



FC Agenda, item 8c 2020 Budget

To Corey Leibow; Tom Johns; Anderson Martin; Cathy Ravano; Andrew Eyton-Lloyd; John Dundas; Dave Hunter; Jeff Bonzon; Edward Melia; Steve Mahoney
Cc Don Koenes; Jeffrey Connors; Steve Miller; Robb Etnyre; Robin Bennett; Terry Watson
Bcc Michael Salmon (msalmon@TahoeDonner.com)

8/1/2019 Email to Finance Committee from Michael Salmon, Director of Finance



Committee,

An advance read for 8/8 meeting and 2020 Budget conversations; please note the **below** and **attached** supporting document detail.

A few key cost items of note for 2020B...

- CA MIN WAGE - going up another \$1/8% = ~+\$230,000 Impacts ~40% of our workforce payroll dollars (primarily seasonal employees)
 - Health Care – Renewal at same coverage levels, other than increasing Out-of-Pocket Max to \$3000(+\$500); up 7%/+\$65,000
 - Insurance – General Liability/Property renewal at same coverage levels, +\$85,000
 - Workers Compensation –renewal in progress, likely up; if up 5%, +\$30,000
- Just the above four items total +\$410,000 or +2.0% to 2019B Total Costs

We are also in a strong economic cycle and tight labor market conditions, both forecasted for TDA planning purposes to continue in 2020.

For 2019B, \$20.1 million Total Operating Costs, Operating Fund:

- 65% - \$13.1 million, Payroll
- 8% - \$1.6 million, Cost of Goods Sold (retail and F&B product)
- 7% - \$1.5 million, [CC Fees, Insurance, Taxes, Audit, Legal, Board, Annual Meeting, Licenses and Fees]
- 6% - \$1.1 million, Utilities
- 4% - \$0.8 million, Repairs & Maintenance
- 10% - \$2.0 million, all other categories

Below and attached provide growth rates by type, with consolidated Operating Fund net cost to Members growth rate of 1.6% (2% rounded).

Thanks, Mike

2014B to 2019B - 5yr Growth Rates (CAGR)

	Revenue	Costs	NORBO
Amenities, Private	5%	-3%	23%
Amenities, Public	9%	-7%	218% S
Amenities, ALL	8%	-6%	246% S
HOA	6%	-5%	-5%
HOA (x)	1%	-4%	-4%
TDA OPF consld.	8%	-6%	-2%

Positive % = improving net result
Negative % = worsening net result

Net Operating Results before Overhead Allocation (NORBO)

NORBO is used, due to only 2019 having an Overhead Allocation.

To understand costs of G&A departments, you look at those costs, before allocation OUT to Amenities.

Note Overhead Allocation does not change consolidated results, simply allocates G&A to departments served.

CA MIN WAGE - 8% Growth Rate over same period.

CMW high impact on amenities, due to high # of seasonal entry level positions.

TDA pays competitive wages for all positions.

ATTACHED IS FULL REPORT

HOA (x) - Excludes the departments of General, ASO, and Forestry - as these three have >5% growth rates
General includes Insurance, Property Taxes, Legal Fees. ASO and Forestry have had notable driver initiatives growth.

S - NORBO growth %s are large favorable due to the swing on a NET basis from Negative in 2014B to Positive in 2018B.

Other Notes-

Alder Creek Café - new since 2014B, adds Revenue and Costs

Trails - initiative driven

Administration - revenue decline is due to accounting change (portion of Transfer Fee now goes to Forestry and ASO)

ALL- Federal Affordable Care Act has increased the number of employees mandated to offer health care benefits ~ 20%.

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A B C D and E are also good reference documents for review.

FC documents, link <https://www.tahoedonner.com/members/committees/active-committees/finance/>

Supporting Docs

[Finance Committee Charter](#)

[Draft - 2019 Finance Committee Goals](#)

Meeting Agendas and Documents

Reference Documents

[A California Minimum Wage Schedule](#)

[B 2019 Budget Report](#)

[C 2019 Budget Summary Presentation G01](#)

[D 2018 Annual Report](#)

[E Operating Fund - 11 Years Actual and CY Budget by Department - PDF](#) (

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Tahoe Donner Association
Operating Fund - 5yr Historical Perspective by Department
(2014 B to 2019 B)

