



BOARD MEETING MINUTES
Wednesday, March 4, 2009 – 8:30 a.m.
Tahoe City Public Utility District

Final Minutes

ATTENDANCE: Ron McIntyre, Jennifer Merchant, Dan Tester, Deb Dudley, Ron Parson, Alex Mourelatos, Jim Kercher (8:46 a.m.), Roger Beck (8:46 a.m.), Dave Wilderotter (8:54 a.m.), and Tom Murphy (8:55 a.m.)

STAFF IN ATTENDANCE: Steve Teshara, Ron Treabess, Kym Fabel, Andy Chapman, Sally Lyon and Sarah Holster

OTHERS IN ATTENDANCE: Pettit Gilwee, Steve Kastan, Nova Lance-Seghi, and Wendy Hummer

1.0 CALL TO ORDER – ESTABLISH QUORUM

1.1 The meeting was called to order at 8:39 a.m. by Board Chair Alex Mourelatos and a quorum was established.

2.0 PUBLIC FORUM

2.1 Dan Tester reported that the extra snow removal service on Squaw Valley road has been very helpful and dependable. Jennifer Merchant reported that additional TOT funds in the amount of \$100,000 are being used to provide extra service on ski area roads. Dan noted that Alpine Meadows road was closed this morning. Steve Teshara reported that the funds allocated to Alpine for extra “snow removal” are being utilized for avalanche control.

2.2 Sally Lyon reported that 2nd Quarter TOT was down \$124,000 (8.26%) from last year, but, to date, TOT collections are up overall by 5.11%.

3.0 AGENDA AMENDMENTS AND APPROVAL

3.1 **M/S/C (Parson/Tester) (6/0) to approve the agenda with the moving up of items G and H before Closed Session.**

4.0 CONSENT CALENDAR

4.1 **M/S/C (Parson/Dudley) (6/0) to approve the consent calendar as presented.**

5.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE APPOINTMENT OF MICHAEL BENNETT TO THE CHAMBER OF COMMERCE ADVISORY COMMITTEE

5.1 **M/S/C (Dudley/Merchant) (6/0) to approve the appointment of Michael Bennett to the Chamber of Commerce Advisory Committee.**

6.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE JANUARY 31, 2009 FINANCIAL STATEMENTS

6.1 Sally Lyon reported that the Finance Committee recommended approval of the January 31, 2009 Financial Statements. She noted that Ski Tahoe North ticket sales are up significantly

from last year and from budget. Ron Parson suggested we inform the community about the success of the Ski Tahoe North program and also the decreases in TOT. He said the community anticipates the reduction of TOT to be greater than 8% and they should be informed about the actual numbers. Steve Teshara confirmed that staff would send out the information in an e-mail blast to the membership. Dan Tester asked if monthly TOT payers could be used as an indicator of how TOT is performing by quarter. Jennifer Merchant explained that there are so few properties that pay monthly that providing the information would jeopardize confidentiality. She confirmed that she sends out a monthly TOT report to the Board. Ron McIntyre referred the Board to the economic indicators report for monthly TOT comparisons. Deb Dudley suggested that after the monthly Board meetings, staff should prepare a report on items of interest to the community such as marketing dollars, TOT trends, the Ski Tahoe North program, and community workshops. She suggested the report be concise and refer the community to www.nlra.org for more detailed information. Roger Beck asked staff to report on TOT factually and not emotionally. Deb suggested we compare our TOT to other resort destinations to put our current economic situation in perspective.

6.2 M/S/C (Dudley/Parson) (10/0) to approve the January 31, 2009 Financial Statements.

7.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE THE CFO'S REQUEST TO MOVE NLTRA INFRASTRUCTURE FUND INVESTMENTS

7.1 Sally Lyon reported that due to increasing interest rates, she would like to transfer approximately \$400,000 to local financial institutions such as Citizens Bank and Plumas Bank. She said the Finance Committee recommended approval of the transfer. Ron Parson noted that all funds would continue to be fully FDIC insured.

7.2 M/S/C (Parson/Dudley) (10/0) to approve the CFO's request to move NLTRA infrastructure fund investments. Steve Teshara and Sally Lyon are the authorized signers.

