

**TAHOE SANDS TIME SHARE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
Tahoe Sands Resort
6610 North Lake Blvd., Tahoe Vista
June 3, 2017**

CALL TO ORDER

Roll Call – Establish Quorum

The Tahoe Sands Time Share Owner’s Board of Directors meeting was held on Saturday June 3, 2017 at the Tahoe Sands Resort in Tahoe Vista, California. President Robert Wemheuer called the meeting to order at 9:01 AM and a quorum was established.

Board Members Present

President	Robert Wemheuer
Vice-President	Gary Duignan
CFO	Doug Thompson
Secretary	Norm Allen
Member at Large	Jean Thompson

Others present were Jeff Rose, Maggie Schumacher, Robert Curry, Alan Beyer, Ernie Lehr, Bret & Shara Reeves, Cathy Butis, Kay Buty, and Jennifer Cameron. Jeff & Jennifer Pudewell arrived at 1pm

Pledge of Allegiance

R. Wemheuer, President

GENERAL SESSION

Review and approval of agenda

R. Wemheuer, President

As a follow-up from the last meeting, Duignan asked if owners who have completed Member Interest Forms have been contacted. Curry distributed the Forms to the appropriate Committee Chairs. He will follow up with the Chairs again.

M/S/C to approve today’s agenda. It was agreed items may be taken out of order.

Introductions

All

D. Thompson welcomed Alan Beyer, an owner who has agreed to serve on the Finance Committee.

Review and approval of Board Meeting Minutes – March 11, 2017 **N. Allen, Secretary**

Allen noted some modifications and corrections.

M/S/C to approve the March 11, 2017 meeting minutes as amended.

Control sheet sign-off

Board of Directors

The Board signed off on the Control Sheet, a document confirming decisions and direction from the Board.

Public Comment

Ernie Lehr said he has been walking his dogs in the neighborhood and noticed some areas that need to be addressed and cleaned up. He suggested Placer County be contacted regarding Code Enforcement. Lehr noted a letter he had sent to Wemheuer in December, but apparently it was not received. Lehr has met with Jeff Rose about the issues in his letter. Lehr suggested all correspondence be logged and responded to within 5 days of receipt.

Lehr noted the number of documents he needs to sign when checking in. He has dogs and suggested the “trial” period for the dog policy should be deemed over and successful. A discussion followed regarding the policy and differences between pets and service animals.

Wemheuer read an email from Kathy Beach about an invitation to attend a “state of timeshare” meeting. Rose said those invitations are from telemarketers and designed to convince owners to sell their weeks.

COMMITTEE REPORTS

Sales Report

J. Rose, Management

- **Sales and upgrade update**

Rose reported there have been four deals made in the past month, although not all have closed yet. He is working with a consultant to renew the public report, which expires in August.

Rose and Schumacher attended ARDA in New Orleans. Rose felt it was a highly successful trip. At the conference, Rose was able to secure financing for sales that will help with interest rates and downpayments. He will still carry some of the paper, but this will help.

Rose has signed up with a new marketing company to help generate qualified prospects. With the new financing in place, new marketing, and improvements on the property, this should be a good sales season.

Rose answered questions about sales. He said the “trial” offer is still in place. Rose explained the strategy to identify “hidden objections” in order to close a sale.

Wemheuer asked about the points exchange. Schumacher said she met with RCI, II and RTX while at ARDA. The pros and cons of the points system versus weeks exchange were discussed. Schumacher gave examples of how each option can be beneficial depending on where an owner wants to go. The bottom line is that because of the size of Tahoe Sands, the points system is not necessarily a benefit to owners, but individual owners can research the best option for their situation.

There have been challenges with RCI given their scoring system. II has submitted a proposal offering every owner a complimentary two-year membership in exchange for 88 weeks II can book over a two-year period. A brief discussion followed regarding pros and cons of the proposal.

M/S/Carried with Allen voting no, to accept the II offer for a two-year membership for each Tahoe Sands owners at no cost in return for 88 weeks II can book in the off-season in studio or 1-bedroom units.

Rose and Schumacher continued to report on their meetings at ARDA.

D. Thompson asked if Rose is still trying to expand into Nevada markets. Rose said it’s very difficult to get the public report submitted in Nevada. However, given the growth in Reno and the Carson Valley, he will continue to pursue opportunities.

Finance Committee

D. Thompson, CFO

- **2017 Budget Review**

D. Thompson presented the financial reports as of May 31, 2017. He clarified the Year-to-Date report and compared it to last year. D. Thompson noted that quarterly and monthly reporting is only germane if cash flows are consistent, which is not the case at Tahoe Sands. An owner was not aware of the Friends and Family rates. It was suggested a separate letter be sent to owners about that offer, in addition to including it in the newsletter.

