

**TAHOE SANDS TIME SHARE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
Tahoe Sands Resort, 6610 North Lake Blvd., Tahoe Vista
June 1, 2019**

CALL TO ORDER

Roll Call – Establish quorum

J. Thompson, Secretary

President Wemheuer called the meeting to order at 9:02 AM. A quorum was established.

Board Members Present

President	Robert Wemheuer
Vice President	Gary Duignan
CFO	Doug Thompson
Secretary	Jean Thompson
At-Large	Ernie Baumberger

Others present were Jeff Rose, Joanna Bailey, Maggie Schumacher, Kay Buty, Bret & Shara Reeves, Krista Leach, and Dominick Chiricosta. Jennifer Cameron arrived at 11 AM.

Pledge of Allegiance

R. Wemheuer, President

GENERAL SESSION

Board position – Member at Large acceptance R. Wemheuer, President

Baumberger officially accepted the appointment to the Board.

It was moved by Wemheuer and seconded by J. Thompson to appoint Ernie Baumberger to the At-Large position on the Board. Motion carried unanimously.

Review and approval of agenda

R. Wemheuer, President

Wemheuer asked to add approval of the January 26, 2019 and May 20, 2019 Special meeting minutes and a potential legal issue to Insurance and Legal.

It was moved by J. Thompson and seconded by Baumberger to approve today's agenda as amended. It was agreed items may be taken out of order.

Introductions

All

Review and approval of Board Meeting Minutes – January 26, 2019, March 9, 2019, May 20, 2019

J. Thompson, Secretary

It was moved by D. Thompson and seconded by Duignan to approve the minutes of the January 26, 2019, March 9, 2019, and May 20, 2019 Board meetings as presented. Motion carried unanimously.

Control sheet sign-off

Board of Directors

The Board approved and signed off on the Control Sheet.

Public comment

Buty noted the Board vote regarding pop-up tents. She asked for clarification on how the policy approved was determined. Wemheuer said the ultimate decision was reached by a compromise of what owners wanted. If owners do not take down their equipment, Management will remove tents at 6:00 PM. The policy can always be revisited.

Shara Reeves said there is no wi-fi service in the 500s. Bailey said it is being addressed.

COMMITTEE REPORTS

Finance Committee

D. Thompson, CFO

The Board went into Closed Session at 9:29 AM to discuss contractual issues. Open Session was reconvened at 10:45 AM.

It was moved by Duignan and seconded by Baumberger to increase the budget by \$45,000 in the G&A Category. Motion carried unanimously.

- **2019 financial review**

D. Thompson presented the financial reports as of April 30, 2019, comparing FY 2019 revenues and expenses to FY 2018. He reviewed all variances. To date, there is a negative variance of approximately \$8,500, mainly due to less rental revenues than anticipated. D. Thompson noted the new category of “Non-Operating Fire Insurance Revenues and Expenses” added to keep track of all impacts of the fire. Insurance revenues and rebuilding costs will be included.

- **2018 audit**

D. Thompson said the Operating audit came back as an unqualified, clean audit, in keeping with Generally Accepted Accounting Principles (GAAP). Although there was a recommendation to have the Reserve account audited, D. Thompson felt there is no need to spend the money to have that done. His main concern is the loss shown for 2017 and 2018.

- **Fire finance update**

See above.

- **Bank accounts**

D. Thompson reported Norm Allen has been removed as a signer on the bank accounts and Jean Thompson has been added. He explained the accounts that exceed the FDIC insured limit of \$250,000. D. Thompson described the options considered to spread funds out over several accounts and get a slightly better yield.

It was moved by Baumberger and seconded by Duignan to authorize opening a Capital One and Golden One account designating Doug Thompson as primary on the accounts and authorize him, Jean Thompson, Gary Duignan, Jeff Rose and Maggie Schumacher as signers on both. Motion carried unanimously.

Capital Improvement Projects

M. Schumacher, Management

- **Report on 2019 expenses**
- **New requests**

The Capital Improvement Projects 2019 status sheet was reviewed. Rose asked to reallocate \$35,000 in flooring to the ADA Pool Bathroom project and to consider adding dollars for flooring next year. Rose described the windows project and sliding glass doors, as well as the need to replace a furnace that burned out.

It was moved by Duignan and seconded by Baumberger to allocate funds from Contingency to replace the furnace in the lobby. Motion carried unanimously.

Facilities, Safety and Maintenance Committee

J. Pudewell, Committee Chair

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

Bailey presented the report on the May inspections of the 200s, 300s, and 400s. Most of the items identified have been addressed.

Renovation & Improvement Committee

D. Chiricosta, Committee Chair

- **Board and committee position descriptions**

Chiricosta presented his written report with Committee and Board position descriptions. The report will be

distributed to owners so they understand expectations of serving the organization. It will also be available at the Front Desk and on the website.

- **BMP/Landscape plan**

Schumacher reported the landscape architect and civil engineer have been working on a plan that includes the mountain side. The mountain side plans have been submitted to TRPA. Any needed revisions will be done, but Schumacher expects TRPA to sign off on that component. When TRPA does a site visit, they will be asked for feedback on the lake side plans, which will include BMPs, landscaping, and signage. Schumacher hopes to have detailed plans for the lake side by the October meeting. She anticipates pulling permits over the winter and beginning work in the spring.

- **Resort improvement spreadsheet**

No report was given.

- **3-5 Year Plan**

No report was given.

