



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

FINAL MINUTES

ATTENDANCE: Dave Wilderotter, Alex Mourelatos, Ron Parson, Deb Dudley, Dan Tester, Roger Beck, Graham Rock and Tom Murphy (8:42 a.m.)

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

OTHERS IN ATTENDANCE: Steve Kastan

1.0 CALL TO ORDER – ESTABLISH A QUORUM

1.1 The meeting was called to order at 8:38 a.m. by Chairman Alex Mourelatos and a quorum was established.

2.0 PUBLIC FORUM

2.1 There were no public comments.

3.0 AGENDA AMENDMENTS AND APPROVAL

3.1 **M/S/C (Tester/Parson) (7/0) to approve agenda as presented.**

4.0 CONSENT CALENDAR

4.1 **M/S/C (Parson/Wilderotter) (7/0) to approve the consent calendar as presented.**

5.0 DISCUSSION AND POSSIBLE ACTION TO ACCEPT BOARD MEMBER JIM KERCHER'S RESIGNATION AND DECLARE THE SKI AREA SEAT VACANT

5.1 Steve Teshara reported that Ski Area Board representative Jim Kercher has accepted a new position in Colorado and has submitted his resignation to the NLTRA Board. Steve explained the process for filling a Board vacancy once the Board is notified of a member's resignation. The Board must formally declare the seat vacant. The Board then directs staff to notify eligible members of the vacancy. Staff reviews letters of interest to confirm the interested parties are of the same membership class. A slate of qualified and interested candidates are brought forward to the Board for review. The Board then appoints a qualified person to serve in the seat for the balance of the current calendar year. Steve said ideally someone would be appointed who will run in the next election (fall 2009) for the balance of the term. In this case, the balance of the term will be two years. Alex Mourelatos encouraged the board to outreach to ski area representatives. Staff will submit a slate of qualified candidates at the next meeting for review.

5.2 **M/S/C (Parson/Wilderotter) (8/0) to accept Board member Jim Kercher's resignation and declare the ski area seat vacant.**

6.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE A NLTRA BUDGET FOR FY-2009/10

- 6.1 Steve Teshara reported that based on Board direction at the June 26th Special Board meeting, staff has prepared a revised NLTRA budget to reflect a \$3.6 million TOT budget with \$50,000 in Infrastructure funds allowed for transfer to Marketing. The marketing "shortfall" is partially addressed by the contingency from the \$4.1 million TOT budget (presented at the June 26th Special Board Meeting). Several marketing reductions are part of this budget. They include (\$5,000) to Marketing Research, (\$5,000) for the Community Marketing Program (special events), (\$30,000) in New Event Development, and (\$10,000) for the NLTRA's contribution to the North Lake Tahoe Marketing Cooperative. Additional funding required for year round Highway 267 service is also not included in this revised \$3.6 million budget. Staff noted that the marketing reserve is available for other marketing investments that could develop during the course of FY-2009/10. The CEO has indicated a willingness to reduce the marketing reserve requirement from 15% to 7.5%. Repayment of the reserve will be based on the 7.5%.
- 6.2 Discussion followed in regards to the NLTRA Budget for FY-2009/10.
- 6.2.1 Roger Beck expressed concern about the decrease in marketing research. Andy Chapman confirmed that funding is available for research similar to the ad awareness study and focus groups that were conducted in the past. Alex said staff has identified approximately \$100,000 in savings which was moved to a contingency in the \$4.1 million budget. In order to develop a \$3.6 million budget, the contingency offset some of the marketing shortfall, but reserve funding is available for other marketing investments that will likely develop during the course of FY-2009/10. Tom Murphy feels that research could be delayed a year to put more resources towards driving people to the area. In answer to Dave Wilderotter's question regarding community feedback as it relates to marketing, Andy reported that funding for the Community Marketing Program has increased as compared with last year, although this budget reduces the increase by \$5,000. There is also additional funding available this year for new event development.
- 6.2.2 Roger Beck asked about Incline's investment to the North Lake Tahoe Marketing Cooperative. Andy reported that Incline's budget will likely decrease based on a decline in their TOT collections. Alex asked how that will impact the cooperative. Andy noted that in the past, Incline has contributed over the 45% minimum, at approximately 75% of their collections. Although their collections are down significantly, Incline will continue to contribute at a level higher than the 45% base this year. Andy said the coop has identified possible reductions to the budget. Those cuts include participation in the California Travel and Tourism Commission's Snow Campaign. The Coop is also partnering with South Shore on international representation in the UK and Australia to save costs.
- 6.2.3 Dan Tester asked about the functional impact to reducing new program development. Andy noted that this funding was not available last year. The Marketing Task Group will review new development opportunities.
- 6.2.4 Dave Wilderotter asked for an update on the TOT budget negotiations. Alex reported that the County Executive Office has not accepted our current \$3.6 million TOT budget submittal. He said members of the Executive Committee have had conversations with Supervisor Jennifer Montgomery in regards to this issue. Dave expressed concern about the influence of our Supervisor over the County Executive Office. Alex said Supervisor Montgomery supports our position, but asked that we be flexible in budget negotiations this year. He noted that if our budget is not approved, the Supervisors will need to address the issue. Dave feels that may be the best option.

