

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

March 25, 2017
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, March 25, 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 (via conference call)
Steve Miller, Treasurer
Darius Brooks, Director

Directors Absent: Jeff Schwerdtfeger, Secretary

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
Gretchen Sproehnle, Marketing Communications Manager
Megan Rodman, Recording Secretary and Executive Assistant

I. CALL TO ORDER 00:10

II. A. DISCUSSION: SOCIAL MEDIA UPDATE 01:02

Gretchen Sproehnle, Marketing 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:

- Snow removal services
- Homeowner deck expansion and building

- Home burglary
- The Lodge Restaurant & Pub being closed for a private event

Gretchen 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 to take members to specific parts of Board Meeting videos, should anyone only wish to view certain agenda items.

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

III. **MEMBER & DIRECTOR COMMENTS** 03:50

Board President, Jeff Bonzon, recognized members to comment on agenda items as they occurred. But, opened the meeting to address any topics that were not on the agenda but perceived as important to address and potential items to be placed on future board meeting agendas. However, at this time no Director or member comments were made.

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

IV. B. **ACTION: APPROVAL OF MINUTES** 04:50

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

- February 25, 2017 Regular Meeting Minutes

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

V. C. **ACTION: 2016 FINANCIAL INDEPENDENT AUDIT** 05:47 (Gilbert Associates, Inc.)

The Board was presented with the results of the 2016 Annual Audit by Gilbert Associates, Inc.

Bobbie Hales, from Gilbert Associates, reported that they have audited the financial statements of the Tahoe Donner Association for the year ended December 31, 2016, and the related statements of revenues, expenses and changes in members' equity, and of cash flows for the year then ended. This report is designed to provide the Organization's Board of Directors with information regarding the scope and results of the audit to assist the Board in overseeing management's financial reporting and disclosure processes. In their opinion, the financial statements referred to in the report were presented fairly, in all material respects. The financial position of Tahoe Donner Association as of December 31, 2016, and the changes in member's equity and its cash flows for the year then ended are in accordance with the accounting principles generally accepted in the United States of America.

Following discussion, Director Steve Miller moved and Director Darius Brooks seconded to approve the 2016 Financial Independent Audit report, presented by Gilbert Associates, Inc., as presented. Motion passed: 4 – 0. (Director Jeff Schwerdtfeger absent).

VIII. F. DISCUSSION: ELEMENTS MOUNTAIN COMPANY

11:23

(Matt Warren, Elements Mountain Company)

This Agenda Item was discussed before Agenda Item D – Town of Truckee TSSA 1 Fund and Agenda Item E – Town of Truckee Long-Range Transit Plan.

Matt Warren, previous owner of SnowTech and Jamie Legare, previous owner of Waltman Construction, both now co-owners of Elements Mountain Company, presented to the Board of Directors and to the membership what the merger of the two companies would mean for Tahoe Donner customers. While the merger has been in the works for quite some time, the main reason Jamie and Matt decided to merge their two companies into Elements Mountain Co., was to address the fact that both companies had aging fleets, in desperate need of replacement that would be too expensive for either company to pay for on their own. Other reasons for the merger include:

- To share the stresses and responsibilities of running a snow removal business, with another active business partner
- Reduced expenses
- Improved operations
- A stronger purchasing power to help offset price increases
- Reduced footprint of each route
- More time provided to clear driveways, less time moving between customers

Following the merger, Jamie and Matt noted that while there may be a nominal overall price increase, they are both committed to providing the best snow removal services, for the best value in the area, on a cost per clearing basis. Meaning, that while Tahoe Donner customers receive much more snow on average than other customers in the Truckee area, Elements Mountain Co., must be fiscally responsible, putting aside money during light winters, in order to prepare for the financial hardships that come with extreme winters such as the 2016/2017 season (i.e. paying employees, high maintenance costs and fuel costs). Thus, in the past both companies focused their pricing models on a one price fits all basis. Going forward, Elements Mountain Co., is exploring the ideas of adjusting the pricing model to consider factors such as driveway sizes, locations and degrees of difficulty in plowing. Resulting in the price of snow removal for smaller driveways decreasing and larger or more complex driveways increasing, making pricing more equitable for customers. Discount opportunities will be considered including – early sign-up discounts, pay in full vs. payment plan discounts, check and/or cash vs. credit card discounts, and bundling of services. In addition to exploring new pricing models, other future plans for the company include replacing aging equipment with new more reliable equipment, investing in new technology and communication devices, and to create year-round employment opportunities.