8.0 DISCUSSION AND POSSIBLE ACTION ON REQUEST BY PLACER COUNTY DEPARTMENT OF PUBLIC WORKS FOR INFRASTRUCTURE FUNDS UP TO \$68,000 TO DESIGN AND INSTALL A COMMUNITY WAYFINDING SIGNAGE DEMONSTRATION PROJECT AT THE TAHOE CITY TRANSIT CENTER

8.1 Ron Treabess reported that in early 2008 the NLTRA and Placer County Board of Supervisors approved an infrastructure allocation to secure the professional services of consultant Carrier Johnson-Culture to prepare a guidelines manual for regional wayfinding signage. The manual is near completion. Ron said the steering committee is still working on the permitting process. However, it was agreed that as the project progressed, a demonstration project would be completed to test the manual's effectiveness. The concerns raised at the Joint Infrastructure/Transportation Committee meeting included lighting of the signs. Ron reported that there is not a specific standard for lighting in the manual. He said lighting would be part of the individual proposals. In addition, the committee directed staff to work with the community to identify potential locations for signage and create a master plan. The demonstration project will show what guidelines and policies need to be changed. Currently all signage standards apply to the property owner and do not include off-site signs. Ron introduced Nova Lance-Seghi with the Placer County Department of Public Works (DPW). He said the DPW is requesting infrastructure funds to design and install a demonstration signage project at the Tahoe City Transit Center. He said the transit center site will allow us to test several different types of signs and guidelines in the manual. He anticipates that project will encourage other agencies to install signage with regional consistency. The project would be included as part of the permitting already in place for the transit center.

8.2 Discussion followed in regards to the DPW funding request.

- 8.2.1 Ron McIntyre said staff was directed by the Joint Committee to work with the community to identify sign locations for a regional signage plan. In addition, he asked Placer County to return any unused NLTRA funds back to the organization for other projects.
- 8.2.2 Tom Murphy suggested that any lighting be night sky compliant. Nova Lance-Seghi confirmed that night sky compliance is a TRPA regulation. Jennifer expressed concern that lighting wasn't addressed in the manual and said the purpose of the manual is to maintain conformity. She said TRPA and Placer County have lighting regulations that should be included in the manual. Alex Mourelatos noted that lighting issues will be addressed in the test project. Ron Treabess confirmed that lighting is addressed in the manual, but not by sign type. As a result of the demonstration project, there could be additional changes to the existing lighting policies.
- 8.2.3 Ron Parson suggested that the overall transit center funds should include funding for signage, especially with the decline in construction costs. Jennifer confirmed that the NLTRA reached out to Placer County to do a wayfinding signage project as part of the transit center project. Nova reported that signage would have been included in the project, but not necessarily consistent with the signage standards that are currently being developed. She said the demonstration project will benefit in cost from the transit center's existing permitting that has already been completed. Roger Beck said he is opposed to the project because he feels the allocation is a subsidy to the transit center project. He said it is not true wayfinding signage because it is not directing visitors from place to place.
- 8.2.4 Jim Kercher asked about the transit center funding shortfall. Ron McIntyre explained that the County is still securing funds from other sources. Jim said it appears that even if there is an excess of funds for the transit center, that money would not go towards signage since it was not part of the project plan. Jim noted that the amount being requested is reasonable. Steve Teshara suggested that given the amount applied for and lower construction costs, perhaps the County could fund signage within the project construction budget. He said that would alleviate the need for the additional allocation.
- 8.2.5 Tom said there is a need for lead-in signs. Ron Treabess said that is not part of this demonstration project. Tom said that does not meet the wayfinding purpose. Alex Mourelatos said we need a master plan of signage to address these concerns. He suggested there is a need to develop a funding incentive strategy that would encourage the communities to invest in wayfinding signage. Ron said staff would take the lead on hiring someone to do a master plan. He said there is funding earmarked in the Integrated Work Plan for wayfinding signage projects which should incentivize signage proponents to request funding for projects. Jennifer confirmed that Placer County would work with Caltrans on companion signage leading up to the transit center. In regards to Roger Beck's earlier concern about wayfinding, she reported that there is more than one sign type as part of the demonstration project including directing visitors to raft and transit parking and bike trails. She said there is an internal wayfinding signage component.
- 8.2.6 Dave Wilderotter said he supports the project. The project will define what wayfinding is outside the project area. Dave feels that companion signs cannot be installed until the demonstration project is completed. Jennifer agreed and said the companion signs may need to include other content besides the transit center. Tom said any approaching signs should have similar design to what is in the manual. Ron confirmed that Caltrans has been a key participant in the manual development and are familiar with the design elements.

