



# 2022 BUDGET REVIEW

OCTOBER 15, 2021



# TODAY'S OBJECTIVES

- **REVIEW UPDATED BUDGET INFORMATION + RECOMMENDATIONS**
  - Operating Fund
  - Development Fund
  - Replacement Reserve Fund
  - New Machinery and Equipment Fund
- **REVIEW TOTAL ANNUAL ASSESSMENT RECOMMENDATION**
- **ADOPT THE BUDGET AS PRESENTED WITH OR WITHOUT MODIFICATION, OR PROVIDE DIRECTION TO STAFF TO REFINE FUND CONTRIBUTIONS FOR APPROVAL AT OCTOBER 22 REGULAR BOARD MEETING**
- **REVIEW RECREATION FEE RECOMMENDATIONS WITH THE OPTION TO MODIFY AND ADOPT**



# 2022 BUDGET MEMBER OUTREACH

- **Open Budget Workshops:** 9/9, 9/23, 10/15
- **Dedicated Member Emails:** Sent 2-3 days prior to each meeting with the objectives of each meeting, ways to participate and links to supporting documents
- **Weekly Tuesday Emails:** Included meetings from August 24 onward
- **2022 Budget Webpage:** Created and integrated into web navigation
- **Budget Feedback Form:** Created and integrated into the 2022 budget webpage



## 2022 Budget Workshops

### BACKGROUND

The Tahoe Donner Board of Directors, staff and committees work on the 2022 budget from July through October. Members are encouraged to get involved and provide their valuable input.

Factors that we anticipate to impact the 2022 budget include:

- Anticipation of increased skier visits from the 2020/21 season
- Continued staff shortages and a need to focus on J1 recruitment
- Increases in compensation and benefits to stay competitive in a tight labor market
- Momentum in golf visitation
- Continued focus on cost savings and efficiencies
- Continued prioritization of savings for long-term capital improvements
- Caution for COVID-19

# 2022 BUDGET MEMBER OUTREACH CONTINUED

- **2022 Budget Story:** Published in September and October *TD News*
- **Budget Timeline Graphic:** Featured in August *TD News* with meeting dates
- **Nextdoor and Facebook:** Posted budget workshop reminders



At a glance, Tahoe Donner boasts 6,473 property owners, 7,300 acres and 29 departments. With 87 full-time, year-round employees and 755 part-time and seasonal employees, the board of directors, Finance Committee and management have begun working on the 2022 budget.

To date, two meetings have been held concerning the 2022 budget. The September 9 meeting focused on the Operations Fund, and the September 23 meeting focused on the capital budgets. The final meeting is scheduled for October 15, where staff will return with updated budgets based on board, Finance Committee, General Plan Committee and member feedback. In this final discussion, a recommendation on the 2022 Annual Assessment will be made. Member input is encouraged as this budget process continues.

#### 2022 BUDGET ASSUMPTIONS

- Factors that we anticipate impacting the 2022 budget include:
- Anticipation of increased skier visits from the 2020/21 season
  - Continued staff shortages and a need to focus on J-1 recruitment
  - Increases in compensation and benefits to stay competitive in a tight labor market
  - Momentum in golf visitation
  - Continued focus on cost savings and efficiencies
  - Continued prioritization of savings for long-term capital improvements
  - Caution for COVID-19

#### PROJECTS

Some projects and replacements slated to occur within 2022 include:

- The Lodge Restaurant & Pub ADA Parking Lot Improvements
- The Lodge Restaurant & Pub Pavilion Family Dining Area Renovation
- Golf Course Restrooms
- Marina Bike Parking
- Shade Sails at Day Camp Building at the Marina
- Downhill Ski Resort Lodge Planning

#### HOW TO GET INVOLVED

All members are invited to participate and provide input on the budget. The final budget workshop will be held on Friday, October 15 at 9AM. Please note: This workshop will review all budgets and the recommendation for the 2022 Annual Assessment.

Your feedback is important. If you are unable to join the October 15 meeting but still have input you'd like to provide, please fill out the Tahoe Donner Budget Input Form found at [tahoedonner.com/2022-budget-workshops](https://tahoedonner.com/2022-budget-workshops).

If you missed a past budget workshop and wish to view any recorded meeting, agenda or document, visit the "Board Meeting Documents" page found at [tahoedonner.com/board-meetings](https://tahoedonner.com/board-meetings).

The budget is divided into four parts: the **Operating Fund**, the **Replacement Reserve Fund**, the **Development Fund** and the **New Machinery + Equipment Fund**.



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# BOARD DIRECTION TO STAFF AT PREVIOUS MEETINGS

- Include a consolidated Food and Beverage Department income statement
- Provide revenue mix where possible – member, guest and public
- Provide expense variance analysis and notes
- Transfer 2020 Operating surplus to Development Fund – \$700,000
- Accelerate Downhill Ski Resort Eagle Rock snowmaking and Beach Club Marina deck expansion projects
- Incorporate a land acquisition line item in the Development Fund
- Provide Recreation Fee alternative based on two- and four-person options

# 2022 BUDGET ASSUMPTIONS

## OPERATING BUDGET

- Adjustment of compensation and benefits due to competitive market
- Ongoing reorganization opportunities
- Property and casualty insurance increase of \$289,000 or 29% over prior period premium; last year resulted in a \$327,000 or 44% increase over prior year

## DEVELOPMENT FUND

- 25% increase in assessment contribution to the Development Fund of \$111 – total recommendation \$555 per owner
- Funding in place to be able to accelerate Downhill Ski Resort Eagle Rock snowmaking and Beach Club Marina deck expansion



# 2022 BUDGET ASSUMPTIONS

## CONTINUED

### REPLACEMENT RESERVE FUND

- Proposed expenditure of \$6.3M
- Maintain 25% or greater funding levels over 30 years
- Continued investment for replacement, repair and/or enhancement of the association's existing fixed assets

### NEW MACHINERY AND EQUIPMENT FUND (NME)

- No assessment contribution recommended to the NME Fund
- Adequate funding in place for anticipated projects/expenditures for 2022



# OPERATING FUND



# 2022 OPERATING FUND BUDGET UPDATE FROM LAST WORKSHOP

- **Operating Revenue:** Increase in Equestrian Center, Downhill Ski Resort, Pizza on the Hill and Alder Creek Cafe (winter months) revenues while Cross Country Ski Center saw a reduction in revenue projections – this saw a Net Revenue increase of \$114,000 to the Operating Fund
- **Food and Beverage Salaries:** Determine allocation of Director of Food and Beverage, Executive Chef and Banquet Sales Manager between all food and beverage outlets, previously allocated 100% to The Lodge Restaurant & Pub
- **Medical Premiums:** Actual medical costs per employee included along with estimate for new hires based on close of open enrollment period



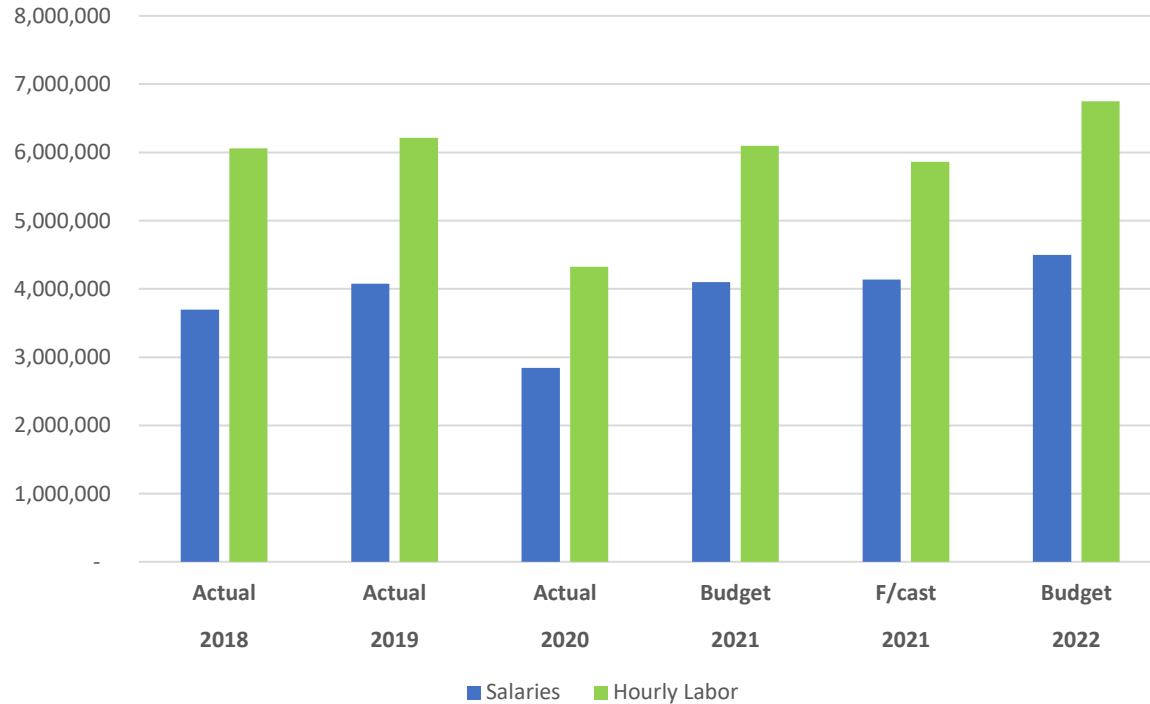
# 2022 OPERATING FUND BUDGET UPDATE FROM LAST WORKSHOP CONTINUED

- **Operating Expenses:** Reductions in insurance, staff expenses, software costs amounting to \$245,000
- **Assessment Contribution to Operating Fund:** Reduced from \$955 to \$946, a decrease of \$9



# SALARY + WAGE HISTORY 2018-2022

Salary and Wage History



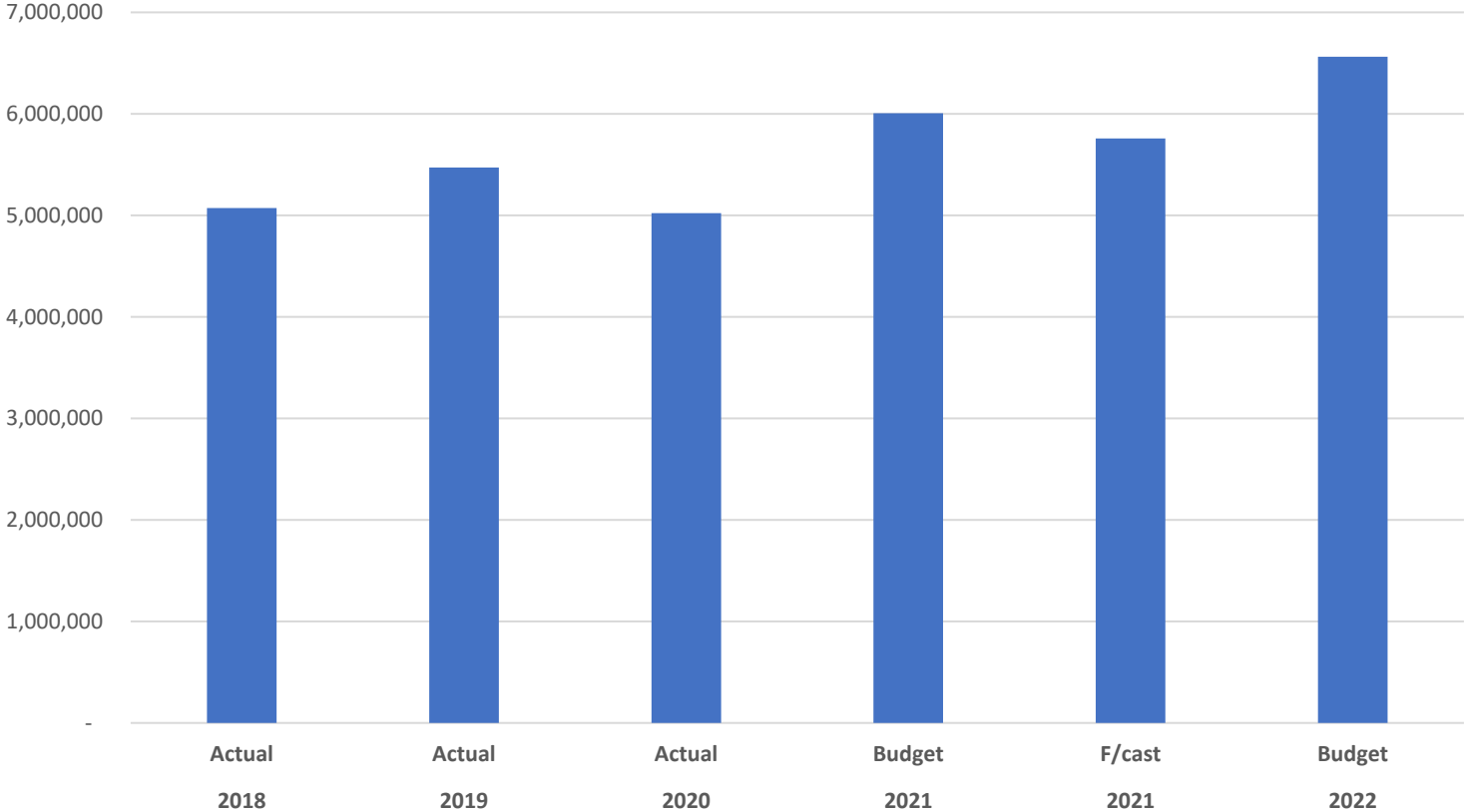
- 4% CPI increase on salaries, full-time hourly and seasonal hourly positions
- Compensation study impacts to be competitive within the local market
- Newly added positions – Head Golf Pro and Senior Project Manager
- Full year of Director of Land Management position, Banquet and Sales Manager
- Seasonal hourly wages based on full-year operations
- Pizza on the Hill limited investment in 2021
- Hourly labor for summer concerts
- \$4-per-hour minimum wage increase 2018-2022

