

MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
November 21, 2009
9:00 A.M.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at The Lodge Banquet Room in Truckee, California on Saturday, November 21, 2009. President Suzan Knisley called the meeting to order at 9:05 a.m. The following directors and staff members were in attendance:

Directors present: Suzan Knisley, Ron Wulff, John Dundas & Don Berryman

Director absent: Robert Burks

Staff present: Robb Etnyre, General Manager
Mike Salmon, Director of Finance & Accounting
Miguel Sloane, Director of Operations
Enid Longo, Interim Architectural Standards Office Manager
Bonnie Watkins, Executive Assistant/Recording Secretary

MEMBER AND DIRECTOR COMMENTS

Member Kelly Wulff stated she was pleased with the improvements to the interior of The Lodge.

Director Berryman thanked everyone involved with the budget process and assessment mailing, and stated that this year's letter to the membership was better than he had seen in the past.

A. COMMITTEE REPORTS

Architectural Standards – The Board was provided with the committee's September 23, October 7, October 21 & November 4, 2009 meeting minutes for review. Ron Wulff commented that he is pleased with the work this committee does. Don Berryman inquired about how things are proceeding with filling the Architectural Standards Office position to replace Tip Chase.

Communications – No report.

Covenants – The Board was provided with the committee's October 2009 status report for review.

Finance – John Dundas explained that the committee recently held an impromptu meeting but didn't have a quorum; however, a discussion occurred regarding the golf course fees, and they hope to present information regarding that in December or January.

General Plan (GPC) – The Board was provided with the committee’s November 2, 2009 meeting report for review. Chairman John Stubbs reported on the discussion that occurred regarding the connector trail with the Town of Truckee and confirmed that the GPC supports this project. Mr. Stubbs stated that the committee has been working with Robb Etnyre on the strategic plan and would like to compliment him on the work he has done on this document. In addition, Mr. Stubbs expressed his appreciation to Mike Salmon on the annual budget report that was published in the December edition of the *Tahoe Donner News*.

Ron Wulff inquired who formed the Ad Hoc Trails Committee mentioned in the GPC report and why. He expressed his concern about “opening the door” to funds being used outside Tahoe Donner. A lengthy discussion ensued regarding the pros and cons of biking/hiking trails and the use of TTSA-1 funds. Suzan Knisley recommended that the GPC provide the Board with an update on how these concerns can be resolved at the next Board meeting. John Dundas added that because the Association is part of the town, we should work together with them. Robb Etnyre explained that he will be working with the GPC and Staff during the winter on the total “circulation plan” for the Association, and this issue is certainly one element of that review. John Stubbs suggested that a survey similar to the proposed cell phone tower eventually go out to the membership asking for their input.

Ad Hoc Roads – Ron Wulff stated that there have been no meetings; however, in light of today’s discussion regarding trails, it is his opinion that this committee should continue to exist for the purpose of overseeing how TTSA-1 funds are expended. A brief discussion ensued regarding the number of individuals on this committee. Mr. Wulff advised that he is impressed with Robb Etnyre’s on-going discussions with the Town of Truckee.

Employee Retention & Recruitment (ERRC) – The Board was provided with the committee’s analysis report regarding the “Full-Time Employee Perk Survey” for review. Chairman Peter Greenberger briefly reviewed some of the results with the Board and pointed out that the ERRC has provided comments. A discussion ensued regarding the role of committees and how they should interact with the Board and Staff; Robb Etnyre stated it was his understanding that committees report to and work for the Board of Directors. Mr. Greenberger stated he hopes Staff will find the committee’s comments to be a useful tool, and confirmed that they are merely recommendations.

NEW BUSINESS

B. DIRECTOR OF FINANCE & ACCOUNTING REPORT

The Board was provided with the Association’s preliminary financial reports through October 2009, a complete set of which are attached to and made a part of these minutes. Director of Finance & Accounting Mike Salmon reviewed some of the highlights and fielded questions from the Board. He pointed out that the Thursday Theme Nights held at The Lodge really helped to increase revenue which was favorable to prior year, even compared with the Cadillac Ball being held in October 2008.

Following discussion, Director Dundas made a motion and Director Berryman seconded to approve the unaudited October 2009 preliminary financials as presented. Motion passed 4-0 (Director Burks absent).

John Dundas mentioned that financial reports are now posted on the Association's website.

C. CONSENT CALENDAR

The Board was provided with the following items for consideration:

- October 17, 2009 Regular Meeting Minutes
- October 28, 2009 Special Meeting Minutes
- Tahoe Donner Association's Annual Audit, to contract with Gilbert Associates Inc.

Director Wulff then made a motion and Director Dundas seconded to approve all three items on the Consent Calendar, as presented. Motion passed 4-0 (Director Burks absent).