For any further questions or information, please contact Elements Mountain Co., by email at jamie@elementsmtn.co or matt@elementsmtn.co or by phone at (530) 582-0300 or (530) 587-7017.

DISCUSSION: TOWN OF TRUCKEE TSSA 1 FUND & TOWN OF TRUCKEE LONG-RANGE TRANSIT PLAN

1:20:20

(Dan Wilkins, Director of Public Works for the Town of Truckee)

Agenda Items D and E were discussed in one presentation by Dan Wilkins, Director of Public Works for the Town of Truckee.

Dan Wilkins, the Director of Public Works for the Town of Truckee, presented to the Board and to the membership an update regarding the Town's TSSA 1 Fund, its long-range transit plan and preliminary design for the Donner Pass road round-about at Donner Pass Rd. and Northwoods Blvd.

• **Truckee Special Service Area (TSSA) 1 Fund Status Update**

- Properties within the Tahoe Donner subdivision are contained within TSSA 1. An existing annual assessment amount of \$95.00 per improved lot and \$70.00 per unimproved lot on properties within TSSA 1 results in approximately \$592,000 per year of revenue to the special assessment fund. The ongoing uses of the TSSA 1 Fund includes: (1) improved maintenance on Tahoe Donner roadways, (2) reserve funding for future slurry seals and overlays, and (3) special projects.
- Within the past year, TSSA 1 funds were used to fund 40% of the slurry seal projects for Tahoe Donner roadways; 45% of the cost to repave Northwoods Boulevard; and closeout costs for both phases of Trout Creek Trail. It is estimated that the TSSA 1 fund balance will be approximately \$4,927,600 at the conclusion of fiscal year 2016/2017.
- Town staff is currently updating the Pavement Maintenance Program and is recommending paving and slurry frequencies and TSSA funding contributions that are similar to the 2012 Pavement Maintenance Program. Meaning that slurry seal be applied to local and collector roads in the Tahoe Donner subdivision at three year intervals, with the exception of Northwoods Boulevard being every eight years.
- In addition, Town staff is also recommending that \$200,000 of TSSA 1 funds be included in the fiscal year 2017/2018 budget to design and construct a vehicle turnaround on Ski Slope Way, to improve snow removal operations by allowing a longer section of Ski Slope Way to remain open during large snow events.

• **Long-Range Transit Plan**

- Currently the town operates 4 different TART bus routes, costing a total of \$1,100,000 annually – 1) a Donner Summit route (maroon), 2) a Donner Lake route (yellow), 3) a Regional 89 hwy route (green), and 4) a Regional Hwy 267 route (blue).
- Ideally, and in addition to the already existing 4 TART routes, the town would like to offer extended bus routes around Tahoe Donner (purple), Sierra Meadows (red) and Glenshire (pink). Increasing the annual operating cost to a projected \$3,407,000.

- If the town was to offer transit services in Tahoe Donner, covering the Northwoods Boulevard loop, stopping at almost every intersection, the projected total annual operating cost would be \$533,800. Year-round services would be provided from 6:30 a.m. to 5:30 p.m., with additional extended services during certain times of the year from 5:30 p.m. to 11:00 p.m.
- **Preliminary Design for Donner Pass Rd./Northwoods Blvd. Round-About**
 - While this project is still three years out, preliminary designs have been created for the potential implementation of a round-about at the intersection of Donner Pass Rd. and Northwoods Blvd. A traffic engineer was hired to collect data on the current signal at this intersection to provide information regarding volume, usage and current conditions. Through this report, it was determined that a round-about would reduce the vehicle queues each way by half. Also with this data, it was determined that the future cumulative of cars would remain the same if a round-about was installed, but would only double the current vehicle queue if a signal was to remain in this location.

Dan Wilkins concluded his presentation by saying that a Town of Truckee Capital Improvement Program Budget Workshop is planned for April 17, 2017 at 4:00 p.m., at which time the Town staff anticipated recommending to the Town Council that TSSA 1 dollars be used to pursue the Skislope Way Vehicle Turnaround project, and to fund the enhanced maintenance components of the annual slurry seal and paving projects.