## Budget 2022

- 12% increase on Forecast 2021
- 10% increase on Budget 2021
- 9% increase on Actual 2019

# OPERATING EXPENSES HISTORY 2018-2022

Operating Investment History 2018-2022



- Full-year all amenity operations expected and budgeted accordingly
- 29% increase in property and casualty insurance
- Increase in golf maintenance to safeguard \$2,000,000+ investment in greens
- eUnify software
- Employee housing expense (offset by J-1 revenue rent collected)

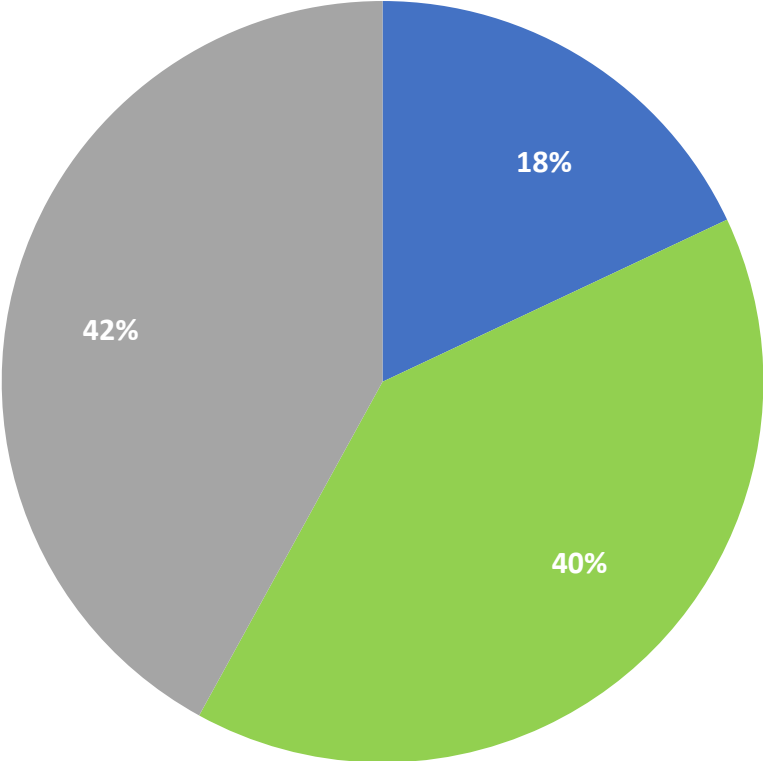
## Budget 2022

- 14% increase on Forecast 2021
- 9% increase on Budget 2021
- 20% increase on Actual 2019

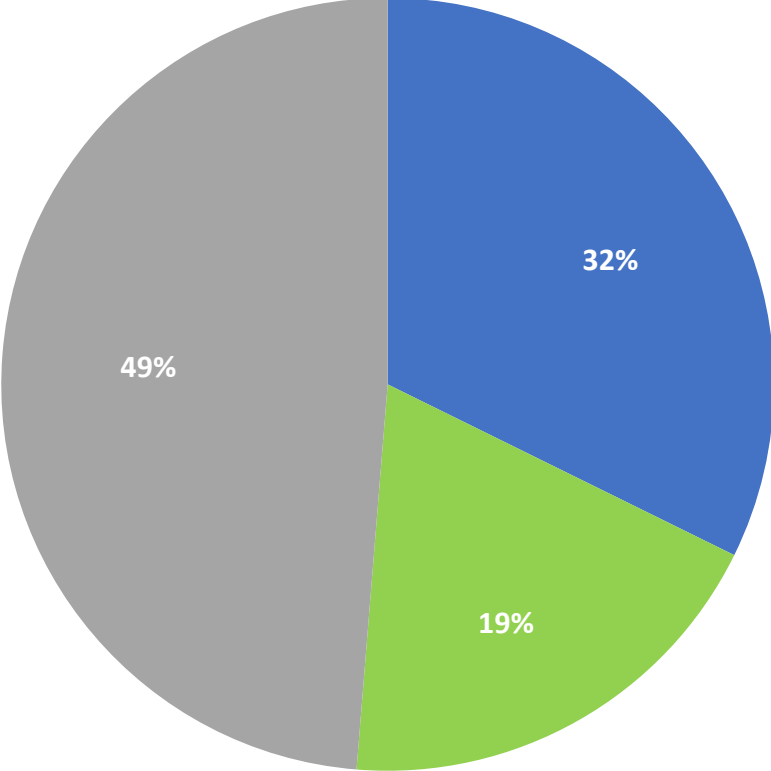


# AMENITY REVENUE DISTRIBUTION

Downhill Operations Revenue Mix - 2019



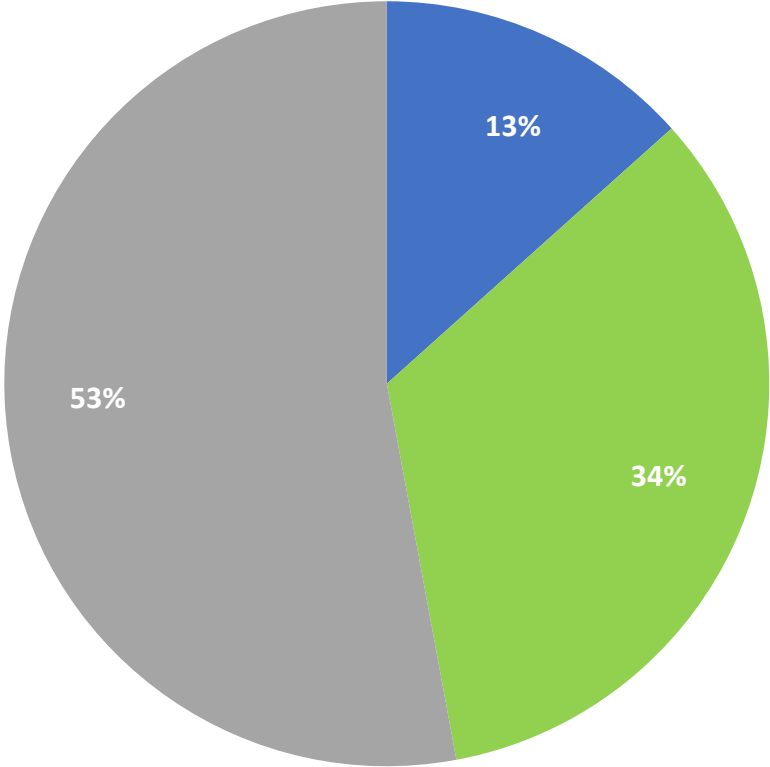
Cross Country Operations Revenue Mix - 2019



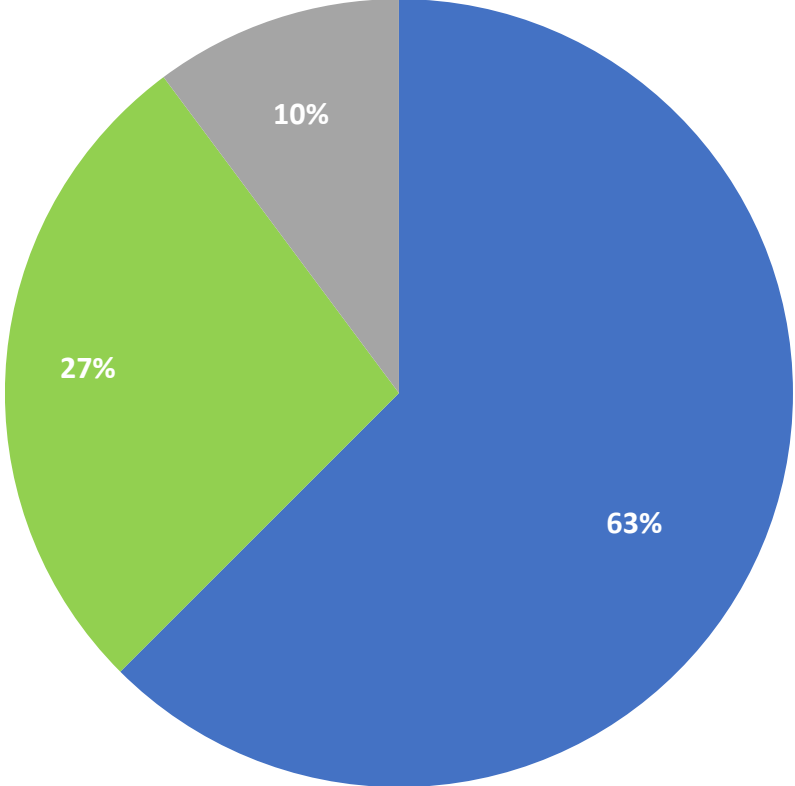
■ Member ■ Guest ■ Public

# AMENITY REVENUE DISTRIBUTION CONTINUED

Snowplay Operations Revenue Mix - 2019



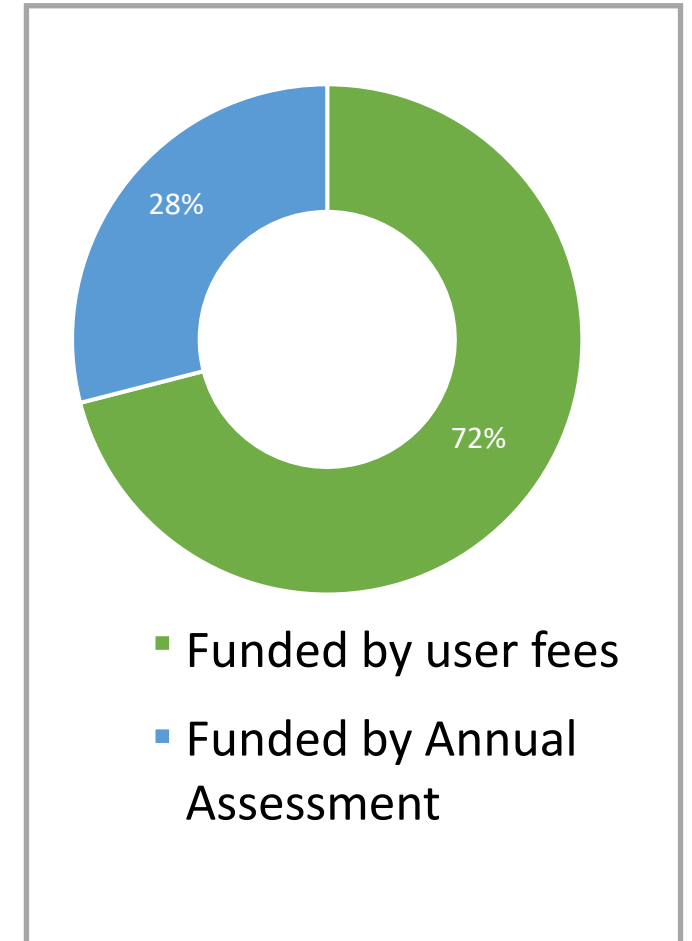
Golf Operations Revenue Mix - 2019



■ Member ■ Guest ■ Public

# REVENUE GENERATED BY USERS VS. ANNUAL ASSESSMENT

- **\$21,696,000:** The total revenue requirement for a balanced 2022 Operating Fund budget
- **\$15,575,000:** Operating revenues generated by user fees; 72% of the requirement
- **\$6,121,000:** Annual Assessment-generated funding; 28% of the requirement



