

**TAHOE SANDS TIME SHARE OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
Tahoe Sands Resort, 6610 North Lake Blvd., Tahoe Vista
October 20, 2019**

CALL TO ORDER

Roll Call – Establish quorum

President Wemheuer called the meeting to order at 9:00 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, Jeff Pudewell, Bret & Shara Reeves, and Dominic Chiricosta. Jennifer Cameron arrived at 1:20 PM

Pledge of Allegiance

R. Wemheuer, President

GENERAL SESSION

Review and approval of agenda

R. Wemheuer, President

M//S/C to adopt today's agenda as presented.

Introductions

All

Review and approval of Board Meeting Minutes – June 1, 2019

J. Thompson, Secretary

M/S/C to approve the minutes of the June 1, 2019 Board meeting as presented.

Review and approval of Conference Call Meeting Minutes – July 15, 2019 / August 19, 2019 / September 16, 2019

M/S/C to approve the Conference Call meeting minutes as amended.

Wemheuer reported the Board decided to conduct conference call meetings the third Monday of any month the Board is not otherwise formally scheduled to meet. Any member can contact Schumacher for call-in information.

Control sheet sign-off

Board of Directors

The Board reviewed and signed off on the Control Sheet.

Public Comment

Chiricosta met a new member who he invited to get involved in the Association.

COMMITTEE REPORTS

Finance Committee

D. Thompson, CFO

• 2019 Financial Review

D. Thompson presented the year-end 2019 financial reports, noting specific line item variances. Discussion followed as the insurance and construction costs from the fire were clarified. D. Thompson explained the reduction in allocations to Capital Improvements, but feels a minimum of \$100,000 should be maintained in the account.

- **Report on 2019 Capital Improvement Expenses**

D. Thompson presented the Capital Improvements Project report for 2019 that listed each item, the amount budgeted, variances, and status of the project.

D. Thompson noted the Cash Summary report indicating account balances. He recommends drawing down Reserves a bit for 2020 because of a reduction in anticipated revenues.

- **2020 Proposed Budget**
- **2020 Capital Improvement Proposal**

The Board reviewed the proposed budget. D. Thompson described assumptions made as the budget was prepared. Rose presented the bids he has received to get the BMPs done, noting the permit does not expire until 2022. That said, TRPA will probably not issue the buoy stamps until the BMPs are done.

D. Thompson recommended adopting the budget with a 10% increase in dues and allocating at least \$60,000 from Reserves for Capital Improvement projects. Discussion followed. During discussion it was noted the increase in dues is a result of anticipated increase in Operation expenses, including payroll to meet minimum wage requirements and utilities. Information regarding the dues increase will be included in the President's Message and CFO Report in the Bear Paw.

M/S/C to adopt the 2020 budgets as presented and allocating at least \$60,000 from Reserves to Capital projects, in addition to any surplus from Operations.

M/S/C to increase dues setting fees effective January 1, 2020 as follows: \$757 for the studio; \$932 for the one-bedroom; and \$1,072 for the two-bedroom. Bonus time will be \$109 for the studio; \$134 for the one-bedroom; and \$154 for the two-bedroom. Nightly rental rates will be adjusted accordingly.

D. Thompson hopes to get the internal audit implemented by the end of the year.

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

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

Pudewell reported the 100s and 500s were inspected in September. The report is included in today's meeting packets and most items have been addressed. Some, such as flooring, will require additional funds. Pudewell said since the quality of the units is so improved, the Committee is also inspecting the grounds. He distributed photos of existing conditions and his recommendations to address items identified. Discussion followed as each item was considered. Pudewell was thanked for presenting such a professional report.

One item discussed was fire walls in the Lanai building. Rose and Pudewell will consider the cost and schedule for the project.

Renovation & Improvement Committee D. Chiricosta, Committee Chair

- **BMP/Landscape Plan**

In response to a question, Rose said getting BMPs completed depends on the budget available. He suggested starting with the 500s, then the 400s, and by then a lakeside plan should have been developed. Rose described the work to be done, noting landscaping is a separate project. Schumacher showed a site map with a proposed landscaping plan that included amenities such as fire pits, updates to the playground, water gardens, and border walls to mitigate sand migration. The process for the mountainside is much more extensive that what was originally thought, mainly because of a new TRPA reviewer. Schumacher suggested a landscaper be contracted

to specifically work with TRPA to make sure all requirements are being met. At this point, the Board needs to consider what improvements should be done, including signage, then a final plan can be designed.

- **Board and Committee Position Description**

Chiricosta presented the Board and Committee descriptions he prepared. The descriptions will be posted on the website and used to encourage owners to participate on Committees.

- **500's Fire Units update**

Chiricosta has been working with Rose to get permits to complete work on the 500s. The ADA unit in the middle will count toward overall compliance. Rose described the TRPA requirement.

- **Resort Improvement Spreadsheet**

Schumacher distributed a document showing inventory and amenity information by unit. She explained how it will be used and asked for feedback on the format.