VII. E. DISCUSSION: TOWN OF TRUCKEE LONG-RANGE TRANSIT PLAN

(Dan Wilkins, Director of Public Works for the Town of Truckee)

This presentation was included in Dan Wilkins overall Town of Truckee presentation to the Board of Directors discussing the Town's TSSA 1 Fund, Long-Range Transit Plan, and preliminary designs for a round-about at the Donner Pass Rd. and Northwoods Blvd. intersection.

X. BREAK 11:34 A.M. 2:32:15

The regular Board meeting reconvened at 11:47 a.m.

IX. G. DISCUSSION: COMMITTEE MANAGEMENT 2:35:30

(Committee Chairs)

- **Architectural Standards** – The Board was provided with the committee's March 8, 2017 meeting minutes.
 - Rod Whitten, Chairman of the Architectural Standards committee reported that things are slow moving, but that they are expecting increased business once the snow melts, due to winter damages. All requests to build and repair, will need approval from not only the committee, but also from the Town as well. Also, Rod noted that the installation of the new LAMA software is moving along quite well.
- **Covenants** – No report.

- **Election** – No report.
- **Finance** – The Board was provided with the committee’s March 16, 2017 meeting minutes.
- **General Plan (GPC)** – The Board was provided with the committee’s March 6, 2017 meeting minutes and the Capital Projects at a Glance report.
 - Michael Sullivan, reported that a feasibility study has been completed regarding the Trout Creek Space Reallocation project. The subcommittee has chosen Option A, to reallocate space within the existing structure. The next step is to hire an Architect to get final designs completed, to then collect bids from contractors to get an approximate cost of Option A.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s March 7, 2017 meeting minutes.
 - Richard Gander, Chairman of the Tahoe Donner Giving Fund committee, reported that Elements Mountain Co., has elected to continue the partnership at the level of \$2,000 per year to remain our only partner at this time. In addition, the committee has a total of \$19,000 available for grants, \$3,000 of which has been approved to allow for potential multi-year grants, being need based scholarships.

XI. H. ACTION: CONSENT CALENDAR 2:51:10

The Board was provided with the following for consideration:

- Decision Paper – Accelerate Reserve Replacement Funds, Trail Segment 28-30
- Decision Paper – Uniforms for Downhill Ski Area Operations
- Decision Paper – Rental Equipment for Downhill Ski Area Rental Shop

Following discussion, Director Darius Brooks moved and Director Steve Miller seconded to approve the Consent Calendar items as presented. Motion passed: 4 – 0. (Director Jeff Schwerdtfeger absent).

XII. I. DISCUSSION: TAHOE DONNER LESSONS LEARNED
(Robb Etnyre, General Manager)

Due to time constraints, this item was removed from the Agenda, and re-scheduled to be discussed at the April 22, 2017 Special Board Meeting.

XIII. J. ACTION: DIRECOTR OF FINANCE & ACCOUNTING REPORT 2:52:00
(Mike Salmon, Director of Finance & Accounting)

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

- **2017 February Financials**

- Month financials for the Association indicate that net operating results (before assessment revenues) for the month was a positive \$221,000 which was favorable to budget by \$358,000. The month's operating revenues of \$1,853,000 were \$571,000 favorable to budget and total expenses of \$1,631,000 were \$231,000 unfavorable to budget. Compared to last year same month, revenues are up \$31,000 and net operating results are unfavorable by \$47,000. The month of February 2017 had record revenues and record operating costs.
- Year to date financials for the Association indicate that net operating results (before assessment revenues) is a positive \$179,000 which is favorable to budget by \$617,000. Year to date operating revenues of \$3,508,000 are \$1,054,000 is favorable to budget and total expenses of \$3,330,000 are \$437,000 unfavorable to budget. Compared to last year to date, revenues are up \$71,000, and expenses are up unfavorably by \$156,000 resulting in net operating results being unfavorable by \$85,000.
- Member's equity as of February 28, 2017 is \$5,021,000, which exceeds the Policy Peg Balance of \$1,100,000.
- As of February 28, 2017, there are 1,243 members who have not yet paid their annual assessment fees for 2017.
- **Month of March 2017**
 - Revenue is at \$879,000 favorable to budget. As of March 24, 2017, revenue is favorable by \$475,000, wages are unfavorable by \$200,000 and net operating results will be in the \$250,000 to \$300,000 favorable range.