# FOOD AND BEVERAGE OPERATIONS + INITIATIVES

- Strategically consolidating food and beverage contracts to leverage purchasing power for better product pricing
- Growing member event operations at Alder Creek Cafe, the Grotto and Alder Room at The Lodge Restaurant & Pub
- Operating Pizza on the Hill with J-1s supporting in winter and summer seasons
- Scheduling operations to optimize business demands and control costs in the shoulder seasons





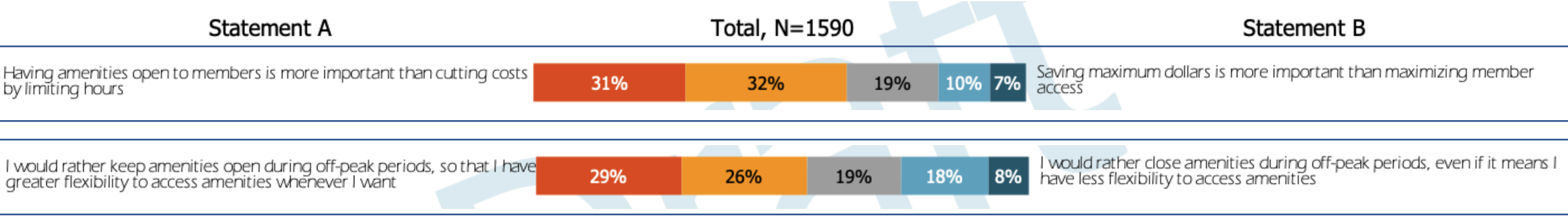
# FOOD AND BEVERAGE OPERATIONS + INITIATIVES CONTINUED

- Consolidating cook staff to work in multiple locations (breaking down silos)
- Staffing levels improving with ability to bring in J-1s and the reduced government unemployment aid
- Partnering with WorkAbility and Transition, a program that helps transition local high school students into meaningful employment



# 2019 MEMBER SURVEY DATA SHOWS MEMBERS WOULD RATHER AMENITIES STAY OPEN THAN CLOSE TO CUT COSTS

*“TD members want high excellent facilities and staff, and want amenities to stay open, rather than to have their access restricted.”*



■ Strongly agree with A 
 ■ Somewhat agree with A 
 ■ Both about the same 
 ■ Somewhat agree with B 
 ■ Strongly agree with B

# CONSOLIDATED FOOD AND BEVERAGE

THE LODGE, SUMMER F+B, ALDER CREEK CAFE, PIZZA ON THE HILL, WINTER F+B, MARINA GRILL

	2018 Actual	2019 Actual	2020 Actual	2021 Forecast	2022 Budget	2022 Budget vs. 2021 Forecast	
						Amount	Percentage
Revenue	4,314,327	4,218,214	1,990,266	2,654,621	3,749,145	1,094,524	41%
Cogs	(1,267,733)	(1,220,585)	(633,049)	(818,804)	(1,117,413)	(298,609)	-36%
Gross Margin	<b>3,046,594</b>	<b>2,997,629</b>	<b>1,357,217</b>	<b>1,835,817</b>	<b>2,631,732</b>	795,915	43%
Payroll Direct - Salary	(666,218)	(591,544)	(322,180)	(619,762)	(677,185)	(57,423)	-9%
Payroll Direct - Hourly	(1,351,599)	(1,298,536)	(808,514)	(985,769)	(1,058,106)	(72,337)	-7%
Payroll Direct - Total	(2,017,817)	(1,890,080)	(1,130,694)	(1,605,531)	(1,735,291)	(129,760)	-8%
Payroll Burden	(537,519)	(517,304)	(339,361)	(477,077)	(517,527)	(40,450)	-8%
Payroll	<b>(2,555,336)</b>	<b>(2,407,384)</b>	<b>(1,470,055)</b>	<b>(2,082,608)</b>	<b>(2,252,818)</b>	(170,210)	-8%
Operating Expenses	(735,788)	(714,809)	(503,884)	(543,424)	(638,548)	(95,124)	-18%
NORBO	(244,530)	(124,564)	(616,722)	(790,215)	(259,634)	530,581	-67%
Overhead Allocation						-	0%
NOR	<b>(244,530)</b>	<b>(124,564)</b>	<b>(616,722)</b>	<b>(790,215)</b>	<b>(259,634)</b>	530,581	-67%
COGS %	-29%	-29%	-32%	<b>-31%</b>	<b>-30%</b>		
Payroll Direct %	-47%	-45%	-57%	<b>-60%</b>	<b>-46%</b>		
Payroll Burden % Payroll	-27%	-27%	-30%	<b>-30%</b>	<b>-30%</b>		

# AMENITY NET OPERATING RESULTS COMPARED TO 2021 FORECAST NOTES

- **TRAILS:** Trails Master Plan funded through capital budget and not included in operating budget
- **TENNIS CENTER:** Increased NOR due to reallocation of Rec Fee revenue based on member usage
- **GOLF COURSE:** Increased investment in turf health program and wage competition with greenskeepers and added Head Golf Pro position
- **REC:** Return of summer concert, no COVID-19 capacity impacts
- **BIKEWORKS:** Reduced rental inventory and smoke impacts to 2021 revenue forecasts
- **SNOWPLAY:** Reduced Rec Fee allocation due to member usage



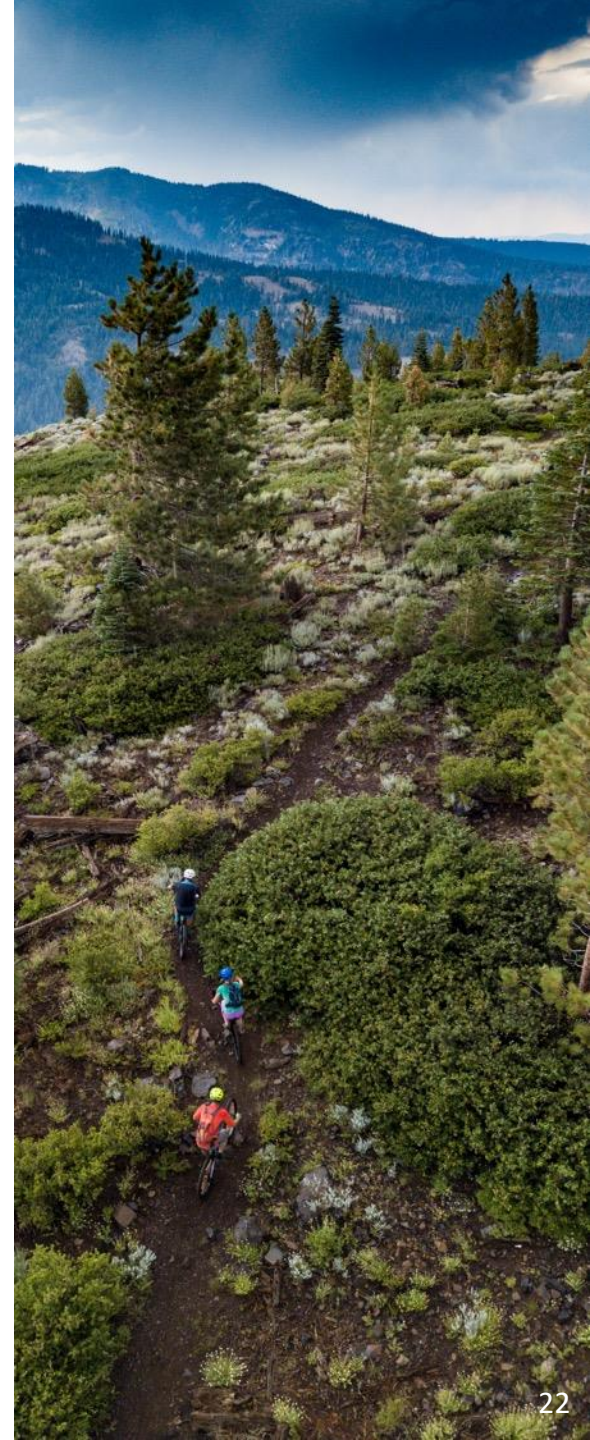


## 2022 AMENITY NET OPERATING RESULTS (NOR)

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Forecast	2022 Budget
<b>Amenities</b>						
Trails	-\$147,800	-\$142,229	-\$104,366	-\$244,767	-\$201,428	-\$291,583
Marina	\$245,431	\$264,637	\$211,320	\$306,364	\$263,551	\$249,901
Equestrian	-\$84,565	-\$91,590	-\$111,287	-\$86,528	-\$115,644	-\$116,105
Tennis	-\$21,149	\$72,361	\$95,877	\$43,616	\$10,847	\$79,470
Campground	\$10,063	\$9,896	\$34,877	\$12,173	\$28,314	\$22,691
Cross Country Ski Center	\$198,004	\$417,941	\$480,105	\$401,833	\$430,722	\$417,485
Golf Course Operations	-\$113,147	-\$524,174	-\$529,534	-\$180,198	\$57,050	-\$98,659
The Lodge	-\$31,963	-\$50,063	-\$459,164	-\$278,196	-\$598,081	-\$335,557
Trout Creek/Aquatics/Rec/Day Camps	\$163,803	\$105,501	-\$199,668	\$171,200	-\$101,529	\$182,973
Bikeworks	\$1,319	\$7,050	\$30,852	\$10,611	-\$27,476	\$6,090
Pizza on the Hill	-\$74,431	-\$45,269	-\$18,571	\$15,787	-\$112,233	-\$6,892
Alder Creek Café	-\$109,529	-\$68,501	-\$127,324	-\$41,462	-\$62,595	-\$36,899
Downhill Ski Consolidated	\$653,800	\$1,701,600	\$940,500	\$678,861	\$1,260,700	\$1,373,300
Snowplay	\$72,567	\$112,241	\$51,375	\$169,667	\$203,363	\$111,027
<b>Total Amenity Departments</b>	<b>\$762,403</b>	<b>\$1,769,401</b>	<b>\$294,992</b>	<b>\$978,961</b>	<b>\$1,035,562</b>	<b>\$1,557,243</b>

# HOA SERVICES NET OPERATING RESULTS COMPARED TO 2021 FORECAST NOTES

- **ADMINISTRATION:** Reduction due to reallocation of hourly staff to Facilities Administration Department (Risk, Loss Prevention)
- **MIS/IT:** Expenses increased due to outsourced security, 2021 vacancies and compensation study adjustments
- **HUMAN RESOURCES:** Increase in expenses due to reallocation of all association employee relations and incentive programs costs to HR (prior years spread between departments)
- **MEMBER SERVICES:** Additional full-time employee, competitive wage adjustment and 2021 vacancies
- **FORESTRY:** Contract increases, added full-time employee and wage adjustments
- **MAINTENANCE:** 2021 low-snow removal cost year and wage adjustments



