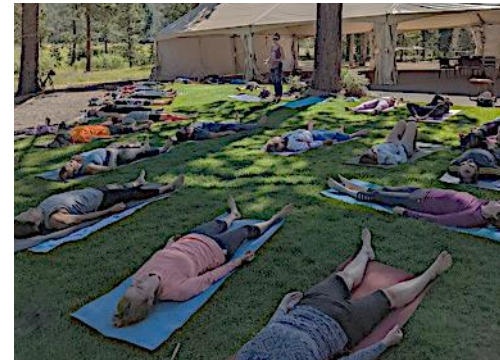
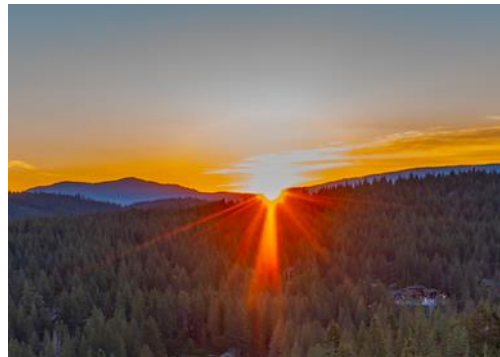




# 2023 ANNUAL BUDGET

October 28, 2022





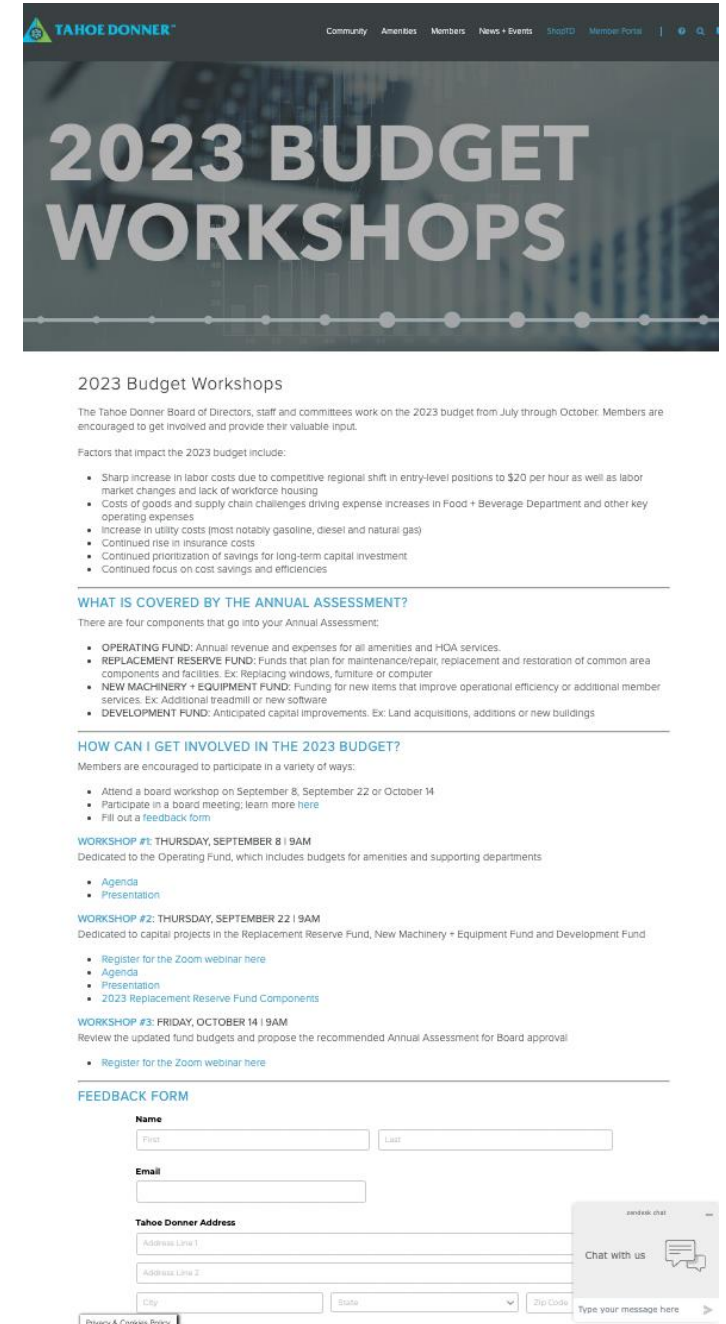
# MEETING OVERVIEW

- Review 2023 Budget Presentation
- Board Clarifying Questions
- Member Comment
- Board Action
  - Adopt Development Fund Budget
  - Adopt Replacement Reserve Fund Budget
  - Adopt New Machinery + Equipment Fund Budget
  - Select Recreation Fee Structure – 2-/4-person or 4-person
  - Select Recreation Fee (Rate)
  - Adopt Operating Fund Budget
  - Select 2021 Surplus Allocation
  - Adopt 2023 Budget and Total Annual Assessment



# 2023 BUDGET MEMBER OUTREACH

- **Open Budget Workshops:** 9/8, 9/22, 10/14
- **2023 Budget Story and Timeline:** Published in August, September and October *TD News*
- **Weekly Tuesday Emails:** Included meetings from August 24 onward
- **2023 Budget Webpage:** Created and integrated into web navigation
- **Budget Feedback Form:** Created and integrated into 2023 budget webpage
- **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



The screenshot shows the Tahoe Donner website's 2023 Budget Workshops page. The header includes the Tahoe Donner logo and navigation links for Community, Amenities, Members, News + Events, ShopTD, and Member Portal. The main heading is "2023 BUDGET WORKSHOPS". Below this, a section titled "2023 Budget Workshops" explains that the Board of Directors, staff, and committees work on the 2023 budget from July through October, encouraging member input. A list of factors impacting the budget is provided, including labor costs, supply chain challenges, utility costs, insurance, and capital investment. The page also outlines the annual assessment, detailing the Operating Fund, Replacement Reserve Fund, New Machinery + Equipment Fund, and Development Fund. It lists three workshops: Thursday, September 8 (Operating Fund), Thursday, September 22 (Replacement Reserve Fund, New Machinery + Equipment Fund, and Development Fund), and Friday, October 14 (Annual Assessment). Each workshop includes links to agendas and presentations. A feedback form is located at the bottom, with fields for Name (First and Last), Email, and Tahoe Donner Address (Address Line 1, Address Line 2, City, and State). A "Chat with us" button is also present in the bottom right corner.

**2023 Budget Workshops**

The Tahoe Donner Board of Directors, staff and committees work on the 2023 budget from July through October. Members are encouraged to get involved and provide their valuable input.

Factors that impact the 2023 budget include:

- Sharp increase in labor costs due to competitive regional shift in entry-level positions to \$20 per hour as well as labor market changes and lack of workforce housing
- Costs of goods and supply chain challenges driving expense increases in Food + Beverage Department and other key operating expenses
- Increase in utility costs (most notably gasoline, diesel and natural gas)
- Continued rise in insurance costs
- Continued prioritization of savings for long-term capital investment
- Continued focus on cost savings and efficiencies

**WHAT IS COVERED BY THE ANNUAL ASSESSMENT?**

There are four components that go into your Annual Assessment:

- **OPERATING FUND:** Annual revenue and expenses for all amenities and HOA services.
- **REPLACEMENT RESERVE FUND:** Funds that plan for maintenance/repair, replacement and restoration of common area components and facilities. Ex: Replacing windows, furniture or computer
- **NEW MACHINERY + EQUIPMENT FUND:** Funding for new items that improve operational efficiency or additional member services. Ex: Additional treadmill or new software
- **DEVELOPMENT FUND:** Anticipated capital improvements. Ex: Land acquisitions, additions or new buildings

**HOW CAN I GET INVOLVED IN THE 2023 BUDGET?**

Members are encouraged to participate in a variety of ways:

- Attend a board workshop on September 8, September 22 or October 14
- Participate in a board meeting; learn more [here](#)
- Fill out a [feedback form](#)

**WORKSHOP #1: THURSDAY, SEPTEMBER 8 | 9AM**

Dedicated to the Operating Fund, which includes budgets for amenities and supporting departments

- [Agenda](#)
- [Presentation](#)

**WORKSHOP #2: THURSDAY, SEPTEMBER 22 | 9AM**

Dedicated to capital projects in the Replacement Reserve Fund, New Machinery + Equipment Fund and Development Fund

- [Register for the Zoom webinar here](#)
- [Agenda](#)
- [Presentation](#)
- [2023 Replacement Reserve Fund Components](#)

**WORKSHOP #3: FRIDAY, OCTOBER 14 | 9AM**

Review the updated fund budgets and propose the recommended Annual Assessment for Board approval