ADA Committee

B. Reeves/S. Reeves, Co-Chairs

- **Committee update**

S. Reeves and B. Reeves described how combining 512 and 513 will provide a second ADA-compliant unit. Unit 116 is also fully compliant and 115 is ADA friendly. As many components as possible will be included in the 500s rebuild to address ADA needs.

Strategic Planning Committee

R. Wemheuer, President

- **Committee update**

Wemheuer is considering the 500s and BMPs as part of overall projects to be addressed. He recommends the 300s be rebuilt eventually.

Nomination Committee

G. Duignan, Vice President

- **Committee update**

Duignan reported Baumberger has agreed to run for re-election to the Board and Jeff Pudewell is considering running for a position. Jean Thompson will not run for re-election. Those running need to get bio statements to Schumacher by October 29 for inclusion in the newsletter. A brief discussion followed regarding strategies to encourage owners to participate in the Association at the Committee level or volunteering for projects that may require less time.

Insurance and Legal Issues Committee

E. Baumberger, Committee Chair

- **Legal update**
- **Insurance update**

Baumberger reported a wrongful termination suit has been settled. The claim for the fire in the 500s is still open. The rebuild estimates have increased and a final part of the claim will include business interruption. The claim will be finalized when the Certificate of Occupancy is issued. A brief discussion followed regarding the anticipated timeframe for completion.

Schumacher has contacted the insurance agent to determine what can be expected with the renewal, given the claim and the insurance issues in California. The broker is investigating options.

Policy and Rules Committee

J. Cameron, Committee Chair

- **Committee update**
- **Boat Buoys**

Schumacher reported that although TSTOA has not historically paid for buoys, there will now be a \$90 per buoy fee from TRPA. In addition, buoy maintenance costs approximately \$5,000 - \$6,000 per year. The Board is considering charging for buoy use to cover costs. Discussion followed regarding buoy use and strategies to

cover increasing costs. It was agreed that a buoy fee would be set, but the situation will continue to be monitored to make sure the fees are in line with actual costs.

M/S/C to charge owners \$25 per week for buoys and renters \$50 per week, beginning June 1, 2020.

Member Relations Committee

K. Buty, Committee Chair

- **Committee Update**

Buty has suggested Work Party take place the weekend of May 16, 2020.

NEW BUSINESS

Management Report

M. Schumacher/J. Bailey, Management

- **Occupancy report**

Schumacher presented the Third Quarter Occupancy Summary Report. Bonus time did well in the summer and fall. The Friends and Family policy is working well. The Occupancy Report will be part of the information going to the insurance company to support the claim for the 500s.

- **Collection report**

Schumacher reported an average of 150 accounts per year were sent to collections. However, last year staff worked hard to contact owners directly and minimize the number turned over, which reduces fees charged by the collection agency. The agency has not produced very good results because those being turned over are difficult to collect from. Schumacher is working with the agency to determine how long those accounts should remain in collections if the owners are not actively paying on a payment plan.

The Third Quarter Collection Report was reviewed. Schumacher said staff is also working to collect on defaults and cancelled contracts. Overall collection numbers are fairly small.

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

Schumacher reported on changes being made to internal reports, including having a tablet at the front desk for guests to complete the comment card as they check out.

Bailey presented her written report and “Verbatim Facebook Comments June – October 2019” The Resort is scoring 4 out of a possible 5 on Trip Advisor. Guests and owners are encouraged to complete online reviews. Feedback from summer has been good with many positive comments about the sofa sleepers and new sliding glass doors. Bailey noted seemingly small improvements can have a big impact. S. Reeves offered to work with Bailey to set up an Instagram site. A brief discussion followed about local businesses and activities that can be promoted on the TSTOA site.

- **Operational Update**

Bailey reported on additional staff this summer, including four new housekeepers that allowed all units to be cleaned by 4 PM. Comments about staff have been very positive.

- **Newsletter**

Schumacher asked for all submittals by October 29. If anyone is willing to give an “eyes on” before it goes to the printer, let her know.

Sales Report

J. Rose, Management

- **On-Site Sales Program**

- **Hello Vacay**

Rose presented the Third Quarter sales report. Although the reports go from January – December, his fiscal year is June – May. He reported three deals closed yesterday and he is on target to exceed 200 sales for the fiscal year. In response to a question, Rose explained new owners do not start paying dues for one year and sales will not impact the budget until then. Discussion followed regarding the process. Rose reported he has six sales

people and the marketing piece is being updated. He is no longer working with Hello Vacay, but they did produce about 70 sales.

Duignan noted ads for companies offering to buy and resell timeshares. Schumacher said there is an impact to the marketplace as people transfer ownership into those companies but dues are not paid. Discussion followed about publicizing Tahoe Sands policy to take back units. An article will go into the Bear Paw asking owners to contact the Resort rather than consider another “buy back” offer.

CLOSED SESSION

The Board went into Closed Session at 2:40 PM to consider:

Correspondence **J. Thompson, Secretary**

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

Open Session was reconvened at 3:01 PM. There was no reportable action.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:06 PM. The next regularly scheduled Board meeting will be January 18, 2020 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