



STAFF REPORT

DATE: December 16, 2022

TITLE: TDA Board Ad Hoc Committee

RECOMMENDATION:

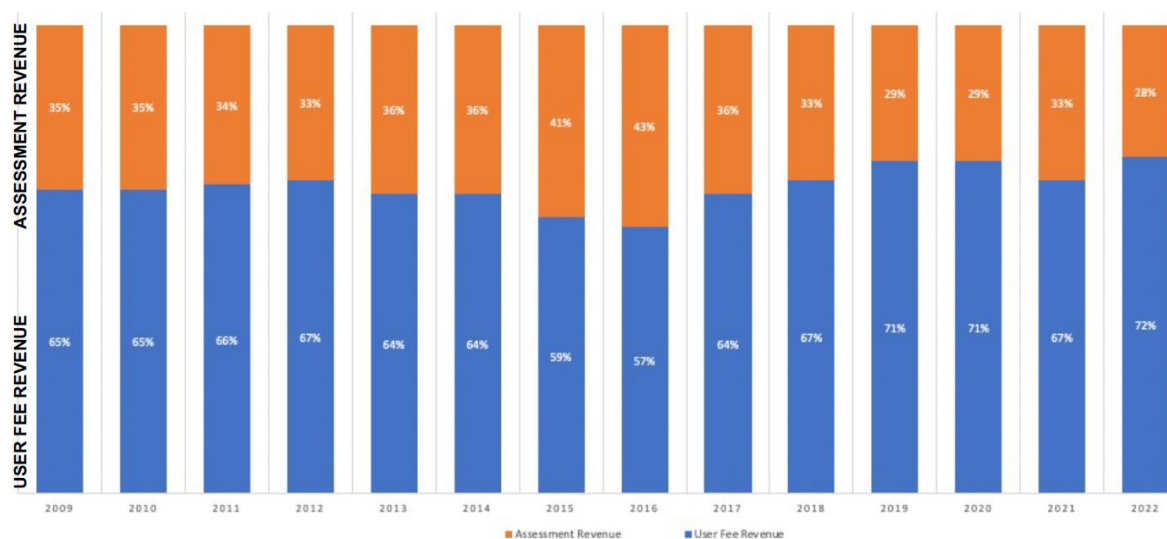
By Motion:

Appoint up to two Board members to serve on a Tahoe Donner Association (TDA) Board of Directors Ad Hoc Committee to develop a draft policy regarding the application of user fees versus assessment revenue to the operations portion of the Annual Assessment. (Draft policy to be presented to the Board later for discussion and consideration.)

BACKGROUND:

While discussing the proposed 2023 Workplan at the Board meeting held on Oct. 28, 2022, the Board discussed how current and future assessments should rely on user fees to fund the operations portion of the Association's Annual Assessment. Over the past several years, the reliance on program fees and other revenue sources to balance the operations portion of the assessment has increased. Below is a graph showing the split dating back to 2009.

OPERATING FUND UPDATE – HISTORICAL REVENUE GENERATED BY USER VS ANNUAL ASSESSMENT



The Board expressed concern about how much the Association depends on user fees to fund the operations portion of the assessment. They discussed establishing a 70%/30% user fee and assessment split as a target for operations. For 2023, the approved Operating Fund budget is \$24,068,000, of which \$17,173,000, or 71%, is funded by operating revenue, and the remaining \$6,894,680 (29%) is funded from the Annual Assessment. They also discussed the Association's core homeowners





association (HOA) costs and expressed interest in developing a policy where the core functions of the HOA would be borne by the assessment. This could be incorporated into the proposed 70%/30% split. Creating a policy that addresses both could mitigate some of the Association's exposure risk regarding user fees that may be impacted by winter and summer weather.

ANALYSIS:

During the Oct. 28 Board meeting discussion around this topic, it was suggested that Vice President Levine and Treasurer Mahoney work with the General Manager to develop a policy related to the development of a policy that would establish a user fee versus assessment target. Any potential policy would include the identification of core HOA costs and whether those would be funded by the assessment or user fees. Once the draft policy is developed, it would be presented to the entire Board for consideration.

FISCAL IMPACT:

N/A

ATTACHMENTS:

N/A

Submitted by: _____

Reviewed by: _____

Board Meeting Date: December 16, 2022

General Manager Approval to Place on the Agenda: _____

