

BUILDING REPLACEMENT + REHABILITATION FUNDING

April 28, 2023



OVERVIEW

TDA has 18 buildings that will need to be replaced or rehabilitated over the next 50 years, for which we have saved \$0 for the buildings themselves.

Staff has developed two building replacement funding scenarios for discussion

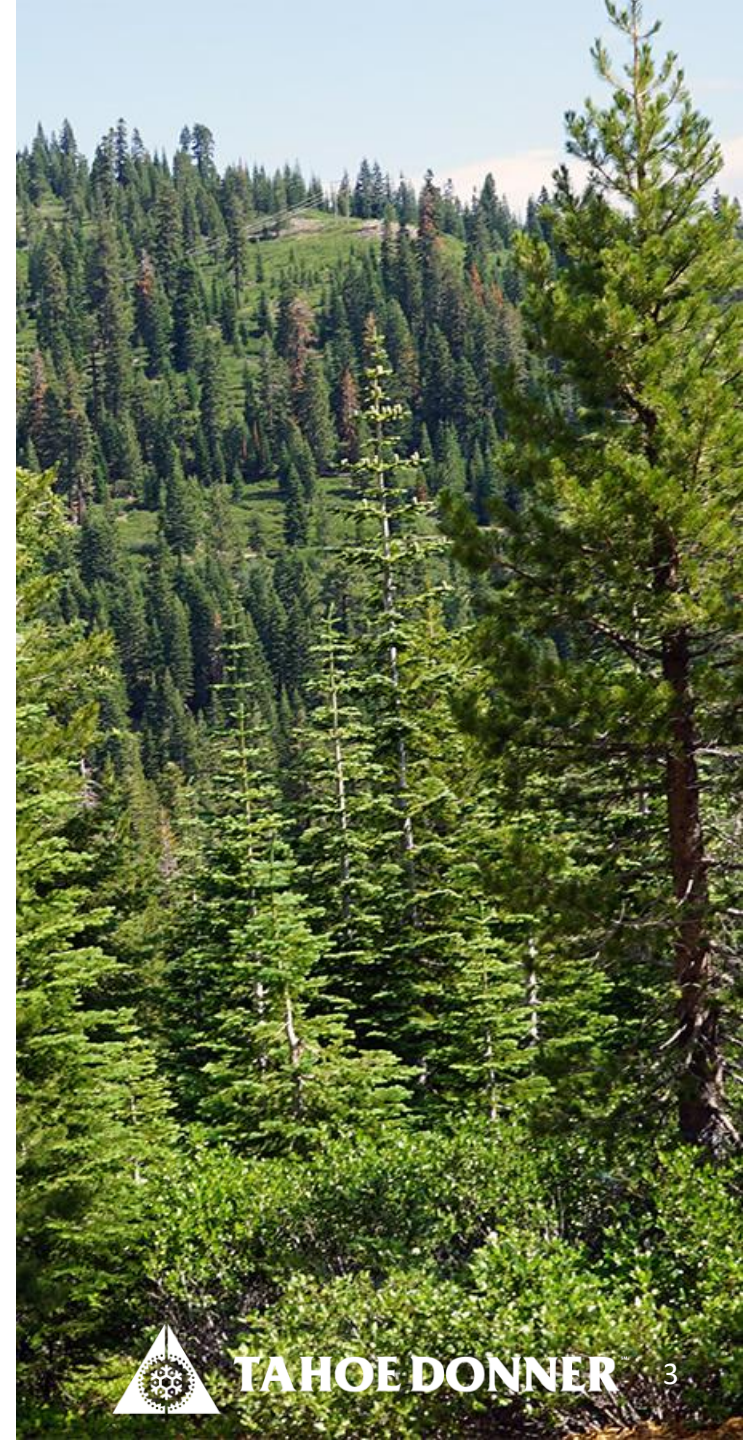
- 1. Replacement Reserve Fund:** Utilizing the Building Replacement Schedule, move all buildings into the Replacement Reserve Fund (RRF)
- 2. Building Replacement as a Subset of the Development Fund:** Utilizing the Building Replacement Schedule, create a subcategory in the Development Fund dedicated solely to the replacement of existing buildings



OBJECTIVE

Staff is seeking direction on the following points:

- Based on the scenarios provided, which direction would the Board like the staff to continue with?
- How does the Board want staff to proceed with next steps? Options are more clearly defined at the end of the presentation

