



STAFF REPORT: Initial Draft 2027 Operating Fund Budget and Board Guidance

BOARD ACTION:

By Discussion: Review the initial Draft 2027 Operating Fund Budget and proposed 2027 Amenity Access Rule Operating Plan; provide direction regarding key operating and revenue assumptions, public amenity cost recovery and Annual Assessment support, Snowplay member access and pricing, the workers' compensation group captive strategy, and the Draft 2027 Amenity Access Operating Plan; and identify any additional information or areas for refinement for future board review.

EXECUTIVE SUMMARY:

In June 2025, the Board of Directors adopted updated Capital and Financial Policies establishing the financial principles and parameters intended to guide Tahoe Donner's long-term financial planning and annual budget development. The 2026 Annual Budget marked the first year of implementation, and development of the 2027 Annual Budget continues and advances that work.

Of relevance to the initial Draft 2027 Operating Fund Budget is the Operating Fund Policy (see Exhibit C), which establishes principles for balancing member value and high-quality services with responsible revenue generation, competitive employee compensation, financial risk management, and appropriate Annual Assessment funding. These principles, together with the Board accepted 2027 Strategic Budget Drivers (see Exhibit D), provide the framework for developing and reviewing the initial Draft 2027 Operating Fund Budget.

The 2027 Strategic Budget Drivers are organized around four focus areas:

- Capital and Financial Policies Implementation
- Financial Performance Stability and Risk Management
- Employer Reputation and Competitiveness
- Member Value and Benefits

Among the Priority 1 Tier drivers applicable to the Operating Fund are:

- Conservative revenue forecasting reflective of weather volatility, economic uncertainty, and historical performance
- Maximizing external funding opportunities
- Maintaining the existing employer and employee health benefits contribution percentages
- Improving workforce stability and continuity
- Providing member value through the Annual Assessment
- Continued programmatic and operational refinement to improve financial performance and member experience

Following acceptance of the Strategic Budget Drivers, staff prepared the initial Draft 2027 Operating Fund Budget with substantial input from the Finance Committee Budget Working Group



and the Association's management team. The full Finance Committee also reviewed the initial draft on August 20, 2026. The first draft is intended to establish the overall financial outlook, identify significant operating-plan changes and resource requests, and obtain Board direction on matters that may materially affect further budget development.

The central financial challenge in developing the 2027 Operating Fund Budget is the growing difference between the cost of providing Tahoe Donner's existing services and the revenues available to support them. Many principal operating costs, including labor, utilities, and insurance, are increasing at rates that differ from general consumer inflation, while user-generated revenues are influenced by weather, participation, pricing decisions, and other external factors. Prior Board decisions to enhance member value have intentionally reduced Private Amenity user generated revenue, including through elimination of the Recreation Fee and Member Daily Access Fees, reservation period during the July 4th holiday, and establishment of peak period blackout dates for Short-Term Rental tenants. The initial Draft 2027 Budget therefore seeks to balance realistic revenue expectations, continued operating efficiencies, appropriate pricing and cost recovery, and Annual Assessment support while maintaining established service levels and member value.

DISCUSSION/ANALYSIS:

1. 2027 Economic and Operating Environment

Revenue Forecasting and Weather Volatility

The Operating Fund Policy places greater emphasis on managing revenue related financial risk, particularly for amenities that rely on visitation-based revenue. Consistent with this policy, the 2027 Strategic Budget Drivers direct staff to prepare realistic revenue forecasts that consider weather volatility, economic uncertainty, historical performance, and year-end operating results.

Weather remains one of the most significant variables affecting Tahoe Donner's operating performance. Seasonal conditions can materially influence visitation, operating days, and revenue, while many associated operating costs remain fixed or cannot be reduced at the same rate when revenues decline. Current year's experience has further demonstrated the financial impact weather variability can have on individual operations and the consolidated Operating Fund.