Net Operating Results Before Allocated Overhead (NORBO)					Department	Revenue				Total Operating Expenses			
2019	2014	5 Year CHANGE		5yr		2019	5 Year CHANGE		5yr	2019	5 Year CHANGE		5yr
BUDGET	Budget	Amount	Pctg	CAGR	BUDGET	Amount	Pctg	CAGR	BUDGET	Amount	Pctg	CAGR	
\$ 344,900	\$ 120,300	\$ 224,600	187%	23%	Private Amenities	\$ 2,753,000	\$ 573,000	26%	5%	\$ (2,408,100)	\$ (348,400)	-17%	-3%
93,100	71,600	21,500	30%	5%	Trout Creek Rec Ctr	1,094,000	193,000	21%	4%	(1,000,900)	(171,500)	-21%	-4%
(11,400)	(87,700)	76,300	87%	34%	Aquatics	241,000	23,000	11%	2%	(252,400)	53,300	17%	4%
281,100	230,700	50,400	22%	4%	Beach Club Marina	750,000	221,000	42%	7%	(468,900)	(170,600)	-57%	-9%
(3,200)	(6,500)	3,300	51%	13%	Tennis Center	213,000	(6,000)	-3%	1%	(216,200)	9,300	4%	1%
36,100	34,800	1,300	4%	1%	Day Camps	275,000	97,000	54%	9%	(238,900)	(95,700)	-67%	-11%
(50,800)	(122,600)	71,800	59%	16%	Recreation Programs	180,000	45,000	33%	6%	(230,800)	26,800	10%	2%
623,300	(267,200)	890,500	333%	218%	Public Amenities	10,776,000	3,856,000	56%	9%	(10,152,700)	(2,965,500)	-41%	-7%
777,000	321,050	455,950	142%	19%	Downhill Ski	3,895,000	1,318,000	51%	9%	(3,118,000)	(862,050)	-38%	-7%
197,700	109,850	87,850	80%	12%	Cross Country Ski	1,043,000	353,000	51%	9%	(845,300)	(265,150)	-46%	-8%
116,100	57,900	58,200	101%	15%	Snowplay	282,000	142,000	101%	15%	(165,900)	(83,800)	-102%	-15%
(104,400)	(295,000)	190,600	65%	19%	Golf	1,160,000	80,000	7%	1%	(1,264,400)	110,600	8%	2%
(5,500)	(14,700)	9,200	63%	18%	Campground	70,000	25,000	56%	9%	(75,500)	(15,800)	-26%	-5%
(65,000)	(103,000)	38,000	37%	9%	Equestrian	255,000	114,000	81%	13%	(320,000)	(76,000)	-31%	-6%
4,300	-	4,300	#####	#DIV/0!	Bikeworks	117,000	117,000	0%	#####	(112,700)	(112,700)	#####	#####
(172,100)	(139,300)	(32,800)	-24%	-4%	Trails	1,000	1,000	0%	#####	(173,100)	(33,800)	-24%	-4%
80,000	(58,000)	138,000	238%	207%	The Lodge	2,630,000	905,000	52%	9%	(2,550,000)	(767,000)	-43%	-7%
(88,000)	(102,000)	14,000	14%	3%	Summer Food and Bev	270,000	88,000	48%	8%	(358,000)	(74,000)	-26%	-5%
(33,200)	(44,000)	10,800	25%	5%	Pizza on the Hill	603,000	263,000	77%	12%	(636,200)	(252,200)	-66%	-11%
(83,600)	-	(83,600)	#####	#DIV/0!	Alder Creek Café	450,000	450,000	0%	#####	(533,600)	(533,600)	#####	#####
968,200	(146,900)	1,115,100	759%	246%	Amenities Total	13,529,000	4,429,000	49%	8%	(12,560,800)	(3,313,900)	-36%	-6%
(6,861,200)	(5,303,100)	(1,558,100)	-29%	-5%	HOA & Amenities Support Services	686,000	166,000	32%	6%	(7,547,200)	(1,724,100)	-30%	-5%
(1,060,600)	(713,100)	(347,500)	-49%	-8%	General	-	-	0%	#####	(1,060,600)	(347,500)	-49%	-8%
(625,200)	(496,600)	(128,600)	-26%	-5%	Administration	184,000	(21,000)	-10%	2%	(809,200)	(107,600)	-15%	-3%
(533,700)	(453,700)	(80,000)	-18%	-3%	Communications	210,000	20,000	11%	2%	(743,700)	(100,000)	-16%	-3%
(677,400)	(539,500)	(137,900)	-26%	-5%	Information Tech	-	-	0%	#####	(677,400)	(137,900)	-26%	-5%
(815,200)	(720,300)	(94,900)	-13%	-3%	Accounting	6,000	5,000	500%	43%	(821,200)	(99,900)	-14%	-3%
(412,400)	(300,900)	(111,500)	-37%	-7%	Human Resources	-	-	0%	#####	(412,400)	(111,500)	-37%	-7%
(241,600)	(145,600)	(96,000)	-66%	-11%	Architectural Standards	196,000	128,000	188%	24%	(437,600)	(224,000)	-105%	-15%
(250,500)	(232,700)	(17,800)	-8%	-1%	Member Services	34,000	8,000	31%	6%	(284,500)	(25,800)	-10%	-2%
(339,900)	(229,900)	(110,000)	-48%	-8%	Risk & Facility Admin	-	-	0%	#####	(339,900)	(110,000)	-48%	-8%
(1,079,100)	(783,000)	(296,100)	-38%	-7%	Forestry	56,000	26,000	87%	13%	(1,135,100)	(322,100)	-40%	-7%
(825,600)	(687,800)	(137,800)	-20%	-4%	Maintenance	-	-	0%	#####	(825,600)	(137,800)	-20%	-4%
\$ (5,893,000)	\$ (5,450,000)	\$ (443,000)	-8%	-1.6%	TDA Operating Fund	\$ 14,215,000	\$ 4,595,000	48%	8.1%	\$ (20,108,000)	\$ (5,038,000)	-33%	-5.9%
(910)	(842)	(68)	-8%	-1.6%	NORBO per Owner								
12.00	8.00	4.00	50%	8.4%	CA MIN WAGE								