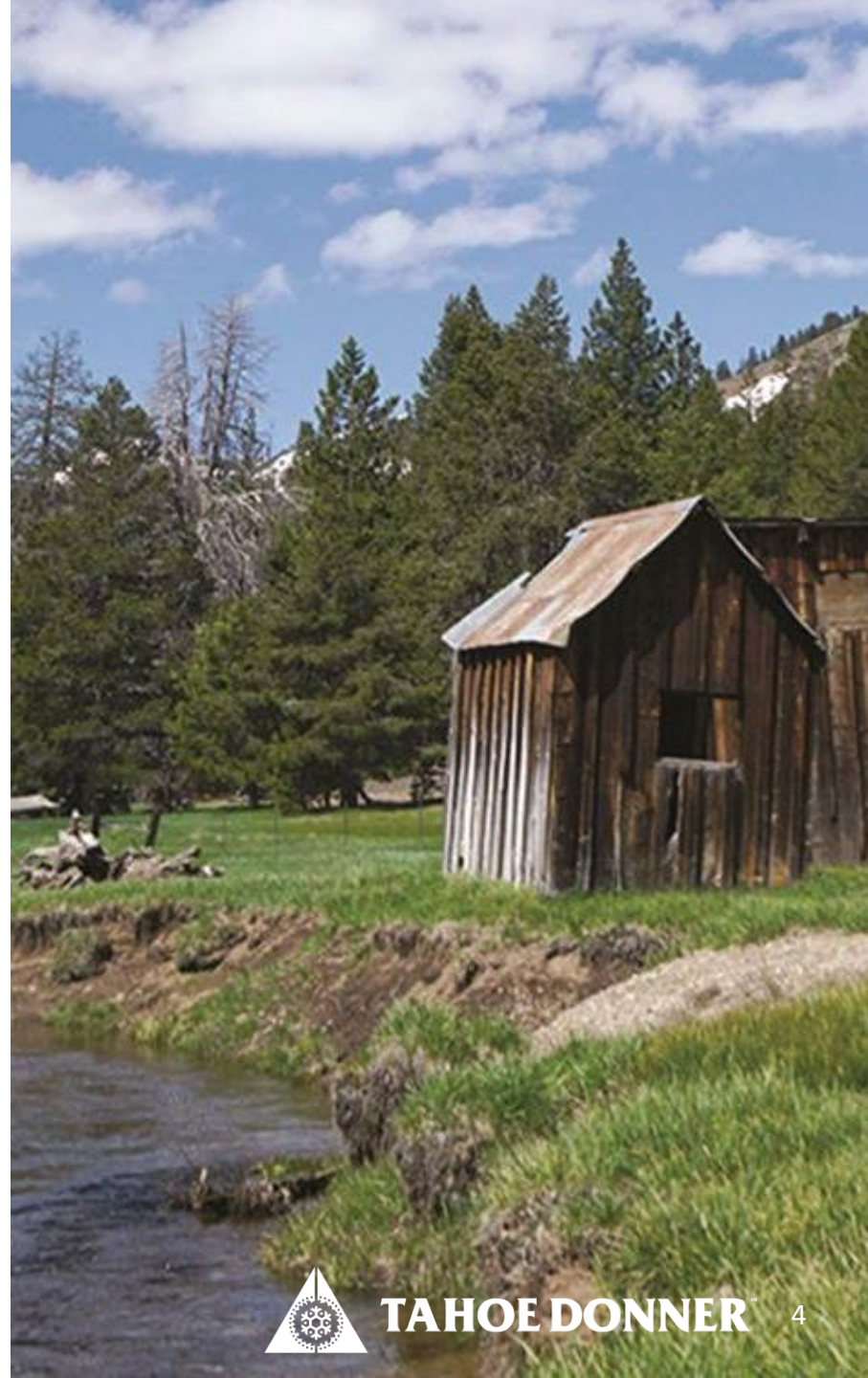


BACKGROUND - 2023 WORKPLAN

In alignment with Strategic Initiative 5 (planning, development and infrastructure), the Board adopted the following goal:

BUILDING REPLACEMENT PROGRAM

Provide a building replacement policy to the Board that includes a funding mechanism that incorporates all existing buildings



BACKGROUND CONTINUED

2023 WORKPLAN GOAL DELIVERABLE

Staff to develop an association building replacement policy and associated funding plan; the materials will include a draft policy and a funding schedule with estimated investment ranges

Process will include:

- Evaluating current Development Fund and Replacement Reserve Fund policies and funding levels
- Evaluating other relevant financial and facility plans related to existing buildings

Plan will include an updated inventory of Tahoe Donner's existing buildings, including a replacement schedule and projected costs; staff may, with Board approval, utilize outside resources to develop the draft policy and funding plan



BACKGROUND CONTINUED

Staff has performed the following:

BUILDING REPLACEMENT SCHEDULE (see next slide)

- Staff developed a Building Replacement Schedule that includes all relevant buildings. The current schedule goes to 2065 and includes 18 buildings
- In 2022 the Long-Range Planning Committee (LRPC) was tasked with reviewing a Building Replacement Schedule. On May 19, 2022, the LRPC reviewed and commented on the Building Replacement Schedule. All comments have been incorporated into the existing plan

BUILDING REPLACEMENT VALUES

Staff has established the value of each facility based on the **insured replacement values**. Values will be updated annually with insurance adjustments