- 8.3 M/S/C (McIntyre/Wilderotter) (8/0/2 No – Beck and Parson) to recommend to the Placer County Board of Supervisors the Placer County DPW request for infrastructure funds up to \$68,000 to design and install a community wayfinding signage demonstration project at the Tahoe City Transit Center with the addition of a report based on lessons learned and if other funds become available, they be used prior to spending NLTRA funds.**
- 9.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE ONE YEAR EXTENSION OF CONTRACT WITH THE CALIFORNIA TAHOE CONSERVANCY TO PROVIDE RENTAL SERVICES AT NORTH TAHOE BEACH IN KINGS BEACH**
- 9.1 Steve Teshara reported that the California Tahoe Conservancy (CTC) is interested in continuing its contract for rental services at North Tahoe Beach with the NLTRA. The NTPUD is responsible for the maintenance of the facility, which is a separate contract. He said the rental revenue helps the CTC offset costs of the maintenance agreement. The NLTRA receives a commission and a portion of the security deposit (\$50) for our services. Steve noted that prior to this year we dropped our additional insurance coverage because it falls within our existing commercial liability insurance. Steve reported that rentals were down last season and staff is looking for ways to further promote the facility. Steve said due to the CTC's commitment to public access, there are some key rental dates and times that are blacked out. Sally confirmed that we don't incur expense so we generate some revenue through rentals. Jennifer said marketing the facility would incur expenses. Steve clarified that staff is looking for ways to publicize the availability of the facility in ways that do not incur costs. He noted that as part of this agreement, the NLTRA is given free space to provide visitor information services at that location in the summer.
- 9.2 M/S/C (Beck/McIntyre) (10/0) to approve the one year extension of contract with the California Tahoe Conservancy to provide rental services at North Tahoe Beach in Kings Beach.**
- 10.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE EXTENSION OF THE NORTH LAKE TAHOE MARKETING COOPERATIVE LEGAL AGREEMENT BETWEEN THE NORTH LAKE TAHOE RESORT ASSOCIATION AND THE INCLINE VILLAGE CRYSTAL BAY VISITORS BUREAU**
- 10.1 Andy Chapman reviewed the Marketing Cooperative budget. He demonstrated how joining the coop has eliminated duplicative spending efforts in marketing for North Lake Tahoe. Andy highlighted areas on the performance review document. He reported 29% of visitors to the Web site are clicking through to lodging properties. He submitted a click through report for each lodging property and noted that recent click throughs in January were up 20% and up 22% in February. Andy reported that we are starting to track Cool Deal packages. In January, there were over 2,000 click throughs to lodging properties from the Cool Deals page. Andy reported that the Marketing Committee unanimously recommended approval to the Board of Directors the extension of the North Lake Tahoe Marketing Cooperative legal agreement between the NLTRA and the Incline Village Crystal Bay Visitors Bureau (IVCBVB).
- 10.2 Discussion followed in regards to the extension of the Marketing Cooperative legal agreement.
- 10.2.1 Ron McIntyre expressed concern about conference leads. He said it appears leads in 2005/06 led to higher rooms booked than in 2007/08. Andy said he would confirm the number and resend, if incorrect.
- 10.2.2 Roger Beck asked for clarification regarding the decrease in Incline's funding participation. Andy said the number is based on actual TOT collected. He

confirmed that they are meeting the minimum funding percentage for the cooperative. Steve noted they had some challenges since losing CalNeva TOT.

- 10.2.3 Ron McIntyre asked staff to provide a report that shows the click through by property type. Discussion followed with regard to the property categories. Andy noted that the Placer County County-wide Tourism study will breakout that specific information. Jennifer Merchant said the County is working to collect that information, but they are struggling with where to place properties that recorded themselves as *other*.
- 10.2.4 In regards to discussions at last meeting pertaining to cost per visitor to the Web site, Andy reported that we are spending \$1.17 based on paid media and \$1.86 based on total media paid and unpaid. He said based on total budget of the coop the cost per visitor is \$2.70, \$4.11 for cost per click to properties under paid media, \$6.50 from total media, and under total budget \$9.40 per click. Andy said he would update the performance review document with these numbers. He confirmed that he is working with the agency to update the indicators. Alex asked if there is a benchmark to determine whether our spending is similar to other destinations. Wendy Hummer said that although she is not aware of a specific benchmark, our spending per click is equal to other DMO's. Jennifer asked that the click through report be broken out by Placer County and Washoe County. Andy said he would breakout the report by area (town) and County.
- 10.2.5 Jennifer expressed concern related to section 1.3 (page 2) of the Cooperative Marketing Committee (CMC) agreement. She said the Placer County/NLTRA Contract states the NLTRA Board will be the final decision maker on how TOT funds are expended. She said the CMC agreement reads differently. Steve Teshara explained Incline's representatives on the CMC are responsible for bringing forward their organization's input to the coop and vice versa. He said it has been a compatible relationship, but if there was ever an issue, our representatives would come back to the NLTRA's Marketing Committee and Board for direction. Dan Tester feels that a change in the language of the contract would be inconsistent with a coop partnership. Deb Dudley said there is an "out" clause built into the agreement. Alex agreed and said section 10.7 addresses conflicts between parties. Jennifer asked that 10.7 should be clarified to specifically refer to the CMC agreement and not the Placer County/NLTRA Contract.
- 10.2.6 Roger Beck asked about *Total Reach* on the performance review document. Wendy explained that that is related to target market averages. Andy confirmed that staff is working with the agency to establish more useful indicators.