## 2022 HOA NET OPERATING RESULTS (NOR)

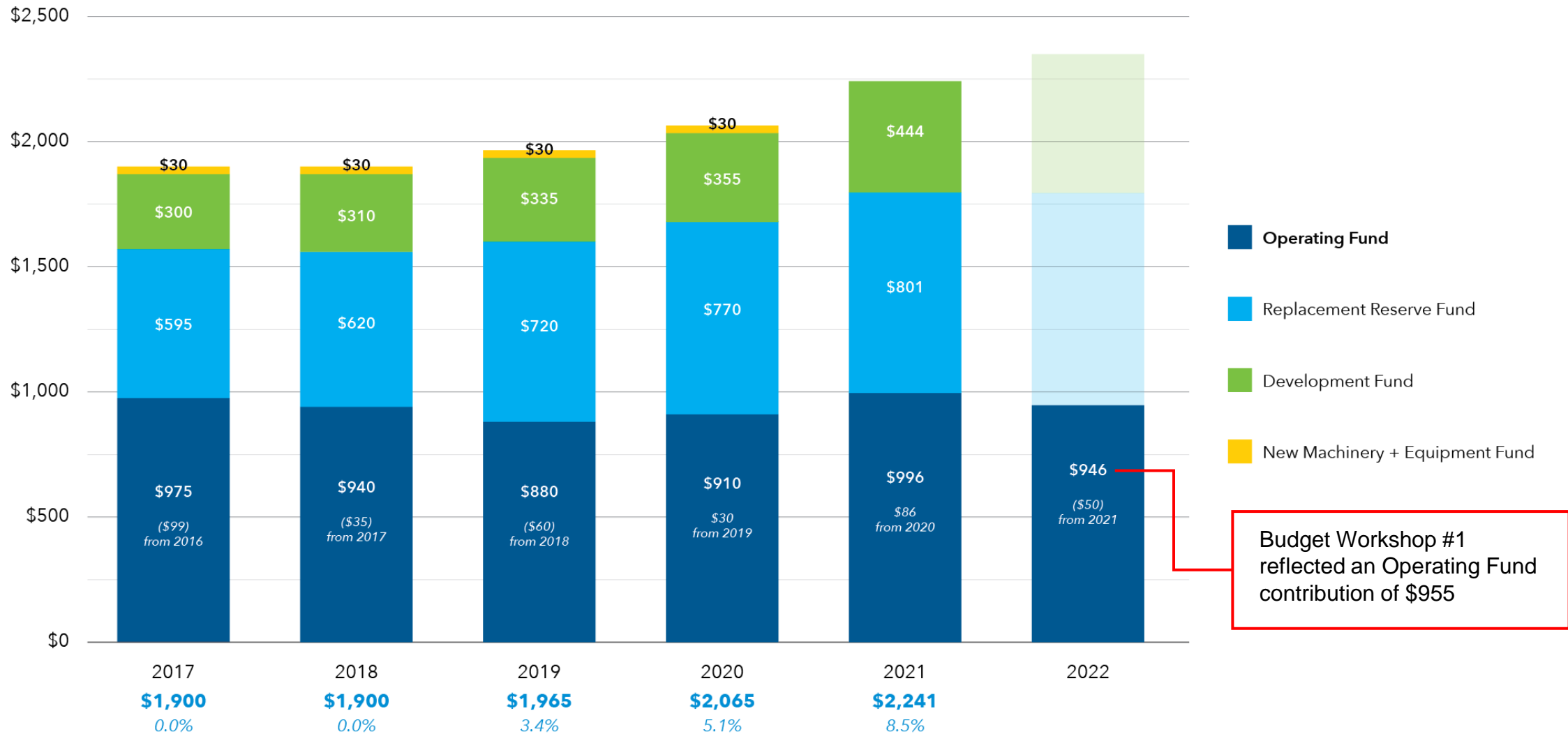
	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Forecast	2022 Budget
Net Operating Income before Overhead Allocation						
<b>Association Business</b>						
General	-\$833,142	-\$1,072,731	-\$898,538	-\$761,333	-\$934,150	-\$898,224
Administration	-\$774,570	-\$865,527	-\$248,311	-\$902,040	-\$1,135,803	-\$1,005,298
Communications	-\$493,807	-\$411,146	-\$362,548	-\$527,920	-\$466,597	-\$522,740
ASO	-\$174,883	-\$214,540	-\$15,104	-\$315,607	-\$187,904	-\$203,131
MIS - Information Technology	-\$631,806	-\$613,197	-\$602,876	-\$773,896	-\$769,656	-\$830,808
Accounting	-\$760,917	-\$834,390	-\$684,189	-\$893,012	-\$788,945	-\$907,701
Human Resources	-\$373,965	-\$383,748	-\$329,913	-\$459,940	-\$417,801	-\$472,957
Member Services	-\$212,291	-\$223,448	-\$206,725	-\$233,358	-\$269,188	-\$367,448
Forestry	-\$876,493	-\$1,150,991	-\$1,442,811	-\$1,540,472	-\$1,061,976	-\$1,253,738
Maintenance	-\$736,144	-\$749,667	-\$559,624	-\$743,688	-\$683,337	-\$860,177
Facility Administration	-\$328,751	-\$315,415	-\$335,027	-\$468,524	-\$444,247	-\$355,976
<b>Total Association Departments</b>	<b>-\$6,196,769</b>	<b>-\$6,834,800</b>	<b>-\$5,685,666</b>	<b>-\$7,619,790</b>	<b>-\$7,159,603</b>	<b>-\$7,678,199</b>

# 2022 SUMMARY OPERATING FUND INCOME STATEMENT

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	2022 Bud vs 2021 F/cast
Rec Fee Income	\$1,065,610	\$1,180,445	\$948,862	\$1,400,000	\$1,224,285	\$1,260,000	\$35,715
Access Fees	\$3,607,044	\$4,445,118	\$2,926,050	\$4,264,622	\$5,456,031	\$5,458,892	\$2,861
Food and Beverage	\$4,282,739	\$4,192,381	\$1,982,121	\$3,276,945	\$2,727,293	\$3,720,876	\$993,583
Retail	\$568,028	\$601,026	\$406,575	\$463,626	\$488,641	\$539,691	\$51,050
Lessons and Rentals	\$2,857,164	\$3,315,431	\$2,185,205	\$3,101,086	\$2,774,855	\$3,485,316	\$710,461
Other HOA Income	\$972,461	\$961,116	\$1,005,059	\$776,550	\$888,823	\$1,110,194	\$221,371
<b>Total Gross Revenue</b>	<b>\$13,353,046</b>	<b>\$14,695,517</b>	<b>\$9,456,871</b>	<b>\$13,282,829</b>	<b>\$13,559,928</b>	<b>\$15,574,968</b>	<b>\$2,015,040</b>
COGS	-\$1,573,523	-\$1,554,428	-\$826,102	-\$1,273,742	-\$1,185,223	-\$1,427,265	-\$242,042
<b>Gross Margin</b>	<b>\$11,779,523</b>	<b>\$13,141,089</b>	<b>\$8,630,769</b>	<b>\$12,009,087</b>	<b>\$12,374,705</b>	<b>\$14,147,703</b>	<b>\$1,772,998</b>
Payroll	-\$12,141,650	-\$12,726,963	-\$8,965,027	-\$12,687,238	-\$12,696,947	-\$14,028,325	-\$1,331,378
Operating Expense	-\$5,072,239	-\$5,479,525	-\$5,056,416	-\$5,965,957	-\$5,675,438	-\$6,561,052	-\$885,614
<b>Net Operating Revenue</b>	<b>-\$5,434,366</b>	<b>-\$5,065,399</b>	<b>-\$5,390,674</b>	<b>-\$6,644,108</b>	<b>-\$5,997,680</b>	<b>-\$6,441,673</b>	<b>-\$443,993</b>
Overhead Charged to Other Funds	\$0	\$172,514	\$197,000	\$197,000	\$197,000	\$320,717	\$123,717
<b>Net Operating Revenue after Overhead Allocation</b>	<b>-\$5,434,366</b>	<b>-\$4,892,885</b>	<b>-\$5,193,674</b>	<b>-\$6,447,108</b>	<b>-\$5,800,680</b>	<b>-\$6,120,956</b>	<b>-\$320,276</b>
Per Property Assessment	\$840	\$756	\$802	\$996		\$946	
Assessment Increase (Decrease)						(\$50)	

# 2022 OPERATING FUND BUDGET RECOMMENDATION

## PROPOSED DECREASE FROM 2021: \$50





# CAPITAL IMPROVEMENT PLAN



# CAPITAL IMPROVEMENT PLAN UPDATE FROM LAST WORKSHOP

- 15-year plan turned into 20-year plan with adjustment of a proposed construction timeline
- Accelerated Downhill Ski Resort Eagle Rock snowmaking and Beach Club Marina deck expansion
- Added golf course pedestrian bridge on Hole 18 bridge replacement



# 20-YEAR PLAN

## DRAFT

	Project	Discretionary / Nondiscretionary	Strategic Plan Initiative	Proposed Year Const.
Association Wide	Fueling stations for equipment - Downhill Ski, XC Ski, Golf fueling pads	Nondiscretionary	4	2026+
	Workforce housing feasibility study/project	Discretionary	3,5	2025-2026
	Acquisition			
	Forestry			
	Campground			
	Mailboxes	Discretionary	5	2025
	Electric vehicle charging stations at select amenities as parking lot renovation projects come up on RRF	Nondiscretionary	3,4,5	TBD
	Solar opportunities	Discretionary	3,4	ongoing
Generator Transfer Switches (ACAC, The Lodge, Top Shop)	Nondiscretionary	1	2025	
Alder Creek Adventure Center	Snowmelt north parking lot	Nondiscretionary	1	2025
	Snowmaking - Phase 2	Discretionary	5	2026+
	Air conditioning/airflow	Discretionary	1	2024
Forestry	Office remodel included in workforce housing above	Discretionary	5	2026
	New access road from Skislope with utilities including fiber - may be part of workforce housing above	Nondiscretionary	5	2025
	New storage building at Forestry Facility to replace multiple storage containers	Nondiscretionary	5	2026+
	Water Tower with PUD (potential partner with new road access)	Discretionary		2025
Northwoods Campus/Tennis	<b>Campus Master Plan and project</b>	<b>Discretionary</b>	<b>2,5</b>	<b>start 2026</b>
	Parking capacity expansion	Discretionary		
	<b>Northwoods Clubhouse remodel/replace</b>	Discretionary		
	<b>Tennis Building remodel/Replace</b>	Discretionary		
	Pool Expansion/hot tub	Discretionary		
	Rec Revamp (playground, horseshoe, Bocce, archery, volleyball, etc.....)	Discretionary		
Downhill Ski Area	<b>New Downhill Ski Lodge</b>	Nondiscretionary	2,5	2023-2024
	Snowmaking Phase 2 - Eagle Rock	Discretionary	2	2024
	Replacement Conveyors (C2 and C3) with covers improve beginner area layout (assumes yurt is gone)	Discretionary	2,5	2026+
	Mile Run Improvements	Discretionary	2	2026+

