

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

October 27, 2018
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, October 27, 2018. President Jennings called the meeting to order at 9:02 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Jennifer Jennings, President
Jeff Connors, Treasurer
Don Koenes, Secretary
Darius Brooks, Director (via conference call)

Directors Absent: none

Staff Present: Robb Etnyre, General Manager
Christina Schwartz, Director of Marketing and Member Relations
Tom Knill, Director of Human Resources
Michael Salmon, Director of Financing and Accounting
Annie Rosenfeld, Director of Risk and Real Property
Forrest Huisman, Director of Capital Projects
Miguel Sloane, Director of Operations
Nicole Ladd, Computer Network Supervisor
Megan Rodman, Executive Assistant and Recording Secretary

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| 1. | <u>CALL TO ORDER</u> | Not
Recorded |
| 2. | <u>ACTION: APPROVAL OF MINUTES</u>
(Don Koenes, Board Secretary) | Not
Recorded |

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

- September 22, 2018 Regular Meeting Minutes
- October 19, 2018 Special Meeting Minutes

Director Koenes moved and Director Connors seconded to approve the September 22, 2018 regular meeting minutes as presented. Motion passed: 4 – 0.

Director Koenes moved and Director Connors seconded to approve the October 19, 2018 special meeting minutes as presented. Motion passed: 3 – 0. (Director Jennings abstained).

3. **DISCUSSION: EXECUTIVE SESSION REPORT** Not Recorded
(Don Koenes, Board Secretary)

The Board of Directors gave Executive Session Reports from the regular Board Meeting on September 22, 2018.

4. **MEMBER & DIRECTOR COMMENTS** Not Recorded

Board President Jennings invited brief member and director comments on items that are not on the agenda.

Member comments:

- A member commented on concerns about Board spending.

Director Comments:

- Director Connors commented on use of emails for campaigning during Board Director Elections

Members may submit additional comments by email to the Board of Directors at board@tahoedonner.com. (Members are recognized to comment on agenda items as they occur).

5. **ACTION: SET PROCESS FOR FILLING BOARD DIRECTOR VACANCY** 0:00:49
(Board of Directors)

The Board of Directors discussed setting a process for filling a board director vacancy.

Director Jennings moved and Director Connors seconded that the Board for this vacancy offers the position to the runner-up from the June 2018 election with the most votes who is willing to serve. Motion failed: 2 – 2. (Director Koenes and Brooks voted no).

Director Koenes moved and Director Brooks seconded to announce the opening and accept applications with due haste, due two weeks from today for placement on the November 17, 2018, Board meeting. Following discussion on timing, motion withdrawn and Director Koenes moved and Director Jennings seconded to open up solicitation for the Board vacancy to all members with application due by December 10, 2018, with appointment to be considered at the December 15, 2018, scheduled Board meeting. Motion passed: 3 – 1. (Director Connors voted no).

6. **ACTION: APPOINTMENT OF A MEMBER TO FILL BOARD DIRECTOR VACANCY** 1:14:00
(Board of Directors)

The Board of Directors did not consider appointing a Member to the Board Director vacancy at this time.

7. **ACTION: CONSENT CALENDAR** 1:14:15
(Board of Directors)

All items listed under the Consent Calendar are considered to be routine and were approved by one motion.

- Tahoe Donner Giving Fund – Approval of Jennifer Jordan, Catherine and Tim Pellegrini as full-time members
- Tahoe Donner Giving Fund – Approval of Marcia Argyris and Kim Watson as alternates
- Tahoe Donner Giving Fund Grant Awards
- New Year’s Fire Works at Downhill Ski Area

Director Koenes moved and Director Connors seconded to approve the consent calendar items as presented. Motion passed: 4 – 0.

8. **COMMITTEE / TASK FORCE REPORTS** 1:18:15
(Committee/Task Force Chairs)

The Board of Directors reviewed the Committee / Task Force written minutes and reports as a routine monthly procedure. Verbal comments also received from Finance and Member Engagement Committees.

9. **ACTION: UPDATE OPERATING FUND POLICY** 1:22:34
(Mike Salmon, Director of Finance and Accounting)

The Board of Directors discussed and considered approving the updated Resolution 2013-4, Operating Fund Policy to Resolution 2018-4.

Director Jennings moved and Director Koenes seconded to approve Resolution 2018-4 as presented. Motion passed: 4 – 0.