ADA Committee

B. Reeves/S. Reeves, Co-Chairs

Bret Reeves said the new ADA compliant ramp at the spa and lower pool area. The bathroom has been re-done, including the addition of a shower, and is fully ADA accessible. Reeves noted the spreadsheet identifying ADA improvements made on the property since 2010. A brief discussion followed about additional projects that can be addressed as units are upgraded.

Strategic Planning Committee

R. Wemheuer, President

Wemheuer reported the Committee's work will move forward now that the Committee and Board descriptions have been completed.

Nomination Committee

G. Duignan, Committee Chair

Duignan reported no potential Board members have come forward. He feels potential candidates get good experience by volunteering for committees and coming to meetings.

Insurance and Legal Issues Committee

E. Baumberger, Committee Chair

The Board went into Closed Session at 11:59 AM to consider a potential legal issue. Open Session was reconvened at 12:25 PM.

It was moved by Baumberger and seconded by D. Thompson to approve a proposed settlement per recommendation of Counsel. Further to authorize payment of the \$9,000 insurance deductible, subject to review of the Settlement Agreement. Motion carried unanimously.

- **2019 insurance renewal**

Baumberger reported 2019 insurance renewals have been completed. An updated spreadsheet of coverages and premiums is in the packet. Schumacher will send out details of D&O insurance. Leach said if the internet problems in the 500s were caused by the fire, those costs should be included in the insurance claim.

- **ADA signage**

No update was given.

- **Fire coverage update**

Duignan said the final North Tahoe Fire Protection District report indicates the fire was caused by an electric wall heater. Rose said all wall heaters are being looked at and replaced if necessary. He suggested the wires on that particular heater were chewed by rodents. Duignan noted his previous recommendation regarding fire walls.

Policy and Rules Committee

Committee Chair

Cameron reported the biggest issue was pop-ups on the beach, which has been addressed. A pilot policy was adopted that can be revisited if need be. Buty will develop some signs for the front desk about the policy. The second issue had to do with smoking. Bailey reported “smoking areas” are being considered for the mountain side.

Member Relations Committee

K. Buty, Committee Chair

- **Work Party Weekend**

Buty read her report about the very successful weekend, noting the variety of projects completed. She will send thank-you notes to participants. Discussion followed about the positive impact of Work Party Weekend, not just because of the projects completed, but because of the camaraderie among owners.

NEW BUSINESS

Management Report

M. Schumacher/J. Bailey, Mgmt

- **Occupancy report**

Schumacher noted changes to the Occupancy Summary Report that provide more information including year-to-year comparisons. Discussion followed as the report was reviewed.

- **Collection Report**

Schumacher described the collections process. As of May 1, 78 accounts were in collections, which is more than last year, but fewer than previous years. Management is working hard to get accounts current before they are given to collections. The Report for the Second Quarter 2019 compared with 2018 was in the meeting packets.

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

Schumacher reported no internal comment cards have been turned in since March. Bailey said RCI scores are a bit higher, but not many people actually complete the card. There have been very minimal complaints from exchange guests.

- **Operational update**

Bailey updated the Board on staffing issues. She hoping to hire some people for the Front Desk or she will need to fill in. Owner Meet & Greets begin next Thursday and will continue weekly during the summer. In response to a question, Bailey said the Inventory Matrix was completed and was very helpful to inventory items lost in the fire as it includes model and serial numbers. Schumacher added that the information included will help inform the five-year plan and Reserve replacement projects.

Schumacher summed up the Operational Update by saying work continues to hire new staff and despite the fire and the resources that’s taking, a lot of projects are getting done and the property looks good. The ADA bathroom at the pool will help reduce traffic in the lobby and demonstrates work continues toward ADA compliance. Housekeeping and maintenance are doing well, too.

Duignan noted the California Fire Tax may be reinstated, which could impact next year’s budget.

Sales Report

J. Rose, Management

- **Sales and upgrade update**

Rose distributed the flyer from All Seasons Adventures offering a variety of specialty activities. Owners are invited to sign up for an activity at no charge. Rose is offering a \$100 voucher for anyone who gets a sales presentation.

Rose presented the Sales Report, June 2018 – May 2019, showing 200 sales to date. The goal is to double that

number between now and June 2020. Rose thanked Shara Reeves for helping close a sale by offering an owner's perspective.

Hello Vacay is winding down. Rose described the marketing he is doing, including a mailer offering a truck or \$30,000 cash giveaway.

Schumacher noted sections of the Inventory Report she is working on to account for deed-backs, bankruptcies, and cancellations by year. The auditors want to account for what is in collections using the accrual system, so delinquencies are turned over in May and if there is no response by December, they are pulled. Schumacher said when Notice of Defaults go out, some owners pay back dues. Rose said he has twice forgiven dues to get the owner back into the system.

CLOSED SESSION

Correspondence

J. Thompson, Secretary

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

There was no correspondence submitted.

Operation/Staff Discussion

R. Wemheuer, President

Wemheuer said a monthly phone call to increase communication between Management and the Board will be scheduled for the 3rd Monday of each month, except for months when there is a quarterly Board meeting.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 2:06 PM. The next regularly scheduled Board meeting will be October 20, 2019 at 9:00 AM

Respectfully submitted,

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS

AS APPROVED,

JEAN THOMPSON

SECRETARY

TAHOE SANDS TIME SHARE OWNERS ASSOCIATION