**Break
10:25 a.m.**

The regular meeting reconvened at 10:35 a.m.

D. HEALTH INSURANCE PREMIUM RENEWAL

The Board was provided with a Decision Paper regarding the Association's health insurance plan renewal for the 2010 calendar year for review. Robb Etnyre explained that quotes are obtained through a third-party broker and reviewed the various options for medical and dental coverage. He reported that the Association looked at different providers and also examined numerous variables such as raising the deductible and co-pay in order to get the best rates. Mike Salmon and Robb Etnyre then fielded questions from the Board.

Following discussion, Director Wulff made a motion and Director Berryman seconded to approve the recommendations from Staff to renew the Association's employee health insurance effective January 1, 2010 through December 31, 2010, as follows: (i) change medical coverage from Anthem PPO2 to Anthem PPO4, (ii) change dental coverage from Principal to MetLife, and (iii) increase the Health Care Spending Account through Allegiance. Motion passed 4-0 (Director Burks absent).

E. ARCHITECTURAL STANDARDS RULE BOOK

The Board was provided with a revised Architectural Standards Rules, Procedures and Restrictions for Land Use book for review. Ron Wulff stated that he made a thorough review of this document and, in his opinion, this version is an excellent update. ASC Chairman Jason Wooley noted that this has been a work-in-progress for several years and gave credit to former ASO Manager Tip Chase and his staff. He introduced the other members of the committee, Paul

Leyton and Peter Greenberger, and said they all attended today's meeting to answer any questions the Board might have. Robb Etnyre confirmed that once this document is approved by the Board, it will be released to the membership and public so everyone is aware of the changes.

John Dundas inquired if the Covenants Committee has reviewed these revisions. Enid Longo confirmed that Compliance Inspector Dan Fite had been involved in the update process, but she was not sure if Chairman Paul Thomas had seen the final version.

Following discussion concerning certain sections of the document, Director Wulff made a motion and Director Knisley seconded to approve the Association's Architectural Standards Rules, Procedures and Restrictions for Land Use book, as amended November 21, 2009, with the proviso that a courtesy review be extended to the Covenants Committee. Motion passed 4-0 (Director Burks absent).

A brief discussion occurred concerning committee members and whether perks should be extended to these volunteers.

F. TAHOE DONNER STRATEGIC PLAN

Robb Etnyre asked that this agenda item be pulled and stated he will provide a briefing on it at next month's Board meeting.

G. EMPLOYEE PERKS

The Board was provided with a draft Employee Amenity Access and Discount matrix for review. Robb Etnyre explained that the Board has provided him with various "tools" he can utilize to motivate and retain employees and perks is certainly one of the items he is reviewing. Mr. Etnyre stated that the draft presented today is a roll-back from what currently exists.

A brief discussion ensued regarding the Employee Handbook, and Mr. Etnyre confirmed that it will be revised once the Association's Director of Human Resources returns from maternity leave.

Director of Operations Miguel Sloane then addressed the Board and provided a slide presentation reviewing the employee perk program. He stated that the Association's managers have discussed this new policy at length during the past couple of weeks, and it will become effective on December 1. Mr. Sloane pointed out that one of the key criteria is that the Association will not incur any additional expense or loss of revenue, and restrictions will be put in place to ensure this is the case. John Dundas suggested that the word "Free" be changed to "Comp" on the chart.

Staff then fielded questions from the Board. Following a lengthy discussion concerning specific amenities and employee classifications, Director Wulff made a motion and Director Berryman seconded to approve the revised policy relating to employee amenity access and discounts, as presented. Motion passed 3-1 (Director Dundas no, Director Burks absent).

Suzan Knisley asked Staff to make a recommendation to the Board for reinstating perk privileges to committee members since they often volunteer a significant amount of time for the benefit of, and at a cost savings to, the Association. She pointed out that this suggestion originated from the ASC as a way of attracting more member participation on the various committees and to also reward these volunteers for their many hours of work. Ms. Knisley stated that our legal counsel, Downey Brand, suggested that the Association should also establish more adequate perks for the Board of Directors to encourage increased member participation and attract qualified candidates to run during the annual election. She concluded by asking that this matter be placed on next month's agenda.

EXECUTIVE SESSION AND LUNCH

The meeting adjourned to executive session at 12:15 pm.

The Board reconvened to an appeal hearing at 1:02 p.m.

The Board reconvened to open session at 1:30 p.m.

EXECUTIVE SESSION REPORT

Don Berryman reported that the Board met in executive session today and discussed the Euer Valley Easements as well as the General Manager's Contract. Director Berryman reported that the Board met in executive session earlier this month at the law offices of Downey Brand to discuss the General Manager's Contract.