10. **ACTION: TREASURER’S REPORT** 1:28:40
(Jeff Connors, Board Treasurer)

The Board of Directors heard the quarterly Treasurer’s Report.

Director Koenes moved and Director Jennings seconded to approve the Treasurer’s Report as presented. Motion passed: 4 – 0.

11. **ACTION: FUND BALANCE TRANSFER – OPERATING TO CAPITAL FUND(S)** 1:39:50
(Mike Salmon, Director of Finance & Accounting)

The Board of Directors discussed and considered approving the transfer of funds from the operating fund to the capital fund.

Director Connors moved and Director Koenes seconded to approve the transfer of funds from the operating fund to the replacement reserve fund in the amount of \$500,000. Motion passed: 4 – 0.

12. **BREAK 10:57 A.M.** 1:47:20

The Board of Directors reconvened at 11:11 a.m.

13. **DISCUSSION: AB 2912 BRIEFING** 2:01:20

(Mike Salmon, Director of Finance & Accounting)

The Board of Directors were briefed on the new California bill AB 2912 that will go into effect on January 1, 2019.

14. **ACTION: ADDITIONAL INSURANCE COVERAGE AND CHANGE TO DEDUCTIBLES** 2:05:30

(Annie Rosenfeld, Director of Risk Management and Real Property)

The Board of Directors discussed and considered taking action on additional insurance coverage.

Director Jennings moved and Director Brooks seconded to approve Option 1 of the decision paper as presented. Motion passed: 4 – 0.

Option 1:

- Increase to General Liability deductible from \$10,000 to \$15,000/claim for the policy year 10/1/18 to 10/1/19; resulting in net decrease to policy year premium of \$6,000;
- Acquire Crises Response Liability Coverage with \$1,000,000 limits for additional premium total of \$7,950 for policy year 10/1/18 to 10/1/19;
- Acquire standalone Pollution Liability Coverage with \$1,000,000/\$2,000,000 limits for additional premium total of \$17,082 for the policy year 10/1/18 to 10/1/19;
- Acquire required additional fidelity insurances coverages detailed by Interwest Insurance LLC for policy term of 01/01/19 to 10/1/19 for total crime coverage limit of \$20,000,000 for an additional premium of \$21,800.

15. **ACTION: APPROVAL OF 2019 BUDGET** 2:19:21

(Mike Salmon, Director of Finance and Accounting)

The Board of Directors discussed and considered approving the 2019 Budget.

Director Connors moved to increase amount put into development fund in 2019 by 2019 by \$15 to \$325 per member. No second was offered to the motion.

Director Koenes moved and Director Jennings seconded to retain Snowplay as a part of the amenity pass for the next amenity-pass-year. Motion passed: 3 – 1. (Director Connors voted no).

Director Connors moved and Director Jennings seconded to approve the New Equipment Fund as presented on page 26 of document G01 – 2019 Budget Workshop Presentation. Motion passed: 4 – 0.

Director Connors moved to increase the Development Fund by \$30.00. No second was offered to the motion.

Director Koenes moved and Director Brooks seconded to approve the Development Fund as presented on page 26 of document G01 – 2019 Budget Workshop Presentation. Motion passed: 3 – 1. (Director Connors voted no).

Director Koenes moved and Director Brooks seconded to approve the Replacement Reserve Fund as presented on page 26 of document G01 – 2019 Budget Workshop Presentation. Motion passed: 3 – 1. (Director Connors voted no).

Director Koenes moved and Director Brooks seconded to approve the Operating Fund budget at \$880.00 per owner as presented on page 26 of document G01 – 2019 Budget Workshop Presentation with the removal of the Covenants Supervisor and the Financial Analyst positions and the STR registration fee, and deferring approval of the Exempt Salary Ranges for separate discussion. Motion passed: 4 – 0.

Director Connors moved to accept the revenue projection by management. No second was offered to the motion.

Director Connors moved that the Board agrees with a 10% increase in expenses. No second was offered to the motion.

Director Jennings moved and Director Koenes seconded to approve the 2019 Annual Assessment of \$1,965.00. Motion passed: 3 – 1. (Director Connors voted no).

Director Jennings moved and Director Brooks seconded to approve managements recommendations for the 2019 Budget as presented with the exception of the line items documented in the operation fund discussion to be removed. passed: 3 – 1. (Director Connors voted no).