- [Register for the Zoom webinar here](#)

**FEEDBACK FORM**

Name

First  Last

Email

Tahoe Donner Address

Address Line 1

Address Line 2

City  State  Zip Code

[Privacy & Cookies Policy](#)

Chat with us



# BOARD DIRECTION TO STAFF AT PREVIOUS MEETINGS

## **CAPITAL FUNDS FEEDBACK**

- No changes

## **OPERATING FUND FEEDBACK**

- Private amenity and The Lodge Restaurant & Pub visitation numbers
- Options for up to 2- and up to 4-person Recreation Fee
- Provide options for allocating a portion of the 2021 surplus towards Annual Assessment



# CAPITAL IMPROVEMENT PLAN + DEVELOPMENT FUND

*Unchanged from October 14 Meeting*



TAHOE DONNER<sup>SM</sup>

# 5-YEAR CAPITAL IMPROVEMENT PROJECT OVERVIEW

Amenity	Project	2023	2024	2025	2026	2027	Changes from 2022
Association Wide	Workforce Housing Feasibility Study/Project	75,000	250,000	1,500,000	1,000,000	1,500,000	
Association Wide	Mailboxes	-	75,000	737,794	-	-	
ACAC	Snowmelt North Parking Lot	-	30,000	250,000	-	-	
Campground	Campground Bathhouse	-	-	51,000	459,000	-	
Downhill Ski Resort	Downhill Ski Lodge Replacement	14,718,058	6,198,493	-	-	-	
Downhill Ski Resort	Snowmaking Phase 2 - Eagle Rock	-	50,000	1,025,000	-	-	Shifted 2022 & 2023 to 2024 & 2025
Downhill Ski Resort	Conveyor Replacement	-	90,000	-	290,000	-	New project
Golf	Course Restroom Remodel (3)	100,000	-	-	-	-	Shifted to 2023
Golf	Pedestrian Bridge on 18	130,000	-	-	-	-	
Golf	Cart Path Replacement	865,456	-	-	-	-	New project
Maintenance	Maintenance Yard Fuel Station Replacement	213,369	1,350,000	-	-	-	Shifted to 2023 & 2024
Marina	Marina Deck Expansion and Shade Structure	374,443	-	-	-	-	
Marina	Day Camp Building Replacement	-	-	-	100,000	390,000	New project
Northwoods	Campus Master Plan and Project	-	150,000	700,000	3,000,000	3,000,000	Shifted 2023 funds to 2024
Northwoods	Bocce Court Remodel	70,023	-	-	-	-	New project
The Lodge	Lodge Generator	278,000	-	-	-	-	Changed from Generator Transfer Switches to Lodge Generator
Trails and Open Space	Implement Trail/Trailhead Projects in the TMP	230,000	80,000	250,000	250,000	100,000	Shifted 2022 funds to 2023
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	555,000	-	-	-	
Trails and Open Space	Euer Valley Restoration Phase 1 (Coyote Crossing)	945,557	-	-	-	-	Shifted from 2022 to 2023
Trails and Open Space	South Euer Valley Road	137,000	-	-	-	-	Shifted from 2022 to 2023
<b>Annual Project Total</b>		<b>\$ 18,191,906</b>	<b>\$ 9,028,493</b>	<b>\$ 4,713,794</b>	<b>\$5,299,000</b>	<b>\$ 4,990,000</b>	
Replacement Reserve General Asset Expenditure		4,370,426	5,471,612	5,211,073	3,522,135	6,731,936	
<b>Total Capital Annual Spend</b>		<b>22,562,332</b>	<b>14,500,105</b>	<b>9,924,867</b>	<b>8,821,135</b>	<b>11,721,936</b>	

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

# 2023 BUDGET CYCLE – DEVELOPMENT FUND INVESTMENT

## 5-YEAR CAPITAL FUNDS PROJECTION

Amenity	Project	2023	2024	2025	2026	2027
Association Wide	Workforce Housing Feasibility Study/Project	75,000	250,000	1,500,000	1,000,000	1,500,000
Association Wide	Mailboxes	-	-	300,000	-	-
ACAC	Snowmelt North Parking Lot	-	-	100,000	-	-
Campground	Campground Bathhouse	-	-	51,000	357,000	-
Downhill Ski Resort	Downhill Ski Lodge Replacement	11,218,058	6,198,493	-	-	-
Downhill Ski Resort	Phase 2 Snowmaking - Eagle Rock	-	50,000	1,025,000	-	-
Maintenance	Maintenance Yard Fuel Station Replacement	105,575	575,000	-	-	-
Marina	Deck Expansion and Shade Structure	222,000	-	-	-	-
Marina	Day Camp Building Replacement	-	-	-	100,000	390,000
Northwoods	Campus Master Plan and Project	-	150,000	700,000	3,000,000	3,000,000
The Lodge	Lodge Generator	278,000	-	-	-	-
Trails and Open Space	Implement Trail/Trailhead Projects in the TMP	150,000	80,000	250,000	250,000	100,000
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

Estimated Annual Totals, Exclude RRF, Inflation Factor and Direct/Allocated Overhead	2023	2024	2025	2026	2027
	<b>12,103,633</b>	<b>7,753,493</b>	<b>3,926,000</b>	<b>4,707,000</b>	<b>4,990,000</b>
Direct and Allocated Overhead	170,000	176,800	183,872	191,226	198,875
Land Acquisition	100,000	100,000	100,000	100,000	100,000
Expenditures Total	12,373,633	8,030,293	4,209,872	4,998,226	5,288,875
Inflation Factor 4.9% (Projected in 2021 at 4.5%)	606,308	806,249	649,670	1,054,038	1,429,137
Total Including Inflation	12,979,941	8,836,542	4,859,542	6,052,264	6,718,012
Operating Fund Surplus Transfer					
Interest Income 1.0%	136,000	54,000	22,000	29,000	25,000
Income Tax Expense	11,000	4,000	2,000	2,000	2,000
Bad Debt Expense	7,000	7,000	7,000	7,000	7,000
Projected Development Fund Portion of Annual Assessment	<b>694</b>	<b>867</b>	<b>867</b>	<b>867</b>	<b>867</b>
Annual Contribution	4,492,262	5,612,091	5,612,091	5,612,091	5,612,091
<b>Beginning</b>	13,728,187	5,358,508	2,177,057	2,942,605	2,522,433
<b>Ending</b>	<b>5,358,508</b>	<b>2,177,057</b>	<b>2,942,605</b>	<b>2,522,433</b>	<b>1,432,512</b>



# 5-YEAR IMPACT ON DEVELOPMENT FUND ASSESSMENT

Year	Proposed Increase Each Year From 2021	Proposed Development Fund Portion of Assessment Increased 25% per Year Through 2024
2022	\$111	\$555
2023	\$139	\$694
2024	\$173	\$867
2025	\$0	\$867
2026	\$0	\$867
2027	\$0	\$867

# DEVELOPMENT FUND

	Forecast 2022	Budget 2023
Beginning Balance	\$10,601,403	\$13,728,187
Assessment Funds	\$3,592,515	\$4,492,262
Interest Income	\$93,000	\$136,000
2020 Operating Surplus Transfer	\$696,534	
Expenditures		
Income Tax Expense	-\$11,000	-\$11,000
Bad Debt Expense	-\$7,000	-\$7,000
Overhead/Payroll Allocations	-\$117,083	-\$170,000
Capital Additions/Expenditures	-\$1,060,183	-\$12,203,633
Inflation	-\$60,000	-\$606,308
<b>Ending Balance</b>	<b>\$13,728,187</b>	<b>\$5,358,508</b>