Accordingly, the initial Draft 2027 Budget places greater emphasis on multi-year historical performance, recent operating results, known pricing or capacity changes, and the degree to which individual operations are exposed to weather and other external factors. Where uncertainty is greater, staff has applied more realistic assumptions to reduce the risk of relying on revenues that may not materialize. This approach is intended to establish sustainable revenue expectations, and not to understate operating potential.

Cost Pressures and CPI

The Consumer Price Index (CPI) remains an important economic indicator and one of several data points used during budget development. However, CPI measures changes in prices consumers pay for a representative group of household goods and services. Tahoe Donner's cost structure differs materially.



Tahoe Donner operates a diverse recreation and service portfolio that includes downhill and cross-country skiing with snowmaking, golf, equestrian, campground, food and beverage, recreation facilities and programming, forestry and trails, facilities maintenance, vehicle and equipment fleets, and HOA administration. Labor, utilities, insurance, commercial services, equipment, maintenance materials, and regulatory requirements therefore disproportionately affect operating costs.

Current economic data illustrates this distinction. The U.S. Bureau of Labor Statistics reports that the West Region CPI increased 3.2% for the 12 months ending June 2026, while the energy index increased 15.7% over the same period. In the San Francisco-Oakland-Hayward area, overall CPI increased 3.8%, while energy prices increased 12.9%. A uniform CPI-based escalation does therefore not adequately reflect Tahoe Donner's underlying cost structure or the budgeting principles established by the Operating Fund Policy. Instead, budget assumptions are based on the underlying cost drivers for each expense category.

Utilities

Utilities costs illustrate why broader CPI does not necessarily reflect Tahoe Donner's operating environment. The Truckee Donner Public Utility District (TDPUD) has adopted average annual rate increases of 5% for electric and 6.5% for water for 2026 and 2027, with actual changes varying by customer classification and individual rate component. For example, published Large Commercial electric rates increased from \$0.1684/kWh in 2025 to \$0.1751/kWh in 2026, while the demand charge increased from \$18.07/kW to \$18.79/kW. Natural gas costs are similarly affected by rate proceedings, commodity costs, and regional rate structures.

Tahoe Donner's actual utility impact depends on consumption, demand, rate classification, weather, and power cost adjustments. Given the Association's mountain location and diverse operations, utility consumption and demand do not track general inflation and are not directly comparable with lower-elevation commercial operations.

Labor and Workforce Costs

Payroll and related benefits represent approximately 67% of Tahoe Donner's Operating Fund expenses. Labor costs are influenced by statutory wage requirements, the regional labor market, competition for employees, seasonal workforce requirements, employee benefits, specialized-position recruitment, and organizational decisions, not solely by general inflation.

California's minimum wage increased from \$16.00 in 2024 to \$16.50 in 2025 and \$16.90 in 2026, and is scheduled to increase to \$17.40 in 2027, representing an increase of approximately 9.1% over three years. The increase also raised the minimum salary threshold for exempt employees by \$5,824, demonstrating that changes to the wage floor can affect compensation structures beyond minimum wage positions.

Tahoe Donner competes across multiple labor markets, including recreation and hospitality, skilled maintenance and equipment operations, forestry, food service, administration, information technology, and finance. For budget purposes, staff therefore evaluates wages by position and

relevant labor market, along with statutory changes, recruitment experience, turnover, benefits, and internal compensation relationships.

The table below provides context for how much payroll growth reflects compensation pressure, staffing changes, benefit costs, and operational decisions.

Workforce Measure	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Budget	2027 Draft Budget
Total Payroll	\$15.2M	\$15.5M	\$16.6M	\$18.9M	\$19.6M	\$21.4M
Total SEAS hours	234,310	226,989	232,819	217,494	215,114	217,865
CA Minimum Wage Increase	\$15.00	\$15.50	\$16.00	\$16.50	\$16.90	\$17.40
2027 Proposed New/Incremental Positions*	—	—	—	—	—	4*

* See page 5 and 6

Insurance and Risk Environment

Insurance represents another area where Tahoe Donner’s operating costs can differ substantially from broader economic measures. The commercial property insurance market has recently shown signs of improvement. Nationally, Marsh reported that U.S. commercial property rates declined approximately 10% on average during the first quarter of 2026, reflecting increased market capacity and competition. However, individual results continue to vary significantly based on catastrophe exposure, loss history, property characteristics, and insurers’ assessment of risk management.

