

MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS SPECIAL MEETING

October 17, 2019
Northwoods Clubhouse
1:00 p.m.

A special, scheduled, meeting of the Board of Directors of Tahoe Donner Association was held at the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Thursday, October 17, 2019. President Wu called the meeting to order at 1:00 p.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Charles C. Wu, President
Don Koenes, Vice President
Jeff Connors, Treasurer
Jim Roth, Secretary
Jennifer Jennings

Directors Absent: None

Staff Present: Robb Etnyre, General Manager
Michael Salmon, Director of Financing and Accounting
Annie Rosenfeld, Director of Risk Management and Real Property
Tom Knill, Director of Human Resources
Miguel Sloane, Director of Operations
Lindsay Hogan, Director of Marketing
Robin Bennett, Executive Assistant and Recording Secretary

1. CALL TO ORDER

2. MEMBER & DIRECTOR COMMENTS

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

Director comments were made regarding:

- Director Jennings stated she didn't like to miss two budget workshops and would like to encourage scheduling the budget meeting dates earlier to accommodate schedules. She also mentioned there was a major difference in the capital projects list from the last board approved list that was updated by the General Plan

Committee. She also mentioned the covered stairway cost of \$50,000 and asked what that was spent on. Director Jennings also stated from the September 20 meeting to date the budget options have changed and the option given by the board wasn't listed, she is adamant about not increasing pricing for food and beverage. Director Jennings is in favor of keeping the New Equipment Fund and Development Fund separate.

- Director Wu stated that the board was very clear on asking for a flat budget and he has yet to see that as an option. He also commented about the golf course and the Reserve Replacement Fund.

Member comments were made regarding:

- A member commented on the annual assessment and a couple of other budget items that are up for decision.
- A member commented about the second part of the meeting on September 20 and was unclear about the direction given to Mike Salmon for the budget.

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).

3. **DISCUSSION: 2020 BUDGET WORKSHOP WITH FINANCE AND GENERAL PLAN COMMITTEES**

(Michael Salmon, Director of Finance & Accounting)

The Board of Directors discussed the following items during the 2020 Budget Workshop with the Finance and General Plan Committees:

- Overview of Current Draft Recommended 2020 Budget and changes since the September 20 workshop
- Capital Funds Review
- Operating Fund – Rates Review
- Discussion of Budget Draft Changes (if any)

Director Wu moved towards option 1 with an \$80 increase in assessment fees and adjust the Replacement Reserve Funds the motion was not seconded. Motion died.

Director Roth was in favor of Option 3 provided by staff or something closer to Option 3. Mr. Roth pointed out that Option 1 showed an approximately \$2 million decrease in the ending fund balance of the Reserve Replacement Fund and an approximately \$1 million decrease in the ending fund balance of the Development Fund. Mr. Roth proposed an additional increase of about \$150 in the annual assessment, to about \$2,200, to keep a flat projected ending fund balance in the Development Fund rather than having the ending fund balance decrease by about \$1 million. Mr. Roth shared his

opinion that we should be saving money for a large known future expense rather than losing ground.

Director Jennings was in favor of option 1 with the \$100 increase as proposed by staff.

Director Koenes was in favor of option 1 as well.

After discussion, Director Wu moved to approve option 1 recommended by staff with a \$100 assessment fee increase seconded by Director Jennings. Motion passed: 3 – 2. Director Roth and Director Connors No.

Director Roth moved to approve the proposed annual assessment amounts in option 1 proposed by staff seconded by Director Koenes. Motion passed: 4 – 1. Director Connors No.

4. **BREAK- taken at 3:23**

The Board of Directors reconvened at 3:37 p.m.

5. **DISCUSSION: 2020 BUDGET WORKSHOP WITH FINANCE AND GENERAL PLAN COMMITTEES**

(Michael Salmon, Director of Finance & Accounting)

The Board of Directors continued the discussion of the following items during the 2020 Budget Workshop with the Finance and General Plan Committees:

- Operating Fund Rates Review
- Discussion of Budget Draft Changes (if any)

Director Koenes moved to direct staff to prepare a final budget for Saturday seconded by Director Jennings. Motion Passed: 5 – 0.

Director Roth moved to approve managements recommendation to transfer \$1million to the Replacement Reserve Fund seconded by Director Connors. Motion Passed: 5 – 0

Director Roth moved to approve the Development Fund schedule and amend the item covered stairway to heated walkway and reduce the amount to \$100,000 and amend the ending language seconded by Director Jennings. Motion Passed: 3 - 2. Director Wu and Director Connors No.

Director Roth moved to direct management to incorporate rate schedule in the final budget to be voted on Saturday seconded by Director Wu. Motion Passed: 5 – 0

6. DISCUSSION/ACTION: AUDIT FIRM SELECTION

Director of Accounting and Finance, Mike Salmon gave a brief update on the audit firm interviews that were held. Director Jennings commented that the selection has been in executive session in the past. There was consensus by the board to move to executive session to discuss the audit firm selection.

The Board adjourned to executive session at 4:41 p.m.

7. EXECUTIVE SESSION (closed to members)

The Board of Directors discussed the selection of an audit firm during executive session.

The Board of Directors adjourned executive session at 5:02 p.m. and reconvened to open session.

Open Session:

Director Connors moved to approve the audit firm selection of McClintock Accountancy Firm to become Tahoe Donner auditors for the year ending 2019 and make record that this is not a reflection of the service that has been provided by Gilbert Associates. The Board has asked the General Manger to notify Gilbert's office via written correspondence seconded by Director Koenes. Motion Passed: 4 – 1. Director Jennings Abstain.

Director Jennings moved to adjourn back to executive session seconded by Director Koenes at 5:04 p.m.

8. ADJOURNMENT

There was consensus by the board to adjourn the meeting at 6:47 p.m.

Submitted by:

Jim Roth, Board of Directors Secretary

SECRETARY'S CERTIFICATE

I, Jim Roth, 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 special meeting held on October 17, 2019 as approved by the Board members in attendance and constituting a quorum at a duty convened subsequent meeting of the Board.

Jim Roth, Board of Directors Secretary