. A. DISCUSSION: SOCIAL MEDIA UPDATE 0:01:27
 (Derek Moore, Interactive Communications Manager)

Derek Moore, Interactive Communications Manager, presented to the Board and to the membership a summary of comments and activities 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:

- 2017 Director Election
- Insect/weed spray dangers

- Event Tent at the Lodge
- Communication transparency
- Speeding in Tahoe Donner
- Kayak storage at the Tahoe Donner Marina
- Checking gas lines at member homes
- Seasonal Employee Housing

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

Links are now available on the Board Meeting videos to take members to specific Agenda items, should anyone only wish to view that portion of the meeting.

To stay informed on these topics and others, members can subscribe to receive Tahoe Donner emails at www.tahoedonner.com.

III. MEMBER & DIRECTOR COMMENTS 0:05:45

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. Ron Wulff, Board Vice President, recognized former Board members in attendance – Jim Stang, Suzan Knisley, Courtney Murrell and John Dundas – general comments that were made included speeding in Tahoe Donner.

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

IV. B. ACTION: APPROVAL OF MINUTES 0:16:57

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

- April 22, 2017 Special Meeting Minutes

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the meeting minutes as presented. Motion passed: 4 – 0. Director Darius Brooks absent.

**V. C. DISCUSSION: COMMITTEE MANAGEMENT 0:17:23
(Committee Chairs)**

- Architectural Standards – The Board of Directors was provided with the committee’s March 22, April 5, and April 26, 2017 meeting minutes and with the Architectural Standards and Covenants Board of Directors Monthly Summary for April 2017.
- Covenants – The Board of Directors was provided with the committee’s April 13, 2017 meeting minutes and with the Architectural Standards and Covenants Board of Directors Monthly Summary for April 2017.

- **Election** – No report.
- **Finance** – The Board of Directors was provided with the committee’s April 20, 2017 meeting minutes.
 - Art King, Chairman of the Finance Committee, reported that at the last committee meeting discussions were had regarding review of the March financials, the 2016 Annual Report, and updates on current projects, including the compensation study and housing.
- **General Plan** – The Board of Directors was provided with the committee’s May 1, 2017 meeting minutes.
 - Michael Sullivan, Chairman of the General Plan Committee, reported that they have received three responses to the requests for proposals sent out regarding the Trout Creek Reallocation Project. All three are being reviewed currently. The Downhill Ski Area study has been divided into three different areas of focus – replacing the lodge, upgrading lifts and improving the entire Downhill Ski area. Requests for proposals are still being drafted to address each of these areas.
- **Tahoe Donner Giving Fund Committee** – The Board of Directors was provided with the committee’s May 2, 2017 meeting minutes.
 - Suzanne Sullivan, a member of the Giving Fund committee, reported on behalf of Richard Gander, Chair of the Giving Fund committee, that three scholarships have been awarded thus far. Future plans for to promote the Tahoe Donner Cares Campaign involve having a presence at Truckee Thursday's and Bingo night, advertising donations when members/public buy concert tickets and promoting the Annual Dinner on October 14th, 2017.

VI. D. ACTION: CONSENT CALENDAR

0:34:54

The Board of Directors was provided with the following for consideration:

- Finance Committee – New Alternate Member – Marty Anderson
- Decision Paper – Miscellaneous Asphalt Repairs

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

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

- **Decision Paper – Improvements to the Day Camp Building at the Beach Club Marina**
 - Director Ron Wulff wanted to know if the kayak storage area would be affected by the proposed improvements to the Day Camp area at the

Beach Club Marina. Robb Etnyre, General Manager clarified that these improvements to the area outside of the Day Camp building would not take away from the kayak storage area. The improvements would only be to enclose the area with a fence and install artificial sod to provide a safe, and enclosed area for the campers to participate in daily activities.

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

VII. E. DISCUSSION: COMPENSATION STUDY UPDATE – PHASE II
(Board of Directors)

0:37:24

The Board of Directors provided a brief update of the Romanoff Consulting Compensation Study meeting on May 13, 2017, which solicited membership feedback on developing criteria for comparable organizations to Tahoe Donner. Jeff Bonzon, Board President, reported that there were 24 members in attendance. Through this working session, the attendees decided upon participant categories, chose preferred organizations to compare to, designated contacts for those organizations, compiled a list of data sources for research, and discussed next steps in this process. Per this meeting, it was concluded that a custom survey should be put on hold until more readily available data sources identified can be studied. Thus, a custom survey will only be conducted if sufficient enough, already available information cannot be gathered. Next steps in Phase II of the Compensation Study include:

1. Tahoe Donner Board adds to the lists.
2. Tahoe Donner Leadership team members add to the lists.
3. Romanoff Consulting consolidates entries and creates final lists.
4. Romanoff Consulting adds size and scope data to organization selected.
5. Romanoff Consulting determines compensation elements included in each data source.
6. Romanoff Consulting determines cost and availability of published data sources.
7. Consolidated list, size/scope data, compensation elements, and costs sent to Board and members.
8. Board and members approve final list of surveys and organizations.
9. Tahoe Donner purchases designated surveys.
10. Romanoff Consulting performs preliminary matching of Tahoe Donner jobs to survey benchmarks.
11. Tahoe Donner Board and members confirm benchmark job matching.
12. Romanoff Consulting creates database.
13. Romanoff Consulting summarizes results.
14. Romanoff Consulting presents results to Board and members.