Tahoe Donner’s broker, InterWest Insurance Services, and the California Department of Insurance have similarly reported improving commercial property capacity, including expansion of coverage in some wildfire prone areas under California’s Sustainable Insurance Strategy. At the same time, wildfire exposure, catastrophe modeling, reinsurance costs, and individual risk characteristics remain important California underwriting factors.

Tahoe Donner’s diverse risk profile, spanning HOA administration, recreation and ski operations, equestrian, forestry, food and beverage, facilities, and vehicle and equipment operations, requires a broad insurance program that includes property, general liability, directors and officers, employment practices, cyber, automobile, pollution, umbrella/excess, and workers’ compensation coverage. Market conditions vary materially by coverage. While commercial property rates declined nationally in the first quarter of 2026, Marsh reported average U.S. casualty increases of approximately 9%, 12% excluding workers’ compensation, and 18% for umbrella/excess liability.

California’s recent insurance results further illustrate the challenging catastrophe environment. The California Department of Insurance reported that the statewide fire insurance loss ratio increased from 28.79% in 2024 to 138.20% in 2025. While statewide results do not directly predict Tahoe



Donner's premiums, they demonstrate the broader loss environment in which California property risks are being evaluated and underwritten.

Tahoe Donner's property and casualty policies expire September 30. Because final renewal terms will not be available until later in the budget process, the initial Draft 2027 Operating Fund Budget currently assumes a 16.7% increase for property and casualty insurance and a 10% increase for workers' compensation. These assumptions will be updated as actual renewal information becomes available and as the board provides guidance on the Workers' Compensation insurance group captive strategy.

Coverage	Market Context	Draft 2027 Assumption
Property + Casualty	Mixed market; Tahoe Donner specific underwriting	16.7% increase*
Workers Compensation	Statewide cost pressure; group captive under evaluation	10% increase*

**Pending final September renewal information and, for workers' compensation, Board direction regarding the group captive strategy.*

2. Proposed 2027 Operating Fund Budget – Significant Changes

Overall Approach

The Draft 2027 Operating Fund Budget reflects a proposed operating plan designed to maintain core service levels and member experiences while responding to the financial and operating conditions described above. Consistent with the Operating Fund Policy and 2027 Strategic Budget Drivers, staff and the Finance Committee evaluated departmental operations, staffing, programs, service levels, pricing, revenue opportunities, and operating efficiencies.

Except for the significant changes identified below, the Draft 2027 Budget generally maintains existing service levels and operating models. Proposed changes target demonstrated operating needs and opportunities, considering historical and forecast performance, participation and utilization, workforce stability, member experience, financial performance, and strategic alignment.

Service Levels and Programs

The Draft 2027 Operating Plan generally maintains the core services and amenity operating models provided in 2026.

Staffing Changes / Position Requests

Staffing changes are separated into position/classification refinements, strategic position requests, and budget corrections or annualizations so the Board can distinguish changes in organizational capacity from changes required by evolving duties, employee-status requirements or prior-year budget omissions.

Category/Position	Reason/Operational Need	Service/Operating Impact	Net Impact
Employee Categorization Change: Several positions moving from Hourly to Salary	Staffing stability of stronger performers to benefit business continuity and support increased roles and responsibilities.	Improves staffing continuity and accountability; reduces reliance on hourly staffing.	\$220k
Position Refinement: Aligning roles to market expectations and organizational requirements of a full staffing structure.	Existing roles have expanded in responsibility, and comparable market expectations have evolved accordingly.	Strengthens continuity and supervisory capacity; reduces seasonal-hourly reliance.	\$200k
Strategic Position Requests: 1) Director of Enterprise Digital Transformation 2) SR Planner/Project Manager	Director position to lead TDA digital transformation. (Approved mid-year 2026) SPM position strengthens management continuity and expands team capacity.	Supports digital initiatives and improves coordination, oversight, and execution of capital and strategic projects.	\$310k