10.3 M/S/C (Tester/Parson) (10/0) to approve the extension of the North Lake Tahoe Marketing Cooperative Legal Agreement between the North Lake Tahoe Resort Association and the Incline Village Crystal Bay Visitors Bureau.

11.0 REPORT ON OUTCOMES OF THE MARKETING WORKSHOPS HELD FEBRUARY 24TH AND MARCH 3RD, BOARD DISCUSSION AND FURTHER DIRECTION TO STAFF RE: NEXT STEPS IN UPDATING NLTRA MARKETING STRATEGY DOCUMENT AND MARKETING PLAN FOR FY – 2009/10

- 11.1 Andy Chapman reported on the February 24th and March 3rd marketing workshops. He said a formal report is being completed by Lauren O'Brien with Streamline Consulting who facilitated the meeting. She will submit her report based on discussions and feedback from the workshops. Many issues raised during the workshops focused on special events; it was suggested a special events workshop be scheduled in early spring. In addition, discussions revolved around our marketing programs such as the community marketing program, special event grants, ROI and expenditures for the Placer County Film Office and the consumer marketing Web site. Feedback suggested an increase in marketing dollars for conference

sales since it has demonstrated significant ROI. Other discussions centered on the balance between drive and destination marketing and increased location-based marketing funds.

- 11.2 Discussion followed with regards to the input from marketing workshops. Jennifer said it is important to have the special events workshop prior to budget preparations. Alex Mourelatos agreed and said we also need to define what a local event is, how important events are to our marketing strategy, and the NLTRA's role in special events. Andy noted it is also important to identify peak vs. off season timeframes. Deb Dudley said the workshops provided a good opportunity for us to inform the participants about what we have done in response to last year's workshops. Dave Wilderotter agreed and said he believes the community feels they have been heard.
- 11.3 Ron McIntyre said Placer County contributes a significant amount of TOT back to our area in comparison to other counties. He said we should communicate that to the community. Jennifer said she does not have information for all counties, but last year Placer County conducted a TOT distribution survey and Placer County was a top contributor. She asked staff to research information provided by the state in regards to how different counties distribute TOT.
- 11.4 In response to the workshop feedback related to the marketing allocation for the Placer County Film Office, Jennifer confirmed that ROI shows that for every dollar spent of the \$54,000, we get \$28 dollars back in room revenue, TOT and sales tax. Jennifer said for our investment the return to the community is high. Steve Teshara suggested we post ROI information for all our coop efforts on www.nltra.org. He noted that the State of California has data for revenue generated through tourism and what revenue returns to the state, county, and city level. Deb reported that the information is available through a Dean Runyan report (2008) on the State of California research site. The report shows that for every dollar spent in Placer County for tourism promotion, the return on investment is \$383 back to the economy and \$28 back to tax. She said it also shows jobs generated by tourism, industry earnings, and visitor spending by category. Dave said he believes that if NLTRA TOT funding is cut, TOT revenue should still remain in the basin in one form or another. Deb said it is important to track that correlation because if funding is cut, we need to be aware of the long term impacts to marketing. Jennifer confirmed that the County is not looking to make cuts to marketing. She will be working with staff on budget scenarios to address funding cuts. Alex said we need to identify our priorities and marketing strategy and work with the County on funding based on constraints.
- 11.5 Alex said the workshops were productive but we need to continue outreach to our constituents with our marketing strategy and efforts throughout the year. Jennifer said we should avoid posting proprietary information on the Web site. Alex said we are struggling with the balance of informing the community and maintaining our privacy. Andy explained that it is not unusual for destinations to post where they spend public money. Steve confirmed that we are on track with the *Strategic Planning and Budget Development Process* (Six Month Plan).
- 12.0 STATUS REPORT/BOARD DISCUSSION AND FURTHER INPUT ON UPDATING THE FY-2009/10 INTEGRATED TRANSPORTATION AND INFRASTRUCTURE WORK PLAN AND LONG RANGE FUNDING PLAN FOR FY – 2009/14**
- 12.1 Ron Treabess reported on the process for updating the Integrated Work Plan. The process began in January at the Joint Infrastructure/Transportation Committee meeting. A public workshop was held the evening of February 10th to get feedback from the community and our partner organizations. The comments from both workshops have been incorporated into the document. Additions to our priority list include the *advancement of the Olympic Ski Museum, the 2010 Olympic Heritage Celebration, and the related Squaw Valley Visitor Information Center*. The other addition is *selecting some smaller projects that can be advanced and completed in a reasonable timeframe*. Ron highlighted items in the plan. He

