

**TAHOE SANDS TIME SHARE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
Tahoe Sands Resort, 6610 North Lake Blvd., Tahoe Vista
October 28, 2017**

CALL TO ORDER

Roll Call – Establish Quorum

The Tahoe Sands Time Share Owner’s Board of Directors meeting was held on Saturday October 28, 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, Ernie Baumberger, Jennifer Cameron, Jeff & Jennifer Pudewell, Bret & Shara Reeves, and Dominic Chiricosta

Pledge of Allegiance

R. Wemheuer, President

GENERAL SESSION

Review and approval of agenda

R. Wemheuer, President

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

Introductions

All

Everyone introduced themselves.

Review and approval of Board Meeting Minutes – June 3, 2017 N. Allen, Secretary

M/S/C to approve the minutes of the June 3, 2017 Board meeting.

Control sheet sign-off

Board of Directors

The Board reviewed and signed off on the Control Sheet.

Public Comment

Chiricosta asked if all the leaves that have fallen can be cleaned up. He said the carpet in Unit 306 is dirty. Curry explained that leaves are blown into piles and picked up as quickly as possible. He described plans to eventually replace all carpet with hard wood floors. He was asked to put non-slip pads under throw rugs.

COMMITTEE REPORTS

Sales Report

J. Rose, Management

- **Sales and upgrade update**

Rose presented the written sales and management report, included in the meeting packets.

- **Hello Vacay**

Rose introduced John Ellis with Hello Vacay, a company that specializes in timeshare sales. Rose said Hello Vacay has moved 21 Tahoe Sands weeks in the past 7 or 8 weeks and expects to move 100 weeks by September 2018. Hello Vacay supplements internal sales and is a completely separate sales arm. Rose reported closing 9 weeks in-house this year.

Ellis described Hello Vacay’s philosophy and the sales strategy for Tahoe Sands. Discussion followed as the

new sales effort was clarified.

Finance Committee

D. Thompson, CFO

- **2017 Budget Review**

D. Thompson presented the financial reports as of September 30, 2017. He reviewed specific line items and variances through the third quarter. Overall there is a positive variance to budget.

Schumacher was asked about rentals last winter. She said the numbers would be lower given the harsh storms, road closures, and power outages, but she was able to strike a deal with Liberty Utilities to lodge their contractors who were in town to do repairs. The bonus has been that some of those people have returned to vacation with their families.

The Capital Expense Report was reviewed. Bret Reeves and Schumacher continue to work on hearing-impaired units. Rose explained the emergency tree removal done. He said most of the decks have been completed and noted the steps on 515, damaged by a falling tree. Rose described the work being done by Wilson-Tel to install new cable and improve phone service. Given the higher costs for phone lines, Rose asked for additional funds. **M/S/C to increase the previously allocated \$1,175.00 in the Capital Improvement Projects 2017 for phone lines to \$14,000.**

Schumacher reported the windows and a door in the lobby area have been replaced. Windows in 311 and 306 have been addressed, but were not identified in Capital Improvements for this year. There is \$5,900 in Operating for windows that D. Thompson approved transferring to Capital Improvements. There is \$3,340 in Operating to address the pool pump, which also should be transferred to Capital, as well as some exterior facia work costs.

D. Thompson presented the Month End Summary report and explained how expenditures are tracked. He noted the Board's direction to allocate 10% from Maintenance Fee revenues to Reserves and explained why it's important to properly allocate Capital and Reserve funds. Discussion followed as the tracking procedures for Capital and Reserve projects were clarified.

M/S/C to approve the financial reports as presented.

D. Thompson explained the investigation he's done into interest bearing accounts. There are some new options with Capital One and Citibank that offer FDIC insured CD and money market accounts at rates much better than traditional accounts. The funds would still be liquid. Discussion followed.

M/S/C to expand investment capability to include CDs and Money Market accounts that are FDIC insured. Further, Management and the CFO have the ability to activate those accounts as they deem appropriate.

Schumacher said Management uses petty cash to pay for vehicle gas. She's looked into getting a gas credit card. Chevron has the best option, but a fleet card needs to be guaranteed by a Board member or a deposit paid from which purchases are charged. D. Thompson recommends that option.