BUILDING REPLACEMENT/REHAB SCHEDULE

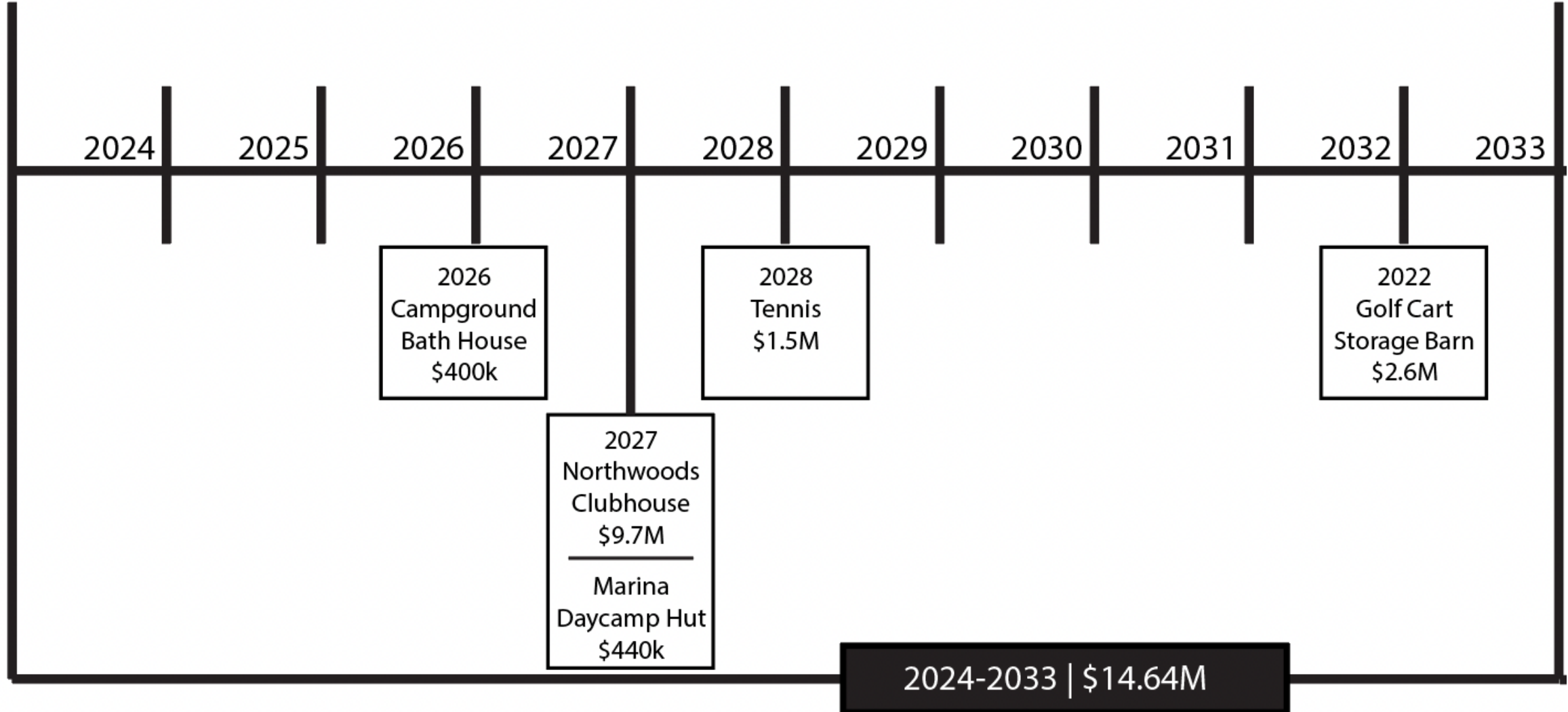


BUILDING REPLACEMENT/REHAB SCHEDULE

Building	YR Built	SQFT	Useful Life	Major Remodels	Extended Useful Life	Insurance Replacement Amount	Years in Use	Remaining Life	Ideal Date Replacement	Planned Date Replacement	# Years Until Replacement
Campground Bath house	1972	600	50			\$ 392,597	51	-1	2022	2026	3
North Woods Club House	1971	13,845	50			\$ 9,705,773	52	-2	2021	2027	4
Marina Daycamp Hut	1972	720	50			\$ 437,858	51	-1	2022	2027	4
Tennis	1971	2,000	50			\$ 1,511,240	52	-2	2021	2028	5
Golf Cart Storage Barn	1982	5,000	50			\$ 2,551,397	41	9	2032	2032	9
Northwood Pool Pump House	1990	100	50			\$ 227,400	33	17	2040	2040	17
Chalet Residential House	1991	840	50			\$ 510,180	32	18	2041	2041	18
Forestry	1991	8,200	50			\$ 5,790,000	32	18	2041	2041	18
Maintenance Building	1972	5,990	50	Major Remodel 2013	20	\$ 3,056,800	51	19	2042	2042	19
Downhill Ski Top Shop	1995	3,200	50			\$ 2,240,000	28	22	2045	2045	22
Golf Maintenance	1996	6,452	50			\$ 3,326,000	27	23	2046	2046	23
Marina Beach Club	1998	2,900	50			\$ 1,564,000	25	25	2048	2048	25
Trout Creek Pool/Restroom bldg	2003	1,328	50			\$ 300,000	20	30	2053	2053	30
Lift Maintenance Building	2007	750	50			\$ 150,000	16	34	2057	2057	34
Trout Creek Rec. Cntr	2003	16,000	50	Major remodel 2019-2021	10	\$ 12,227,700	20	40	2063	2063	40
Vehicle Storage Building	2013	2,300	50			\$ 500,000	10	40	2063	2063	40
The Lodge	2005	9,225	50	Covered deck, proshop, kitchen, snackbar 2013	10	\$ 7,183,650	18	42	2065	2065	42
Alder Creek Adventure Cntr.	2015	10,220	50			\$ 7,504,000	8	42	2065	2065	42
TOTAL						\$ 59,178,595					