# REPLACEMENT RESERVE FUND

*Unchanged from October 14 Meeting*

# REPLACEMENT RESERVE FUND

	Forecast 2022	Budget 2023
Beginning Balance	\$15,629,024	\$14,778,500
Assessment Funds	\$5,485,104	\$5,708,668
Interest Income	\$111,579	\$116,881
Salvage Receipts	\$36,025	\$46,925
Expenditures		
Consulting	-\$7,600	-\$7,800
Bad Debt	-\$13,000	-\$13,000
Income Tax	-\$25,000	-\$25,000
Overhead/Payroll Allocations	-\$203,000	-\$221,899
Capital Additions/Expenditures	-\$6,238,632	-\$9,634,964
<b>Ending Balance</b>	<b>\$14,778,500</b>	<b>\$10,748,311</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 / Members	Change in Avg. Annual Capital / Reserve Assessment / Members	Monthly Avg. Capital / Reserve Assessment / Members	Change in Avg. Monthly Capital / Reserve Assessment / Members	Estimated Interest, Net of Tax	Annual Expenditures	Capital Contingency	Ending Balance
1/1/2023	4.00%	14,778,500	41,900,919	35.27%	219,564	5,708,668	881.92	33.92	73.49	2.83	116,881	(9,856,863)	-	10,747,186
1/1/2024	4.00%	10,747,186	38,788,737	27.71%	228,347	5,937,015	917.20	35.28	76.43	2.94	96,070	(6,546,612)	-	10,233,658
1/1/2025	4.00%	10,233,658	40,736,209	25.12%	237,481	6,174,495	953.88	36.69	79.49	3.06	95,878	(5,798,867)	-	10,705,164
1/1/2026	4.00%	10,705,164	42,708,357	25.07%	246,980	6,421,475	992.04	38.16	82.67	3.18	110,021	(3,914,135)	-	13,322,526
1/1/2027	4.00%	13,322,526	46,373,541	28.73%	256,859	6,678,334	1,031.72	39.68	85.98	3.31	122,321	(6,731,936)	-	13,391,245
1/1/2028	4.00%	13,391,245	47,469,485	28.21%	267,133	6,945,468	1,072.99	41.27	89.42	3.44	119,186	(7,817,885)	-	12,638,014
1/1/2029	4.00%	12,638,014	48,670,092	25.97%	277,819	7,223,286	1,115.91	42.92	92.99	3.58	120,890	(6,218,833)	-	13,763,358
1/1/2030	4.00%	13,763,358	50,885,321	27.05%	288,931	7,512,218	1,160.55	44.64	96.71	3.72	126,535	(7,531,309)	-	13,870,802
1/1/2031	4.00%	13,870,802	52,126,576	26.61%	300,489	7,812,707	1,206.97	46.42	100.58	3.87	138,424	(5,462,122)	-	16,359,811
1/1/2032	4.00%	16,359,811	55,833,071	29.30%	312,508	8,125,215	1,255.25	48.28	104.60	4.02	164,455	(5,093,856)	-	19,555,624
1/1/2033	4.00%	19,555,624	59,950,520	32.62%	325,009	8,450,223	1,305.46	50.21	108.79	4.18	185,812	(7,167,509)	-	21,024,150
1/1/2034	4.00%	21,024,150	62,286,888	33.75%	338,009	8,788,232	1,357.68	52.22	113.14	4.35	205,205	(6,226,709)	-	23,790,879
1/1/2035	4.00%	23,790,879	65,812,148	36.15%	351,529	9,139,762	1,411.98	54.31	117.67	4.53	232,086	(6,267,972)	-	26,894,755
1/1/2036	4.00%	26,894,755	69,529,861	38.68%	365,590	9,505,352	1,468.46	56.48	122.37	4.71	257,982	(7,211,893)	-	29,446,196
1/1/2037	4.00%	29,446,196	72,576,320	40.57%	380,214	9,885,566	1,527.20	58.74	127.27	4.89	277,843	(8,377,207)	-	31,232,398
1/1/2038	4.00%	31,232,398	74,980,377	41.65%	395,423	10,280,989	1,588.29	61.09	132.36	5.09	299,398	(7,659,264)	-	34,153,521
1/1/2039	4.00%	34,153,521	78,249,107	43.65%	411,240	10,692,228	1,651.82	63.53	137.65	5.29	327,077	(7,895,639)	-	37,277,187
1/1/2040	3.00%	37,277,187	81,679,998	45.64%	320,767	11,012,995	1,701.37	49.55	141.78	4.13	355,331	(8,321,394)	-	40,324,120
1/1/2041	3.00%	40,324,120	85,067,844	47.40%	330,390	11,343,385	1,752.42	51.04	146.03	4.25	378,089	(9,798,382)	-	42,247,211
1/1/2042	3.00%	42,247,211	87,313,063	48.39%	340,302	11,683,687	1,804.99	52.57	150.42	4.38	399,501	(9,330,106)	-	45,000,292
1/1/2043	3.00%	45,000,292	90,540,495	49.70%	350,511	12,034,197	1,859.14	54.15	154.93	4.51	408,810	(13,163,111)	-	44,280,188
1/1/2044	3.00%	44,280,188	90,437,976	48.96%	361,026	12,395,223	1,914.91	55.77	159.58	4.65	419,792	(9,696,388)	-	47,398,815
1/1/2045	3.00%	47,398,815	94,180,706	50.33%	371,857	12,767,080	1,972.36	57.45	164.36	4.79	384,559	(23,965,035)	-	36,585,419
1/1/2046	3.00%	36,585,419	85,052,752	43.01%	383,012	13,150,092	2,031.53	59.17	169.29	4.93	347,663	(10,741,973)	-	39,341,202
1/1/2047	3.00%	39,341,202	89,423,420	43.99%	394,503	13,544,595	2,092.48	60.95	174.37	5.08	377,535	(10,154,151)	-	43,109,181
1/1/2048	3.00%	43,109,181	94,767,825	45.49%	406,338	13,950,933	2,155.25	62.77	179.60	5.23	377,414	(18,122,740)	-	39,314,788
1/1/2049	3.00%	39,314,788	92,949,057	42.30%	418,528	14,369,461	2,219.91	64.66	184.99	5.39	381,361	(10,094,525)	-	43,971,084
1/1/2050	3.00%	43,971,084	99,564,894	44.16%	431,084	14,800,545	2,286.50	66.60	190.54	5.55	410,749	(13,449,376)	-	45,733,002
1/1/2051	3.00%	45,733,002	103,579,211	44.15%	444,016	15,244,561	2,355.10	68.60	196.26	5.72	434,315	(12,294,335)	-	49,117,543
1/1/2052	3.00%	49,117,543	109,182,483	44.99%	457,337	15,701,898	2,425.75	70.65	202.15	5.89	475,593	(10,547,098)	-	54,747,937

# NEW MACHINERY + EQUIPMENT FUND

*Unchanged from October 14 Meeting*



## NEW MACHINERY + EQUIPMENT FUND

	Budget 2023
Beginning Balance	\$291,126
Assessment Funds	\$0
Interest Income	\$220
Expenditures	
Capital Additions/Expenditures	-\$121,000
<b>Ending Balance</b>	<b>\$170,346</b>

Resolution 2017-4:

*"A contingency reserve minimum balance of \$25,000 will be maintained in the NEF, with Board approval required to draw down below this minimum."*

Note: Resolution changed the New Machinery + Equipment Fund name to New Equipment Fund (NEF) but was not implemented at the time.

# PRIVATE AMENITY VISITATION AND RECREATION FEE





# PRIVATE AMENITY HISTORICAL VISITATION

	CONSOLIDATED PRIVATE AMENITIES											
	Snowplay not Included											
	2018			2019			2021			2022 (THRU SEPT)		
ACCESS REVENUE TYPE	Qty	Access Rev	Access Rev/Visit	Qty	Access Rev	Access Rev/Visit	Qty	Access Rev	Access Rev/Visit	Qty	Access Rev	Access Rev/Visit
Member w/Rec Fee Access	132,774	1,055,156	\$ 7.95	139,322	1,151,269	\$ 8.26	118,736	1,277,803	\$ 10.76	111,180	1,214,429	\$ 10.92
Member Daily Access (incl. all members 7+ and under 7)	7,602	44,012	\$ 5.79	6,138	47,396	\$ 7.72	8,339	70,185	\$ 8.42	7,794	57,229	\$ 7.34
Accompanied Guest Access (incl. under 7)	20,299	156,688	\$ 7.72	21,127	190,107	\$ 9.00	15,752	145,755	\$ 9.25	14,362	166,055	\$ 11.56
Unaccompanied Guest Access Incl. under 7)	22,728	271,296	\$ 11.94	19,402	291,079	\$ 15.00	15,462	239,603	\$ 15.50	14,248	237,693	\$ 16.68
Employee Access	8,504	-	\$ -	10,252	-	\$ -	2,734	-	\$ -	5,004	-	\$ -
Total	191,907	\$ 1,527,152	\$ 7.96	196,241	\$ 1,679,851	\$ 8.56	161,023	\$ 1,733,346	\$ 10.76	152,588	\$ 1,675,406	\$ 10.98
Total Operating Cost	\$ (1,700,035)			\$ (1,759,518)			\$ (1,907,665)			\$ (1,892,200)		
Cost / Visit	\$ (8.86)			\$ (8.97)			\$ (11.85)			\$ (12.40)		
Net Cost / Visit	\$ (0.90)			\$ (0.41)			\$ (1.08)			\$ (1.42)		

\* 2020 visitation not included because of COVID-19 closures. 2021 visitation impacted due to COVID-19 restrictions.

