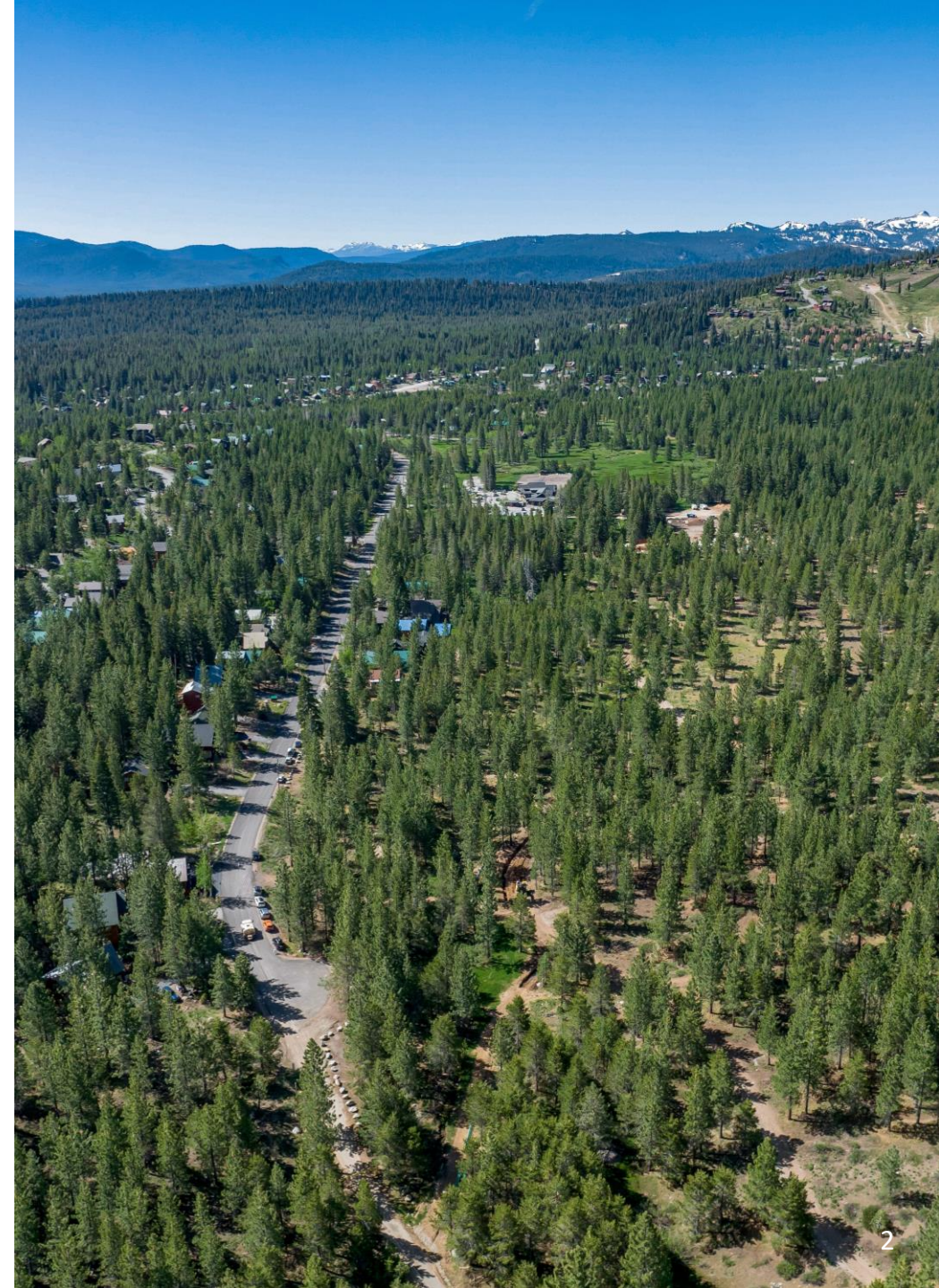


CAPITAL + FINANCIAL POLICIES UPDATE INITIATIVE

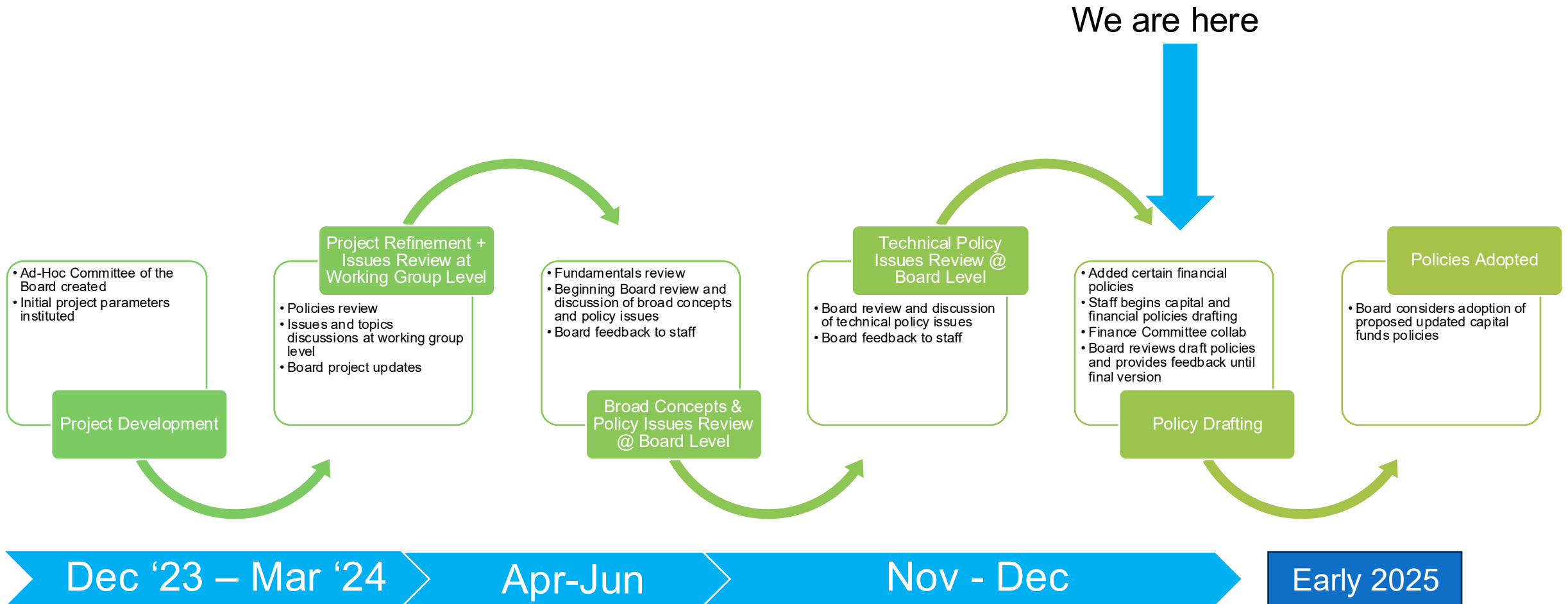
APRIL 21, 2025

MEETING OVERVIEW

- Follow-up on work completed since the 4/2/25 special board meeting
 - Capital Policies
 - Financial Glossary
- Board and Finance Committee discussion and feedback to the Working Group on proposed draft updates to Tahoe Donner's capital and financial policies, with a particular focus on the following:
 - Authorization Levels Policy
 - Budget Development Policy
 - Capital Asset Policy