D. Thompson clarified specific revenue and expense line items, and variances. He reviewed the Capital Projects and Reserve account. Beginning next quarter, D. Thompson will present reports from both Operating and Reserves in order to better track what expenses are being paid from which account.

- **Accrual vs. Cash Accounting**

D. Thompson has checked with Intuit regarding QuickBooks and determined the change from cash to accrual does not require starting from scratch. He recommends signing an agreement with CPA Frank Mooney to assist

Schumacher in the transition. It should take about 10 hours and not cost more than \$3,000. The system should be transferred by the end of the year. D. Thompson said he suggests McClintock Accountancy only do the audit. **M/S/C to direct the CFO to sign the agreement with Frank Mooney to assist with the Tahoe Sands change to an accrual accounting system.**

- **Reserve Study**

D. Thompson reported there is an independent third-party Reserve Study conducted every five years to determine what will be needed in terms of funding for capital projects. The last study was in 2010 and identified approximately \$1.6 million in unfunded projects. The current Reserve Study suggests there should be over \$2 million in Reserves, however the account is only about 20% of that amount. The Reserve Study recommends a \$406,000 annual contribution to reach the goal suggested. D. Thompson explained why that is an unreasonable goal for the Resort because the current objectives differ from the goals identified in the Study. The work being done now actually reduces the need for projects identified in the Study within the timeframes noted. D. Thompson stressed that the Reserve Study is an indicator, not a financial goal.

- **2016 McClintock Audit**

D. Thompson reported McClintock Accountancy has submitted a clean audit for the Resort. An internal control review was not done this time, but has been in the past. At that time, there were recommendations for the Management contract, some of which were done and some of which D. Thompson did not feel were needed or appropriate. Schumacher said McClintock did ask about internal controls and commented on the changes implemented.

Facilities, Safety and Maintenance Committee

J. Pudewell, Committee Chair

- **Safety issues**
- **Maintenance issues**
- **Follow-up from previous reports**

Pudewell presented his written report. He has enough people on his Committee to have two crews doing inspections. Most of the items noted in his report were maintenance, including replacing light bulbs. He will be sending his reports to the Rooms Executive as well as Maintenance to make sure issues are addressed quickly.

Pudewell reviewed the issues noted in the 200s, 300s, and 400s. The 100s and 500s will be inspected at the end of September. The grounds will also be inspected in the fall. During discussion, it was suggested a staff member from maintenance or housekeeping be included during the inspections.

Renovation, Improvement and ADA Committee

Management

- **Deck update**

Rose reported the decks have been completed on 308, 311, and 407. There are still five decks to be done. There was a brief discussion about the colors and repairs.

Schumacher distributed an estimate to repair the fascia board on the Lanai building using Hardie Board or douglas fir. Rose explained the proposed work and discussion followed regarding the materials and scope of work.

M/S/C to approve Management repairing the Lanai fascia board using Hardie Board at a cost not to exceed \$5,000.

Discussion continued regarding completing the deck project this summer. There are still seven units that need new flooring. That project will be included in next year's budget.

M/S/C to allocate \$30,000 for Management to complete the additional deck work.

- **300's Renovation Project – Update and Process**

Rose reported on his meetings with the architect, Todd Mather, and planner, Leah Kaufman. They have asked for

a budget amount so they can present a design, materials, and construction in order to get the bid process moving forward. Schumacher distributed the proposed elevations and floorplans from Mather and the feedback from Management and the Renovation Committee. Discussion followed as the proposal was reviewed, including the flexibility in the proposed floor plans, height, and ADA requirements. J. Thompson voiced concern about the overall cost and funding the project. Discussion continued. Schumacher said after the Board determines if this plan is one they want to move forward with, the BMP plan will be prepared. A Pre-Development meeting will be scheduled with Placer County, probably within the next 2 months, the utilities will be mapped, and then the next step will be to consider materials.

M/S/C to accept the preliminary drawings as submitted and direct Management to present the project to Placer County and the Tahoe Regional Planning Agency.

- **BMP/Landscape Plan**

As discussed above, the BMP design will be presented with the above submittal.

- **Resort Improvement Spreadsheet**

Curry distributed a spreadsheet outlining the interior work done in the past 24 months, including flooring, finishes and appliances. Allen suggested this spreadsheet be presented at the next Annual Meeting. Duignan reminded Management to leave appliance manuals in the units.

Kay Buty noted the loud sound of running water from the hydronic heat. Management will investigate. J. Thompson asked if the idea of using solar, as suggested at the recent Annual Meeting, has been considered. Schumacher said she reached out to Liberty Utilities. There are solar incentive programs for private residences, but not commercial. She will continue to investigate options. Tesla is making solar roof tiles that are the same cost as standard roof tiles, but there is some concern about what TRPA will allow based on scenic regulations.