VIII. BREAK 10:24 A.M.

1:24:05

The regular meeting reconvened at 10:35 a.m.

IX. F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT

1:24:28

(Lilian Stahlhofer, Finance & Accounting Controller)

The Board was provided with the 2017 March Financials report by Mike Salmon, Director of Finance and Accounting.

- **2017 April Financials**

- Month financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$644,000) which was favorable to budget by \$156,000. The month's operating revenues of \$835,000 were \$459,000 favorable to budget and total expenses of \$1,479,000 were \$303,000 unfavorable to budget. Compared to last year same month, revenues are up \$346,000 and net operating results were favorable by \$22,000. The month of April 2017 was another record revenue month. An estimated winter liability of \$150,000 for downed trees from the severe storm damage to common property was recorded in Forestry in April.
- Year to date financials for the Association indicate that net operating results (before assessment revenues) is a loss of (\$590,000) which is favorable to budget by \$1,150,000. Year to date operating revenues of \$5,775,000 are \$2,065,000 favorable to budget and total expenses of \$6,365,000 are \$915,000 unfavorable to budget. Compared to last year to date, revenues are up by \$663,000, expenses are up unfavorably by \$574,000 resulting in net operating results being favorable by \$90,000.
- Member's equity as of April 30, 2017 is \$5,553,000, which exceeds the Policy Peg Balance of \$1,100,000.
- As of March 31, 2017, there are 116 members who have not yet paid their annual assessment fees for 2017, compared to 228 recorded in March.

- **Month of May 2017**

- Revenue is at \$440,000 favorable to budget. As of May 15, 2017, revenue is unfavorable by \$50,000, costs are favorable by \$30,000 and net operating results will be in the (\$20,000) to \$20,000 range.

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the unaudited 2017 April Financials as presented. Motion passed: 5 – 0 .

X. G. DISCUSSION: TAHOE DONNER SEASONAL HOUSING UPDATE

1:40:57

(Robb Etnyre, General Manager)

Robb Etnyre, General Manager, discussed with the Board of Directors regional housing council status, along with updates in regards to staff's proposed recommendation to the shortage of housing for Tahoe Donner seasonal employees.

Following the regional community feedback from the April 29, 2017 Mountain Housing Council of Tahoe Truckee Public Summit, lots of discussion was had about what has been done this far and numerous ideas were brought to the table about potential actions that can be taken to resolve housing issues in the future. The event was well attended by the community, including members from Tahoe Donner, with many more people turning in

through Tahoe Truckee Community Television's livestream. Stacy Caldwell, Tahoe Truckee Community Foundation CEO, shared the recommendations that came out of the Housing Study, which included establishing a regional housing agenda and a housing entity. Since the Study was released last August, local leaders have been coalescing under Tahoe Truckee Community Foundation's leadership to follow through on these recommendations and form the Mountain Housing Council.

While Tahoe Donner held short term leases to (5) separate single-family residences within Tahoe Donner for the winter 2016/2017, as well as the Tahoe Donner owned Chalet House, Staff is interested in additional opportunities to further secure seasonal and some limited year-round workforce housing for Tahoe Donner employees, helping to guarantee necessary staffing service levels members have come to expect. This subject has been discussed at length in past board meetings and with the General Plan Committee. Board provided direction to staff at the April 22, 2017 board meeting to work further with the Finance Committee, General Plan Committee, and membership to develop employee housing options and solicit additional feedback.

At this time, the Board would like this project to continue to follow the capital projects planning process created by the General Plan Committee. As such, the next steps regarding employee housing would be to solicit membership feedback. The next working group meeting on this topic will be published via association regular membership e-blast notification, along with future articles in the Tahoe Donner News.

H. DISCUSSION: GOVERNING DOCUMENTS UPDATE

2:39:56

(Lisa Black, Berding & Weil, Attorneys at Law)

Tahoe Donner Association is a "common interest development" and, as such, is governed by provisions of California law, including the Corporations Code and the Civil Code (the Davis-Stirling Act). Our Association's governing documents were last updated in 1992. Since then, there have been many changes in the laws which have resulted in our existing articles of incorporation, bylaws, and CC&Rs being outdated, incomplete, or inaccurate concerning important aspects of our operations. For this reason, the Board and staff have been working with the Association's legal counsel to develop the updated governing documents.