POLICIES UPDATE – PATH TO POLICY



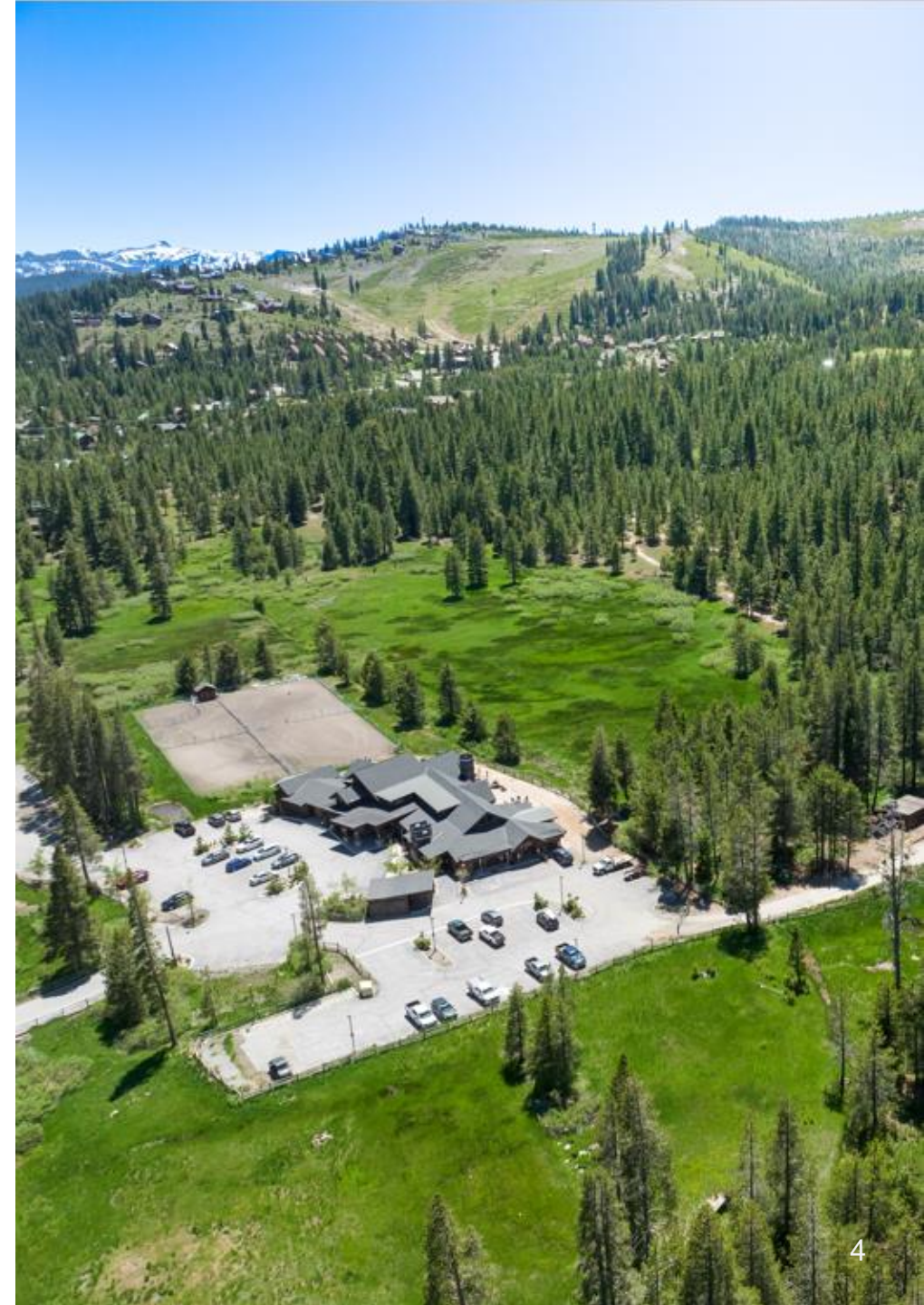
DISCUSSION

DISCUSSION FOCUS

- Follow-up from previous discussion
 - Updated schematics and updated terminology
 - New Projects Fund and associated New Projects Plan
- Working draft policies:
 - Authorization Levels Policy
 - Budget Development Policy
 - Capital Asset Policy – Initial Questions
 - What are the pros and cons of increasing the minimum value for Capital Assets from \$2000 to \$5000?
 - If the minimum value increased to \$5000, how would that affect the Operating Fund, both now and in the future?
 - Can we and should we eliminate or reduce the scope of the detailed guidance pertaining to Capital Asset Account Categories?

GENERAL QUESTIONS

- Are there any points of confusion about the drafts that require discussion or clarification?
- Do we need to add any terms to the glossary?
- Does the board have any specific questions or concerns that should be addressed at subsequent meetings?
- What other feedback does the Board and Finance Committee wish to provide to the Working Group?



NEXT STEPS

- Regular Board Meeting April 25, 2025:
 - Discussion and feedback focusing on the Operating Fund Policy
 - Updated Operating Fund principles
 - Revenue and Expense Analysis
 - Operating Fund Contingency Reserve
 - Follow-up discussions from previous meetings
 - Plans to complete drafting and move to final approval in May

