

MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
March 22, 2014
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at Northwoods Clubhouse Meeting Room at 11509 Northwoods Blvd., Truckee, California on Saturday, March 22, 2014. President Tom Johns called the meeting to order at 9:00 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors present: Tom Johns, President
Jim Stang, Vice President
Steve Miller, Treasurer
Dick Gander, Secretary

Via teleconference: Courtney Murrell, Director (Joined the meeting at 10:10 a.m. and left the meeting at 11:50 a.m.)

Staff present: Robb Etnyre, General Manager
Mike Salmon, Director of Finance and Accounting
Annie Rosenfeld, Director of Facilities & Risk Management
Miguel Sloane, Director of Operations
Bonnie Watkins, Recording Secretary & Executive Assistant

A. ACTION: APPROVAL OF MINUTES

The Board received the preliminary minutes of the following minutes for consideration:

- February 13, 2014, Special Meeting Minutes
- February 22, 2014, Regular Meeting Minutes
- February 27, 2014, Special Meeting Minutes
- March 10, 2014, Special Meeting Minutes

Director Miller made a motion and Director Stang seconded to approve the meeting minutes as presented. Motion passed 4-0 (Director Murrell Absent)

B. COMMITTEE MANAGEMENT

Architectural Standards – The Board was provided with the committee’s February 19, 2014 meeting minutes for review.

Covenants – The Board was provided with the Committee’s February 13, and March 13, 2014 meeting minutes for review.

Election – The Board was provided with the committee’s March 12, 2014 report for review. Election Committee Chair Nan Carnal stated that the election process is on schedule and Candidate’s Packages will be available in Member Services April 1st.

Finance – The Board was provided with the committee’s March 13, 2014 meeting minutes for review. Finance Committee Chair Jeff Bonzon reported that the committee now has a “Policies Sub-Committee” Chaired by John Dundas that is in the process of reviewing the following policies: 95-14 Records Maintenance Retention, 97-8 Tahoe Donner Income Tax Exempt Status, and 98-7 Investments in Association’s Amenities. He noted this is part of a new process of reviewing Association policies over 5 years old.

Executive Session Report - Director Gander reported that the Board met in executive session on February 22, and March 7. During those meetings the Board discussed legal, fiscal, and personnel matters. Specifically, at the February 22 meeting the board discussed and approved short and long term fiscal year cost recovery initiatives. These initiatives include full-time regular employee furloughs, expense reduction and additional expense approval procedures, 22% forestry budget reduction (not to impact key defensible space initiatives), full-time regular employee hiring freeze, limited overtime without preauthorization, limited staff reorganization, golf course water utilization reduction, and modest service level adjustments at underutilized activities. These specific cost reduction initiatives are expected to save nearly \$750,000 over the course of the year in order to help address our current budget shortfall. Additional cost reduction and service level modification measures may be warranted during the fiscal year as continuously reviewed by management and authorized by the Board of Directors.

General Plan (GPC) – The Board was provided with a copy of the committee’s March 10, 2014 report for review. Co-Chair John Stubbs provided the following highlights from the report:

- The committee reviewed GPC recommended updates to 2030 General Plan, which has been provided to the Board.
- Reviewed draft version 16: Development Fund – Capital Funds Projection, 2011-2016.
- The committee approved recommendations from the Trails and Open Space sub-group in regard to the 5-Year Trails Project Management draft.
- Discussion on forming a GPC Environmental Stewardship sub-group was postponed, as they await a draft proposal from Michael Bledsoe.

C. ACTION: PRESENTATION & CONSIDERATION AUDITORS REPORT – FISCAL YEAR 2013

Matthew Krehe of Gilbert Associates, Inc. provided the Board with a report on their “Independent Auditor’s Report” regarding the statement of financial position of Tahoe Donner Association as of December 31, 2013. A copy of the “Independent Auditor’s Report” is attached to these minutes as exhibit “A”. Highlights of Mr. Krehe’s report are as follows:

- As a part of the audit process this year, the auditors met with the Finance Committee and presented the results of the financial audit in detail.
- Management and Staff were prepared, available and cooperative, which was beneficial in performing the audit.
- It was noted that the year-end close was solid and that their field work was efficient, due to the fact that Tahoe Donner’s books are in order.
- It was not necessary to issue a management letter citing control deficiencies.

Following the presentation Director Stang made a motion and Director Gander seconded to accept the 2013 audit as presented. Motion passed 4-0 (Director Murrell Absent)

D. ACTION: CONSENT CALENDAR

The Board was provided with the following items for consideration:

- Marina Dock Replacement
- NW Pool Daily Access Rate
- Social Media Policy
- Personal Leave Policy

Following discussion, Director Gander made a motion and Director Miller seconded to approve the Consent Calendar as presented. Motion passed 4-0 (Director Murrell Absent)

E. ACTION: COVENANTS COMMITTEE RULE REVISION

The Board was provided with a proposed new Covenants Rule allowing the Board to implement a temporary burn ban on wood fires for consideration.

Covenants Committee Chair Al Noyes explained that, due to the lack of precipitation this winter and the projected drought conditions throughout the summer and fall the committee is concerned about the increased fire danger. He noted that there is currently nothing in the Governing Documents or Covenants Rules allowing the Board to impose a temporary burn ban. The proposed new rule will enable the Board to implement a temporary burn ban of all outdoor wood fires, regardless of whether it is in a commercially manufactured fire burning apparatus.

He said the committee is requesting that the ban language be applicable to all Tahoe Donner properties and amenities, including the Campground. It was noted that the ban would not include charcoal or propane fires.

