



STRATEGIC PLAN GOALS 2018-2019

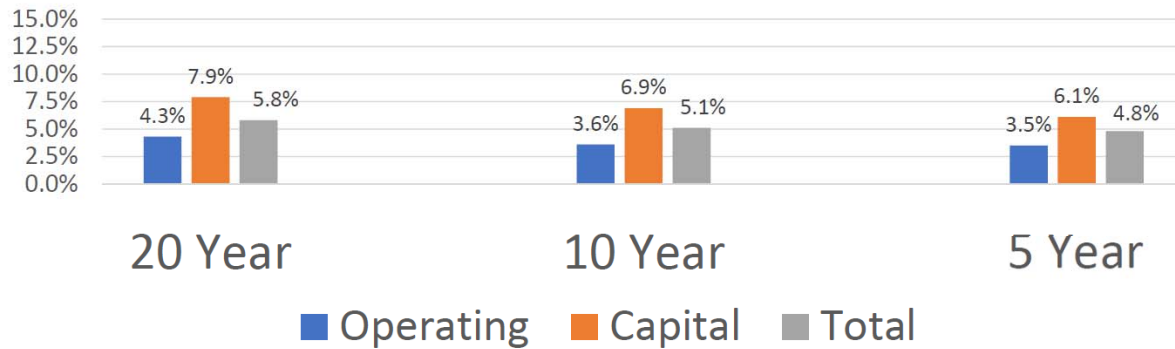
- GUIDING PRINCIPLE OVERVIEW
- DRAFT STRATEGIC GOAL DISCUSSION
- 2019 BUDGET PROCESS

2 STRATEGIC PLAN GUIDING PRINCIPLES

- Vision:
 - Tahoe Donner is a vibrant and desirable mountain community, providing attractive and well-maintained facilities, events, programs, and leading customer service to its members, guests, and public, all while maintaining accessible and healthy natural surroundings. (Don't change vision, but address concepts/principles in budget direction. Concerns about long standing public access. Public should be secondary to members.)
- Mission:
 - Tahoe Donner is a recreational homeowner community of 6,500 property owners and over 25,000 members located within Truckee, California, five miles from Donner Lake, and 15 miles from Lake Tahoe. The association operates several recreational facilities and programs including a downhill and cross country ski area, two restaurants, a championship golf course, equestrian center, and campground. These amenities are available for members and public access. (Address public access concepts in budget and with board/management policies) Additionally, the Association manages other amenities for the exclusive use of the property owners and their guests, including tennis courts, hiking trails, playgrounds, pools, a beach club marina on Donner Lake, and a fitness center. Tahoe Donner is comprised of approximately 7,000 acres, with over 4,000 acres of common area, trails and open space interspersed among the community homes.

3 ANNUAL ASSESSMENT

Annual Assessment Growth Rate - by Fund type and Total
 1998 - 2008 - 2013 to 2018 Budget
 Compounded Annual Growth Rate