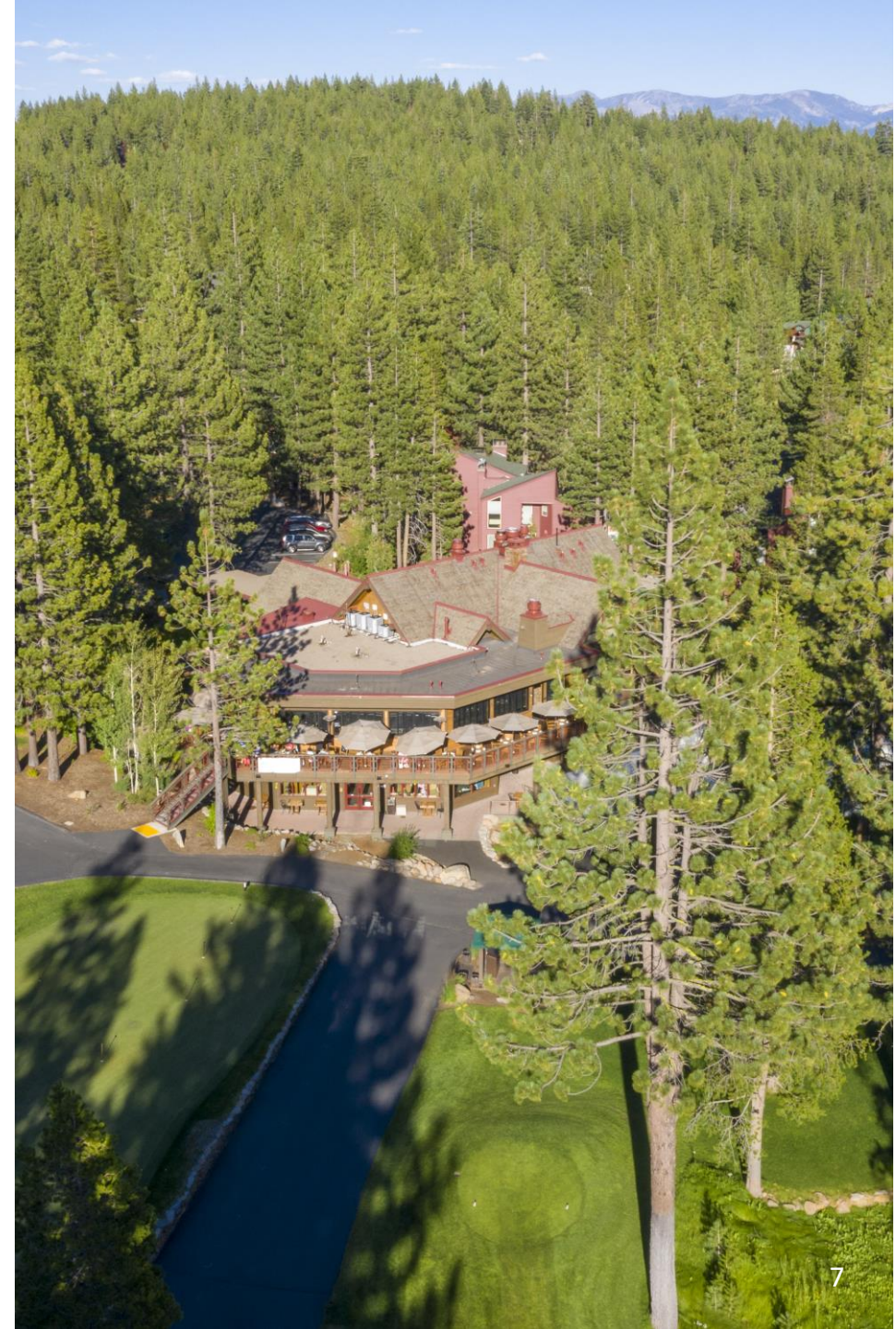


PROJECT BACKGROUND MATERIALS

PROJECT OUTCOMES

Updates since the 2/28/25 board meeting.

- 2024 and 2025 Annual Strategic Objective implemented
- The Capital Funds Policies and associated Funding Plans and/or Projections are updated
- An implementation plan is provided if there are changes to the funding plan and assessment projections
- Organizational alignment on long-range financial planning and policy implementation
- Policy adoption in time for the 2025 budget process (August – October 2024). *The policy adoption timeline was amended in 2024 due to capacity constraints. Targeting the first half of 2025.*
- ***New: Include other Capital and Financial Policy updates identified in the Multi-Year Policy Review and Update Schedule as part of the initiative.***



PROJECT OBJECTIVES

- Clarify and communicate the Association's legal obligation for planning, saving, and the expenditure of capital improvement reserve funds
- Align and integrate the 2023 Community Association Institute (CAI) Reserve Study Standards with policies
- Create an effective facility replacement policy and funding plan within existing reserve funds or an alternative
- Develop a sustainable and more normalized capital funding plan
- Define a transition plan to grow into savings that creates a more normalized Annual Assessment
- Define all terminology and update policies to reflect adopted procedures and processes