H. MEMBER'S REQUEST TO WAIVE LATE FEE

The Board was presented with a member's request to waive late fees and finance charges for review. The Board concurred that they have received similar requests in the past. Following a brief discussion, Director Dundas made a motion and Director Knisley seconded to deny this member's request to waive late fees and finance charges in connection with their annual assessment. Motion passed 4-0 (Director Burks absent).

GENERAL MANAGER'S REPORT

Robb Etnyre reported the following:

- He distributed a couple of new products that have been developed internally by ComDep, and explained that the folders will be used as a new communications vehicle to distribute information to homeowners and the brochures will promote weddings at The Lodge.
- Externally, he has met with the Town Manager regarding the proposed cell phone tower. A brief discussion ensued regarding feedback the Board and Staff have received from members, and Mr. Etnyre reported that 478 responses were logged to the website survey during a two-week period.
- He has received quite a few complaints about speeding within the Association and will pass that information on to Town of Truckee officials.

- Ongoing discussions regarding future development plans in Truckee and the circulation plan review so he can stay current on Town plans and how it might impact Tahoe Donner.
- Internally, during the past month he has been working on annual evaluations, the 2010 incentive plan, goals & objectives, as well as interviews for the new Director of Marketing and Architectural Standards Office position.
- The Lodge Thursday Theme Nights were a huge success, and he stressed that this and similar events need to be promoted through the amenities and talked about by the employees.
- The “Not So Haunted Halloween House” had a 150% increase over last year in the number of attendees, and Staff is exploring the possibility of hosting a Fall Festival that will also include adults.
- Combined downhill and cross country season ski passes are up 15% from last year.
- Regarding the general Maintenance Department, he has set a target of at least 70% of their work hours to be spent on work requests generated from department managers, and he is pleased with their performance.
- Fire safety inspections, 99% passed, 14 properties failed and remedial actions are still taking place.
- Forestry grant paperwork has been completed and submitted to the State of California.
- Capital projects include the downhill ski area remodel; a bus will be available after today’s meeting to take those interested up for a look, as the contractors have now completed their work.
- The Lodge upgrade project turned out greater than expected, he is very pleased with the results.
- Maintenance facility project is still something he is looking at and plans to bring a recommendation to the Board by May 2010. He noted that a completely different Forestry Department building at a new location is being considered and will explain his reasoning in more detail at a later time.
- Cross country roadside parking on Alder Creek Road, the engineering work has been done and three contractor bids have been received; however, end of season concerns have postponed the work until the spring/summer season.
- Roof repairs from insurance claims submitted two years ago have finally been performed.
- Approximately 20% of membership responded to the GPC demographic survey, raw numbers have been provided although comments are still being collated and should be available by January.
- Future plans including overhauling the Tahoe Donner website and a new homeowner welcome binder, discount specials will be included in the latter to give them an incentive to visit our amenities.
- Regarding golf rates, he hopes to have a final recommendation ready to present in January and is also working on an on-line golf registration so golfers will have another mechanism to book tee times.

Suzan Knisley inquired about the department manger reports that were formerly included in the Board books. Robb Etnyre responded that he doesn’t want to bog the Board down with day-to-

day details, these reports now come directly to him and have evolved into a useful managing tool. He confirmed that this information is relayed to the Board in his General Manager's report.

Mr. Etnyre announced that the employee holiday party will be held on Wednesday, December 9 at The Lodge, and that invitations will be mailed out next week.

DISCUSSION: "LIGHT UP THE NIGHT"

Miguel Sloane reported that this amazing community event will occur a week from today, Saturday, November 28 starting at 5:00p.m. He distributed a flyer to the Board and explained that posters have been displayed throughout the Association, then reviewed the time-line of events: 6pm, Santa will arrive on a sled; 7pm, the tree will be lit; plus an ugly holiday sweater contest will be held, which is new for this year. Robb Etnyre confirmed that this information went out by InstantNews last Monday. Mr. Sloane concluded by saying he is looking for volunteers and asked the Board to let him know if they want to help out.

OLD BUSINESS

BOARD REVIEW OF THE FOLLOWING ITEMS:

Downhill Ski Area Remodel and The Lodge Facilities Upgrade Project: Robb Etnyre reminded the Board that a bus is available to take them on a tour of these two facilities after today's meeting.

ADJOURNMENT

The Board convened to executive session at 2:20 p.m. and did not reconvene to open session.

Submitted by:

Bonnie Watkins, Recording Secretary

SECRETARY'S CERTIFICATE

I, Donald E. Berryman, 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 meeting held on November 21, 2009 as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Donald E. Berryman, Secretary

Date