The objectives of this governing document project are: (i) to update the articles of incorporation, bylaws, and CC&Rs to reflect the many changes that have occurred in the law since our community was established, (ii) to provide clarity about issues in a manner that reflects the principles contained in the current documents and applicable law, (iii) to reorganize the documents so that the updated and clarified information will be more accessible to the membership, Board and committee members, the manager, and others who have an interest in the community. There are other changes that are what are called "Best Practices" which are recommended changes that will help the Association operate more effectively and efficiently. The "New" Davis-Stirling Act was signed into law and became effective on January 1, 2014. The proposed documents presented at this Board meeting, reflect the new numbering scheme contained in the New Davis-Stirling Act. For instance, Civil Code section 1351(a) under the "old" law is now referred to by its new number location, Civil Code section 4080.

Because the information has been reorganized, it was not possible to prepare new documents in such a way that they can be usefully “redlined” or “compared” to the old documents. To assist the Board and the membership in reviewing the proposed new documents, legal counsel was asked to prepare the supporting document titled “Governing Documents Draft Summary Update,” that essentially provides a road map of how the information in the new documents is organized and outlines features and changes in the documents that are significant.

Going forward, the next steps in updating the Governing Documents is to host a member forum in which legal counsel will be present to walk the membership through all proposed changes.

XII. I. DISCUSSION: SPECIAL EVENT TENT AT THE LODGE RESTAURANT & PUB

3:02:00

(Mike Peters, Director of Food and Beverage)

The event tent located behind the Lodge Restaurant & Pub during our summer and fall season has been due for replacement since 2015. The original tent was purchased in 2004, when the Lodge was first opened. It has seen 12 years of service, and is reaching the end of its useful life. The tent has been subject to quite a bit of wear and tear throughout the years due to weather, usage, multiple installations and break downs, general storage and transport. By replacing components of the tent such as the lower window panels and interior white dress liners, staff has been able to extend the tent’s useful life by several years. However, damage and repairs far exceed simple fixes, resulting in the need to replace the entire tent.

A few objectives have been established, based on a variety of feedback, in considering a replacement structure – (1) lower the overall profile of the tent, without losing the grand interior vaulted ceiling feel for customers renting the tent and to (2) consider the color of the tent for optimal benefit.

In 2016, the Banquets department at the Lodge Restaurant & Pub, which receives revenue from events in the events tent, was budgeted for \$350,000 in expected revenue, with actual results of \$429,000, which is \$79,000 or 23% favorable to budget, which was \$50,000 or 13% over the 2015 actual banquet revenues. For 2017, the Lodge has been budgeted for a revenue of \$2,194,000, which is up 11% from the 2015 budget, with Banquets specifically, being budgeted for \$420,000 or 19% of the Lodge’s revenue for 2017.

Regarding revenue, staff estimates that 60% of the banquet events in the tent are for members, members’ guests, clubs and committees and 40% are for the public. With regards to guest count, staff estimates that 70% of the banquet events are for members, members’ guests, clubs and committees, and 30% is for the public. Thus, the overall revenue far exceeds the cost of banquets, with high yields, being the highest margin area for operations at the Lodge.

Following discussion, Staff plans to make available from June 27th to June 29th a replica of a potential new event tent, for further feedback from the membership in considering a

final replacement solution for the current structure. Question and feedback regarding a new event tent, can be directed to Mike Peters, the Director of Food and Beverage. Email: mpeters@tahoedonner.com. Phone: (530) 587-9481.

CLOSED SESSION

XIII. EXEC. EXECUTIVE SESSION AND LUNCH 3:39:02

The Board adjourned to Executive Session at 12:50 p.m.

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve adjournment of the Board Meeting into Executive Session at 12:50 p.m. Motion passed: 4 – 0. Director Darius Brooks absent.

XIV. APPEAL HEARING

The Board reconvened to an Appeal Hearing at 1:30 p.m.

OPEN SESSION

The Board reconvened to Open Session at 1:50 p.m.

XV. EXEC. EXECUTIVE SESSION REPORT 3:39:48

Board Secretary, Jeff Schwerdtfeger reported that the Board met in Executive Session and discussed:

- Appeal Hearing
- Personnel Matters
- Contracts

XVI. J. DISCUSSION: ARCHITECTURAL STANDARDS LAMA SOFTWARE UPDATE 3:40:15

(Robb Etnyre, General Manager)

Robb Etnyre, General Manager, presented to the Board of Directors an update with the progress that is being made during the transition from Goldmine to LAMA Software.