Pricing, Member Value and Cost Recovery

The Draft 2027 Budget reflects an intentional effort to balance member value with increasing operating costs. For the initial draft, staff generally held proposed member rates and fees to increases of approximately 0% to 2%¹, with many fees remaining unchanged from 2026. These proposed increases are below the growth rate of several of Tahoe Donner's underlying operating costs, including labor, utilities, insurance, and other commercial operating expenses.

Maintaining relatively stable member pricing provides a direct member benefit and is consistent with the Operating Fund Policy's emphasis on encouraging member use, enjoyment, and value. However, when user fees do not increase at a rate sufficient to offset growth in the cost of providing services, the resulting difference must generally be absorbed through operating efficiencies, other revenue sources, reduced service levels, or increased Annual Assessment support.

Staff is seeking board feedback:

Does the Board support the initial budget approach of generally maintaining member rates and fees near current levels, recognizing that doing so may increase Annual Assessment support, or should staff evaluate reasonable fee increases to offset a greater portion of rising operating costs in the next budget draft?

¹ With the exception of the proposed Amenity Access Rule Operating Plan, proposed administration fee changes.

Operating Efficiencies

The Draft 2027 Budget also reflects continued management efforts to offset external cost growth and improve financial performance. The broadest focus has been on seasonal operations labor efficiencies. These actions are important context for evaluating the year-over-year change in the Operating Fund and should be presented alongside unavoidable cost pressures.

Significant Departmental Changes / Items Maintained or Intentionally Unchanged

Significant Departmental Changes

The Draft 2027 Budget generally maintains existing operations and service levels, while incorporating targeted improvements based on operational experience, member feedback, and financial performance.

- **Marina Shuttle Service:** Increased service to improve traffic flow and reduce transit times.
- **Tahoe Donner News + Lifestyle:** Year two of the plan to reduce annual issues from 12 to 10 over 2026–2027, improving efficiency without materially affecting revenue or required HOA communications.

Intentionally Remaining Unchanged

Key programs, operating schedules, and service commitments remain consistent with current operations:

- **Amenity Access Rule Implementation:** Year-three staffing and operating resources maintained to support implementation.
- **The Lodge and Pizza on the Hill:** Seven-day operations maintained during winter holidays and peak summer periods.
- **ACAC and Edibol:** 2026 menu improvements maintained, building on positive member feedback and increased visitation.
- **Member Community Building Events and Programs:** Music series, stewardship events, children's enrichment programs, and other community programming maintained.
- **Land Management:** Long-range plan activities, community fire defensible space programs, and trails maintenance maintained, including popular volunteer stewardship days.
- **Workforce Housing:** Rental expense maintained while active work continues under the Board-approved Workforce Housing Strategy.

3. Amenity Access Operating Plan and Associated Fees

The Amenity Access rule requires that an Operating Plan be developed annually and presented to the Board of Directors. The annual Amenity Access Operating Plan is to include:

1. Annual private amenity access restrictions plan by user category
2. The fee schedule for amenity access and administrative fees associated with the rule
3. The list of acceptable documents validating familial relationships

The initial draft of the annual Amenity Access Operating Plan is available as Exhibit B. This draft includes the following recommendations:

- 11% increases to rule processing fees related to STR Card and Owner Relinquish processes to offset the cost of the time staff spends relative to these processes
- A 6% increase to the additional card (cards 5-10) fee to help offset increased operating costs
- A new processing fee for Professional Child Care Provider registration
- No increase to the Guest and STR daily access fees
- Continued holiday period blackouts for STR Tenant access to Private Amenities
- An expanded reservation period for the Beach Club Marina and Trout Creek Recreation Pool around the July 4th holiday