# PRIVATE AMENITY VISITATION - 2023 FORECAST

**KEY TAKEAWAYS:**

- Cost per visit continues to increase
- Rec Fee and Daily Access Fees are not keeping pace with operating cost increases

Option A Rec Fee	2023 FORECAST Snowplay not included		
	Qty	Rev	Access Rev/Visit
Member w/Rec Fee Access	128,280	\$ 1,717,653	\$ 13.39
Member Daily Access (incl. all members 7+ and under 7)	8,394	\$ 84,730	\$ 10.09
Accompanied Guest Access (incl. under 7)	16,412	\$ 201,513	\$ 12.28
Unaccompanied Guest Access Incl. under 7)	16,098	\$ 288,447	\$ 17.92
Employee Access	6,804	\$ -	\$ -
Total	175,988	\$ 2,292,343	\$ 13.03
Total Cost	\$ (2,336,767)		
Cost / Visit	\$ (13.28)		
Net Cost / Visit	\$ (0.25)		

Option B Rec Fee	2023 FORECAST Snowplay not included		
	Qty	Rev	Access Rev/Visit
Member w/Rec Fee Access	128,280	\$ 1,302,653	\$ 10.15
Member Daily Access (incl. all members 7+ and under 7)	8,394	\$ 84,730	\$ 10.09
Accompanied Guest Access (incl. under 7)	16,412	\$ 201,513	\$ 12.28
Unaccompanied Guest Access Incl. under 7)	16,098	\$ 288,447	\$ 17.92
Employee Access	6,804	\$ -	\$ -
Total	175,988	\$ 1,877,343	\$ 10.67
Total Cost	\$ (2,336,767)		
Cost / Visit	\$ (13.28)		
Net Cost / Visit	\$ (2.61)		

# RECREATION FEE OPTIONS FOR 2023/2024

## 2022/23 (Current) Rates

- Up to 4 people: \$395
- Add'l. member 5-8: \$145

## OPTION A1

- Up to 2 people: \$350
- Up to 4 people: \$550
- Add'l. member 5-8: \$175

## OPTION A2

### 4-Person Only Option

- Up to 4 people: \$530
- Add'l. member 5-8: \$195

## OPTION B1

- Up to 2 people: \$295
- Up to 4 people: \$460
- Add'l. member 5-8: \$165

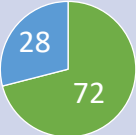
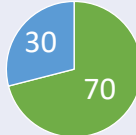
## OPTION B2

### 4-Person Only Option

- Up to 4 people: \$415
- Add'l. member 5-8: \$165



# PERCENT FUNDED OPTIONS

	OPTION 1 REC FEE RATES Up to 2/4 person	OPTION 2 REC FEE RATES Up to 4 person	FUNDED BY USER FEES VS ASSESSMENT	TOTAL PROJECTED ASSESSMENT	\$ INCREASE FROM 2022	% INCREASE FROM 2022
OPTION A 28/72 SPLIT	\$350 for up to 2 \$550 for up to 4 \$175 Additional	\$530 for up to 4 \$195 Additional		\$2,643	\$294	12.5%
OPTION B 30/70 SPLIT <small>Reflects \$415k Reduced Rec Fee Revenue</small>	\$295 for up to 2 \$460 for up to 4 \$165 Additional	\$415 for up to 4 \$165 Additional		\$2,707	\$358	15.3%

KEY

USER  
FEES

ANNUAL  
ASSESSMENT



# OPERATING FUND

**The following slides will review Board requests from the previous budget meeting:**

- Major Operating Fund Drivers
- The Lodge Restaurant & Pub Visitation and Net Operating Results
- Profit and Loss Statements (Options A and B)



# MAJOR OPERATING FUND DRIVERS FOR INCREASE

- Payroll Expense (\$228 increase per property over forecast 2022)
  - Minimum wage increase impact \$15 to \$15.50 and fierce competitive wages in region with average starting rate of \$20 per hour for seasonal positions
  - 6.5% increase in medical premiums
  - 28% increase workers compensation insurance
- TDA property casualty insurance/workers compensation: \$37 increase per property
- 11% increase in operating expenses due to inflation, continued supply chain issues and other economic factors: \$115 increase per property over forecast 2022

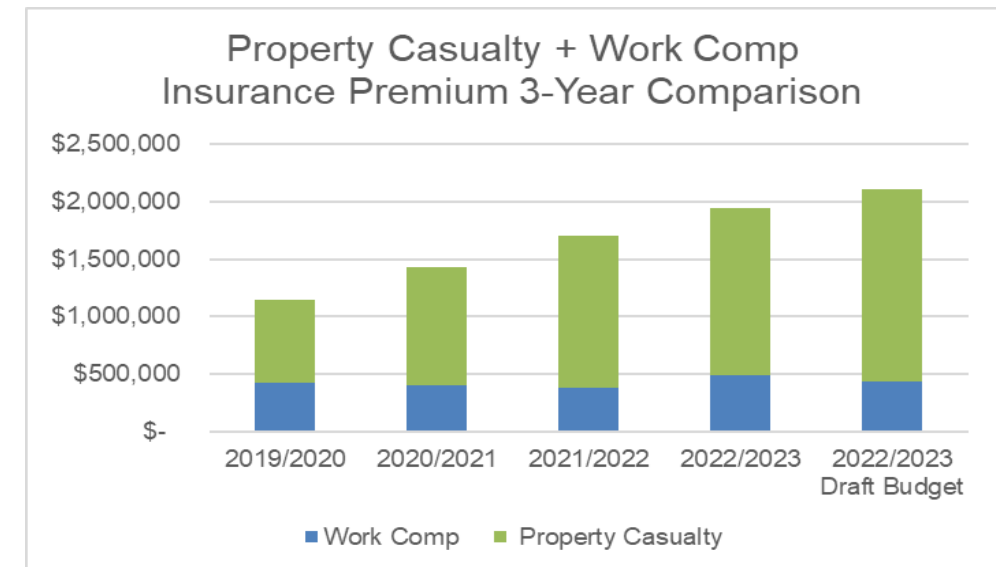
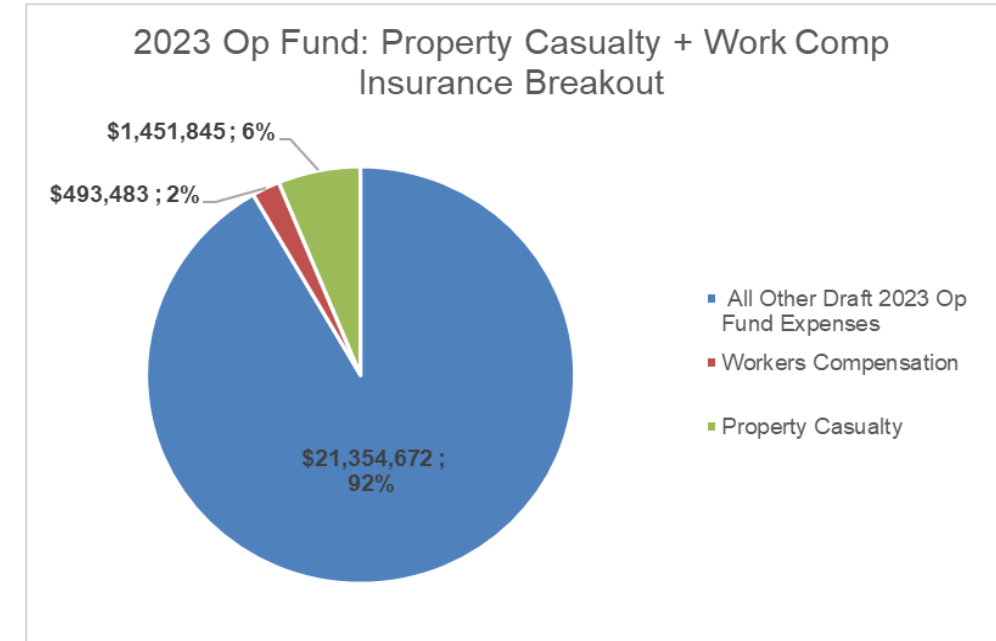