For a long time, the Architectural Standards office operated with only the use of paper files. In 1999, the Architectural Standards department purchased Goldmine CRM software to digitize their operations processes as much as possible. In 2007, the Forestry department began to utilize the Goldmine software as well to facilitate its Defensible Space and Dead Tree programs. Unfortunately, in the recent years, the Goldmine software became very limiting, requiring much of the work to be performed manually. As such, management began reviewing the needs of each department, in addition to the Architectural Standards and Covenants committees, to perform their work for the association. In tandem with this analysis, membership feedback and demand for electronic processing of improvement projects was raised, as well as improvement in communication with these departments. This resulted in the purchase of LAMA software.

LAMA software, provided by Davenport Group, rose above all other researched software due to automated processing, integrated GID mapping, owner portals, capability for inspections to be conducted with tablets, real-time online permit applications and requests, integrated inspections, photos and communications, exhaustive search capabilities, real-time reporting and applicant notifications and messaging. LAMA software is a server based software as opposed to cloud based. Following Board approval of the purchase of LAMA software on November 12, 2016, implementation and conversion from Goldmine began immediately. The new software is schedule to go live in the last week of May.

XVII. K. DISCUSSION: ASSOCIATION MASTER PLAN UPDATE 4:00:50
(General Plan Committee)

Michael Sullivan, Chair of the General Plan Committee, informed the Board of Directors that following last month's General Plan Committee meeting the committee made further edits to the Association Master Plan.

The most recent version now includes a list of General Plan Committee Investment Recommendations at the Northwoods Clubhouse, Tennis Center, Trout Creek Recreation Center, Alder Creek Adventure Center, Downhill Ski Area, Beach Club Marina, Mailboxes, commercial Building, Employee Housing and Power Generation. Each of these recommendations are very robust, the idea being that these topics for investment could be revisited years from now and not be outdated. The Board by consensus had no further edits to the Association Master Plan, and will be ready to approve the final document at the next regularly scheduled Board meeting.

XVIII. L. DISCUSSION: ASSOCIATION COMMUNICATION 4:18:27
(Board of Directors & Staff)

The Board of Directors reviewed and discussed their current methods used to engage the membership.

Tahoe Donner Communication Statistics –

- Tahoe Donner News –
 - 6,000 copies of Tahoe Donner News magazine are mailed each month to members.
 - 1,000 – 2,000 copies of Tahoe Donner News magazine are distributed at select amenities and restaurants, plus select local businesses (real estate offices, chamber of commerce).
 - 500 – 2,000 weekly activity guides are distributed during the summer months and holiday periods.
- Weekly Tahoe Donner E-blasts –
 - There are 21,700 total email subscribers.
 - 5,700 members receive the Monday e-blast discussing general member news.
 - 4,500 members receive the Wednesday e-blast discussing weekly news.
 - 1,000 members receive special dining bi-monthly e-blasts.

- 10,600 members receive specialty e-blasts that are sent out regarding certain hot topics and are outside of the normal Monday/Wednesday e-blasts.
- Social Media –
 - Tahoe Donner publishes news on different social media platforms.
 - There are 13,800 members who follow news posted on social media, 80% of which follow via Facebook, 17% on Twitter and 3% on Instagram.
- Website Traffic (based on a three-month average) –
 - 798,000 page views
 - 126,000 users
 - 257,000 sessions
 - 2 minutes and 40 seconds is the average session time
- Completing the Communication Loop – How does Tahoe Donner hear from the members?
 - Feedback button on website
 - Periodic subject-specific surveys
 - New member meet and greet events
 - Management presence at amenities
 - Committee feedback to management
 - Amenity comment cards
 - Town hall meetings
 - Board meeting comment
 - Homeowner inspections
 - General emails

For anyone interested in receiving the Tahoe Donner News magazine, or e-blasts, please go to the Tahoe Donner website at: www.tahoedonner.com/opt-in. Or you view all member news at: <http://www.tahoedonner.com/member-area/member-news-info/member-news/>.

XIX. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS 5:02:50

- Association Master Plan
- Seasonal Employee Housing
- Special Event Tent at the Lodge
- Forestry Report

XX. ADJOURNMENT 5:03:36

By consensus the Board adjourned the meeting at 3:12 p.m.

Director Jeff Bonzon moved and Director Jeff Schwerdtfeger seconded to approve adjournment of the Board Meeting at 3:12 p.m. Motion passed: 4 – 0. Director Darius Brooks absent.

Submitted by:

Megan Rodman

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 May 20, 2017 as approved by the Board members in attendance and constituting a quorum at a duty convened subsequent meeting of the Board.

Jeff Schwerdtfeger

Jeff Schwerdtfeger, Board Secretary