Staff seeks Board direction regarding whether to:

1. Move forward with the recommended Amenity Access Fee adjustments;
2. Consider another fee recommendation related to the Amenity Access Operating Plan fee recommendations. As an example, Guest Daily Access fees for the Private Amenities are currently \$15 per adult per day. This fee has remained flat since 2023, with the Unaccompanied Guest Daily Access fee reducing from \$20 per adult to \$15 per adult in 2025. A \$2 increase to these fees could offset Private Amenity operating costs by \$45,000, or nearly \$13/property. Including a \$2 per adult increase to the STR Tenant Daily Access fee would offset costs by an additional \$12,000 or \$1.85 per property.

Amenity Access Rule Implementation Plan

The Amenity Access Rule requires staff and the Board follow a phased approach to implement the rule as outlined in the Amenity Access Rule Implementation Plan (Exhibit B). 2027 will be the third and final year of the Implementation Plan. During the 2026 budget development process the Board approved the majority of the Implementation Plan requirements. There are two significant items remaining in the Implementation plan:

1. The familial relationship validation of every Member ID Cardholder on every property must occur by December 31, 2027. While the association continues to pace ahead of schedule in this effort, staff anticipates many Owners will wait until the last possible moment to complete this requirement. As the Implementation Plan outlines, validation must be completed by December 31, 2027. If validation is not completed by this time, all

Member Photo ID Cards on the individual property will be deactivated until the validation occurs.

2. Any child on the property 3 years old or older will be required to have a valid Member Photo ID Card to receive the member benefits associated with that card. This will mark the end of the “Onestore Child” designation, which has allowed those benefits to extend to children ages 3-6 without a Member Photo ID Card during the phased implementation period.

Staff is not seeking Board direction related to the Amenity Access Rule Implementation Plan.

4. Key Policy and Strategic Considerations

Workers Compensation Group Captive

Workers’ compensation insurance represents both a current cost pressure and an opportunity to change how Tahoe Donner finances risk. Effective September 1, 2026, the California Insurance Commissioner adopted an average workers’ compensation advisory pure premium rate of \$1.65 per \$100 of payroll, up 6.6% from the approved September 2025 rate. These advisory rates are not the actual rates individual insurers charge, but they indicate increasing underlying cost pressure statewide.

Tahoe Donner’s workers’ compensation exposure is unusually diverse, ranging from offices and restaurants to ski operations, aquatics, golf, maintenance, forestry and snow removal. The Association’s investment in workplace safety and favorable claims performance therefore has meaningful financial value.

Staff, in consultation with the Finance Committee, has been evaluating participation in a workers’ compensation group captive as an alternative to remaining entirely dependent on the traditional insurance market. A separate staff report (Exhibit F) provides the program details and recommends that Tahoe Donner continue pursuing the identified group captive as an option for this year’s renewal.

Participation requires a financial commitment and assumption of greater risk, most notably collateral that functions as a deposit within the program. The current thinking is to fund the collateral using a portion of the Employee Retention Tax Credit proceeds held in the Operating Fund surplus. This would require a specific board consideration and action per the Operating Fund Policy.

The strategic question is therefore broader than whether the captive produces a lower premium in 2027: should Tahoe Donner deploy available funding and participate more directly in its own risk to gain greater long-term control over a material operating cost?

Staff seeks Board direction regarding whether to:

1. Continue due diligence and negotiations regarding participation in the RST Group Captive as an option for Tahoe Donner Association's workers' compensation insurance program, with final terms and a staff recommendation presented as part of the workers' compensation insurance renewal for Board consideration at a September 2026 meeting; and
2. Incorporate the anticipated collateral requirements into the 2026 Operating Fund Forecast and 2027 financial planning scenario, with final participation subject to completion of due diligence and final program terms remaining materially consistent with the financial and risk parameters presented in this report.