# PROPERTY CASUALTY AND WORKERS COMP INSURANCE

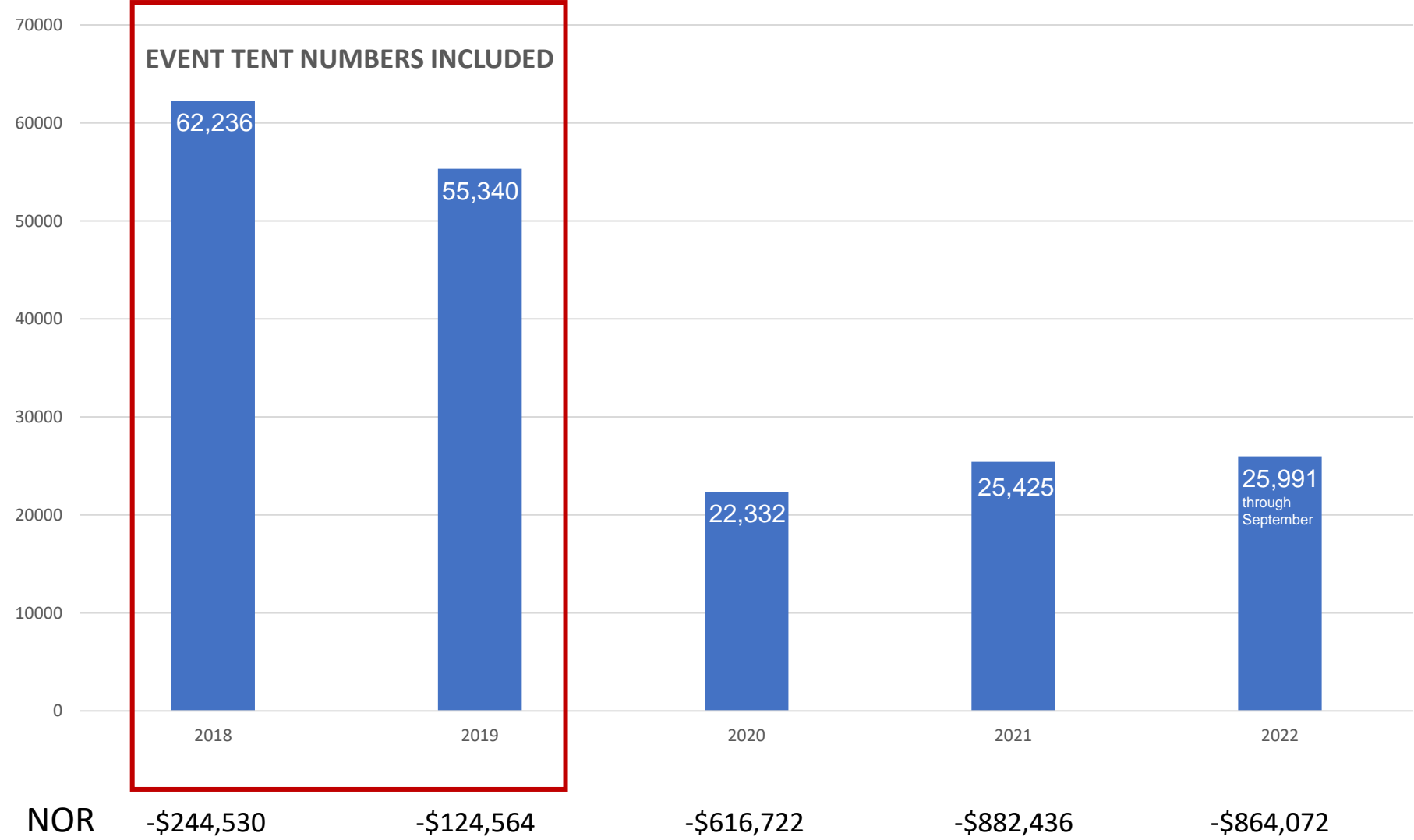
## 2022/2023 RENEWAL

TOTAL: \$1.9M

- \$1.4M property casualty
- \$493k workers comp
- \$300 per property Operating Fund assessment
- \$37 per property of assessment increase related to insurance increase



# THE LODGE RESTAURANT & PUB HISTORICAL VISITATION



NOTES:

- 2018 and 2019: Offered tent events
- 2020: COVID-19 closures
- 2021: Operated 5 days a week beginning July 12
- 2022: 5 days a week and only visitation through September

Visitation = number of covers/individual meals



# 2023 AMENITY NET OPERATING RESULTS (NOR)

## OPTION A (28/72 SPLIT) NUMBERS

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget
Amenities							
Trails	-\$147,800	-\$198,470	-\$104,366	-\$174,405	-\$291,583	-\$160,401	-\$266,149
Marina	\$245,431	\$264,637	\$211,320	\$306,776	\$249,901	\$168,854	\$284,862
Equestrian	-\$84,565	-\$160,776	-\$111,287	-\$156,956	-\$116,105	-\$137,902	-\$145,143
Tennis	-\$21,149	-\$9,668	\$95,877	\$30,146	\$79,470	\$79,471	\$98,365
Campground	\$10,063	-\$22,478	\$34,877	\$20,151	\$22,691	\$12,668	\$16,983
Cross Country Ski Center	\$198,004	\$417,941	\$480,105	\$686,038	\$417,485	\$754,845	\$842,120
Golf Course Operations	-\$113,147	-\$656,363	-\$529,534	\$36,612	-\$98,659	-\$215,209	-\$252,636
The Lodge / Summer F+B	-\$31,963	-\$491,191	-\$459,164	-\$650,170	-\$335,557	-\$835,632	-\$702,532
Trout Creek/Aquatics/Rec/Day Camps	\$163,803	-\$75,820	-\$199,668	\$164,099	\$182,973	\$173,075	\$237,332
Bikeworks	\$1,319	-\$22,695	\$30,852	-\$17,116	\$6,090	-\$3,520	\$9,097
Pizza on the Hill	-\$74,431	-\$154,432	-\$18,571	-\$135,128	-\$6,892	-\$275,948	-\$112,136
Alder Creek Cafe	-\$109,529	-\$68,501	-\$127,324	-\$111,779	-\$36,899	-\$53,998	-\$53,058
Downhill Ski Consolidated	\$653,794	\$1,244,721	\$940,574	\$1,194,552	\$1,373,301	\$1,562,525	\$1,403,823
Snowplay	\$72,567	\$61,009	\$51,375	\$178,054	\$111,027	\$100,943	\$129,956
Total Amenity Departments	\$762,397	\$127,914	\$295,066	\$1,370,871	\$1,557,243	\$1,169,772	\$1,490,884

# 2023 HOA NET OPERATING RESULTS (NOR)

## OPTION A (28/72 SPLIT) NUMBERS

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget
<b>Association Business</b>							
General	-\$833,142	-\$2,440,976	-\$701,538	-\$575,259	-\$898,224	-\$887,572	-\$885,151
Administration	-\$774,570	\$0	-\$248,311	-\$1,234,798	-\$1,005,298	-\$1,035,208	-\$1,159,609
Communications	-\$493,807	\$0	-\$362,548	-\$488,835	-\$522,740	-\$561,432	-\$636,641
ASO	-\$174,883	-\$327,499	-\$15,104	-\$122,077	-\$203,131	-\$111,955	-\$229,447
MIS - Information Technology	-\$631,806	\$0	-\$602,876	-\$703,080	-\$830,808	-\$811,422	-\$863,396
Accounting	-\$760,917	\$0	-\$684,189	-\$827,649	-\$907,701	-\$908,211	-\$1,091,981
Human Resources	-\$373,965	\$0	-\$329,913	-\$458,119	-\$472,957	-\$455,179	-\$550,684
Member Services	-\$212,291	\$0	-\$206,725	-\$300,589	-\$367,448	-\$356,821	-\$373,628
Forestry	-\$876,645	-\$1,323,833	-\$1,442,346	-\$1,252,544	-\$1,253,738	-\$1,036,580	-\$1,218,018
Maintenance	-\$736,144	\$1	-\$559,624	-\$616,237	-\$860,177	-\$643,624	-\$797,701
Facility Administration	-\$328,751	\$0	-\$335,027	-\$388,168	-\$355,976	-\$534,910	-\$592,445
<b>Total Association Departments</b>	<b>-\$6,196,921</b>	<b>-\$4,092,307</b>	<b>-\$5,488,201</b>	<b>-\$6,967,355</b>	<b>-\$7,678,198</b>	<b>-\$7,342,911</b>	<b>-\$8,398,700</b>