Following discussion, Director Stang made a motion and Director Johns seconded to approve publishing for 45-day member comment the following:

Temporary Fire Ban - The Board of Directors may consider and approve the establishment of a temporary burn ban of all outdoor wood fires, including those in a commercially manufactured fire burning device for all private properties, common area, and amenities. Motion passed: 4-0 (Murrell Absent)

F. DIRECTOR OF FINANCE AND ACCOUNTING REPORT

Director of Finance and Accounting, Mike Salmon, provided the Board with a presentation on the Association's unaudited preliminary February 2014 financial report, a complete set of which are attached to these minutes as Exhibit "B".

Following discussion: Director Miller made a motion and Director Stang seconded to approve the February 2014 unaudited preliminary financials as presented. Motion passed: 4-0 (Director Murrell Absent)

G. MEMBER'S REQUEST TO WAIVE LATE FEES

This item was moved to Executive Session.

H. POTENTIAL TRUCKEE SALES TAX

A brief discussion took place regarding Measure R, the proposed ¼ cent, 10-year sales tax increase to fund construction and maintenance of trails.

Following discussion, Director Johns made a motion and Director Miller seconded to approve support for the Truckee Town Council's request that Nevada County place a 1/4 cent sales tax measure on the June 3, 2014 ballot to fund the construction and maintenance of trails within the Town. Motion passed 4-0 (Director Murrell Absent)

By consensus, the Board directed Staff to send a letter to the Truckee Town Council regarding their support for the placement of the special municipal election with the statewide primary election on Tuesday, June 3, 2014 for the purpose of submitting to the voters the question of whether a sales tax should be enacted to raise funds for trail construction and maintenance. Further, the Board directed Staff to write a letter to the Editor of the Sierra Sun regarding their support of Measure R.

Break
10:02 a.m.

The meeting reconvened to open session at 10:10 a.m.

I. 2014 GOLF RATES

Director Murrell joined the meeting at 10:10 a.m.

General Manager Robb Etnyre announced that Rob Weizer has been hired as the Association's new Head Golf Professional. Mr. Weizer comes from the Roseville-Auburn area having worked for Empire Golf for the last few years and prior to that, he served as General Manager for Haggin Oaks in Sacramento.

Director of Finance and Accounting Mike Salmon stated that, before getting into a review of the proposed Golf Rates, Finance Committee Chair Jeff Bonzon will provide an overview of the Finance Committee's role in the development of the proposed 2014 Golf Rates.

Highlights of Mr. Bonzon's presentation follow:

- The primary function of the Finance Committee is to work with the Association's Accounting Department Staff on financial matters and to provide analysis and advice to the Board to assist in their decision-making.
- Background of Finance Committee's involvement:
 - In mid-Feb the committee was asked to form a Golf Sub-committee to identify areas for revenue improvement and methods to accomplish that goal, in order to try to reduce the operating shortfall for the Golf Course operations, and the subsidy which all property owners pay to cover that shortfall.
 - The committee reached out to the Men's & Women's golf clubs for their input on Golf Rates.
 - The Sub-committee met twice, took input from all parties, worked together to develop recommendations, then submitted them to Finance Committee for discussion and approval. The meetings were quite productive with a lot of good ideas, some of which will take time to fully realize their positive impact on golf.
 - The majority of the proposals were supported by most members of the sub-committee.
 - At the Finance Committee meeting during which they voted, committee members were encouraged to be open-minded, and to think outside individual special interests, especially this year, since the Association is facing financial pressures resulting from a drought winter.

- The recommendations covered a wide range of pricing and course management issues. Please note that most were approved by the members of the Finance Committee, with the exception of the proposal to attach a premium surcharge to pass-play during prime time play during July and August. That item was a stalemate at 3-3, which is how it was presented to the Board. There is significant agreement on virtually all other items.

Director of Finance and Accounting Mike Salmon provided the Board with a PowerPoint presentation on Golf Course performance and possible pricing scenarios for 2014. A copy of the presentation is attached to these minutes as Exhibit "B".

Following Mr. Salmon's presentation, Director Johns made a motion and Director Stang seconded to disapprove the proposed golf pass holder surcharge of \$20 for a.m. play by pass holders from July 1 to August 31. Motion passed 5-0

Director Johns then opened up the meeting to member comments regarding the proposed Golf Rates, with a number of members voicing their questions, thoughts, and concerns.

Following discussion, Director Johns made a motion and Director Gander seconded to approve an increase in shared cart rental from \$17 to \$20. Motion passed 5-0

Director Johns made a motion and Director Gander seconded to approve an increase in the Golf Adult Member 5-Day Pass from \$950 to \$1,000, with purchase by April 30th. Motion passed 3-2 (Director's Murrell and Miller No)

Director John's made a motion and Director Stang seconded to approve an increase in the Golf Adult Member 7-Day Pass from \$1,300 to \$1,350, with purchase by April 30th. Motion passed 4-1 (Director Murrell No)

Director Johns made a motion and Director Stang seconded to approve an increase in Member and Public range token rates, as well as, an increase in the number of balls provided per token. Motion passed: 5-0

EXECUTIVE SESSION AND LUNCH

The Board adjourned to Executive Session at 11:30 a.m.

Director Murrell left the meeting at 1:00 p.m.

The regular meeting reconvened at 1:00 p.m.

EXECUTIVE SESSION REPORT

Director Gander reported that the Board met in Executive Session today and discussed an Appeal, as well as personnel and legal matters.

ADJOURNMENT

Director Miller made a motion and Director Stang seconded to adjourn the meeting at 1:20 p.m.

Submitted by:

Bonnie Watkins, Recording Secretary

SECRETARY'S CERTIFICATE

I, Dick Gander, Secretary of Tahoe Donner Association, do hereby certify that the foregoing is a true and correct copy of the minutes of the Tahoe Donner Association Board of Directors regular meeting held on March 22, 2014, as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Dick Gander, Board Secretary