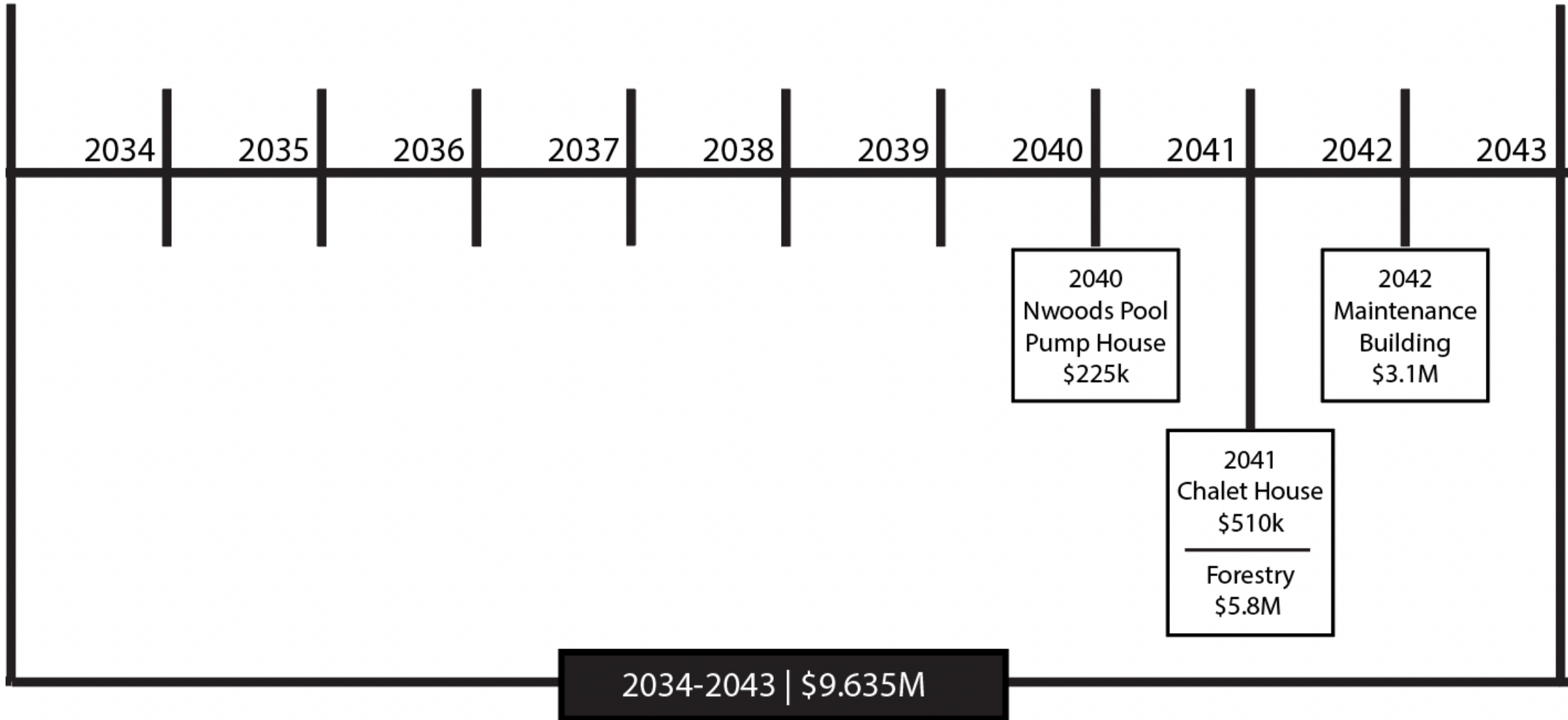
BUILDING REPLACEMENT/REHAB SCHEDULE – SHOWING YEARS 2024-2033

Continue to view other years in 10-year increments



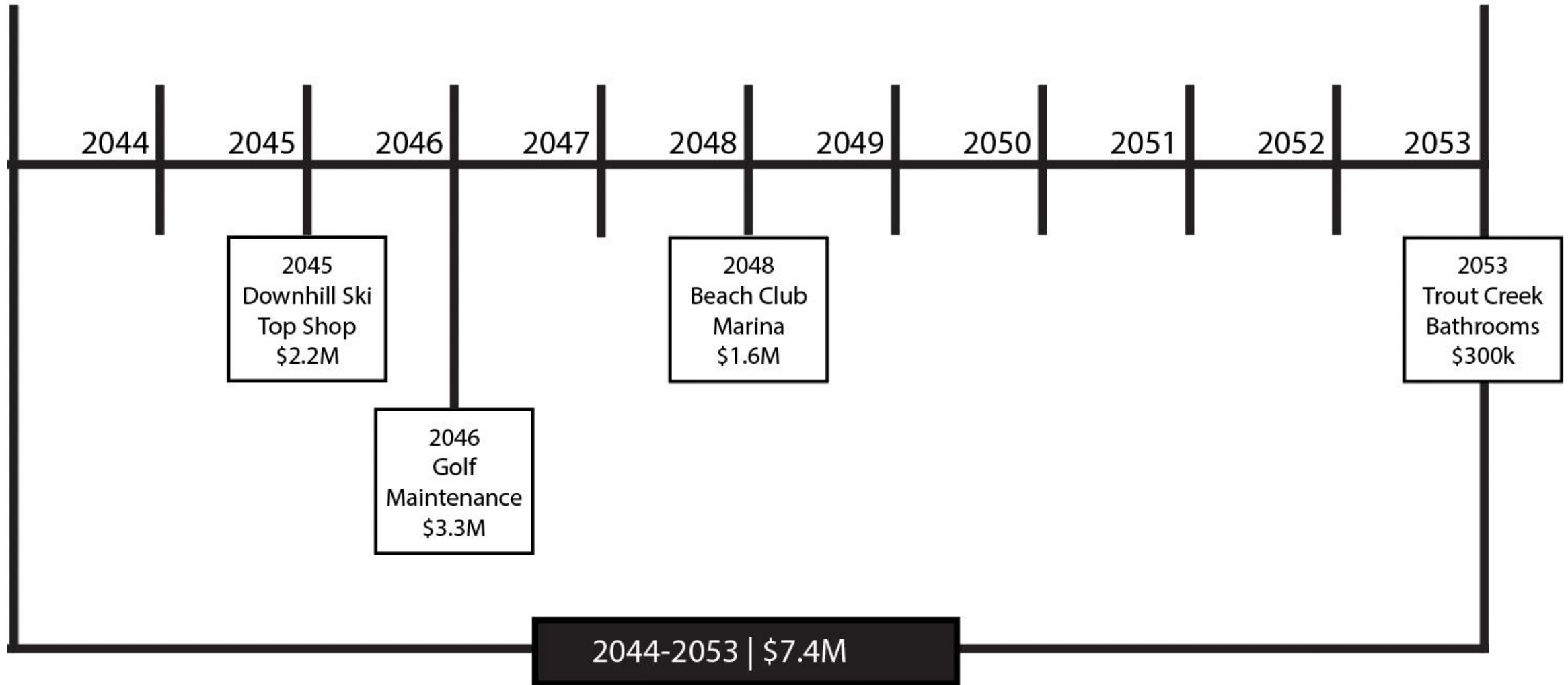
BUILDING REPLACEMENT/REHAB SCHEDULE – SHOWING YEARS 2034-2043

Continue to view other years in 10-year increments

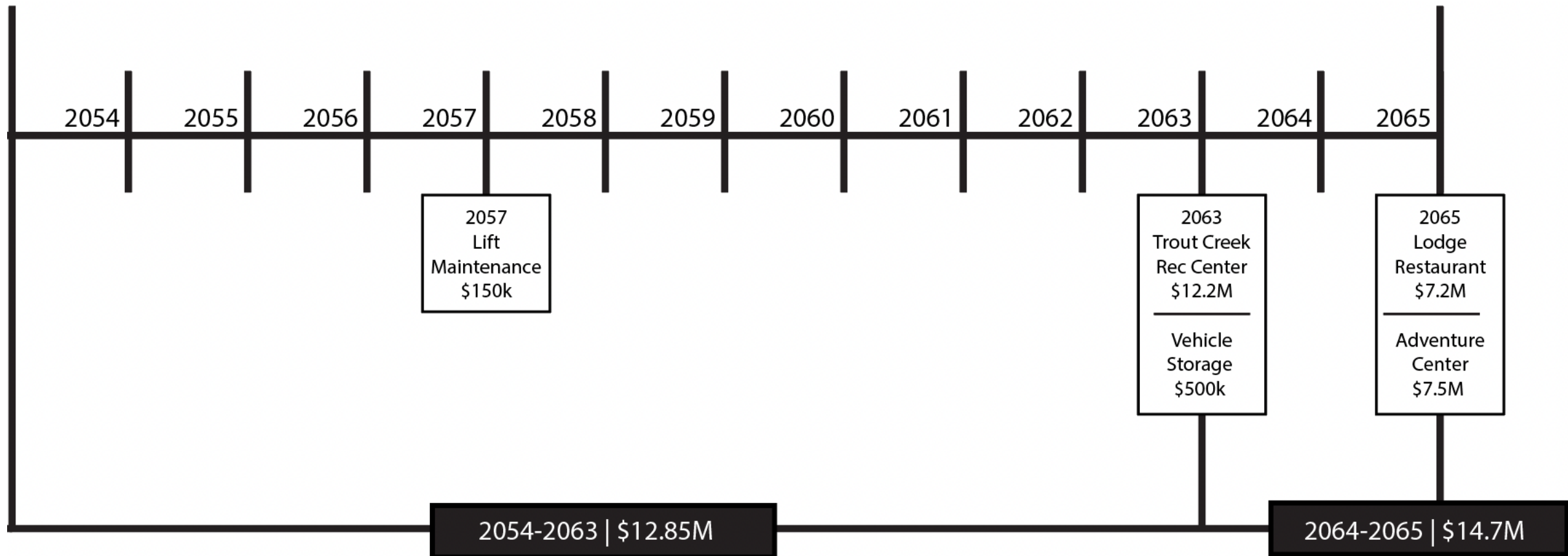


BUILDING REPLACEMENT/REHAB SCHEDULE – SHOWING YEARS 2044-2053

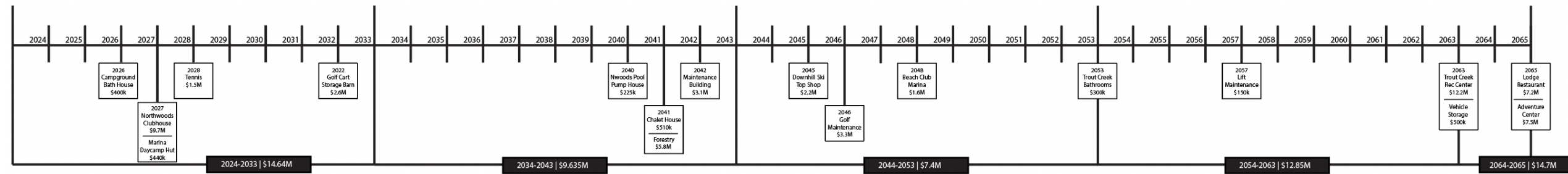
Continue to view other years in 10-year increments