said the Lakeside Multi-purpose Trail continues to be a high priority. The California Tahoe Conservancy (CTC) funding for bike trails has been cut and our funding may be necessary to continue the momentum of those projects. He noted that infrastructure funds being held by Placer County are accumulating and said if there are appropriate projects approved by the NLTRA Board and Placer County Board of Supervisors, we can request funds beyond what is contemplated for the FY-2009/10 Infrastructure Budget.

- 12.2 Ron reported that the budget request for Transportation is \$200,000 less than last year because TART is requiring less TOT revenue to provide services and the services are operating more efficiently. He confirmed that revenues on the North Lake Tahoe Express are increasing, which reduces our subsidy. Ron suggested that if TART cuts service due to budget constraints, TOT would be an appropriate funding source to “backfill” TART services. Deb Dudley asked if the NLTRA has considered combining transportation with the Truckee Tahoe Unified School District (TTUSD) since they are also having a budget shortfall. Jennifer Merchant said that opportunity has been discussed, but the training required for school bus drivers is significant; greater than that for TART drivers. In addition, she said the commute time for schools and ski areas are the same so that would require additional capital to provide more vehicles. Ron reported that the Tahoe City Trolley will not be included in the 2009/10 plan due to low ridership; funds will be redirected. He also reported that it had been the hope to have year ‘round service on Highway 267. TART is unable to continue non winter services so funding is needed for an alternate service on Highway 267. The service will not be continuous, but will begin again in the summer and end in the fall. Ron confirmed that staff will draft an RFP for the service through the Tahoe Transportation District (TTD). Ron reported that the Tahoe Vista/Northstar Winter Pilot program will be evaluated at the end of the season, but currently there are no TOT funds allocated in the draft work plan to continue the service next year.
- 12.3 Dave Wilderotter suggested winter traffic management does not need to be as extensive as it has in the past; holidays and Saturdays are sufficient. Dave asked for more details about the status of the pilot program in Tahoe Vista. Ron said at the end of April, numbers show that the program is successful with visitor and local ridership. He said it may not be an appropriate expenditure for TOT, but Northstar and Tahoe Vista lodging could continue the service next year. Ron McIntyre said the need for winter traffic management is based on snow conditions. He agreed that the service is needed on holiday weekends and Saturdays. He also suggested that the program maintain appropriate focus on the merge onto the West Shore from Squaw Valley.
- 12.4 Roger Beck said the plan is extensive and suggested staff stay focused on the priorities. Ron Parson feels the list is overarching. He said we need a clearer vision. Ron McIntyre said the Master Plan is our vision. Ron Treabess agreed and said the Integrated Work Plan supports implementation of Master Plan recommendations. Jennifer said the Board and the Committee should review the new list from the community workshop and determine whether we want to add projects to the Integrated Work Plan. Ron said he has already added appropriate projects to the list for Board review based on that input. Jennifer indicated that Placer County is not inclined to support projects on California State and Federal land. In addition, she said the priority related to the North Lake Tahoe Performing Arts Center and related programs should be focused within Placer County. Jennifer expressed concern in regards to the priority item related to the completion of smaller projects. She feels some of the smaller projects in the plan “border on silly”. She said we should focus our infrastructure funds on larger and visitor serving projects. Dave disagreed and said smaller projects, like the speed limit signs in Kings Beach, can have a huge impact on the visitor’s experience. Roger Beck suggested that each year we define small projects to be accomplished. Ron McIntyre said funding is accumulating at the County because we are working on larger projects and they take time to complete. He said we should not spend money on projects that do not have a strong impact. Roger said smaller projects allow us to demonstrate our accomplishments, which is important to the upcoming election. Alex Mourelatos said the pilot program is an augmentation strategy and it is important to hear from our lodging

community in regards to this type of program. In addition, he suggested we need an arts and culture project strategy. Alex said we should encourage those types of projects because they engage our visitor.

13.0 STATUS REPORT – DISCUSSION - FY-2008/09 CONTRACT COMPLIANCE MATRIX

- 13.1 Steve Teshara provided a monthly report on the contract compliance matrix. Jennifer confirmed that the additional conflict of interest information requested has been received by the CEO's office. Steve reported that a meeting was held to further discuss the issue related to Washoe County Booking Improvements. Based on that meeting, Andy is preparing additional indicators and financial reports to be reviewed by the Board. Steve confirmed that staff is on track to accomplish the TOT budget development process.