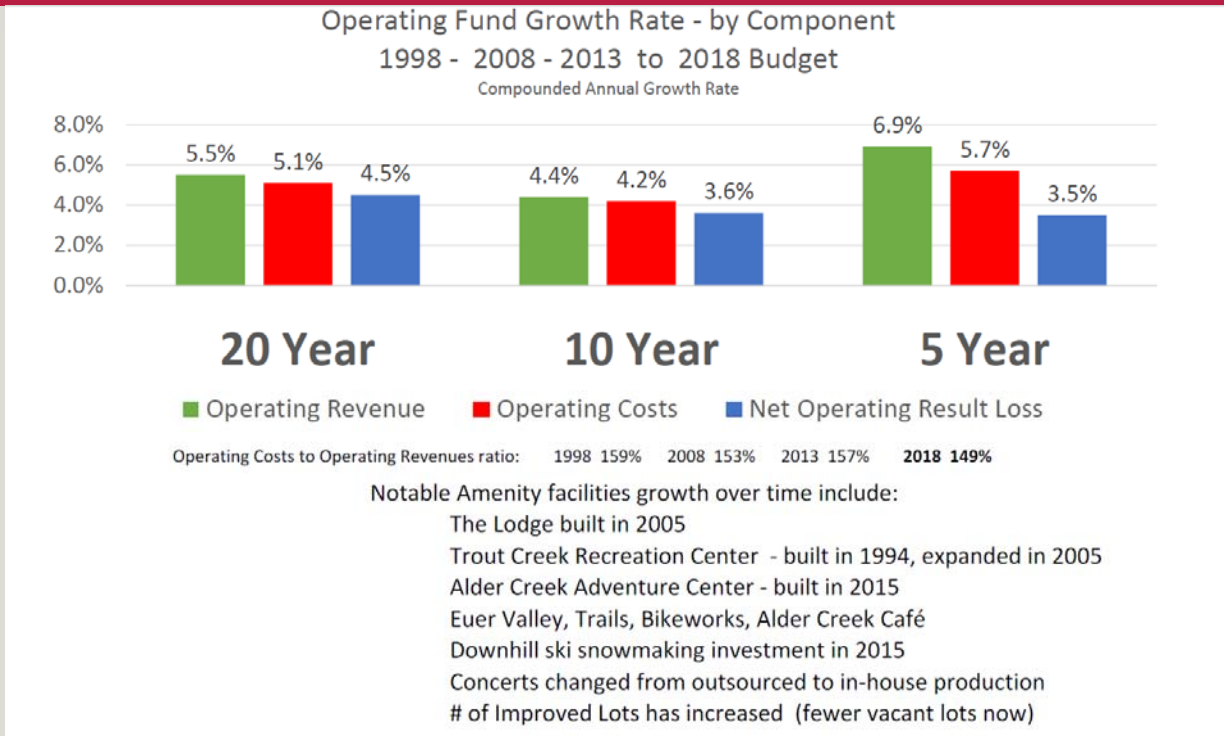


Annual Assessment Notes:

In 2018, the \$1900 total annual assement was the same as 2016 and 2017, flat for three consecutive years.
 From 2009 to 2012 (four consecutive years), the operating portion of annual assessment was held flat at \$695.
 Over the past 20 years (1997 to 2017), the association's replacement reserve fund balance has improved by over \$8 million, addressing past underfunding and an aging infrastrucure of this now 47 year old association.
 Members Equity has grown at a 30 year growth rate of 6.3%, reflected a net improvement, as opposed to a decline.
 Operating AA / Capital AA ratio: 1998 66%/34% 2008 57%/43% 2013 53%/47% 2018 49%/51%
 Over the past 20 years (1998 to 2018), the operating portion of assessment has decreased from 66% to 49%, a 26% decrease.

Connors: Aggressively decrease operating fund percentage of AA, past positive trend is not enough. Move to more variable cost instead of fixed cost.
Jennings: Good trend, with the reality of weather.

4 OPERATING FUND GROWTH RATE



5 STRATEGIC PLAN GUIDING PRINCIPLES CONT.

- As our organization moves forward in pursuit of our strategic goals, we shall align ourselves daily with these principles. They are cornerstones which support our direction and philosophy, and provide a basis for everything we do. Every goal in this plan is founded on the following principles:
 - Support the customer first and always. (Connors: Support member first, not customer)
 - Sustain the foundation of Tahoe Donner programs and services.
 - Encourage environmental stewardship.
 - Engage in local community involvement and participation.
 - Minimize annual operating assessment by allowing homeowners to pay for the amenities they desire to use.
 - Responsibly maintain, preserve and enhance the common property.