BUILDING REPLACEMENT/REHAB SCHEDULE – SHOWING YEARS 2054-2065



BUILDING REPLACEMENT/REHAB SCHEDULE 2024-2065



REPLACEMENT RESERVE FUND SCENARIOS



REPLACEMENT RESERVE FUND

Staff took all facilities in the Building Replacement Schedule and incorporated them into the current 30-Year Replacement Reserve Study

Buildings not planned for replacement in the next 30 years are not included. Those buildings are:

- Trout Creek Pool/Restroom Building
- Lift Maintenance Building
- Trout Creek Recreation Center Building
- Vehicle Storage Building
- The Lodge Restaurant & Pub Building
- Alder Creek Adventure Center Building

Three scenarios were developed in the Replacement Reserve Study as follows:

1. Baseline study including buildings but no additional funding (for reference only)
2. Transfer \$350 per year per owner from the Development Fund to the Reserve Fund
 - This is the same dollar amount that would be placed in the Development Fund subset (scenario to be viewed later in presentation)
3. Adjust the assessment contribution to hold >25% funded year-to-year



REPLACEMENT RESERVE FUND

CURRENT BASELINE WITH BUILDINGS INCLUDED



Update fiscal year beginning	1/1/2023
Number of assessments, 1/1/2023	6,473
Annual capital assessment, 1/1/2023	\$ 5,708,668
Average CY assessment/Members	\$ 882
Average increase/Members	33.92
Inflation rate	3.50%
Interest rate on investments	2.00%
Tax rate on investment income	0.00%
Capital contingency rate	0.00%

Key Highlights

- Only showing for comparison purposes
- All buildings except those referenced on page 15 are shown in the 30-year study
- Drops well below 25% funded every year

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%	16,860,638	109,189,453	15.44%	219,564	5,708,668	881.92	33.92	73.49	2.83	295,372	(9,892,775)	-	12,971,903
1/1/2024	4.00%	12,971,903	107,689,994	12.05%	228,347	5,937,015	917.20	35.28	76.43	2.94	253,598	(6,521,003)	-	12,641,513
1/1/2025	4.00%	12,641,513	110,427,436	11.45%	237,481	6,174,495	953.88	36.69	79.49	3.06	256,871	(5,770,420)	-	13,302,460
1/1/2026	4.00%	13,302,460	113,734,094	11.70%	246,980	6,421,475	992.04	38.16	82.67	3.18	287,142	(4,312,242)	-	15,698,834
1/1/2027	4.00%	15,698,834	118,539,246	13.24%	256,859	6,678,334	1,031.72	39.68	85.98	3.31	197,569	(18,319,111)	-	4,255,627
1/1/2028	4.00%	4,255,627	110,641,787	3.85%	267,133	6,945,468	1,072.99	41.27	89.42	3.44	59,423	(9,514,455)	-	1,746,062
1/1/2029	4.00%	1,746,062	112,520,035	1.55%	277,819	7,223,286	1,115.91	42.92	92.99	3.58	45,540	(6,161,398)	-	2,853,490
1/1/2030	4.00%	2,853,490	117,510,306	2.43%	288,931	7,512,218	1,160.55	44.64	96.71	3.72	55,630	(7,656,158)	-	2,765,181
1/1/2031	4.00%	2,765,181	121,408,922	2.28%	300,489	7,812,707	1,206.97	46.42	100.58	3.87	78,918	(5,451,312)	-	5,205,493
1/1/2032	4.00%	5,205,493	127,781,971	4.07%	312,508	8,125,215	1,255.25	48.28	104.60	4.02	100,222	(8,514,045)	-	4,916,884
1/1/2033	4.00%	4,916,884	131,401,649	3.74%	325,009	8,450,223	1,305.46	50.21	108.79	4.18	112,289	(7,055,043)	-	6,424,354
1/1/2034	4.00%	6,424,354	136,856,572	4.69%	338,009	8,788,232	1,357.68	52.22	113.14	4.35	147,886	(6,848,314)	-	8,512,158
1/1/2035	4.00%	8,512,158	142,785,287	5.96%	351,529	9,139,762	1,411.98	54.31	117.67	4.53	198,691	(6,294,983)	-	11,555,628
1/1/2036	4.00%	11,555,628	149,516,336	7.73%	365,590	9,505,352	1,468.46	56.48	122.37	4.71	253,970	(7,219,624)	-	14,095,325
1/1/2037	4.00%	14,095,325	155,657,207	9.06%	380,214	9,885,566	1,527.20	58.74	127.27	4.89	297,818	(8,294,404)	-	15,984,305
1/1/2038	4.00%	15,984,305	161,100,086	9.92%	395,423	10,280,989	1,588.29	61.09	132.36	5.09	346,885	(7,561,126)	-	19,051,053
1/1/2039	4.00%	19,051,053	167,477,958	11.38%	411,240	10,692,228	1,651.82	63.53	137.65	5.29	410,286	(7,765,697)	-	22,387,871
1/1/2040	4.00%	22,387,871	174,066,681	12.86%	427,689	11,119,918	1,717.89	66.07	143.16	5.51	463,338	(9,561,823)	-	24,409,304
1/1/2041	4.00%	24,409,304	179,314,878	13.61%	444,797	11,564,714	1,786.61	68.72	148.88	5.73	388,340	(21,549,337)	-	14,813,021
1/1/2042	4.00%	14,813,021	171,525,884	8.64%	462,589	12,027,303	1,858.07	71.46	154.84	5.96	254,163	(16,237,057)	-	10,857,429
1/1/2043	4.00%	10,857,429	171,672,085	6.32%	481,092	12,508,395	1,932.40	74.32	161.03	6.19	210,424	(13,180,883)	-	10,395,364
1/1/2044	4.00%	10,395,364	176,012,957	5.91%	500,336	13,008,731	2,009.69	77.30	167.47	6.44	242,267	(9,572,753)	-	14,073,609
1/1/2045	4.00%	14,073,609	184,336,247	7.63%	520,349	13,529,080	2,090.08	80.39	174.17	6.70	129,575	(28,718,759)	-	(986,495)
1/1/2046	4.00%	(986,495)	173,505,234	(0.57%)	541,163	14,070,243	2,173.68	83.60	181.14	6.97	-	(19,306,527)	-	(6,222,779)
1/1/2047	4.00%	(6,222,779)	174,800,436	(3.56%)	562,810	14,633,053	2,260.63	86.95	188.39	7.25	-	(10,091,374)	-	(1,681,100)
1/1/2048	4.00%	(1,681,100)	185,661,525	(0.91%)	585,322	15,218,375	2,351.05	90.43	195.92	7.54	-	(21,555,148)	-	(8,017,873)
1/1/2049	4.00%	(8,017,873)	186,219,960	(4.31%)	608,735	15,827,110	2,445.10	94.04	203.76	7.84	-	(9,917,125)	-	(2,107,887)
1/1/2050	4.00%	(2,107,887)	198,790,826	(1.06%)	633,084	16,460,194	2,542.90	97.80	211.91	8.15	-	(13,610,976)	-	741,331
1/1/2051	4.00%	741,331	208,429,737	0.36%	658,408	17,118,602	2,644.62	101.72	220.38	8.48	63,074	(12,293,821)	-	5,629,187
1/1/2052	4.00%	5,629,187	219,819,549	2.56%	684,744	17,803,346	2,750.40	105.78	229.20	8.82	173,497	(11,712,007)	-	11,894,023