- **Committee Chair / Member discussion**

Schumacher reported a Committee Chair needs to be appointed and more members need to join the Renovation, Improvement and ADA Committee. Currently, Management is operating the Committee. Bret and Shara Reeves offered to join the Committee.

Strategic Planning Committee

J. Thompson, Committee Chair

- **Committee Update**

J. Thompson reported she sent Committee members the renovation plans presented to the Board, but there was not a lot of response. She will follow up to determine who wants to continue to be involved.

Capital Improvement Projects

M. Schumacher, Management

- **Report on 2017 Expenses**
- **New requests**

The projects and expenses were reviewed during the Finance Committee Report.

Buty asked about the fence at the beach. Rose will see what is needed and what is available. Rose noted the dead trees in the 500s that had to be removed. There is one more but Liberty Utilities may remove that tree.

Nomination Committee

N. Allen, Secretary

- **Committee update**

Allen and J. Thompson will be running for re-election in March. Duignan agreed to chair this Committee. Jennifer Cameron also offered to serve.

Insurance and Legal Issues Committee

E. Baumberger, Committee Chair

- **Property Insurance 2017**
- **Law update - Correspondence**

- **Committee update**

Schumacher reported the insurance was renewed and the premium was under budget. Correspondence will be considered in Closed Session.

Policy and Rules Committee

J. Cameron, Committee Chair

- **Committee update**

Cameron asked for clarification on booking dates for next year. Schumacher noted the Rules were not updated for 2018.

M/S/C to update the Rules to exclude arrival dates of June 29, 2018, June 30, 2018, and all of July 2018.

The Board discussed the current “trial” dog policy. It has been extended twice and the policy has now been in place for four years.

M/S/C to make the current trial Dog Policy permanent unless there is a need to re-visit it.

Member Relations Committee

K. Buty, Committee Chair

- **Work Party Weekend**

Buty reported the Work Party Weekend in May was great and a lot of projects were completed by the 44 people attending. Schumacher had prepared an agenda for the day that really helped. A discussion followed regarding what type of fencing at the beach might be allowed to delineate the Resort’s borders.

NEW BUSINESS

Correspondence

N. Allen, Secretary

- **Response letters enclosed**
- **Review of any pending correspondence**

All correspondence will be reviewed in Closed Session.

Management Report

M. Schumacher/R. Curry, Management

- **Occupancy report**

Schumacher presented the reports included in the meeting packets. Occupancy in January was strong due to utility workers and guests. April was strong as far as bonus time use, but rentals were down a bit. Overall revenues are on track. Schumacher reported a Groupon campaign was offered this winter, but the rates had to be reduced quite a bit. Bookings moving forward look good. Changing the system to allow for reservations 12 months in advance is having a positive impact. Schumacher is considering strategies to maximize income during the winter months. **ACTION: Schumacher will create a separate line item to account for the 88 weeks being booked by II.**

- **Collection report**

Schumacher presented the second quarter Collection Report. Approximately \$210,000 in past due accounts has been turned over to collections. Schumacher said there are usually strong results in the first few months, then revenues tend to drop off. Assessment revenues are generally about \$10,000 - \$15,000 under budget. Discussion followed regarding strategies to collect from delinquent accounts.

- **Owner/Customer service report (Internal & External)**

Curry thanked everyone for their participation in Work Party Weekend. A lot of issues were addressed. He thanked the Board for capital project allocations because the improvements have made a huge difference and present a great impression of the Resort. He said there were no issues to highlight on the RCI comment cards or Trip Advisor posts. Schumacher explained how the RCI comments are averaged over 12 consecutive months to award special designations. There was a brief discussion about customer expectations and how those may be reflected in their comments.

- **Operational Update**

Curry said everything is ready for summer and he is looking forward to a great season.

- **Website Update**

Schumacher reported the website is live and the feedback has been good. She is working with owners to provide log-in information. She continues to add content and pictures.

- **Online comment cards**

Schumacher said she continues to work on developing an on-line comment card and ways to generate reports electronically. She distributed the proposed comment card.

Pudewell asked about adding a Maintenance Section to the Trip Advisor ratings. **ACTION: Pudewell will work with Schumacher on adding a specific Maintenance section.**

- **Check-In Packet and process**

Schumacher is working on a streamlined check-in process so there is less paperwork at the desk. A lot of the information distributed can be included in binders in the units.

CLOSED SESSION

The Board went into Closed Session at 2:13 PM. to consider correspondence. Open session was reconvened at 2:37 PM. There was no reportable action.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:40 PM. The next regularly scheduled Board meeting will be October 28, 2017.

Respectfully submitted,

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS

AS APPROVED,

NORM ALLEN

SECRETARY

TAHOE SANDS TIME SHARE OWNERS ASSOCIATION