Public Amenity Cost Recovery and Annual Assessment Support

The Operating Fund is supported through a combination of user-generated revenues and the Annual Assessment. Tahoe Donner's governing documents allow Board approved access by guests, tenants, the public, and invitees so long as such access does not come to the detriment of member use and enjoyment. The Amenity Access Rule identifies the Private Amenities; other amenities operate under the Association's public amenity model.

The Operating Fund Policy recognizes this user mix and directs facilities and programs to be operated and priced to encourage member use, enjoyment, benefits, and value, with members receiving the best pricing relative to public users. Financial performance is therefore one consideration in evaluating an amenity, but it is not the sole measure of value.

As the 2027 Budget is refined, staff recommends reopening discussion to consider the relationship among member benefit and experience, member participation, public participation, market pricing, user-generated revenue, service level, strategic/community value, and Annual Assessment support.

Staff will also continue evaluating whether public-user pricing appropriately reflects market conditions and the cost of providing services while maintaining differentiated and favorable pricing for members

This discussion can occur at two levels.

- At the portfolio level, the Board can consider the overall financial contribution or Annual Assessment support associated with Tahoe Donner's public amenities collectively.
- At the individual-amenity level, the Board can identify operations where substantial public utilization, low member participation, or significant Annual Assessment support warrants closer review of pricing, cost recovery, service level, or operating model. Strong financial performance in certain public amenities may offset losses elsewhere; the individual-unit analysis therefore provides information without assuming that every public amenity must independently produce a positive Net Operating Result.

Case Study: Equestrian Center

The Equestrian Center provides an immediate example of this broader policy consideration. The 2026 budget planned to maintain existing service levels and experiment with programming that would attract broader membership interest. The Draft 2027 Budget maintains this operating model.

Equestrian Measure	2026 Budget / Forecast	2027 Draft
Member/Guest participation	57%	57%
Public participation	43%	43%
Operating revenue	\$136,902 / \$156,982	\$144,521
Net Operating Result	(\$210,159 / (\$201,582)	(\$207,713)
Annual Assessment support per property	\$32.47 / \$31.14	\$32.09

See attached Equestrian detailed stats Exhibit G.

The policy question is not whether Equestrian must independently generate a positive NOR. Rather, its financial and participation profile provides an opportunity to consider whether the current relationship among member benefit and experience, public use, and assessment subsidy remains appropriate.

Board guidance on this broader principle can also inform future evaluation of other public amenities exhibiting similar financial or participation characteristics.

Staff is seeking Board guidance based on the following recommendations:

1. As staff refines the 2027 Budget, does the Board support evaluating opportunities to improve public amenity cost recovery through **service level adjustments**, particularly where public utilization is substantial, or Annual Assessment support is significant?

Amenity Access Rule Change Impact on Snowplay - Member Access and Pricing

Following the elimination of the Recreation Fee and Member Daily Access Fees in 2026, management initially planned a reduced member fee for Snowplay because Snowplay is a public rather than Private Amenity. A member fee also provided a mechanism to reduce no-show reservations during sessions available to the public.

The change was unexpected by members who had historically received Snowplay access through payment of the Recreation Fee. Management subsequently modified the 2025/26 winter operating plan to provide reduced-cost member access during regular sessions and a complimentary evening session for Member ID Cardholders on Fridays and Saturdays. This approach preserved a meaningful member benefit while addressing reservation utilization and allowing the Board to consider the longer-term methodology through the 2027 budget process.

The Draft 2027 Budget assumes continuation of the modified 2025/26 operating plan. Specifically, continue the current operating plan with a reduced Member Daily Access fee for sessions 1-4 and provide a complimentary evening session on Fridays and Saturdays for Member ID Cardholders.



Staff seeks Board support to continue the modified 2025/26 operating plan for 2027.

5. Initial Draft 2027 Operating Fund Budget

The initial consolidated budget should be evaluated in the context of both external cost pressure and management decisions affecting revenue, staffing, service levels, and member value.