REPLACEMENT RESERVE FUND

REALLOCATE \$350/YEAR/OWNER FROM DEVELOPMENT FUND



Update fiscal year beginning		1/1/2023
Number of assessments, 1/1/2023		6,473
Annual capital assessment, 1/1/2023	\$	5,708,668
Average CY assessment/Members	\$	882
Average increase/Members		33.92
Inflation rate		3.50%
Interest rate on investments		2.00%
Tax rate on investment income		0.00%
Capital contingency rate		0.00%

Key Highlights

- Drops below 25% funded 2023-2034
- Homeowner contribution reflects 4% increase
- Reallocates \$350 from Development Fund annually

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	Total Homeowner Contribution From Development Fund	Contribution From Development Fund	Total Annual Homeowner Contribution	Estimated Interest, Net of Tax	Annual Expenditures	Capital Contingency	Ending Balance
1/1/2023	4.00%	16,860,638	109,189,453	15.44%	219,564	5,708,668	881.92	33.92	73.49	2.83	350	2,265,550	1,232	295,388	(9,892,775)	-	15,237,469
1/1/2024	4.00%	15,237,469	107,689,994	14.15%	228,347	5,937,015	917.20	35.28	76.43	2.94	350	2,265,550	1,267	298,926	(6,521,003)	-	17,217,957
1/1/2025	4.00%	17,217,957	110,427,436	15.59%	237,481	6,174,495	953.88	36.69	79.49	3.06	350	2,265,550	1,304	348,416	(5,770,420)	-	20,235,998
1/1/2026	4.00%	20,235,998	113,734,094	17.79%	246,980	6,421,475	992.04	38.16	82.67	3.18	350	2,265,550	1,342	425,829	(4,312,242)	-	25,036,611
1/1/2027	4.00%	25,036,611	118,539,246	21.12%	256,859	6,678,334	1,031.72	39.68	85.98	3.31	350	2,265,550	1,382	384,342	(18,319,111)	-	16,045,726
1/1/2028	4.00%	16,045,726	110,641,787	14.50%	267,133	6,945,468	1,072.99	41.27	89.42	3.44	350	2,265,550	1,423	295,242	(9,514,455)	-	16,037,531
1/1/2029	4.00%	16,037,531	112,520,035	14.25%	277,819	7,223,286	1,115.91	42.92	92.99	3.58	350	2,265,550	1,466	331,388	(6,161,398)	-	19,696,356
1/1/2030	4.00%	19,696,356	117,510,306	16.76%	288,931	7,512,218	1,160.55	44.64	96.71	3.72	350	2,265,550	1,511	392,506	(7,656,158)	-	22,210,473
1/1/2031	4.00%	22,210,473	121,408,922	18.29%	300,489	7,812,707	1,206.97	46.42	100.58	3.87	350	2,265,550	1,557	467,842	(5,451,312)	-	27,305,260
1/1/2032	4.00%	27,305,260	127,781,971	21.37%	312,508	8,125,215	1,255.25	48.28	104.60	4.02	350	2,265,550	1,605	542,236	(8,514,045)	-	29,724,216
1/1/2033	4.00%	29,724,216	131,401,649	22.62%	325,009	8,450,223	1,305.46	50.21	108.79	4.18	350	2,265,550	1,655	608,456	(7,055,043)	-	33,993,403
1/1/2034	4.00%	33,993,403	136,856,572	24.84%	338,009	8,788,232	1,357.68	52.22	113.14	4.35	350	2,265,550	1,708	699,288	(6,848,314)	-	38,898,159
1/1/2035	4.00%	38,898,159	142,785,287	27.24%	351,529	9,139,762	1,411.98	54.31	117.67	4.53	350	2,265,550	1,762	806,432	(6,294,983)	-	44,814,919
1/1/2036	4.00%	44,814,919	149,516,336	29.97%	365,590	9,505,352	1,468.46	56.48	122.37	4.71	350	2,265,550	1,818	919,177	(7,219,624)	-	50,285,374
1/1/2037	4.00%	50,285,374	155,657,207	32.31%	380,214	9,885,566	1,527.20	58.74	127.27	4.89	350	2,265,550	1,877	1,021,641	(8,294,404)	-	55,163,727
1/1/2038	4.00%	55,163,727	161,100,086	34.24%	395,423	10,280,989	1,588.29	61.09	132.36	5.09	350	2,265,550	1,938	1,130,496	(7,561,126)	-	61,279,636
1/1/2039	4.00%	61,279,636	167,477,958	36.59%	411,240	10,692,228	1,651.82	63.53	137.65	5.29	350	2,265,550	2,002	1,254,882	(7,765,697)	-	67,726,600
1/1/2040	4.00%	67,726,600	174,066,681	38.91%	427,689	11,119,918	1,717.89	66.07	143.16	5.51	350	2,265,550	2,068	1,370,137	(9,561,823)	-	72,920,382
1/1/2041	4.00%	72,920,382	179,314,878	40.67%	444,797	11,564,714	1,786.61	68.72	148.88	5.73	350	2,265,550	2,137	1,358,586	(21,549,337)	-	66,559,895
1/1/2042	4.00%	66,559,895	171,525,884	38.80%	462,589	12,027,303	1,858.07	71.46	154.84	5.96	350	2,265,550	2,208	1,289,126	(16,237,057)	-	65,904,816
1/1/2043	4.00%	65,904,816	171,672,085	38.39%	481,092	12,508,395	1,932.40	74.32	161.03	6.19	350	2,265,550	2,282	1,311,398	(13,180,883)	-	68,809,276
1/1/2044	4.00%	68,809,276	176,012,957	39.09%	500,336	13,008,731	2,009.69	77.30	167.47	6.44	350	2,265,550	2,360	1,410,572	(9,572,753)	-	75,921,375
1/1/2045	4.00%	75,921,375	184,336,247	41.19%	520,349	13,529,080	2,090.08	80.39	174.17	6.70	350	2,265,550	2,440	1,366,559	(28,718,759)	-	64,363,805
1/1/2046	4.00%	64,363,805	173,505,234	37.10%	541,163	14,070,243	2,173.68	83.60	181.14	6.97	350	2,265,550	2,524	1,234,942	(19,306,527)	-	62,628,013
1/1/2047	4.00%	62,628,013	174,800,436	35.83%	562,810	14,633,053	2,260.63	86.95	188.39	7.25	350	2,265,550	2,611	1,298,007	(10,091,374)	-	70,733,248
1/1/2048	4.00%	70,733,248	185,661,525	38.10%	585,322	15,218,375	2,351.05	90.43	195.92	7.54	350	2,265,550	2,701	1,351,328	(21,555,148)	-	68,013,354
1/1/2049	4.00%	68,013,354	186,219,960	36.52%	608,735	15,827,110	2,445.10	94.04	203.76	7.84	350	2,265,550	2,795	1,419,398	(9,917,125)	-	77,608,287
1/1/2050	4.00%	77,608,287	198,790,826	39.04%	633,084	16,460,194	2,542.90	97.80	211.91	8.15	350	2,265,550	2,893	1,580,690	(13,610,976)	-	84,303,746
1/1/2051	4.00%	84,303,746	208,429,737	40.45%	658,408	17,118,602	2,644.62	101.72	220.38	8.48	350	2,265,550	2,995	1,734,356	(12,293,821)	-	93,128,433
1/1/2052	4.00%	93,128,433	219,819,549	42.37%	684,744	17,803,346	2,750.40	105.78	229.20	8.82	350	2,265,550	3,100	1,923,517	(11,712,007)	-	103,408,839