# 20-YEAR PLAN

## DRAFT – CONTINUED

	Project	Discretionary / Nondiscretionary	Strategic Plan Initiative	Proposed Year Const.
Golf Course	Renovate driving range with shade structure include performance stage with power	Discretionary	5	2026+
	Ball shed building	Discretionary	5	2026+
	Course Restrooms	Discretionary	2,5	2022
Marina	Deck expansion and shade structure	Discretionary	2	2022
	Revisit beach expansion project - expanded seating on hillside	Discretionary	2	2026+
	Bike parking enhancement	Discretionary	2	2022
	<b>Marina and day camp hut</b>	Non-discretionary	5	2026+
The Lodge	Pavilion family dining area renovation	Nondiscretionary	2,5	2022
	Grotto enhancement	Nondiscretionary	1,2	2022
	ADA parking lot improvements	Nondiscretionary	1,5	2022
Trails and Open Space	South Euer Valley Road: improvements	Nondiscretionary	2,4	2022
	Euer Valley restoration phase 1 (coyote crossing)	Nondiscretionary	2,4	2022
	Glacier Way Trailhead: expansion and restroom improvement	Discretionary	2,5	2025
	Alder Creek Trail Fjord to campground Improvements	Nondiscretionary	2	2026+
	Paved class 1, 4 season trail from the Town's Trout Creek Trailhead to ACAC	Discretionary	2,4,5,6	2026+
	Trail enhancements to align with updated trails and open space master plan	Discretionary	2,4,5,6	ongoing
	Nature Loop Trailhead at Trout Creek lot	Discretionary	5	2022

# 20-YEAR PLAN

## DRAFT – CONTINUED

	Project	Discretionary / Nondiscretionary	Strategic Plan Initiative	Proposed Year Const.
Trout Creek Recreation Center	Parking lot expansion and entrance reconfiguration - Needed for any future expansion at Trout Creek	Discretionary	5	2026+
	Snowplay building with restroom and adequate storage		2,5	2026+
	Expand patio heating system - Hydronic heating rec pool	Discretionary	5	2026+
	Splash pad/basketball court revamp	Discretionary	2,5	2026+
Maintenance	Main gas pump replacement - pump, tank replacement, and covered roof structure	Nondiscretionary	1,5	2024
Campground	<b>Bathhouse</b>	Nondiscretionary	5	2026
IT	Micro trench fiber on cart path via Trout-Lodge-Cart Barn-Golf Maintenance	Discretionary	5	
	Wireless from trout to cell tower	Discretionary	5	
	Suddenlink fiber to Topshop	Discretionary	5	
	Suddenlink fiber to Forestry - if/when install new road	Discretionary	5	2025
	Network operations center expansion of golf maintenance facility	Discretionary	5	
	Fiber and power in all parking lots	Discretionary	5	
	Fiber from NWCG to Trout if/when paving trail	Discretionary	5	2026+
	Fiber install from Trout Creek to Snowplay	Discretionary	5	2026+
Projects Placed in "Parking Lot"	Teton Way Trailhead: rustic improvement	Discretionary	2,5	2032+
	Cook House at Euer Valley with year-round restrooms	Discretionary	2,5	2032+
	Traffic calming/mobility master plan	Discretionary	1	2032+
	Shade structure at bocce courts	Discretionary	2,5	2032+
	Mini Golf	Discretionary	2	2032+
	Adventure Park		2	2032+



# 5-YEAR CAPITAL IMPROVEMENT PROJECT OVERVIEW

Amenity	Project	2022	2023	2024	2025	2026
Association Wide	Mailboxes			75,000	737,794	
Association Wide	Generator Transfer Switches			7,500	30,000	
Association Wide	Workforce Housing Feasibility Study/Project		75,000	250,000	1,500,000	1,000,000
ACAC	Snowmelt North Parking Lot			30,000	250,000	
ACAC	Air Conditioning/Airflow		5,500	65,000		
Campground	Campground Bathhouse				51,000	459,000
Downhill Ski Resort	Downhill Ski Lodge Replacement	496,952	14,543,858	5,648,493		
Downhill Ski Resort	Phase 2 Snowmaking: Eagle Rock	50,000	50,000	1,000,000		
Golf	Course Restroom Remodel (2)	100,000				
Golf	New Roof at Golf Course Maintenance	100,000				
Golf	Pedestrian Bridge on 18	25,000	130,000			
Maintenance	Maintenance Yard Fuel Station Replacement	47,575	60,000	1,350,000		
Marina	Marina Deck Expansion and Shade Structure	322,000				
Northwoods	Campus Master Plan		75,000	75,000	700,000	3,000,000
The Lodge	ADA Parking Lot Improvements	300,000				
The Lodge	Pavilion Family Dining Area Renovation	326,387				
The Lodge	Grotto Enhancement	60,000				
Trails and Open Space	Implement Trail/Trailhead Projects in the TMP	155,336	150,000	160,000	250,000	250,000
Trails and Open Space	Class 1 Trail from Trout Creek Trailhead to ACAC Planning			200,000	200,000	200,000
Trails and Open Space	Glacier Way Parking Lot Expansion			55,000	550,000	
Trails and Open Space	Phase 1 Euer Valley Restoration (Coyote Crossing)	945,557				
Trails and Open Space	South Euer Valley Road	137,000				
<b>Total</b>		<b>\$3,065,807</b>	<b>\$15,089,358</b>	<b>\$8,915,993</b>	<b>\$4,268,794</b>	<b>\$4,909,000</b>

Project costs are for estimation purposes only; actual project costs will adjust based on bid prices.

# CAPITAL PROJECTS FOR 2022



# 5-YEAR CAPITAL FUNDING PLAN

## DOWNHILL SKI LODGE REPLACEMENT

Amenity:	Downhill Ski Resort
Project Description:	The downhill ski lodge has exceeded its useful life for the association and needs to be replaced.
Strategic Plan Initiative:	1, 2, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



	Phase	Budget						Total
		2021	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	575,055	496,952	14,543,858	5,684,493			
	Construction							
	<b>Total</b>	<b>\$575,055</b>	<b>\$496,952</b>	<b>\$14,543,858</b>	<b>\$5,684,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,300,358</b>
<b>Funding Source</b>	Development Fund	575,055	496,952	11,043,858	5,684,493			
	Replacement Reserve Fund			3,500,000				
	<b>Total</b>	<b>\$575,055</b>	<b>\$496,952</b>	<b>\$14,543,858</b>	<b>\$5,684,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,300,358</b>

# 5-YEAR CAPITAL FUNDING PLAN

## PHASE 2 SNOWMAKING: EAGLE ROCK

Amenity:	Downhill Ski Resort
Project Description:	Phase 2 of snowmaking at the Downhill Ski Resort provides snowmaking to the Eagle Rock Chairlift. The project will tap into a well water source on the backside of the mountain, run over the top of the mountain and hook into the phase 1 system. This not only provides snowmaking to the Eagle Rock Chairlift but also takes the association off the TDPUD water supply for snowmaking.
Strategic Plan Initiative:	2
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
Phase		2022	2023	2024	2025	2026	
Project Costs	Professional Services	50,000	50,000				
	Construction			1,000,000			
	<b>Total</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100,000</b>
Funding Source	Development Fund	50,000	50,000	1,000,000			
	Replacement Reserve Fund						
	<b>Total</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100,000</b>

# 5-YEAR CAPITAL FUNDING PLAN

## GOLF COURSE RESTROOMS

Amenity:	Golf
Project Description:	The golf course's restrooms (2), built in 1992, have a useful life of 30 years and are due on the Replacement Reserve Fund for a remodel.
Strategic Plan Initiative:	2, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



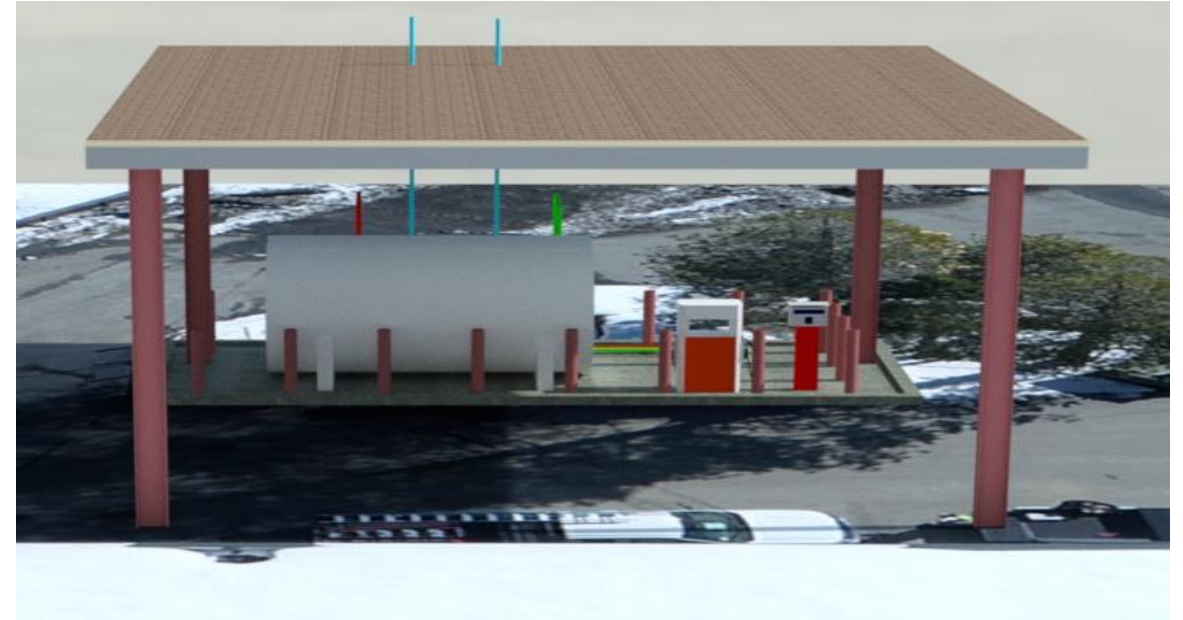
		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	10,000					
	Construction	90,000					
	<b>Total</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>
<b>Funding Source</b>	Development Fund						
	Replacement Reserve Fund	100,000					
	<b>Total</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>



# 5-YEAR CAPITAL FUNDING PLAN

## MAINTENANCE YARD FUEL STATION REPLACEMENT

Amenity:	Maintenance
Project Description:	The fuel tank and pump system at the maintenance yard is up for replacement. The project includes replacement of the fuel tank, pad, pump, new card lock system, roof structure and electric vehicle charging stations for future association electric vehicles.
Strategic Plan Initiative:	1, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
Project Costs	Professional Services	47,575	60,000				
	Construction			1,350,000			
	<b>Total</b>	<b>\$47,575</b>	<b>\$60,000</b>	<b>\$1,350,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,457,575</b>
Funding Source	Development Fund	47,575	60,000	575,000			
	Replacement Reserve Fund			775,000			
	<b>Total</b>	<b>\$47,575</b>	<b>\$60,000</b>	<b>\$1,350,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,457,575</b>

# 5-YEAR CAPITAL FUNDING PLAN

## MARINA DECK EXPANSION + SHADE STRUCTURE

Amenity:	Beach Club Marina
Project Description:	The Beach Club Marina is lacking deck space and shade structure adjacent to the grill. The project proposes expanding the existing deck into the lawn area and better utilizing the space for member enjoyment.
Strategic Plan Initiative:	2
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	22,000					
	Construction	300,000					
	<b>Total</b>	<b>\$322,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$322,000</b>
<b>Funding Source</b>	Development Fund	222,000					
	Replacement Reserve Fund	100,000					
	<b>Total</b>	<b>\$322,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$322,000</b>

# 5-YEAR CAPITAL FUNDING PLAN

## ADA PARKING LOT IMPROVEMENTS

Amenity:	The Lodge Restaurant & Pub
Project Description:	The Lodge's ADA parking lot spaces do not comply with the current code as identified in the association-wide Certified Access Specialists (CASP) Report. The walkway between the upper and lower parking lots needs improving. This project addresses the issues stated above.
Strategic Plan Initiative:	1, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services						
	Construction	300,000					
	<b>Total</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>
<b>Funding Source</b>	Development Fund	50,000					
	Replacement Reserve Fund	250,000					
	<b>Total</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>