# 2023 SUMMARY OPERATING FUND INCOME STATEMENT

## OPTION A (28/72 SPLIT) NUMBERS

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	2023 Bud vs 2022 F/cast
Rec Fee Income	\$1,065,610	\$1,180,445	\$948,862	\$1,340,250	\$1,260,000	\$1,330,795	\$1,747,000	\$416,205
Access Fees	\$3,607,044	\$4,445,118	\$2,926,050	\$5,286,643	\$5,458,892	\$5,903,422	\$6,323,195	\$419,773
Food and Beverage	\$4,282,739	\$4,192,381	\$1,982,121	\$2,507,619	\$3,720,876	\$3,703,038	\$3,909,011	\$205,972
Retail	\$568,028	\$601,026	\$406,575	\$491,842	\$539,691	\$561,061	\$574,959	\$13,898
Lessons and Rentals	\$2,857,164	\$3,315,431	\$2,185,205	\$2,682,182	\$3,485,316	\$3,400,124	\$3,743,634	\$343,510
Other Income	\$972,461	\$961,116	\$1,005,059	\$939,609	\$1,110,194	\$1,189,961	\$1,290,029	\$100,068
<b>Total Gross Revenue</b>	<b>\$13,353,046</b>	<b>\$14,695,517</b>	<b>\$9,456,871</b>	<b>\$13,248,144</b>	<b>\$15,574,969</b>	<b>\$16,088,400</b>	<b>\$17,587,827</b>	<b>\$1,499,427</b>
COGS	-\$1,573,523	-\$1,554,427	-\$826,433	-\$1,103,995	-\$1,427,265	-\$1,509,193	-\$1,594,633	-\$85,440
<b>Gross Margin</b>	<b>\$11,779,523</b>	<b>\$13,141,090</b>	<b>\$8,630,438</b>	<b>\$12,144,150</b>	<b>\$14,147,704</b>	<b>\$14,579,208</b>	<b>\$15,993,195</b>	<b>\$1,413,987</b>
Payroll	-\$12,141,808	-\$12,738,178	-\$9,000,731	-\$12,176,586	-\$14,028,325	-\$14,500,284	-\$15,978,195	-\$1,477,911
Operating Expense	-\$5,072,241	-\$5,471,316	-\$5,020,385	-\$5,760,635	-\$6,561,052	-\$6,572,063	-\$7,314,715	-\$742,652
<b>Net Operating Revenue</b>	<b>-\$5,434,526</b>	<b>-\$5,068,404</b>	<b>-\$5,390,678</b>	<b>-\$5,793,072</b>	<b>-\$6,441,673</b>	<b>-\$6,493,139</b>	<b>-\$7,299,715</b>	<b>-\$806,576</b>
Overhead Charged to Other Funds	\$0	\$172,514	\$197,000	\$197,000	\$320,717	\$320,000	\$391,899	\$71,899
<b>Net Operating Revenue after Overhead Allocation</b>	<b>-\$5,434,526</b>	<b>-\$4,895,890</b>	<b>-\$5,193,678</b>	<b>-\$5,596,072</b>	<b>-\$6,120,956</b>	<b>-\$6,173,139</b>	<b>-\$6,907,816</b>	<b>-\$734,677</b>
Per Property Assessment	\$840	\$756	\$802	\$865	\$946	\$954	\$1,067	
Assessment Increase (Decrease) v 2022							\$121	

## 2023 AMENITY NET OPERATING RESULTS (NOR)

### OPTION B (30/70 SPLIT) NUMBERS

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget
<b>Amenities</b>							
Trails	-\$147,800	-\$198,470	-\$104,366	-\$174,405	-\$291,583	-\$160,401	-\$266,149
Marina	\$245,431	\$264,637	\$211,320	\$306,776	\$249,901	\$168,854	\$218,962
Equestrian	-\$84,565	-\$160,776	-\$111,287	-\$156,956	-\$116,105	-\$137,902	-\$145,143
Tennis	-\$21,149	-\$9,668	\$95,877	\$30,146	\$79,470	\$79,471	\$41,736
Campground	\$10,063	-\$22,478	\$34,877	\$20,151	\$22,691	\$12,668	\$16,983
Cross Country Ski Center	\$198,004	\$417,941	\$480,105	\$686,038	\$417,485	\$754,845	\$842,120
Golf Course Operations	-\$113,147	-\$656,363	-\$529,534	\$36,612	-\$98,659	-\$215,209	-\$252,636
The Lodge/Summer F+B	-\$31,963	-\$491,191	-\$459,164	-\$650,170	-\$335,557	-\$835,632	-\$702,532
Trout Creek/Aquatics/Rec/Day Camps	\$163,803	-\$75,820	-\$199,668	\$164,099	\$182,973	\$173,075	-\$46,191
Bikeworks	\$1,319	-\$22,695	\$30,852	-\$17,116	\$6,090	-\$3,520	\$9,097
Pizza on the Hill	-\$74,431	-\$154,432	-\$18,571	-\$135,128	-\$6,892	-\$275,948	-\$112,136
Alder Creek Cafe	-\$109,529	-\$68,501	-\$127,324	-\$111,779	-\$36,899	-\$53,998	-\$53,058
Downhill Ski Consolidated	\$653,794	\$1,244,721	\$940,574	\$1,194,552	\$1,373,301	\$1,562,525	\$1,403,823
Snowplay	\$72,567	\$61,009	\$51,375	\$178,054	\$111,027	\$100,943	\$121,008
<b>Total Amenity Departments</b>	<b>\$762,397</b>	<b>\$127,914</b>	<b>\$295,066</b>	<b>\$1,370,871</b>	<b>\$1,557,243</b>	<b>\$1,169,772</b>	<b>\$1,075,884</b>

# 2023 HOA NET OPERATING RESULTS (NOR)

## OPTION B (30/70 SPLIT) NUMBERS (NO CHANGE FROM OPTION A)

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget
<b>Association Business</b>							
General	-\$833,142	-\$2,440,976	-\$701,538	-\$575,259	-\$898,224	-\$887,572	-\$885,151
Administration	-\$774,570	\$0	-\$248,311	-\$1,234,798	-\$1,005,298	-\$1,035,208	-\$1,159,609
Communications	-\$493,807	\$0	-\$362,548	-\$488,835	-\$522,740	-\$561,432	-\$636,641
ASO	-\$174,883	-\$327,499	-\$15,104	-\$122,077	-\$203,131	-\$111,955	-\$229,447
MIS - Information Technology	-\$631,806	\$0	-\$602,876	-\$703,080	-\$830,808	-\$811,422	-\$863,396
Accounting	-\$760,917	\$0	-\$684,189	-\$827,649	-\$907,701	-\$908,211	-\$1,091,981
Human Resources	-\$373,965	\$0	-\$329,913	-\$458,119	-\$472,957	-\$455,179	-\$550,684
Member Services	-\$212,291	\$0	-\$206,725	-\$300,589	-\$367,448	-\$356,821	-\$373,628
Forestry	-\$876,645	-\$1,323,833	-\$1,442,346	-\$1,252,544	-\$1,253,738	-\$1,036,580	-\$1,218,018
Maintenance	-\$736,144	\$1	-\$559,624	-\$616,237	-\$860,177	-\$643,624	-\$797,701
Facility Administration	-\$328,751	\$0	-\$335,027	-\$388,168	-\$355,976	-\$534,910	-\$592,445
<b>Total Association Departments</b>	<b>-\$6,196,921</b>	<b>-\$4,092,307</b>	<b>-\$5,488,201</b>	<b>-\$6,967,355</b>	<b>-\$7,678,198</b>	<b>-\$7,342,911</b>	<b>-\$8,398,700</b>