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the 2017 February Financials, unaudited as presented. Motion passed: 4 – 0. (Director Jeff Schwerdtfeger absent).

XIV. K. DISCUSSION: UNDERGROUND UTILITIES
(Board of Directors)

Due to time constraints, this item was removed from the Agenda, and re-scheduled to be discussed at the April 22, 2017 Special Board Meeting.

XV. L. DISCUSSION: TAHOE DONNER ASSOCIATION MASTER PLAN
(General Plan Committee and Forrest Huisman, Director of Capital Projects)

3:02:20

The General Plan Committee in conjunction with Forrest Huisman, Director of Capital Projects, discussed with the Board the latest draft of the Association Master Plan. Utilizing the two drafts that were presented by Dudek, which outlined a very detailed image of where Tahoe Donner is now, the committee utilized to expanded the report even further to create a future vision for Tahoe Donner utilizing the Association's vision statement, member input and strategic plan guiding principles. The most recent draft of the Association Master Plan that was presented to the Board, included the following additional topics:

- The Capital Projects Planning Process
- The "Current State" of Tahoe Donner

- Truckee Regional Homeowner Associations
- The “Future State” of Tahoe Donner
- GPC Investment Recommendations
- How New Amenities Affect the Member Assessment
- Benchmarking Other Mountain Recreation Communities
- How Technology is Improving Customer Service
- 2017-2037 Investment Plan
- Tahoe Donner Activities

In order to include as much member input while creating the Association Master Plan, the General Plan committee will be hosting their second Member Forum, in which members are invited to attend for a comprehensive look at this new vision of Tahoe Donner’s vibrant future. The Member Forum will be held on March 31, 2017 at 5:00 p.m. at the Northwoods Clubhouse – Mezzanine Room.

CLOSED SESSION

XVI. EXEC. EXECUTIVE SESSION AND LUNCH 3:34:00

The Board adjourned to Executive Session at 12:48 p.m.

Director Steve Miller moved and Director Darius Brooks seconded to approve adjournment of the Board meeting to Executive Session at 12:48 p.m. Motion passed: 4 – 0. (Director Jeff Schwerdtfeger absent).

OPEN SESSION

The Board reconvened to Open Session at 1:54 p.m.

Director Ron Wulff left the Board Meeting, via conference call, at 1:45 p.m.

XVII. EXEC. EXECUTIVE SESSION REPORT 3:34:52

Board President, Jeff Bonzon reported that the Board met in Executive Session today and:

- Approved a contract with Kurt Engle Construction for construction services at the Alder Creek Adventure Center.
- Discussed approving the First Amendment to the Professional Services Agreement for the Senior Management Compensation Study.
- Agreed to hold a Special Board Meeting on April 22, 2017 starting at 9:00 a.m. at the Northwoods Clubhouse, Mezzanine Room.

XVIII. M. ACTION: SENIOR MANAGEMENT COMPENSATION STUDY UPDATE 3:35:00 (Romanoff Consulting)

The Board of Directors reviewed and approved the First Amendment to the Professional Services Agreement with Romanoff Consulting for the Senior Management Compensation study. The Amendment adds four more Senior Managers to the study - the

Director of Facilities & Risk Management, the Director of Food and Beverage, the Director of Human Resources and the Director of Marketing and Communications. Meaning that all senior management positions at Tahoe Donner Association, will be included in this compensation study.

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the First Amendment to the Professional Services Agreement with Romanoff Consulting as presented. Motion passed: 3 – 0. (Director Ron Wulff and Director Jeff Schwerdtfeger absent).

XIX. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS 3:36:00

- Tahoe Donner Lessons Learned
- Underground Utilities in Tahoe Donner
- Senior Management Compensation Study update
- Tahoe Donner Forestry Report

XX. ADJOURNMENT 3:36:42

By consensus the Board adjourned the meeting at 1:56 p.m.

Director Jeff Bonzon moved and Director Steve Miller seconded to approve adjournment of the Board Meeting at 1:56 p.m. Motion passed: 3 – 0. (Director Ron Wulff and Director Jeff Schwerdtfeger absent).

Submitted by:

Megan Rodman, Recording Secretary and Executive Assistant

SECRETARY’S CERTIFICATE

I, Jeff Bonzon, President 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 March 25, 2017 as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Jeff Bonzon, Board President