Consolidated Operating Fund	2026 Budget	2026 Forecast	Initial 2027 Draft	2026 vs. 2027
Operating revenue	\$18,186,256	\$17,898,925	\$17,434,140	-\$752,116 / -4%
Operating expenses	(\$29,997,358)	(\$29,855,612)	(\$32,263,715)	-\$2,266,356 / -8%
Capital allocation	\$ 1,338,105	\$ 1,138,816	\$ 1,842,703	\$504,599 / +38%
Net Operating Results before Annual Assessment	(\$10,472,998)	(\$10,817,870)	(\$12,986,871)	-\$2,513,873 / -24%
Operating Fund Portion of Annual Assessment Requirement	\$10,472,998	\$10,817,870	\$12,986,871	\$2,513,873 / 24%
Operating Fund Portion of Assessment per property	\$1,618/property	\$1,671/property	\$2,006/property	\$388 / 24%

6. Board Feedback Requested

Below is a summary of items staff is seeking Board feedback on in order to continue budget development activities:

- A. Overall Operating Plan and Budget Assumptions - Does the Board support the overall approach to conservative revenue forecasting, generally maintaining existing service levels, the proposed staffing/position changes, and the underlying expense assumptions?
- B. Pricing, Member Value and Cost Recovery - Does the Board support the initial budget approach of generally maintaining member rates and fees near current levels, recognizing that doing so may increase Annual Assessment support, or should staff evaluate reasonable fee increases to offset a greater portion of rising operating costs in the next budget draft?
- C. Draft Amenity Access Operating Plan - Does the Board support the proposed fee adjustments and other significant recommendations for incorporation into the next draft?
- D. Workers' Compensation Group Captive - Should staff continue advancing the captive and incorporate anticipated collateral requirements into an Operating Fund scenario for further consideration and staff recommendation presented as part of the workers' compensation renewal in September?

- E. Public Amenity Cost Recovery - Does the Board support evaluating opportunities to improve public amenity cost recovery through service level adjustments, particularly where public utilization is substantial, or Annual Assessment support is significant?
- F. Snowplay Member Access – Does the Board support continuing the modified 2025/26 operating plan for 2027?
- G. Additional Information - What additional financial, departmental, service level, or other information does the Board want incorporated into the next budget draft?

7. Next Steps

After the work session, staff will incorporate Board direction into the next Draft 2027 Operating Fund Budget and continue refining it with management and the Finance Committee. Property and casualty and workers' compensation renewal information is expected in September and will be incorporated when available. Subsequent budget meetings will include further review of the Operating Fund and Capital Fund budgets, followed by the consolidated 2027 Annual Budget and proposed Annual Assessment for Board consideration.

OUTREACH:

Consistent with prior years, TDA staff has implemented the following communication plan:

- Created a web page dedicated to the budget process that outlines background and drivers, includes all meeting details and documents as they become available, as well as a feedback form and details on how to participate
- TD News: Budget timeline and webpage promotion in September and October issues
- Dedicated email to the members about the budget workshop 3 days prior to each meeting, as well as included in the weekly email (Tuesdays)

FISCAL IMPACT:

There is no direct fiscal impact associated with the Board's discussion at this work session. Board direction may affect revenue assumptions, operating expenses, user fees, and the Operating Annual Assessment incorporated into subsequent drafts of the 2027 Annual Budget. Exhibit A summarizes the initial financial impacts, which will be refined throughout the budget process.

ATTACHMENTS:

Exhibit A: Initial Draft 2027 Operating Fund Budget

Exhibit B: Draft 2027 Amenity Access Operating Plan and Fees



Exhibit C: Administrative Resolution 2025-11: Operating Fund Policy

Exhibit D: 2027 Strategic Budget Drivers Staff Report-approved June 26, 2026

Exhibit E: Administrative Resolution 2025-7: Annual Budget Development Process Policy

Exhibit F: Workers' Compensation Group Captive Staff Report

Exhibit G: Equestrian Detailed Stats

Prepared By: Justin Malley, Director of Finance and Accounting, and Annie Rosenfeld, General Manager

Board of Directors Meeting: August 28, 2026