REPLACEMENT RESERVE FUND

HOLD 25% FUNDED YEAR-TO-YEAR

Update fiscal year beginning		1/1/2023
Number of assessments, 1/1/2023		6,473
Annual capital assessment, 1/1/2023	\$	5,708,668
Average CY assessment/Members	\$	882
Average increase/Members		33.92
Inflation rate		3.50%
Interest rate on investments		2.00%
Tax rate on investment income		0.00%
Capital contingency rate		0.00%

Key Highlights

- The assessment increase required to get to 25% funded would cause a greater-than-20% increase in the total Annual Assessment
- Significant homeowner assessment increase needed to jump-start program in year 1 and year 5
- Adjustments to assessments are not consistent



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	Additional Increase required to reach 25% funded, per homeowner	Additional Increase required to reach 25% funded total	Total Annual Homeowner Contribution	Estimated Interest, Net of Tax	Annual Expenditures	Capital Contingency	Ending Balance
1/1/2023	4.00%	16,860,638	109,189,453	15.44%	219,564	5,708,668	881.92	33.92	73.49	2.83	2,200	14,240,600	3,082	295,425	(9,892,775)	-	27,212,556
1/1/2024	4.00%	27,212,556	107,689,994	25.27%	228,347	5,937,015	917.20	35.28	76.43	2.94	100	647,300	1,017	538,422	(6,521,003)	-	27,814,291
1/1/2025	4.00%	27,814,291	110,427,436	25.19%	237,481	6,174,495	953.88	36.69	79.49	3.06	-	-	954	560,336	(5,770,420)	-	28,778,702
1/1/2026	4.00%	28,778,702	113,734,094	25.30%	246,980	6,421,475	992.04	38.16	82.67	3.18	-	-	992	596,676	(4,312,242)	-	31,484,611
1/1/2027	4.00%	31,484,611	118,539,246	26.56%	256,859	6,678,334	1,031.72	39.68	85.98	3.31	1,200	7,767,600	2,232	513,319	(18,319,111)	-	28,124,753
1/1/2028	4.00%	28,124,753	110,641,787	25.42%	267,133	6,945,468	1,072.99	41.27	89.42	3.44	350	2,265,550	1,423	536,823	(9,514,455)	-	28,358,139
1/1/2029	4.00%	28,358,139	112,520,035	25.20%	277,819	7,223,286	1,115.91	42.92	92.99	3.58	100	647,300	1,216	577,795	(6,161,398)	-	30,645,122
1/1/2030	4.00%	30,645,122	117,510,306	26.08%	288,931	7,512,218	1,160.55	44.64	96.71	3.72	-	-	1,161	611,475	(7,656,158)	-	31,112,657
1/1/2031	4.00%	31,112,657	121,408,922	25.63%	300,489	7,812,707	1,206.97	46.42	100.58	3.87	-	-	1,207	645,879	(5,451,312)	-	34,119,931
1/1/2032	4.00%	34,119,931	127,781,971	26.70%	312,508	8,125,215	1,255.25	48.28	104.60	4.02	-	-	1,255	678,523	(8,514,045)	-	34,409,623
1/1/2033	4.00%	34,409,623	131,401,649	26.19%	325,009	8,450,223	1,305.46	50.21	108.79	4.18	-	-	1,305	702,157	(7,055,043)	-	36,506,960
1/1/2034	4.00%	36,506,960	136,856,572	26.68%	338,009	8,788,232	1,357.68	52.22	113.14	4.35	-	-	1,358	749,552	(6,848,314)	-	39,196,431
1/1/2035	4.00%	39,196,431	142,785,287	27.45%	351,529	9,139,762	1,411.98	54.31	117.67	4.53	-	-	1,412	812,391	(6,294,983)	-	42,853,599
1/1/2036	4.00%	42,853,599	149,516,336	28.66%	365,590	9,505,352	1,468.46	56.48	122.37	4.71	-	-	1,468	879,944	(7,219,624)	-	46,019,271
1/1/2037	4.00%	46,019,271	155,657,207	29.56%	380,214	9,885,566	1,527.20	58.74	127.27	4.89	-	-	1,527	936,312	(8,294,404)	-	48,546,745
1/1/2038	4.00%	48,546,745	161,100,086	30.13%	395,423	10,280,989	1,588.29	61.09	132.36	5.09	-	-	1,588	998,149	(7,561,126)	-	52,264,758
1/1/2039	4.00%	52,264,758	167,477,958	31.21%	411,240	10,692,228	1,651.82	63.53	137.65	5.29	-	-	1,652	1,074,577	(7,765,697)	-	56,265,866
1/1/2040	4.00%	56,265,866	174,066,681	32.32%	427,689	11,119,918	1,717.89	66.07	143.16	5.51	-	-	1,718	1,140,915	(9,561,823)	-	58,964,877
1/1/2041	4.00%	58,964,877	179,314,878	32.88%	444,797	11,564,714	1,786.61	68.72	148.88	5.73	300	1,941,900	2,087	1,079,475	(21,549,337)	-	52,001,629
1/1/2042	4.00%	52,001,629	171,525,884	30.32%	462,589	12,027,303	1,858.07	71.46	154.84	5.96	300	1,941,900	2,158	997,960	(16,237,057)	-	50,731,734
1/1/2043	4.00%	50,731,734	171,672,085	29.55%	481,092	12,508,395	1,932.40	74.32	161.03	6.19	350	2,265,550	2,282	1,007,936	(13,180,883)	-	53,332,731
1/1/2044	4.00%	53,332,731	176,012,957	30.30%	500,336	13,008,731	2,009.69	77.30	167.47	6.44	350	2,265,550	2,360	1,101,042	(9,572,753)	-	60,135,300
1/1/2045	4.00%	60,135,300	184,336,247	32.62%	520,349	13,529,080	2,090.08	80.39	174.17	6.70	350	2,265,550	2,440	1,050,837	(28,718,759)	-	48,262,008
1/1/2046	4.00%	48,262,008	173,505,234	27.82%	541,163	14,070,243	2,173.68	83.60	181.14	6.97	-	-	2,174	912,899	(19,306,527)	-	43,938,623
1/1/2047	4.00%	43,938,623	174,800,436	25.14%	562,810	14,633,053	2,260.63	86.95	188.39	7.25	-	-	2,261	924,212	(10,091,374)	-	49,404,514
1/1/2048	4.00%	49,404,514	185,661,525	26.61%	585,322	15,218,375	2,351.05	90.43	195.92	7.54	350	2,265,550	2,701	924,753	(21,555,148)	-	46,258,045
1/1/2049	4.00%	46,258,045	186,219,960	24.84%	608,735	15,827,110	2,445.10	94.04	203.76	7.84	350	2,265,550	2,795	984,292	(9,917,125)	-	55,417,872
1/1/2050	4.00%	55,417,872	198,790,826	27.88%	633,084	16,460,194	2,542.90	97.80	211.91	8.15	350	2,265,550	2,893	1,136,882	(13,610,976)	-	61,669,522
1/1/2051	4.00%	61,669,522	208,429,737	29.59%	658,408	17,118,602	2,644.62	101.72	220.38	8.48	350	2,265,550	2,995	1,281,672	(12,293,821)	-	70,041,526
1/1/2052	4.00%	70,041,526	219,819,549	31.86%	684,744	17,803,346	2,750.40	105.78	229.20	8.82	350	2,265,550	3,100	1,461,778	(11,712,007)	-	79,860,193