M/S/C that the Association obtain a gas credit card for Association use and to put a \$2,000 deposit on the card.

- **Accrual Transition clarified**

D. Thompson has requested \$3,000.00 for CPA Frank Mooney to close the year end books and help with the transition to accrual based accounting. He will make the adjustments necessary to conform to an audit.

- **2018 Budget Proposal**

- **2018 Capital Improvement Proposal**

D. Thompson presented the proposed 2018 Tahoe Sands Time Share Owners Association Budget, which includes a 6% increase in maintenance fees for the third year in a row. The 6% is consistent with the terms of

the Management contract renewal. The budget projects about \$1.59 million in revenues and \$1.484 million in expenses, which could result in a contribution to Reserves of approximately \$110,000. D. Thompson presented line item breakdowns showing 2012-2016 actuals and 2017 budget and forecast, including Year to Date as of August. Specific line items were clarified, including staffing and housekeeping. A brief discussion regarding room inspectors followed.

D. Thompson presented the Capital Improvement projects. As proposed, total expenses would require taking about \$69,000 from Reserves. Schumacher clarified the changes to fire protection and suggested adding a line item for annual buoy servicing in Operating. Wemheuer suggested including costs for sliding glass doors on the lanai building. Discussion followed regarding the cost of replacing sliding glass doors, heaters, and other improvements that can be done cost effectively by grouping them together. Schumacher presented a bid for new sliding glass doors. Pudewell said his inspections have identified 5 that need to be replaced. **ACTION: Management will get bids on replacing several sliding glass doors and that cost will be included in the budget when necessary.** Discussion continued regarding costs for capital improvements including window screens, windows, and new beach furniture. The Board considered the proposed 6% maintenance fee increase and noted the number of improvements made with those funds. There have been some complaints, but overall owners appreciate the upgraded property.

M/S/C to adopt the 2018 budget as proposed. Further, to approve the Capital Improvement budget with a \$5,000 increase for a total of \$175,220.00.

M/S/C to increase bonus time rates by 6% consistent with increased maintenance fees, \$99 (studio), \$122 (1 bedroom), and \$140 (2 bedroom).

Facilities, Safety and Maintenance Committee J. Pudewell, Committee Chair

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

Pudewell reported the Committee inspected the 100s and 500s at the end of September, even though the Resort was quite busy at the time. He presented the Committee's written report of issues identified. Curry reported the flooring transition between hard flooring and carpet is being addressed.

Pudewell asked if the steps from the parking area to 513, 514, and 515 should be rebuilt on the side of the building so people can't park in front of them. A brief discussion followed. **ACTION: Rose will repair the stairs in the center of the parking area and add a parking "bumper" to protect the area.**

Pudewell showed pictures of the dumpster at the beach and asked about enclosing it. Schumacher noted the challenges with building an enclosure because of TRPA Shorezone regulations. Discussion followed regarding other possible locations. Pudewell suggested new lighter, and easier to move picnic tables be purchased with the new furniture. **ACTION: Schumacher will investigate options for picnic tables and make a recommendation to the Board.** Pudewell continued to review the Committee report and showed photographs of existing conditions. He offered suggestions to screen the maintenance area.

Renovation, Improvement and ADA Committee Committee Chair

- **Committee Update**

Schumacher reported the Reeves are helping getting the hearing impaired units completed. She noted that with the busy summer, it's been hard to get into units to get work done. She suggested making a list of specific items that staff could look for, say twice a year, in all units.

Work continues on the 310 renovation and landscaping plan. A pre-development meeting with Placer County and TRPA is scheduled for November 7. Rose explained the issues to be discussed, including BMP requirements. Board members are invited to attend this meeting.

Wemheuer suggested “please report missing or non-operational items to Front Desk” signs be placed in all units.

Strategic Planning Committee

J. Thompson, Committee Chair

- **Committee Update**

J. Thompson reported the Committee won't be meeting until after the pre-development meeting regarding 310. The proposed landscaping plan was distributed. Schumacher will include two bocce ball courts in an area that will not block lake views.