6 GUIDING PRINCIPLE CONCEPTS (NEW)

Past Concepts	Future Concepts
Whole is great than its parts (Consolidated Results)	Individual Amenity NOR Zero or better
Managed Fair Level Pricing	Resort Market Pricing & Peak Period Pricing & STR Pricing / Guest Premium Pricing
3-5 Year Average Forecasting / Improve on Trends	Immediate Positive Burdened NOR Results
Snowplay Rec Fee Included	Snowplay not included in Rec Fee
3-5 year break even NOR targets	Immediate Amenity NOR Break Even Budgeting
Well Maintained	Maintained
Overhead & Capital Responsibility of All Members	Overhead & Capital Responsibility of each specific amenity's users
Rec Fee Break Even (NOR) \$270	Rec Fee Fully Loaded Potential \$399

7 GUIDING PRINCIPLE CONCEPTS (BOARD COMMENTS)

Past Concepts	Future Concepts	Board Comments
Whole is great than its parts (Consolidated Results)	Individual Amenity NOR Zero or better	Not for Budget 2019, but target goal within a few years
Managed Fair Level Pricing	Resort Market Pricing & Peak Period Pricing & STR Pricing / Guest Premium Pricing	Concur with Future Concept
3-5 Year Average Forecasting / Improve on Trends	Immediate Positive Burdened NOR Results	Not Capital burdened, and only after reasonable steps over time
Snowplay Rec Fee Included	Snowplay not included in Rec Fee	Possibly for 2019B after reviewing the member/guest/public numbers
3-5 year break even NOR targets	Immediate Amenity NOR Break Even Budgeting	Immediate is ideal, but some departments may take a few years to achieve without impacting members
Well Maintained	Maintained	Vision is still valid, further review of funding and purpose of Replacement Reserve Fund
Overhead & Capital Responsibility of All Members	Overhead & Capital Responsibility of each specific amenity's users	Capital still responsibility of all members
Rec Fee Break Even (NOR) \$270	Rec Fee Fully Loaded Potential \$399	Balanced with other pricing increases. Maybe not fully loaded for 2019B.

8 DRAFT STRATEGIC PLAN GOALS 2018-2019 GOAL FORMULATION

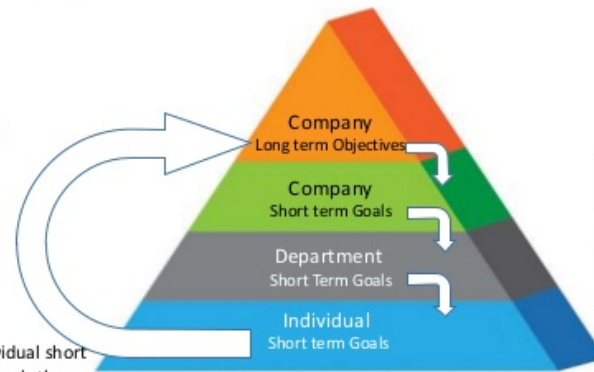
The RACI Triangle



Cascading Goals

Ensure goals are **SMART** Goals

- SPECIFIC
- MEASURABLE
- ACHIEVABLE
- REALISTIC
- TIME SPECIFIC



The sum of Individual short term goals equals the company overall Long term Objectives

- Company Long term objectives are broken down into Company shorter term goals
- Company short term goals are broken down into Department Goals
- Department short term goals are broken down into Individual Goals (Goals should be linked to KPIs)

9 DRAFT STRATEGIC PLAN GOALS 2018-2019 FOR DISCUSSION

- I. **Execute the board-approved Capital Plan on time and within budget. The Capital Plan is composed of the board approved Trails Masterplan, Land Management Plan, Association Masterplan, (priority list of future year reinvestment projects in our amenities from the Development Fund) and Replacement Reserve Study (plan to replace major components of the association according to each component useful life).**

I.1. Development Fund

I.1.1. Implement the board approved 2018 & 2019 Association Master Plan while saving appropriate funds (without special assessment) for identified future projects.

I.1.2. Work with the General Plan Committee to draft amenity master plans based on board approved priority projects and Association Master Plan.

10 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

1.2. Replacement Reserve Fund

1.2.1. Continue to maintain the common facilities and common property in accordance with the association vision & mission, with the reserve study as the guiding plan to review and modify annually based on the current condition of each reserve component items useful life.

1.2.2. Ensure the Replacement Reserve Fund is adequately funded as directed by board policy.

1.2.3. (Special Executive Session Planning Factors for ADA)

1.3. New Equipment Fund

1.3.1. Ensure adequate funding supports Goal 2.

1.4. Energy Efficiency

1.4.1. When planning for capital improvement projects, promote efficiencies in energy and water use for greater self-reliance and energy independence while properly maintaining our amenities.