14.0 CHAMBER OF COMMERCE REPORT

- 14.1 Kym Fabel reported that in February the Chamber registered 11 new members for a total of 658 members.
- 14.2 Kym noted that the Chamber Business Plan is used as an annual roadmap to achieve Chamber objectives and action plans. She said consistent with Action 2 in the plan to support members, the Chamber held the 55th Annual Community Awards Dinner in February. Also in February, the Chamber co-sponsored a fundraiser for SnowFest! at Gar Woods. Kym noted that to date, SnowFest! events have been well attended. Pettit Gilwee with Pettit Gilwee PR added that SnowFest! has received significant coverage with minimal effort. Festival coverage was picked-up by KCRA, the LA Times, Sac Bee, and the San Francisco Chronicle. Kym reported that as part of the Chamber Plan, the Chamber is looking for ways to improve member services. In response to that, the Chamber conducted a President's holiday week business survey. Those that responded said their businesses served fewer visitors with a lower average customer spending. In reaction, businesses are expanding their hours to capture more visitors. Lodging properties are trying to achieve higher conversion rates. Businesses are enhancing their Web sites to reach new markets. To assist in this effort, the Chamber is conducting a series of ChamberEDucation programs to address marketing issues in a tough economic climate. On March 12th, Plumas Bank will discuss *Small Business Lending* and how to write a business plan. On March 19th, Smith and Jones will present *Enhancing your Web site*. In addition, Pettit will discuss free promotional and PR opportunities. On March 26th, speaker Michael Saab with PWA insurance will discuss *How the Stimulus Bill Affects your Small Business*, in addition to best practices to manage your 401K. Then on April 2nd, Michael Bennett, Publisher with the Sierra Sun, will present *Marketing 101* and how to reach new markets.

15.0 MARKETING REPORT

- 15.1 Andy Chapman gave an update on the expanded winter marketing campaign as recommended by the Marketing Committee and approved by the NLTRA Board. He said staff and agency decided to buy radio because the messaging is flexible and allows time to promote Cool Deals. Radio also allows the potential expansion of the buy from 3 to 5 weeks. In addition, radio reaches a larger percentage of our target audience in the Bay Area along with some coverage in Sacramento. Wendy Hummer reported that it is a good time to buy media. Our total cost for the campaign is \$37,386, but the total value is \$114,901. The campaign began February 23rd on stations KITS-FM, KFOG-FM, and KNBR/KTCT-AM in the Bay Area. Wendy reported that the week of March 2nd – 6th, we are working with the Woody Morning Field Trip Show (KITS-FM) on a text message based promotional giveaway where six winners and their guests will be invited to join the morning show staff on the North Lake Tahoe bus for a weekend getaway. Bounce back messages to those who entered will receive information on North Lake Tahoe and Cool Deals. Andy said staff would track Cool Deals during this promotion. In answer to Roger Beck's request about the radio spot, Andy said he would e-mail the spot to the Board this afternoon. Wendy reported that Sacramento

radio includes three stations KSEG, KSSJ, and KZZO with 30 to 60 second spots including promotions. The value of the campaign is \$13,300. To supplement the radio, the program also includes internet e-mail and newsletter sponsorships. Total cost is \$5,560 with a total value of \$16,775.

- 15.2 Andy reported that the Ski Tahoe North ticket sales are up significantly from last year and from budget. He said sales are national and international and do not include Northern California or Northern Nevada, where ticket sales are blacked out by agreement with the participating resorts.
- 15.3 Jennifer Merchant asked about the message of the radio buy. She expressed concern that the Woody Show “party bus” giveaway is inconsistent with our “nature seeker” message. Andy clarified that the message strongly targets our audience. Wendy added that we give the radio stations very specific copy points. She said it is sold as a ski trip. Ron Parson asked staff to send the Board and lodging properties the e-mail blasts that are going out as part of this campaign. He said it would be helpful to local lodging to know what information is being distributed to our target markets.
- 15.4 Alex Mourelatos reported that one recommendation made during the recent marketing workshops was that the NLTRA annually tag 5% of reserve funds to be a strategic response to market conditions. Ron McIntyre said he disagreed with that suggestion and said the allocation should be earmarked from the marketing budget, rather than reserves.