# 5-YEAR CAPITAL FUNDING PLAN

## PAVILION FAMILY DINING AREA RENOVATION

Amenity:	The Lodge Restaurant & Pub
Project Description:	The area where the wedding tent used to be is transitioning to an outdoor family dining area. This space offers a more casual dining experience for family dining and golf users than what the restaurant upstairs offers. A landscape architect will create a plan that may include ADA code compliance updates, a permanent shade structure, fire pits, a permanent outdoor bar and potential outdoor games/entertainment (cornhole, kids play area, etc.).
Strategic Plan Initiative:	2, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



	Phase	Budget					Total
		2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	26,387					
	Construction	300,000					
	<b>Total</b>	<b>\$326,387</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$326,387</b>
<b>Funding Source</b>	Development Fund	70,000					
	Replacement Reserve Fund	256,387					
	<b>Total</b>	<b>\$326,387</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$326,387</b>

# 5-YEAR CAPITAL FUNDING PLAN

## GROTTO ENHANCEMENT

Amenity:	The Lodge Restaurant & Pub
Project Description:	The grotto is the private outdoor dining area at ground level in the northeast corner of The Lodge. The area was addressed in the Certified Access Specialists (CASp) Report not meeting ADA compliance for the grotto and pro shop walkway areas. The project will remediate the pavers and add a small expansion to accommodate private parties of around 100 guests.
Strategic Plan Initiative:	1, 2
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	10,000					
	Construction	50,000					
	<b>Total</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>
<b>Funding Source</b>	Development Fund						
	Replacement Reserve Fund	60,000					
	<b>Total</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>



# 5-YEAR CAPITAL FUNDING PLAN

## IMPLEMENT TRAIL/TRAILHEAD PROJECTS

Amenity:	Trails and Open Space
Project Description:	An updated Trails and Open Space Master Plan is currently being conducted. This funding is a placeholder for future projects that arise from that study.
Strategic Plan Initiative:	2, 4, 5, 6
Appropriations beyond the five-year plan are needed to complete the project:	Yes



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	80,336	15,000	20,000	25,000	25,000	
	Construction	75,000	135,000	140,000	225,000	225,000	
	<b>Total</b>	<b>\$155,336</b>	<b>\$150,000</b>	<b>\$160,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$965,336</b>
<b>Funding Source</b>	Development Fund	75,000	75,000	80,000	250,000	250,000	
	Replacement Reserve Fund	80,336	75,000	80,000			
	<b>Total</b>	<b>\$155,336</b>	<b>\$150,000</b>	<b>\$160,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$965,336</b>

# 5-YEAR CAPITAL FUNDING PLAN

## EUER VALLEY RESTORATION PHASE 1 (COYOTE CROSSING)

Amenity:	Trails and Open Space
Project Description:	Euer Valley has undergone numerous human impacts from various activities over the past several decades. Tahoe Donner teamed up with the Truckee River Watershed Council to begin restoration of the valley. The phase 1 project includes stream channel work and recreation improvements, including a new bridge across Prosser Creek and a boardwalk providing access across the valley (Coyote Crossing).
Strategic Plan Initiative:	2, 4
Appropriations beyond the five-year plan are needed to complete the project:	No



	Phase	Budget						Total
		2021	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	176,500						
	Construction		945,557					
	<b>Total</b>	<b>\$176,500</b>	<b>\$945,557</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,122,057</b>
<b>Funding Source</b>	Development Fund							
	Replacement Reserve Fund	176,500	355,721					
	Grant - Watershed Council		589,836					
	<b>Total</b>	<b>\$176,500</b>	<b>\$945,557</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,122,057</b>

# 5-YEAR CAPITAL FUNDING PLAN

## SOUTH EUER VALLEY ROAD

Amenity:	Trails and Open Space
Project Description:	South Euer Valley Road is a multi-purpose doubletrack road that runs along the south side of Euer Valley. The road provides trail connectivity access in the summer and is utilized as a cross country trail in the winter. It is the only emergency access road on the south side of the valley. The road is in need of maintenance to continue providing these services.
Strategic Plan Initiative:	2, 4
Appropriations beyond the five-year plan are needed to complete the project:	No



		Budget					Total
	Phase	2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	12,000					
	Construction	125,000					
	<b>Total</b>	<b>\$137,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,000</b>
<b>Funding Source</b>	Development Fund						
	Replacement Reserve Fund	125,000					
	Grant - Watershed Council	12,000					
	<b>Total</b>	<b>\$137,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,000</b>



# 5-YEAR CAPITAL FUNDING PLAN

## GOLF COURSE PEDESTRIAN BRIDGE ON HOLE 18

Amenity:	Golf Course
Project Description:	The Golf Course's pedestrian bridge over Trout Creek on the 18th fairway has failed. Full replacement is necessary.
Strategic Plan Initiative:	2, 5
Appropriations beyond the five-year plan are needed to complete the project:	No



	Phase	Budget					Total
		2022	2023	2024	2025	2026	
<b>Project Costs</b>	Professional Services	25,000					
	Construction		\$130,000				
	<b>Total</b>	<b>\$25,000</b>	<b>\$130,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$155,000</b>
<b>Funding Source</b>	Development Fund						
	Replacement Reserve Fund	25,000	\$130,000				
	<b>Total</b>	<b>\$25,000</b>	<b>\$130,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$155,000</b>

# DEVELOPMENT FUND





# 2022 DEVELOPMENT FUND BUDGET UPDATE FROM LAST WORKSHOP

- A transfer of \$700,000 has been reflected in the Development Fund forecast for 2021 based on the Operating Fund surplus in 2020
- Acceleration of Downhill Ski Resort Eagle Rock snowmaking and the Beach Club Marina deck expansion projects
- Revised payroll allocation costs to reflect capital projects staff, including the new Senior Project Manager position
- Land acquisition was added to the 5-Year Capital Improvement Plan



# DEVELOPMENT FUND

	Forecast 2021	Budget 2022
Beginning Balance	<b>\$8,643,939</b>	<b>\$10,011,237</b>
Assessment Funds	\$2,874,012	\$3,592,515
Interest Income	\$43,000	\$93,000
2020 Operating Surplus Transfer	\$700,000	
2021 Operating Surplus Transfer		\$350,000
Expenditures		
Income Tax Investment	-\$3,000	-\$7,000
Bad Debt Investment	-\$5,000	-\$7,000
Overhead/Payroll Allocations	-\$112,580	-\$117,083
Capital Additions/Expenditures	-\$2,129,134	-\$1,109,527
Inflation	\$0	-\$55,197
<b>Ending Balance</b>	<b>\$10,011,237</b>	<b>\$12,750,945</b>

# 2022 BUDGET CYCLE – DEVELOPMENT FUND INVESTMENT 5-YEAR CAPITAL FUNDS PROJECTION

Amenity	Project	2022	2023	2024	2025	2026
Association Wide	Mailboxes				300,000	
Association Wide	Generator/Transfer Switches (Lodge, ACAC, Topshop)			7,500	30,000	
Association Wide	Workforce Housing Feasibility Study/Project		75,000	250,000	1,500,000	1,000,000
ACAC	Snowmelt North Parking Lot				100,000	
ACAC	Air Conditioning/Airflow		5,500	65,000		
Campground	Campground Bathhouse				51,000	357,000
Downhill Ski Resort	Downhill Ski Lodge Replacement	496,952	11,043,058	5,648,493		
Downhill Ski Resort	Phase 2 Snowmaking: Eagle Rock	50,000	50,000	1,000,000		
Maintenance	Maintenance Yard Fuel Station Replacement	45,575	60,000	575,000		
Beach Club Marina	Deck Expansion and Shade Structure	222,000				
Northwoods	Campus Master Plan and Project		75,000	75,000	700,000	3,000,000
The Lodge	ADA Parking Lot Improvements	50,000				
The Lodge	Pavilion Family Dining Area Renovation	70,000				
Trails and Open Space	Implement Trail/Trailhead Projects in the TMP	75,000	75,000	80,000	250,000	250,000
Trails and Open Space	Class 1 Trail From Trout Creek Trailhead to ACAC Planning					
Trails and Open Space	Glacier Way Parking Lot Expansion			55,000	450,000	

*Project costs are for estimation purposes only; actual costs will adjust based on bid prices.*

# 5-YEAR INCREASE IN DEVELOPMENT FUND PROJECTION

		2022	2023	2024	2025	2026
<b>Estimated Annual Totals, Exclude RRF, Inflation Factor and Direct/Allocated Overhead</b>		<b>1,009,527</b>	<b>11,383,558</b>	<b>7,755,993</b>	<b>3,381,000</b>	<b>4,607,000</b>
	Direct and Allocated Overhead	117,083	120,000	125,000	130,000	135,000
	Land Acquisition	100,000	100,000	100,000	200,000	200,000
	Expenditures Total	1,226,610	11,603,558	7,980,993	3,711,000	4,942,000
<b>4.5%</b>	Inflation Factor	55,197	1,067,817	1,126,646	714,437	1,216,631
	Total Including Inflation	1,281,807	12,671,375	9,107,639	4,425,437	6,158,631
	Operating Fund Surplus Transfer – 2021 Operating Fund	350,000				
1.0%	Interest Income	93,000	128,000	47,000	12,000	24,000
8.0%	Income Tax Investment	7,000	10,000	4,000	1,000	2,000
	Bad Debt Investment	7,000	7,000	7,000	7,000	7,000
	Projected Development Fund Portion of Annual Assessment	<b>555</b>	<b>694</b>	<b>867</b>	<b>867</b>	<b>867</b>
6473	Annual Contribution	3,592,515	4,492,262	5,612,091	5,612,091	5,612,091
	Beginning	10,011,237	12,773,935	4,705,821	1,246,273	2,436,928
	Ending	<b>12,750,945</b>	<b>4,682,831</b>	<b>1,223,283</b>	<b>2,413,938</b>	<b>1,882,398</b>
		Yr 2022	Yr 2023	Yr 2024	Yr 2025	Yr 2026

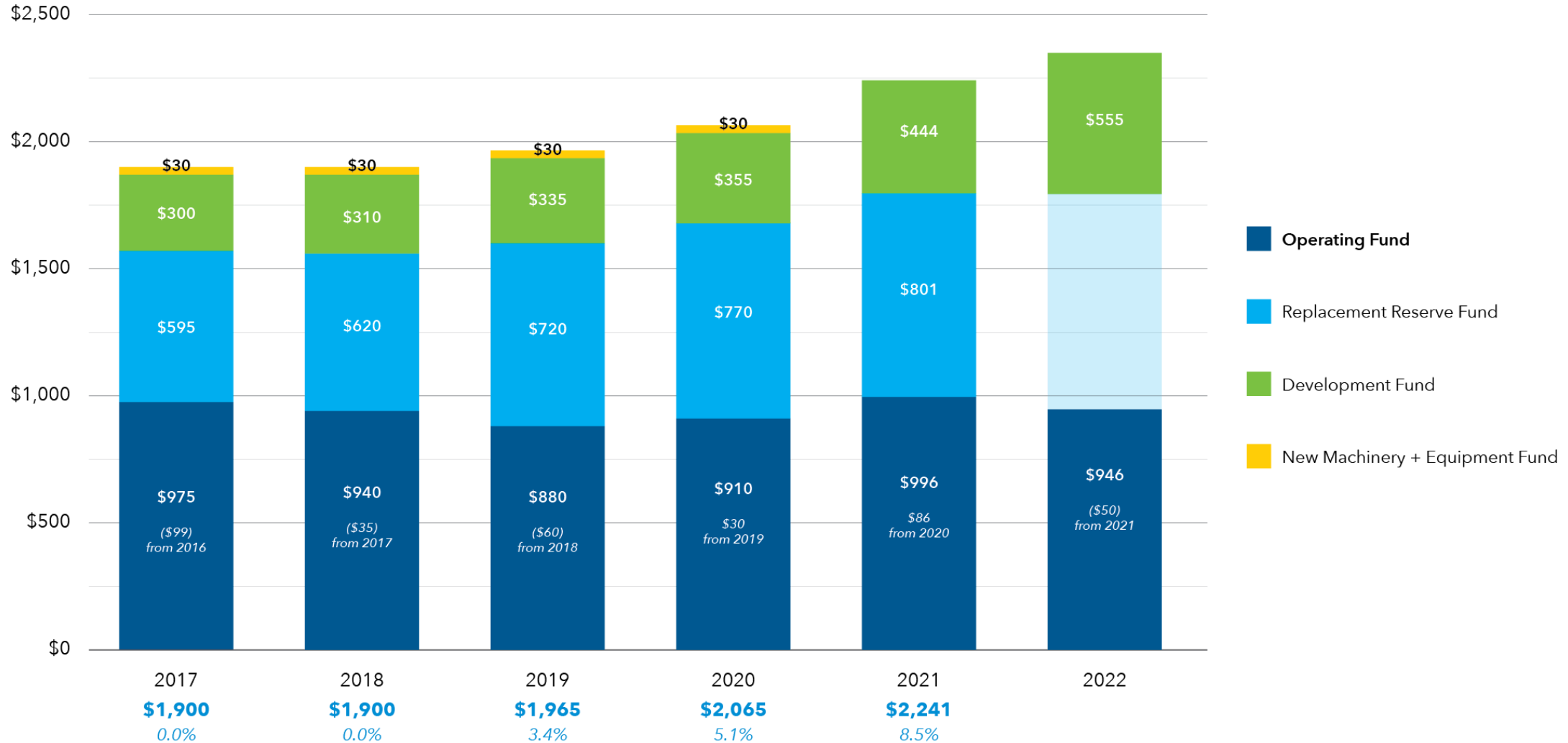
# 5-YEAR IMPACT ON DEVELOPMENT FUND ASSESSMENT