# 2023 SUMMARY OPERATING FUND INCOME STATEMENT

## OPTION B (30/70 SPLIT) NUMBERS

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	2023 Bud vs 2022 F/cast
Rec Fee Income	\$1,065,610	\$1,180,445	\$948,862	\$1,340,250	\$1,260,000	\$1,330,795	\$1,332,000	\$1,205
Access Fees	\$3,607,044	\$4,445,118	\$2,926,050	\$5,286,643	\$5,458,892	\$5,903,422	\$6,323,195	\$419,773
Food and Beverage	\$4,282,739	\$4,192,381	\$1,982,121	\$2,507,619	\$3,720,876	\$3,703,038	\$3,909,011	\$205,972
Retail	\$568,028	\$601,026	\$406,575	\$491,842	\$539,691	\$561,061	\$574,959	\$13,898
Lessons and Rentals	\$2,857,164	\$3,315,431	\$2,185,205	\$2,682,182	\$3,485,316	\$3,400,124	\$3,743,634	\$343,510
Other Income	\$972,461	\$961,116	\$1,005,059	\$939,609	\$1,110,194	\$1,189,961	\$1,290,029	\$100,068
<b>Total Gross Revenue</b>	<b>\$13,353,046</b>	<b>\$14,695,517</b>	<b>\$9,456,871</b>	<b>\$13,248,144</b>	<b>\$15,574,969</b>	<b>\$16,088,400</b>	<b>\$17,172,827</b>	<b>\$1,084,427</b>
COGS	-\$1,573,523	-\$1,554,427	-\$826,433	-\$1,103,995	-\$1,427,265	-\$1,509,193	-\$1,594,633	-\$85,440
<b>Gross Margin</b>	<b>\$11,779,523</b>	<b>\$13,141,090</b>	<b>\$8,630,438</b>	<b>\$12,144,150</b>	<b>\$14,147,704</b>	<b>\$14,579,208</b>	<b>\$15,578,195</b>	<b>\$998,987</b>
Payroll	-\$12,141,808	-\$12,738,178	-\$9,000,731	-\$12,176,586	-\$14,028,325	-\$14,500,284	-\$15,978,195	-\$1,477,911
Operating Expense	-\$5,072,241	-\$5,471,316	-\$5,020,385	-\$5,760,635	-\$6,561,052	-\$6,572,063	-\$7,314,715	-\$742,652
<b>Net Operating Revenue</b>	<b>-\$5,434,526</b>	<b>-\$5,068,404</b>	<b>-\$5,390,678</b>	<b>-\$5,793,072</b>	<b>-\$6,441,673</b>	<b>-\$6,493,139</b>	<b>-\$7,714,715</b>	<b>-\$1,221,576</b>
Overhead Charged to Other Funds	\$0	\$172,514	\$197,000	\$197,000	\$320,717	\$320,000	\$391,899	\$71,899
<b>Net Operating Revenue after Overhead Allocation</b>	<b>-\$5,434,526</b>	<b>-\$4,895,890</b>	<b>-\$5,193,678</b>	<b>-\$5,596,072</b>	<b>-\$6,120,956</b>	<b>-\$6,173,139</b>	<b>-\$7,322,816</b>	<b>-\$1,149,677</b>
Per Property Assessment	\$840	\$756	\$802	\$865	\$946	\$954	\$1,131	
Assessment Increase (Decrease) vs 2022							\$185	



# SURPLUS



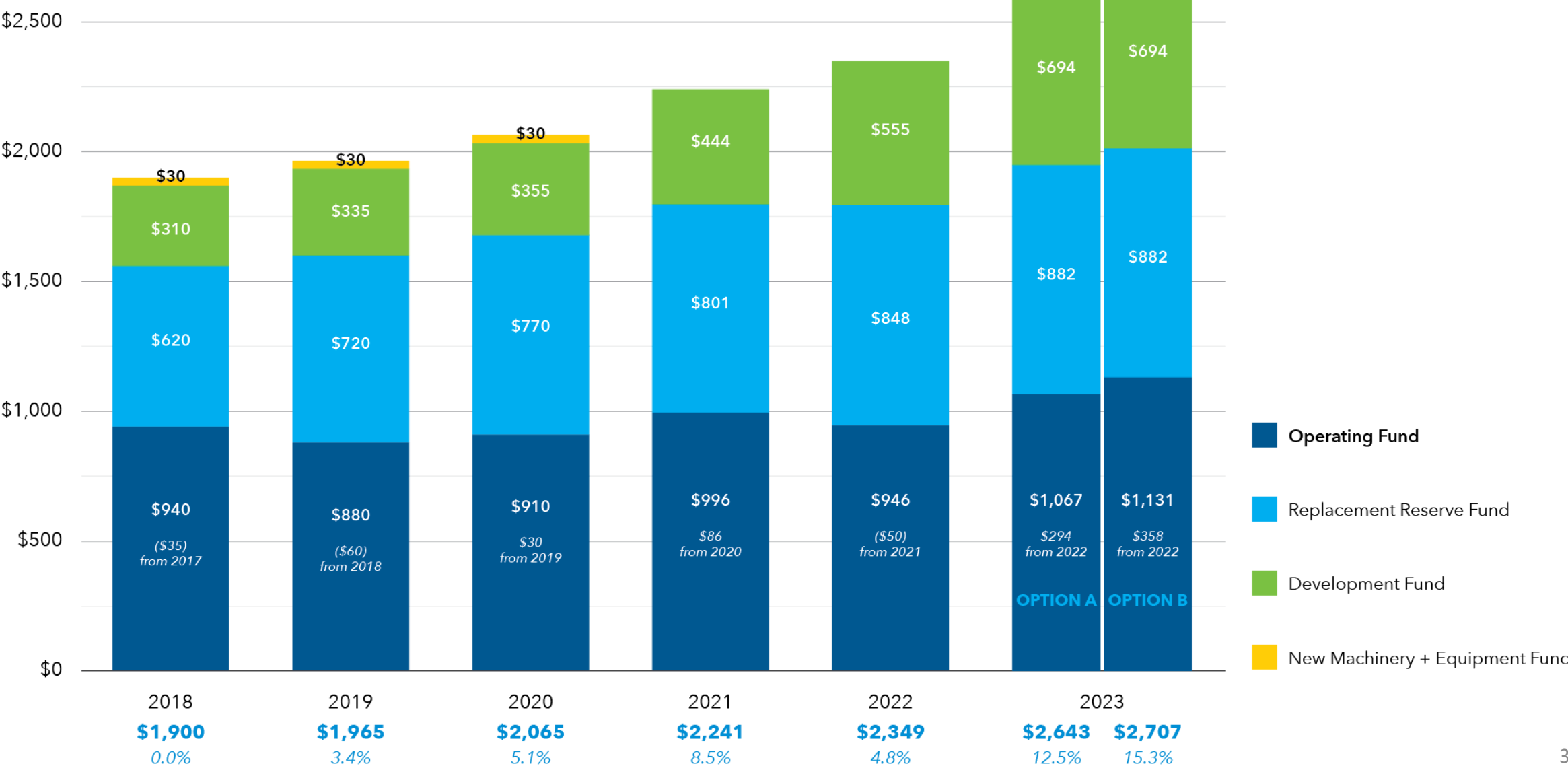
## POTENTIAL ALLOCATION OF 2021 SURPLUS

	USING \$0 2021 SURPLUS	USING \$100k 2021 SURPLUS (-\$15.45 or -0.7%)	USING \$200k 2021 SURPLUS (-\$30.90 or -1.3%)	USING \$300k 2021 SURPLUS (-\$46.35 or -1.9%)	USING \$400k 2021 SURPLUS (-\$61.80 or -2.6%)
OPTION A 28/72 SPLIT % increase from 2022	\$2,643 12.5%	\$2,628 11.8%	\$2,612 11.2%	\$2,597 10.6%	\$2,581 9.9%
OPTION B 30/70 SPLIT % increase from 2022	\$2,707 15.3%	\$2,692 14.6%	\$2,676 14%	\$2,661 13.4%	\$2,645 12.7%