16.0 ACTIVITY REPORT

- 16.1 Ron Treabess reported that our transportation programs are getting high ridership. He encouraged the Board to read the highlights in his Activity Report.
- 16.2 Ron also reported that this month the Tahoe City Fish Hatchery will come before the Joint Infrastructure/Transportation Committee to request an infrastructure allocation for interpretive signage.
- 16.3 Ron distributed the final draft *Feasibility Study and Business Planning for New Cultural Facilities in North Lake Tahoe – Truckee*. He said we are participating in the formation of a regional organization to foster the implementation of this plan. Roger Beck suggested the Board review the plan to give direction to staff as it relates to implementation.
- 16.4 Ron gave an update on the Mousehole project. He said the Town of Truckee recently presented various ways to fix the Mousehole without removing the train tracks. These ideas were based on technical studies, including a series of borings. One preferred alternative is a sequential excavation which would allow the tunnel to be dug and built 10 feet at a time. The Town will take the recommendation to Union Pacific in May then prepare an Environmental Impact Statement.

17.0 PRESIDENT & CEO REPORT

- 17.1 Steve Teshara thanked NLTRA staff for planning the Community Awards Dinner, and the Resort at Squaw Creek for its support and hospitality as host site for the event.
- 17.2 Steve announced the upcoming annual Placer County Economic Development Breakfast scheduled to be held March 19th in Lincoln. The keynote address will be by Carolyn Betteta with the California Travel and Tourism Commission (CTTC). She will discuss what the CTTC is doing to market the State of California. In addition, there will be a presentation by the Ritz Carlton about the opening of the Ritz Carlton at North Lake Tahoe this fall. The final draft Placer County Tourism study will also be unveiled at the meeting. Roger Beck asked about the state budget for tourism. Steve said the CTTC budget is principally driven by the private sector. Pettit reported that the state budget is \$50 million with \$49 million coming

from assessed businesses. She confirmed there have been discussions as to whether those fees will come in lower due to the economy.

- 17.3 Steve noted that he serves on the Economic Development Board for Placer County representing the tourism sector. In addition, he served on a subcommittee of the Board to prepare an RFP for the Placer County Economic Study. He said a consultant has been selected and confirmed that North Lake Tahoe will be an official part of the County study.
- 17.4 Steve reported that there was a resolution passed recently in the California State Senate that created a joint Senate/Assembly Committee to oversee the protection of Lake Tahoe.
- 17.5 Included in the packet is a thank you letter from the Army Corps of Engineers that Steve received following the Community Awards Dinner. The Corps' Sacramento District was honored by the Chamber for work they have done in the Tahoe region.

18.0 DIRECTORS' COMMENTS

- 18.1 Jennifer Merchant provided a status report on the reallocation of funds assigned to NLTRA through the TOT general fund. She clarified that at the beginning of the fiscal year, the Placer County Board of Supervisors reduced the County budget by \$15 million due to a decrease in sales and property tax. There was an additional \$10 million cut which included a mandatory four days off for county employees. In formulating the 2009/10 budget, the Board of Supervisors is considering another \$18 million in cuts to the budget. She said due to this dire situation, the CEO's office staff has proposed a reallocation of \$500,000 that would have otherwise gone to the NLTRA budget. This funding will instead go to other services in the North Lake Tahoe area. She said the Board of Supervisors has accepted the recommendation and asked county staff to continue work on the proposal. Specifically, Jennifer said that the \$500,000 would be allocated to the dental clinic in Kings Beach, maintaining TART's base services in light of state funding cuts, a school resource officer, and animal control. Jennifer pledged to work with NLTRA staff and members of the Board to maintain NLTRA's budget and services that are important to the community. She said the NLTRA budget for 2009/10 would be approximately \$3.6 million not including county services. Ron McIntyre asked about carryover. Jennifer said there will be no carryover from 2008/09 to the 2009/10 NLTRA budget.
- 18.2 Ron Treabess clarified that CEO's recommendation to the Board of Supervisors did not specify NLTRA TOT. Jennifer confirmed that it was not specifically called out, but it was intended that the \$500,000 be reduced from the NLTRA budget. Roger Beck asked from which NLTRA departments the funding will be cut. Jennifer said she would review budget scenarios with the Executive Committee and NLTRA staff.
- 18.3 Deb Dudley said we need to demonstrate to the Board of Supervisors the impact to significantly cutting TOT. She said they need to understand the intent of what they voted on and the consequences.
- 18.4 Ron Parson said he was appalled that the NLTRA Board agreed to a contract last year that was counter to the interests of this organization. He said had the community known they would have addressed the issue with our local Supervisor. He said we need to inform the community about the action that has been taken. Ron McIntyre asked Ron to recognize that the Executive Committee and the Board were told two weeks prior to receiving the money that the organization had to sign the contract or would not have been funded at all. Ron Parson said we need to address this issue directly with our elected officials. Alex Mourelatos said the Executive Committee has had dialogue with members of the Board of Supervisors over the past few months. He said it had been agreed to accept the position the CEO's office took last year and not to create an issue for the Board of Supervisors at this time. Alex said we may not have an appreciation of the issues facing the County; however, the County may not know the value of work being done by our organization. Deb said we

chose not to send out a press release last year because we were trying to work in the spirit of cooperation with the County. It was also understood that funding would be renegotiated this year. Alex said funding percentages are being discussed. Roger said if \$500,000 is to be reduced from our budget, we should have been notified.