Year	Proposed Increase Each Year From 2021	Proposed DF Portion of Assessment Increased 25%/year Through 2024
2022	\$111	\$555
2023	\$139	\$694
2024	\$173	\$867
2025	\$0	\$867
2026	\$0	\$867



# 2022 DEVELOPMENT FUND BUDGET RECOMMENDATION

## PROPOSED INCREASE FROM 2021: \$111



# 2022 DEVELOPMENT FUND BUDGET RECOMMENDATION

## CONTINUED

- At Workshop #2, the board inquired about the future assessment contribution to the Development Fund
- Currently, the association has projected the annual contribution to be \$555 in 2022, \$694 in 2023 and \$867 for 2024-2026
- Without having a fully defined long-range capital plan in place, it is difficult for staff to create alternative scenarios

# REPLACEMENT RESERVE FUND

# 2022 REPLACEMENT RESERVE FUND BUDGET UPDATE FROM LAST WORKSHOP

- Minor project funding changes
- All years funded 25% or greater
- Revised payroll allocation costs to reflect capital projects staff, including new Senior Project Manager position



# REPLACEMENT RESERVE FUND

	Forecast 2021	Budget 2022
Beginning Balance	\$13,128,074	\$13,625,446
Assessment Funds	\$5,184,873	\$5,489,104
Interest Income	\$159,000	\$160,000
Salvage Receipts	\$36,705	\$40,000
Expenditures		
Consulting	\$0	\$0
Bad Debt	-\$13,000	-\$15,000
Income Tax	-\$25,000	-\$25,000
Overhead/Payroll Allocations	-\$103,409	-\$203,634
Capital Additions/Expenditures	-\$4,741,797	-\$6,124,596
<b>Ending Balance</b>	<b>\$13,625,446</b>	<b>\$12,946,320</b>



# 30-YEAR CASH FLOW/CAPITAL BUDGET SUMMARY

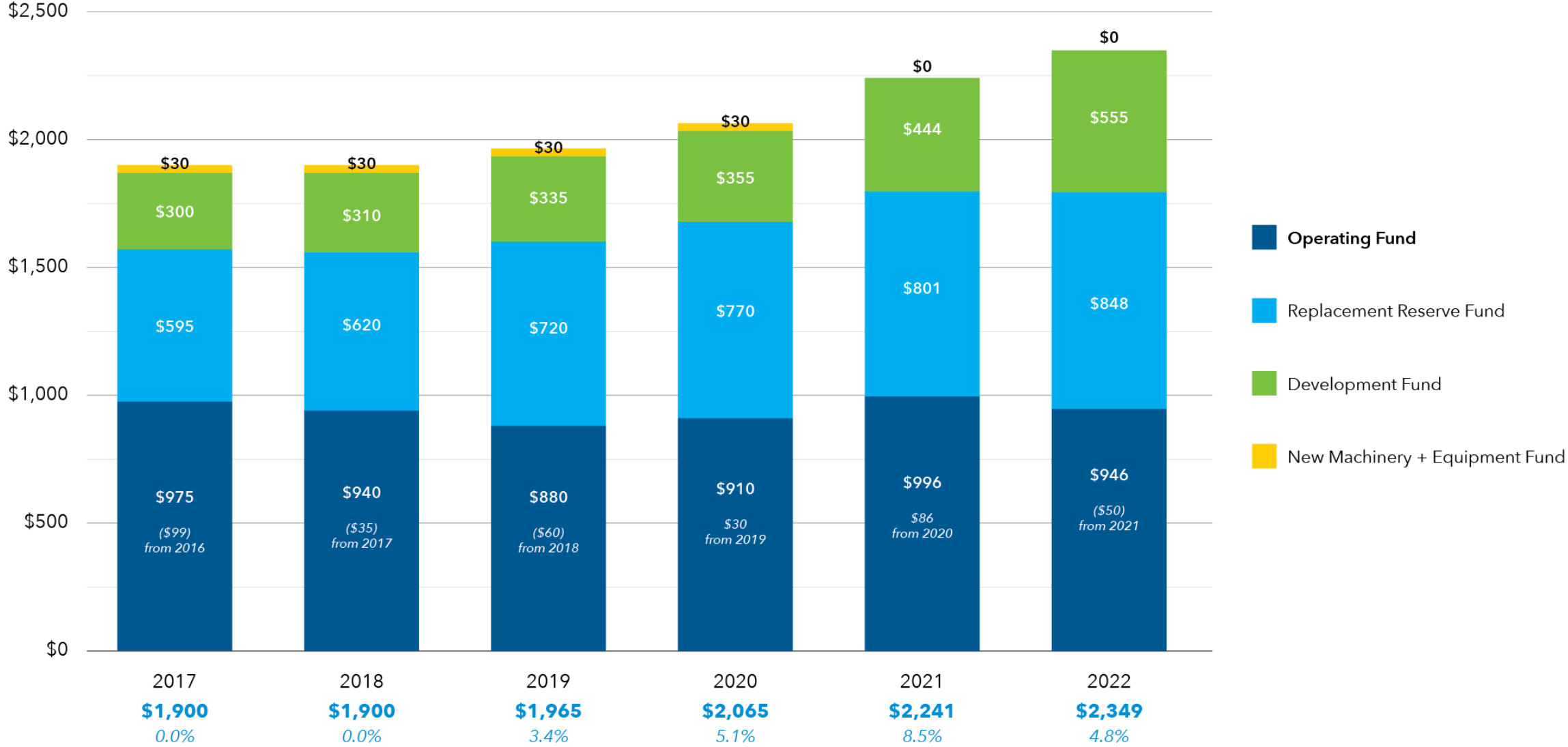
Year	Annual Percent Change to Capital / Reserve Assessment	Capital / Reserve Account Beginning Balance	Expired Useful Life of Components Expressed in Dollars aka "Fully Funded"	Percent Ratio of Fully Funded Value to Capital / Reserve Balance	Annual Dollar Change to Capital / Reserve Assessments	Annual Member Capital / Reserve Assessment	Annual Avg. Capital / Reserve Assessment / Unit interest	Change in Avg. Annual Capital / Reserve Assessment / Unit interest	Monthly Avg. Capital / Reserve Assessment / Unit interest	Change in Avg. Monthly Capital / Reserve Assessment / Unit interest	Estimated Interest, Net of Tax	Annual Expenditures	Capital Contingency	Ending Balance
1/1/2022	5.90%	13,625,446	39,820,472	34.22%	305,908	5,490,781	848.26	47.26	70.69	3.94	121,501.84	(6,328,230)	-	12,909,498
1/1/2023	5.50%	12,909,498	40,661,068	31.75%	301,993	5,792,773	894.91	46.65	74.58	3.89	105,037.93	(8,777,438)	-	10,029,872
1/1/2024	5.50%	10,029,872	39,246,421	25.56%	318,603	6,111,376	944.13	49.22	78.68	4.10	97,394.11	(4,998,488)	-	11,240,154
1/1/2025	5.50%	11,240,154	41,562,076	27.04%	336,126	6,447,502	996.06	51.93	83.01	4.33	98,888.17	(7,430,382)	-	10,356,162
1/1/2026	3.50%	10,356,162	41,394,747	25.02%	225,663	6,673,164	1,030.92	34.86	85.91	2.91	98,939.32	(5,876,940)	-	11,251,326
1/1/2027	3.50%	11,251,326	42,886,549	26.24%	233,561	6,906,725	1,067.01	36.08	88.92	3.01	107,011.54	(6,145,998)	-	12,119,064
1/1/2028	3.50%	12,119,064	44,220,197	27.41%	241,735	7,148,460	1,104.35	37.35	92.03	3.11	115,400.03	(6,299,626)	-	13,083,298
1/1/2029	3.50%	13,083,298	45,441,396	28.79%	250,196	7,398,656	1,143.00	38.65	95.25	3.22	124,820.01	(6,430,468)	-	14,176,307
1/1/2030	3.50%	14,176,307	46,842,574	30.26%	258,953	7,657,609	1,183.01	40.01	98.58	3.33	122,995.41	(9,272,092)	-	12,684,820
1/1/2031	4.00%	12,684,820	45,668,968	27.78%	306,304	7,963,914	1,230.33	47.32	102.53	3.94	122,103.50	(6,789,315)	-	13,981,523
1/1/2032	4.00%	13,981,523	47,166,979	29.64%	318,557	8,282,470	1,279.54	49.21	106.63	4.10	139,837.95	(5,845,961)	-	16,557,870
1/1/2033	4.00%	16,557,870	49,703,470	33.31%	331,299	8,613,769	1,330.72	51.18	110.89	4.27	161,097.40	(6,708,336)	-	18,624,401
1/1/2034	4.00%	18,624,401	51,617,351	36.08%	344,551	8,958,320	1,383.95	53.23	115.33	4.44	178,198.93	(7,468,223)	-	20,292,697
1/1/2035	4.00%	20,292,697	52,977,289	38.30%	358,333	9,316,653	1,439.31	55.36	119.94	4.61	202,757.06	(5,824,425)	-	23,987,682
1/1/2036	4.00%	23,987,682	56,097,623	42.76%	372,666	9,689,319	1,496.88	57.57	124.74	4.80	236,552.56	(6,240,213)	-	27,673,340
1/1/2037	4.00%	27,673,340	59,020,206	46.89%	387,573	10,076,892	1,556.76	59.88	129.73	4.99	264,044.12	(8,022,676)	-	29,991,599
1/1/2038	4.00%	29,991,599	60,383,753	49.67%	403,076	10,479,967	1,619.03	62.27	134.92	5.19	278,572.06	(9,904,022)	-	30,846,117
1/1/2039	4.00%	30,846,117	60,032,416	51.38%	419,199	10,899,166	1,683.79	64.76	140.32	5.40	299,696.38	(7,440,013)	-	34,604,966
1/1/2040	4.00%	34,604,966	62,405,950	55.45%	435,967	11,335,133	1,751.14	67.35	145.93	5.61	334,715.87	(7,780,745)	-	38,494,070
1/1/2041	4.00%	38,494,070	64,737,608	59.46%	453,405	11,788,538	1,821.19	70.05	151.77	5.84	367,539.03	(8,876,889)	-	41,773,257
1/1/2042	4.00%	41,773,257	66,223,134	63.08%	471,542	12,260,079	1,894.03	72.85	157.84	6.07	393,517.24	(10,259,368)	-	44,167,486
1/1/2043	4.00%	44,167,486	66,644,685	66.27%	490,403	12,750,483	1,969.79	75.76	164.15	6.31	414,448.32	(10,987,994)	-	46,344,423
1/1/2044	4.00%	46,344,423	66,611,830	69.57%	510,019	13,260,502	2,048.59	78.79	170.72	6.57	455,612.68	(6,903,115)	-	53,157,423
1/1/2045	4.00%	53,157,423	70,875,594	75.00%	530,420	13,790,922	2,130.53	81.94	177.54	6.83	496,341.21	(12,205,506)	-	55,239,181
1/1/2046	4.00%	55,239,181	70,213,048	78.67%	551,637	14,342,559	2,215.75	85.22	184.65	7.10	517,595.39	(12,300,184)	-	57,799,151
1/1/2047	4.00%	57,799,151	69,775,522	82.84%	573,702	14,916,261	2,304.38	88.63	192.03	7.39	563,190.17	(8,081,917)	-	65,196,686
1/1/2048	4.00%	65,196,686	73,768,050	88.38%	596,650	15,512,912	2,396.56	92.18	199.71	7.68	620,188.58	(11,082,679)	-	70,247,107
1/1/2049	4.00%	70,247,107	75,104,778	93.53%	620,516	16,133,428	2,492.42	95.86	207.70	7.99	678,133.15	(9,207,392)	-	77,851,276
1/1/2050	4.00%	77,851,276	78,548,287	99.11%	645,337	16,778,765	2,592.12	99.70	216.01	8.31	734,523.21	(12,802,359)	-	82,562,206
1/1/2051	4.00%	82,562,206	78,830,074	104.73%	671,151	17,449,916	2,695.80	103.68	224.65	8.64	791,737.19	(10,457,548)	-	90,346,311