16. WORKING LUNCH WITH THE MEMBERSHIP 1:22 P.M. 4:10:34

All members were invited to join the Board of Directors for lunch provided by Pizza on the Hill. The Board Meeting resumed promptly at 1:47 p.m.

17. ACTION: SHORT-TERM RENTAL RULES 4:45:44

(Annie Rosenfeld, Director of Risk Management and Real Property)

The Board of Directors discussed and acted on revised STR rules.

Director Brooks moved and Director Jennings seconded to approve the proposed Short-Term Rental Rules and Resolution 2018-5, Short-Term Rental Rules as amended at the October 27, 2018 meeting. Motion passed: 4 – 0.

18. **DISCUSSION: KEY PERFORMANCE INDICATOR REPORT** 6:25:07
 (Robb Etnyre, General Manager)
 The Board of Directors was given an update on Association operations.
- Action: Unaudited 2018 September Financials**
 (Mike Salmon, Director of Finance & Accounting)
 The Board of Directors were provided with the unaudited financial results for September 2018.
- Director Jennings moved and Director Connors seconded to approve the unaudited 2018 September financials as presented. Motion passed: 4 – 0.
- Discussion: Emergency Preparedness**
 (Annie Rosenfeld, Director of Risk Management and Real Property)
 The Board was provided with an update on the Association emergency preparedness plan.
19. **ACTION: 2018 DIRECTOR VACANCY CANDIDATE APPLICATION** 6:37:43
 (Board of Directors)
 The Board of Directors decided to add this item, during discussion of items 5 and 6, at the end of the board meeting.
- The Board of Directors discussed a draft application to be used for members to fill out to apply to the Board Director vacancy position.
20. **EXECUTIVE SESSION (closed to members)** 6:40:55
 The Board of Directors adjourned to Executive Session at 3:53 p.m.
- Director Jennings moved and Director Koenes seconded to approve the board meeting moving into Executive Session. Motion passed: 4 – 0.
21. **OPEN SESSION** 7:19:40
 The Board of Directors moved back into Open Session at 4:28 p.m.
- Director Jennings moved and Director Connors seconded to approve the board meeting moving back into Open Session. Motion passed: 4 – 0.
22. **ACTION: ELROD GRANT EASEMENT** 7:19:40
 (Robb Etnyre, General Manager)
 The Board of Directors reviewed in executive session and in open session considered approving granting an easement over Carpenter Valley Road.
- Director Jennings moved and Director Koenes seconded to approve the draft Resolution 2018-6, Approving Execution of Non-Exclusive Easement with Lawrence J. Elrod, and Eleanor Elrod, as presented. Motion passed: 4 – 0.

23. **ACTION: AWARD CONTRACT FOR TROUT CREEK RECREATION CENTER REMODEL** 7:23:18
(Forrest Huisman, Director of Capital Projects)

The Board of Directors reviewed in Executive session and in Open session considered awarding a contract for the Trout Creek Recreation Center Remodel project.

Director Jennings moved and Director Connors seconded to award a contract to Mt. Lincoln Construction for the Trout Creek Recreation Center Remodel project in the amount of \$2.4 million. Motion passed: 4 – 0.

24. **ACTION: 2018 DIRECTOR VACANCY APPLICATION** 7:34:30
(Board of Directors)

The Board of Directors discussed a draft application to be used for members to fill out to apply to the Board Director vacancy position.

Director Brooks moved and Director Koenes seconded to approve the proposed draft 2018 Board Director Vacancy application. Motion passed: 4 – 0.

25. **EXECUTIVE SESSION (closed to members)** 8:02:50

The Board of Directors adjourned to Executive Session at 5:13 p.m.

Director Jennings moved and Director Connors seconded to approve the board meeting moving into Executive Session. Motion passed: 4 – 0.

26. **ADJOURNMENT** Not Recorded

Director Jennings moved and Director Brooks seconded to approve adjournment of the regular board meeting at 6:10 p.m. Motion passed: 4 – 0.

Submitted by:

Don Koenes, Board of Directors Secretary

SECRETARY'S CERTIFICATE

I, Don Koenes, 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 October 27, 2018 as approved by the Board members in attendance and constituting a quorum at a duty convened subsequent meeting of the Board.

Don Koenes, Board of Directors Secretary