Capital Improvement Projects

M. Schumacher, Management

- **2017 Update**

This item was discussed above.

Nomination Committee

N. Allen, Secretary

- **Committee update**

Duignan reported Jean Thompson and Norm Allen will be running for re-election. He has not identified any other candidates at this point.

Duignan reported the Calfire Fire Prevention Fee has been rescinded, but no refunds will be made unless the fee is ultimately declared to have been illegal. Also, the fee could be reinstated. Duignan noted the Association did not have to pay the fee, only individual property tax payers paid.

Insurance and Legal Issues Committee

E. Baumberger, Committee Chair

- **Committee Update**

Baumberger reported there are no current legal issues or insurance claims. He continues to work with Management on responses to owners asking to terminate memberships.

Policy and Rules Committee

J. Cameron, Committee Chair

- **Committee Update**

- **Pool Rules Discussion**

Cameron reminded the Board the age limit for the hot tub was changed to 13, but the pool age limit is 16. She suggested they be consistent. Discussion followed regarding legal guidelines and posting the rules. Cameron suggested people sign an acknowledgement that they have read the policies and rules upon check in. The conversation turned back to the age limits for the pool and hot tub.

M/S/C to equate the individual usage of the spa and pool to be 14 years old.

Wemheuer asked if there have been complaints about the reservation system. Schumacher said people are getting accustomed to it, but the policy should be revisited in the spring.

Member Relations Committee

K. Buty, Committee Chair

- **Committee Update**

Schumacher said the dates for Work Party Weekend need to be selected. She suggested increasing the room rate from \$35 to \$40 to account for the increase in cleaning costs. This item will be on the January meeting agenda.

NEW BUSINESS

Correspondence

N. Allen, Secretary

- **Review of any pending correspondence**

The Board went into Executive Session at 2:46 PM to review all correspondence and give direction as appropriate. Open Session was reconvened at 3:20 PM. There was no reportable action.

Management Report

M. Schumacher, Management

- **Occupancy report**

Schumacher presented the third quarter occupancy report. Schumacher expects the winter holiday reservations to be good and is hoping winter bookings do well depending on snow conditions. Schumacher is considering a lakeside versus mountain side rate, although there are pros and cons to the idea.

- **Collection report**

Schumacher presented the third quarter collection report. Of the \$213,000 turned over to collections, approximately \$189,000 may be uncollectible. Schumacher anticipates a budget short fall of \$10,000 - \$20,000, which is about average.

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

Curry presented comment cards, which were included in the Board packets. There was a specific complaint about Front Desk staff that he is addressing. Goose droppings continue to be an issue, but there are few remedies, although Rose may bring his dog down. There was a comment regarding smoking in the units. Curry said people do smoke outside and there are complaints in the summer when people have windows open and the smoke travels upward.

The Resort is no longer part of the RCI Resort Quality Improvement Program because of the average 3.0 score. Curry said that owners are not particularly happy with RCI and sometimes people coming on the RCI exchange program are expecting a different experience. Only 3 cards were received in August so if one of those had an issue, the entire rating is skewed.

- **Owner Meet and Greet Feedback**

Curry reported most of the comments he's heard have to do with the new building, ADA issues in bathrooms, and general appreciation that there will at least one ADA compliant unit in all sizes. Owners are generally supportive of the new building. Curry said owners have gone out of their way to comment on the improvements. They are seeing the benefits of the dues increases.

There was a brief discussion about the Resort's emergency evacuation plan. **ACTION: Schumacher will distribute the plan to the Board.**

- **Operational Update**

No additional report was given.

- **Social Media and Online Reviews**

Schumacher described how staff is monitoring online reviews.

- **Staff Update**

Curry reported the only turnover has been at the Front Desk. The maintenance crew is doing a great job with exterior improvements and capital projects.

- **Newsletter Input**

Schumacher said the deadline to get the newsletter to the printer is October 30. It will be mailed November 15. Schumacher reminded

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:00 PM. The next regularly scheduled Board meeting will be January 6, 2018.

Respectfully submitted,

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS

AS APPROVED,

NORM ALLEN

SECRETARY

TAHOE SANDS TIME SHARE OWNERS ASSOCIATION