# 5-YEAR REPLACEMENT RESERVE FUND INVESTMENT BY AMENITY

AMENITY	ASSET	5-YEAR EXPENDITURE	NET ASSET VALUE 12/31/2020
GENERAL ADMINISTRATION	Administration	\$705,341	\$6,671,337
	Capital Projects	\$1,126,525	
	Chalet House	\$288,031	
	Food Trailer	\$9,359	
	General Maintenance	\$579,910	\$1,278,550
	Recreation	\$443,915	\$62,907
MAINTENANCE	Maintenance	\$1,332,305	\$1,380,966
MIS/IT	IT	\$3,350,877	\$320,898
ALDER CREEK ADVENTURE CENTER CAMPUS	Alder Creek Cafe	\$111,339	\$40,450
	Bikeworks	\$146,314	\$27,605
	Equestrian	\$192,768	\$672,654
	Cross Country Ski Center	\$143,111	\$8,976,689
CAMPGROUND	Campground	\$2,615,419	\$42,472
FORESTRY	Forestry	\$1,416,247	\$1,474,320
GOLF CAMPUS	Golf Course	\$4,496,541	\$2,939,785
	The Lodge Restaurant & Pub	\$1,479,059	\$4,681,226
BEACH CLUB MARINA	Marina	\$1,031,082	\$248,966
POOLS	Pools at Trout Creek + Northwoods	\$1,020,993	\$511,705
NORTHWOODS CLUBHOUSE CAMPUS	Northwoods Clubhouse	\$1,502,792	
	Pizza on the Hill	\$152,440	\$36,317
	Tennis Center	\$889,794	\$365,045
DOWNHILL SKI RESORT	Downhill Ski Resort	\$7,449,801	\$5,130,475
TRAILS	Trails	\$1,925,616	\$583,156
TROUT CREEK CAMPUS	Trout Creek Recreation Center	\$919,785	\$4,834,489
	Snowplay	\$82,116	\$44,561
<b>TOTAL</b>		<b>\$33,411,480</b>	<b>\$40,324,573</b>

# 2022 REPLACEMENT RESERVE FUND BUDGET

## PROPOSED INCREASE FROM 2021: \$47



# NEW MACHINERY AND EQUIPMENT FUND

# WHAT IS THE NEW MACHINERY AND EQUIPMENT FUND?

This fund is used to acquire new items identified as necessary to be more efficient in operations, or to provide new services to the membership

## NEW MACHINERY AND EQUIPMENT FUND 2022 HIGHLIGHTS

- Beach Club Marina bike parking
- Shade sails at day camp building at the Beach Club Marina
- Zendesk expansion



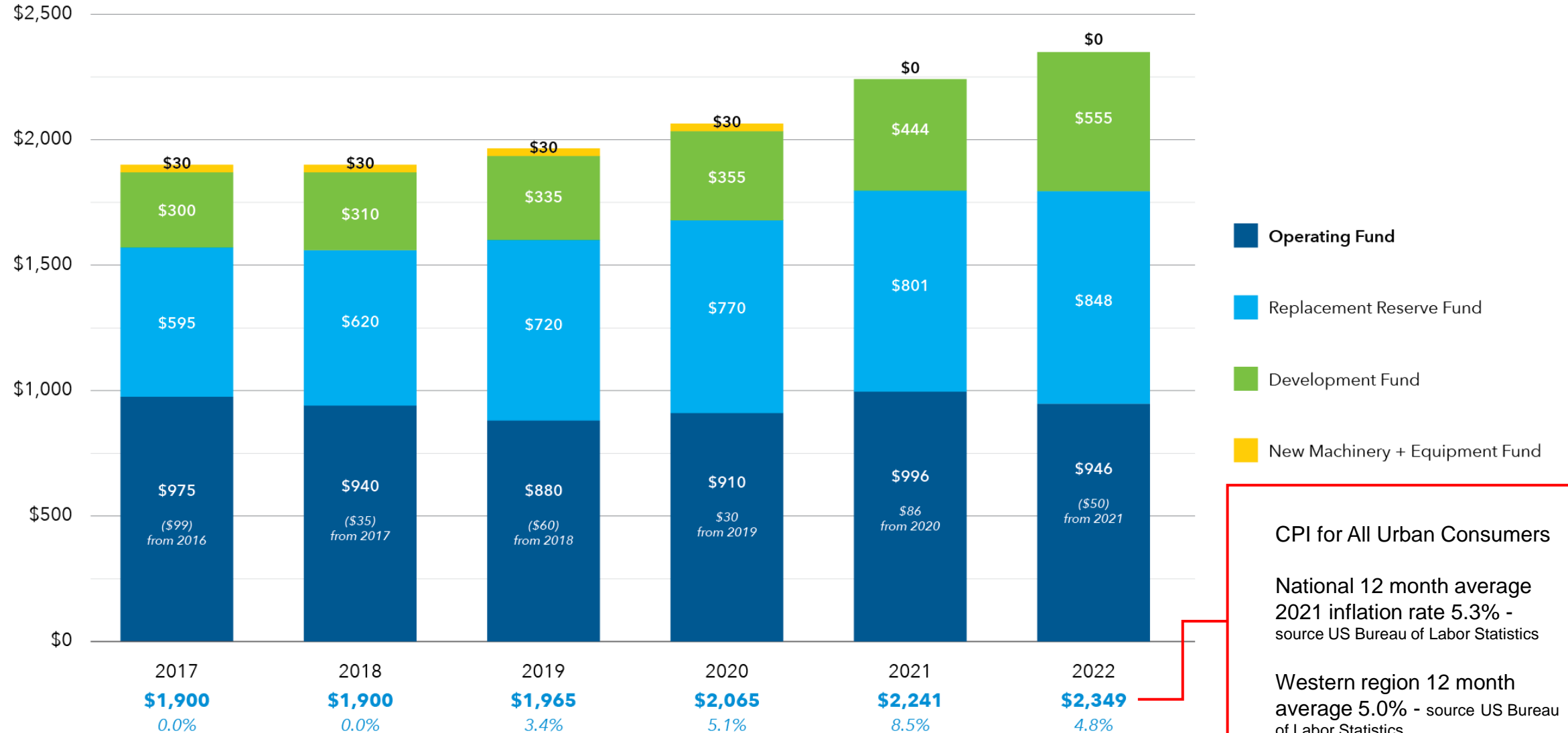


# NEW MACHINERY AND EQUIPMENT FUND

	Budget 2022
Beginning Balance	\$294,236
Assessment Funds	\$0
Interest Income	\$110
Expenditures	
Capital Additions/Expenditures	-\$140,500
<b>Ending Balance</b>	<b>\$153,846</b>

# TOTAL 2022 ANNUAL ASSESSMENT

# ASSESSMENT CONTRIBUTION TO OPERATING + CAPITAL FUNDS



# STAFF RECOMMENDATION

**Increase the assessment by \$108, which includes:**

- Operating Fund: \$946; -5%
- Development Fund: \$555; +25%
- Replacement Reserve Fund: \$848; +6%
- New Machinery and Equipment Fund: \$0; 0%
- **TOTAL: \$2,349; 4.8% increase**

# ACTION

- **BY MOTION, ADOPT THE BUDGET AS PRESENTED WITH OR WITHOUT MODIFICATION FOR AN ANNUAL ASSESSMENT OF \$2,349**
  - OPERATION ASSESSMENT AT \$946 (-\$50 FROM 2021)
  - DEVELOPMENT FUND AT \$555 (+\$111 FROM 2021)
  - REPLACEMENT RESERVE FUND AT \$848 (+\$47 FROM 2021)
  - NEW MACHINERY AND EQUIPMENT FUND AT \$0 (NO CHANGE FROM 2021)

***OR***

- **PROVIDE DIRECTION TO STAFF TO REFINE FUND CONTRIBUTIONS FOR APPROVAL AT OCTOBER 22 REGULAR BOARD MEETING**





# 2022 RECREATION + AMENITY ACCESS FEES



# 2022 REC + AMENITY ACCESS FEES

## September 9, 2021 Budget Workshop #1

- Operating budget recommendation of \$395 Rec Fee and a \$1 increase to the Daily Access Fees for members, accompanied guests and unaccompanied guests
- The board requested staff to review the opportunity to provide a two-person alternative to the Recreation Fee

# 2022 REC + AMENITY ACCESS FEES CONTINUED

## September 23, 2021 Budget Workshop #2

Staff presented results of the analysis using the following assumptions:

- Analyze a Recreation Fee product mix that includes an option for a two-person fee and a four-person fee
- Goal is to remain revenue neutral
  - Revenue projection should equal the proposed revenue total of \$1,260,000 in the draft 2022 budget presentation

Specific analysis assumptions:

- Use actual data from 2017-2018 and 2018-2019 Recreation Fee periods
- Use the 2022 proposed Daily Access Fee of \$10 per member in the analysis
- 90% of all former cardholder uses will be converted to daily access uses/revenue
- Use the 2022-2023 forecasted quantity of Rec Fees sold in the analysis
- 25% conversion rate from four- to two-person Rec Fee product

Board direction was to develop a recommendation with a two- and four-person option

# 2022 REC + AMENITY ACCESS FEES CONTINUED

## October 15, 2021 Budget Workshop #3

When considering the board direction, staff identified an additional assumption when modeling a two-person option for the Recreation Fee

- 50% of the individual properties that do not use the amenities—yet purchase the annual Rec Fee—may not purchase the Rec Fee moving forward

### Options:

#### Multi-Person Recreation Fee Structure:

4-Person:       **\$420 per property**

2-Person:       **\$330 per property**

#### One Recreation Fee Structure:

**\$395 per property**

**Both options include a \$1 increase to the Daily Access Fee for all user types on May 1, 2022**

# ACTION

- **BY MOTION, ADOPT THE REVISED RECREATION FEE RECOMMENDATION OF \$420 FOR UP TO FOUR PERSONS AND \$330 FOR UP TO TWO PERSONS**

## *ALTERNATIVE:*

- **THE RECREATION FEE REMAIN AT \$395 FOR UP TO FOUR PERSONS, FIRST PROPOSED AT BUDGET WORKSHOP #1**
- **BOARD TO PROVIDE ADDITIONAL DIRECTION REGARDING PRICING**