REPLACEMENT RESERVE FUND

Discussion Points

- The reallocation of \$350 from the Development Fund does not require an increase of the Annual Assessment
- Buildings become part of the reserve study
- Only saving for projects that have a remaining useful life of fewer than 30 years. This currently leaves six buildings off the program, as well as any new buildings coming online (for example – the snowmaking pumphouse)
- 25%-funded scenario requires a significant homeowner assessment increase to jump-start the program
- If the 25%-funded policy is a requirement, none of the RRF scenarios work without pushing the total Annual Assessment over the 20% increase limit over multiple years

DEVELOPMENT FUND OPTION



BUILDING REPLACEMENT AS A SUBSET OF THE EXISTING DEVELOPMENT FUND

Dedicating \$350 per owner of previously proposed \$867 Annual Assessment contribution

1. \$350/year/owner – building replacement/rehabilitation component
2. \$517/year/owner – current Development Fund

TDA's current Capital Improvement Plan goes through 2027 and a placeholder of \$2M annual expenditure for enhancement projects was incorporated beyond that

DEVELOPMENT FUND

Key Highlights

- Dedicating \$350 of existing \$867 assessment to building replacement/rehabilitation projects
- Holding previously proposed Development Fund contribution flat at \$867 per homeowner
- Inflation:
 - 5% in 2024
 - 4.5% in 2025
 - 3.5% 2026 – 2030
 - 2% 2030 - 2073

	2024 - 2033	2034 - 2043	2044 - 2053	2054 - 2063	2064 - 2073
Building Replacement / Rehabilitation Projects	14,598,855	11,824,380	5,190,000	12,877,700	14,687,650
Inflation	2,885,138	5,273,946	3,164,083	15,519,668	19,053,473
Total Including Inflation	17,483,993	17,098,326	8,354,083	28,397,368	33,741,123
Average Annual Assessment Contribution per Owner	350	350	350	350	350
10-Year Total Contribution to Development Fund	22,655,500	22,655,500	22,655,500	22,655,500	22,655,500
Development Fund Balance	19,430,000	20,000,000	20,000,000	20,000,000	20,000,000
Inflation	4,028,527	7,329,668	13,192,247	20,461,164	29,321,933
Total Including Inflation	23,458,527	27,329,668	33,192,247	40,461,164	49,321,933
Average Annual Assessment Contribution per Owner	517	517	517	517	517
10-Year Total Contribution to Development Fund	33,465,410	33,465,410	33,465,410	33,465,410	33,465,410
Total Development Fund Interest Income/Fund Expenses					
Direct and Allocated Overhead	2,122,680	3,142,085	4,651,053	6,884,694	10,191,029
Interest Income 2.25%	1,699,000	6,303,000	8,583,000	13,349,000	3,988,000
Bad Debt Expense	70,000	70,000	70,000	70,000	70,000
Total Development Fund Contribution per Owner	867	867	867	867	867
Beginning Fund Balance	1,196,164	15,880,874	30,664,706	49,101,233	42,757,916
Ending Fund Balance	15,880,874	30,664,706	49,101,233	42,757,916	9,542,741

DEVELOPMENT FUND

Discussion Points

- All buildings are included in the program, which spans 50 years
- Provides transparency to owners – easy to understand and follow
- An update to the Development Fund Policy is required



NEXT STEPS

Staff is seeking direction on the following points:

- Is the Board supportive of using the insured replacement values?
- Is the Board supportive of the current Building Replacement Schedule?
- Is the Board more supportive of the Reserve Replacement Fund option or the Development Fund option?

Next Step Options

- Task the Finance Committee to review and comment. Include any Board feedback (this is part of their 2023 workplan)
- Does the Board want to consider creating an ad-hoc committee of the Board, similar to the Operating Fund Policy Ad-Hoc?
- Any additional information the Board seeks prior to making any decisions or next steps?



THANK YOU