1.5. Implement the board approved Trails Master Plan projects

II DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

2. Balance operating revenue and expenses with the need to provide a consistent and appropriate level of defined services for members, member guests, and where appropriate the public. All amenity operations are expected to break even on a Net Operating Result (NOR) basis with members paying for services they choose to utilize. *

2.1. Decrease the need for assessed revenue by increasing operating revenue while not sacrificing membership service and/or experience during core peak period utilization periods. A reduction in some amenity operating hours or service level may be warranted during non-peak periods to achieve a yearlong breakeven NOR. This includes maximizing the sale of excess capacity to the public and peak period surge pricing for all users. The basic Tahoe Donner principle established in the “Way We Pay” survey was for users of amenities paying for their use without being subsidized on a NOR basis. **(Connors: Increase Public Pricing)**

2.2. Provide year-round association programs and special events to benefit the membership – on a minimum or greater breakeven NOR basis.

(*CA Minimum Wage increasing \$1 or 9% to \$12.00 1/1/2019; over \$200,000 cost impact)

12 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

2.3. Employ and retain qualified customer service focused and dedicated full-time and seasonal employees to meet mission requirements. (Connors: Increase employee shared cost of benefits, even in a tight employment market)

2.4. Continue to improve information technology services to support and integrate resort and member operations to meet continued technology changes and member desire for integrated modern systems. Identify and scope recommendations for leading edge integrated solutions across all customer facing platforms developed by industry leaders to considerably enhance the members experience.

2.5. Ensure employee and customer health and safety are first and foremost in our planning and operations, while encouraging individual responsibility, given the inherent assumption of risk in recreation activities.

13 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

3. Execute (Jeff S: new) effective approaches to maintaining the association's architectural and covenant standards.

3.1. Execute the long-term architectural standards homeowner inspection program as approved by the board of directors.

3.2. Complete the association's governing documents update to align with the California Corporation's Code and current Davis-Stirling Act.

3.3. Communicate and encourage neighbor to neighbor positive relations to support efforts of community standards compliance and involvement. (Jennings: Increase 24/7 covenants violation validation staffing)

3.4. Implement Board approved changes related to the Architectural Standards Task Force.

14 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

4. Establish a proactive approach to maintaining the health of our natural resources.

4.1. Maintain and communicate an association wide emergency preparedness plan.

4.2. Implement the Land Management Plan and ten-year forest management plan, with a continued emphasis on addressing recent multi-year drought and winter damage impacts to the forest focused on forest health and fire hazard mitigation programs to improve defensible space and reduce negative consequences of environmental impact which may increase fuels. (Jennings: Increase Forestry budget for staffing to address drought impact and more aggressive property inspection program)

4.3. Continue to emphasize and execute the eight-year homeowner lot defensible space inspection program. (Jennings: Increase the frequency of inspections of homeowner lots)

4.4. Develop an engaging membership stewardship program promoting value of association land and supporting pride and use sustainably.

15 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

5. Communications and Marketing

5.1. Explore CRM solutions for optimizing marketing and sales efforts as well as membership engagement.

5.2. Conduct an annual membership satisfaction survey, and use the results to further refine programs and services.

5.3. Continue to improve on engagement with the membership about common interested development and resort activities. (Connors: Increase/Decrease budget for Marketing based on return on marketing dollars compared to return on amenity revenue. Return on HOA marketing not addressed)

16 DRAFT STRATEGIC PLAN GOALS 2018-2019 (CONT.)

6. Work in partnership with the Town of Truckee and Special Districts to maximize the return on Homeowner tax dollars.

6.1. Communicate and engage membership on Town of Truckee and Special Districts projects, programs, with a special emphasis on implementation of the Town of Truckee new solid waste programs.

6.2. Insure there are Truckee-Tahoe area projects identified which benefit Tahoe Donner Association owners.

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SPECIAL BUDGET BOARD MEETINGS

- 8/24/2018
- 9/14/2018
- 10/12/2018