- 18.5 Ron McIntyre said the percentage of cuts to the NLTRA budget is disproportionate to the Placer County budget reductions. He doesn't understand why the NLTRA is taking an inordinately larger cut and said it appears the NLTRA is not valued. Deb agreed and said NLTRA's budget reduction is not equitable. Jennifer said TOT is not the only revenue source that goes into general fund so one source does not offset another. Deb said our funding should be based on the generation of TOT. Jennifer said the County, not the NLTRA, is responsible for collecting TOT. She said the County contracts with the NLTRA and TOT is general fund money. Dave Wilderotter expressed concern about the funding split. Jennifer said TOT has always been general fund money, so the County has always had the option of negotiating the funding split. Ron Parson said the Placer County Board of Supervisors and the County staff works for the community. He said it is our responsibility to inform the community about the issue and contact our elected officials directly with our concerns. In addition, he said we can't tie TOT generated to the association, but it was the understanding that when the NLTRA was created, 60% of TOT would be invested locally and managed by the NLTRA.
- 18.6 The Board directed the Executive Committee to communicate to the Board of Supervisors that our organization did not have opportunity to weigh-in on the funding issues based on the recent CEO staff recommendation (February 24th). In addition, they also directed that the Executive Committee continue to discuss reinstating the funding percentages and communicate to our constituency what happened during last year's contract negotiations and the current situation impacting North Lake Tahoe TOT invested through the local decision-making and recommendation process of the NLTRA.
- 18.7 Tom Murphy said these actions, taken by CEO staff, will likely prevent the renewal of TOT in 2012. Ron McIntyre said we are sensitive to the County's budget constraints, but would like our cuts to be proportionate to other "takes". Tom said our response needs to convey to the Board of Supervisors that TOT will be jeopardized and it is a valuable source of funding. Alex agreed and said need to show that lower TOT collections will impact county revenues and have long term effects. Ron Parson said the NLTRA also needs to tighten up the budget to show that we are trying to respond to the economic climate.
- 18.8 Ron McIntyre said it was the intent of the Executive Committee to have open discussions with the County. If there has been a decision made by the Board of Supervisors regardless of any discussion then we should raise the emotional level of our constituency to address the Board of Supervisors. Roger Beck said the first step is to draft a letter and follow-up with the Board of Supervisors. In addition, he said the NLTRA Board, and not County staff, should determine where the cuts are made within the NLTRA organization. Jennifer said the allocation of funds gets negotiated in the contract. Dave expressed concern that we were left out of the discussions regarding the \$500,000. He agreed that the NLTRA Board needs to be part of the FY-2009/10 TOT negotiations. He said if County staff is going to determine cuts, why have a meeting or a NLTRA Board for that matter. Alex agreed and said that is a core issue. He feels that if the NLTRA is just a contract to the County, the NLTRA has to decide if they want to continue serving in that role.

19.0 MEETING REVIEW AND STAFF DIRECTION (ACTION STEPS)

- 19.1 Steve Teshara reported that staff would send out TOT collection information to the membership in an e-mail blast. Staff will prepare a Monthly Activity Report to follow the Board meetings on items of interest to the community such as marketing dollars, TOT trends, the Ski Tahoe North program, and community workshops and e-mail blast to the community.

- 19.2 Provide a click through report broken out by Placer and Washoe County and by area.
- 19.3 Clarify item 10.7 of the North Lake Tahoe Marketing Cooperative legal agreement.
- 19.4 Research information provided by the state in regards to how different counties distribute TOT.
- 19.5 Staff will schedule a special events workshop prior to budget negotiations.
- 19.6 Revise the Integrated Work Plan.
- 19.5 Staff will bring back additional indicators and financial reports related to Washoe County booking improvements.

20.0 ADJOURN TO CLOSED SESSION

- 20.1 The meeting adjourned to Closed Session at 1:06 p.m.

21.0 RECONVENE TO OPEN SESSION

- 21.1 Board Chair Mourelatos reported that the Board provided direction to the President and CEO regarding personnel matters.

22.0 ADJOURNMENT

- 22.1 The meeting adjourned at 2:45 p.m.

Submitted by,
Sarah Holster
Executive Assistant