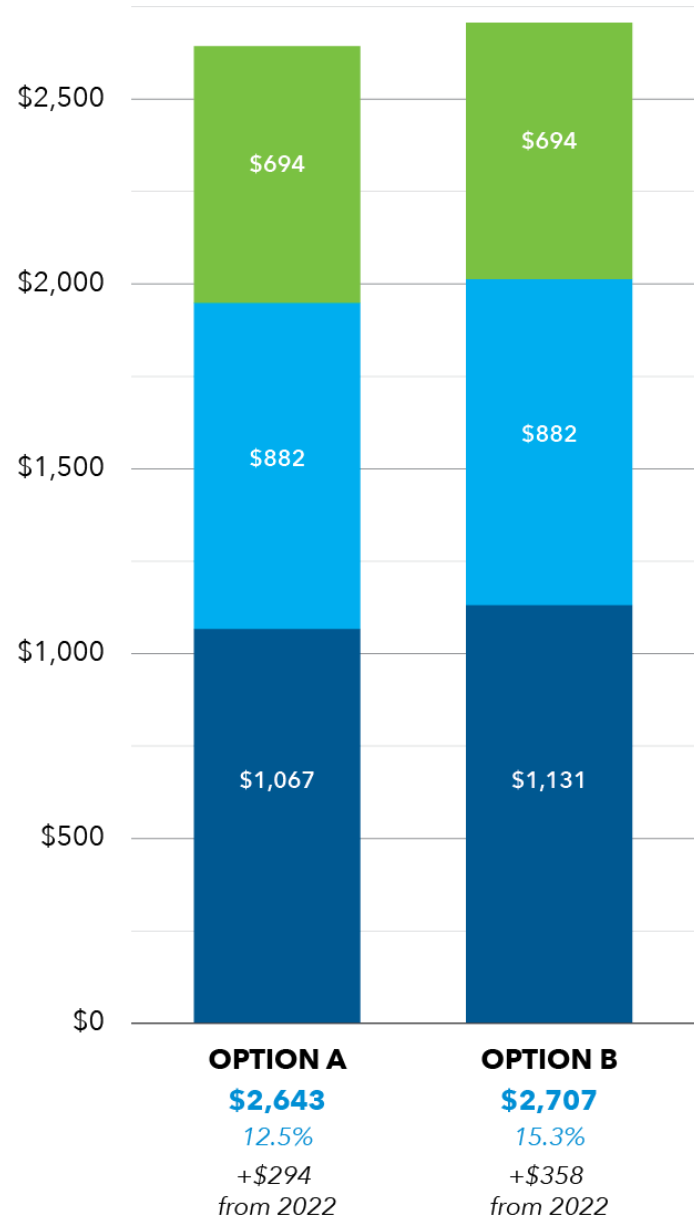
# TOTAL ANNUAL ASSESSMENT



# ASSESSMENT CONTRIBUTION TO OPERATING + CAPITAL FUNDS: OPTIONS A + B



# 2023 OPERATING FUND BUDGET OPTIONS



## 2021 SURPLUS OPTIONS

	USING \$0 2021 SURPLUS	USING \$100k 2021 SURPLUS (-\$15.45 or -0.7%)	USING \$200k 2021 SURPLUS (-\$30.90 or -1.3%)	USING \$300k 2021 SURPLUS (-\$46.35 or -1.9%)	USING \$400k 2021 SURPLUS (-\$61.80 or -2.6%)
OPTION A 28/72 SPLIT % increase from 2022	\$2,643 12.5%	\$2,628 11.8%	\$2,612 11.2%	\$2,597 10.6%	\$2,581 9.9%
OPTION B 30/70 SPLIT % increase from 2022	\$2,707 15.3%	\$2,692 14.6%	\$2,676 14%	\$2,661 13.4%	\$2,645 12.7%

# CONCLUDES PRESENTATION

## NEXT STEPS

- **Clarifying questions from the Board of Directors**
- **Member Comment**
- **Board Action**
  - Adopt Development Fund Budget
  - Adopt Replacement Reserve Fund Budget
  - Adopt New Machinery + Equipment Fund Budget
  - Select Recreation Fee Structure – 2/4-person or 4-person
  - Adopt Operating Fund Budget
  - Select 2021 Surplus Allocation
  - Adopt 2023 Budget and Total Annual Assessment





# TAKE ACTION – DEVELOPMENT FUND

## **RECOMMENDATION, BY MOTION, ADOPT THE DEVELOPMENT FUND AS PRESENTED**

- ANNUAL ASSESSMENT CONTRIBUTION: \$694 (+\$139 FROM 2022)

# TAKE ACTION – REPLACEMENT RESERVE FUND

**RECOMMENDATION, BY MOTION, ADOPT THE REPLACEMENT RESERVE FUND  
AS PRESENTED**

- ANNUAL ASSESSMENT CONTRIBUTION: \$882 (+\$34 FROM 2022)

# TAKE ACTION – NEW MACHINERY + EQUIPMENT FUND

- **RECOMMENDATION, BY MOTION, ADOPT THE NEW MACHINERY + EQUIPMENT BUDGET AS PRESENTED**
  - ANNUAL ASSESSMENT CONTRIBUTION: \$0

# TAKE ACTION

- **BY MOTION, DETERMINE THE RECREATION FEE STRUCTURE**

- 2- AND 4-PERSON OPTION OR
- 4-PERSON ONLY (CURRENT OFFERING)

## OPTION A1

- Up to 2 people: \$350
- Up to 4 people: \$550
- Add'l. member 5-8: \$175

## OPTION A2

### 4-Person Only Option

- Up to 4 people: \$530
- Add'l. member 5-8: \$195

## OPTION B1

- Up to 2 people: \$295
- Up to 4 people: \$460
- Add'l. member 5-8: \$165

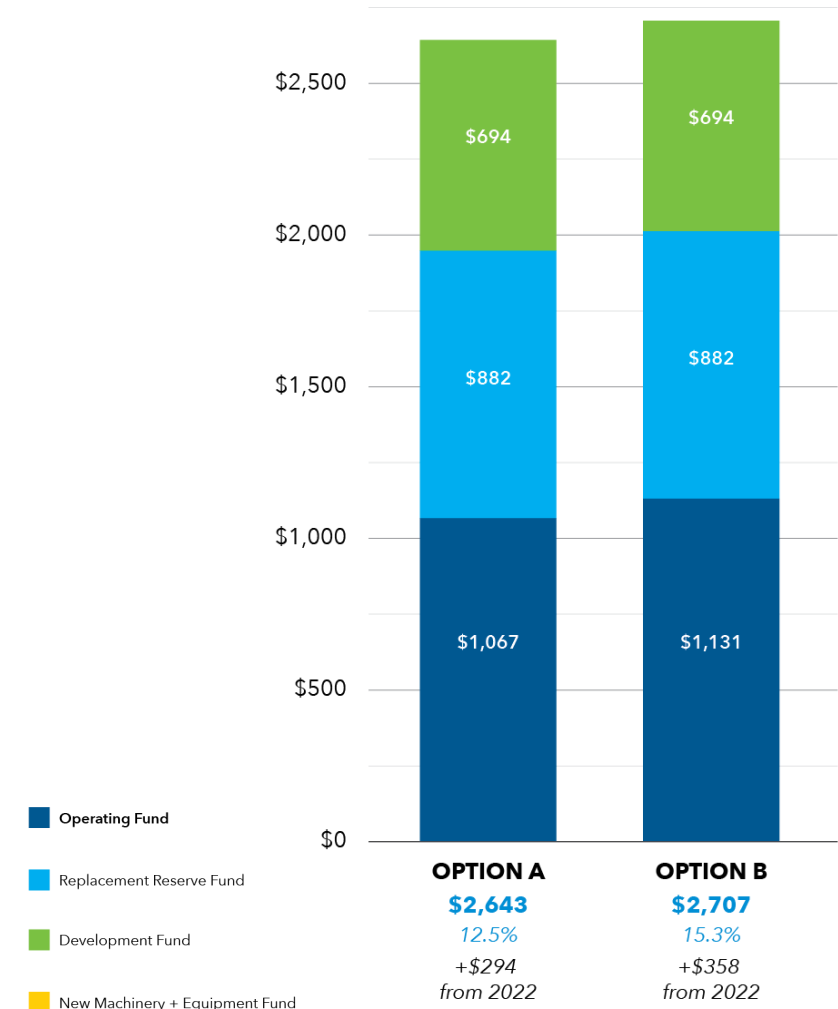
## OPTION B2

### 4-Person Only Option

- Up to 4 people: \$415
- Add'l. member 5-8: \$165

- **BY MOTION, ADOPT THE OPERATING FUND BUDGET ASSESSMENT CONTRIBUTION AT:**

- OPTION A (28/72 SPLIT) \$1,067 (+\$121 FROM 2022)
- OPTION B (30/70 SPLIT) \$1,131 (+\$185 FROM 2022)



# TAKE ACTION – 2021 SURPLUS ALLOCATION

- **BY MOTION, APPROVE THE ALLOCATION OF A PORTION OF THE 2021 OPERATING SURPLUS**
  - No Allocation to Assessment OR
  - \$100k OR
  - \$200k OR
  - \$300k OR
  - \$400k

## 2021 SURPLUS OPTIONS

	USING \$0 2021 SURPLUS	USING \$100k 2021 SURPLUS (-\$15.45 or -0.7%)	USING \$200k 2021 SURPLUS (-\$30.90 or -1.3%)	USING \$300k 2021 SURPLUS (-\$46.35 or -1.9%)	USING \$400k 2021 SURPLUS (-\$61.80 or -2.6%)
OPTION A 28/72 SPLIT % increase from 2022	\$2,643 12.5%	\$2,628 11.8%	\$2,612 11.2%	\$2,597 10.6%	\$2,581 9.9%
OPTION B 30/70 SPLIT % increase from 2022	\$2,707 15.3%	\$2,692 14.6%	\$2,676 14%	\$2,661 13.4%	\$2,645 12.7%

# TAKE ACTION – TOTAL BUDGET

- **BY MOTION, APPROVE THE 2023 ANNUAL ASSESSMENT TOTAL**
  - DEVELOPMENT FUND: \$694
  - REPLACEMENT RESERVE FUND: \$882
  - NEW MACHINERY + EQUIPMENT FUND: \$0
  - OPERATING FUND: TBD
  - ANY POTENTIAL SURPLUS ALLOCATIONS: TBD
  - TOTAL: TBD





**THANK YOU**