- 6.2.5 Ron Parson expressed concern about approving the NLTRA budget without the committees reviewing the line items and revisions. He suggested we encourage the committees to review the changes to the budget and bring forward any concerns to the Board. Steve explained that this is the base budget, but any committee recommended changes to the budget after approval would come before the Board for consideration and approval. This is particularly germane with respect to marketing.
- 6.2.6 Dave said he would not vote for the budget because he is concerned with this year's budget negotiation process and our relationship with the County Executive Office. Alex agreed and said the Board, Executive Committee and staff have spent significant time in the budgeting process, but the CEO's office has not demonstrated much flexibility. Dave said the County has not been responsive to the community's needs. Deb Dudley cautioned the Board that the TOT budget submitted has not been accepted by the CEO's office, which the NLTRA budget is based on. She said it is unknown if or how the Board of Supervisors will address the issue. Alex said the NLTRA has been flexible in the process, but our level of funding is not equitable. Ron Parson said the Board needs to continue these discussions in order to develop a unified voice to bring forward to the County. He said we need to convey to the community that the NLTRA is a mechanism for communicating issues to the County and implementing much needed projects in marketing, infrastructure, and transportation. Alex said by approving this budget, we are endorsing the structure of the organization including overhead/payroll as well as the investments in departments that this budget represents.

6.3 M/S/C (Parson/Tester) (7/0/1 No-Wilderotter) to approve the NLTRA Budget for FY-2009/10.

7.0 STATUS REPORT – WORK OF THE NLTRA MARKETING “TASK GROUP”

- 7.1 Andy Chapman reported on the purpose and timeline for work by the appointed NLTRA Marketing Task Group. The purpose of the Task Group is to discuss special event development and Web site strategies. The Task Group is scheduled to meet in the next several weeks. Outcomes of the meeting will come back to the Board for review and discussion. Alex Mourelatos reported that he met with Andy and Smith and Jones in regards to the work of the Task Group. They reviewed the Web site enhancements that have been implemented such as social media and improved navigation to the Cool Deals page. He said the Task Group will be asked to come up with a definition for special events and NLTRA's role in the support and promotion of events.

8.0 STATUS REPORT – 2009 UPDATE – ECONOMIC SIGNIFICANCE OF TRAVEL TO THE NORTH LAKE TAHOE AREA (DETAILED VISITOR IMPACT ESTIMATES 2003-2008p)

- 8.1 Steve Teshara reported that staff is reviewing the final draft 2009 Update of the *Economic Significance of Travel to the North Lake Tahoe Area* (Detailed Visitor Impact Estimates 2003-2008p). Staff will send out a copy of the final draft to the Board for review and comment. Steve said the language is very technical. Staff will prepare an Executive Summary of the document content. Alex Mourelatos asked staff to include implications of the research to our long term strategy and an assessment of the data. Steve said the research confirms that tourism drives the economy in our region and reinforces the importance of the work of the NLTRA. Andy added that the report also reinforces the recommendations from the Placer County County-wide Tourism Assessment and the importance of investing in tourism. He said it explains why we need certain elements within the budget and resources to accomplish the recommendations in the County report. Alex agreed and said we should discuss the relationship between the

economic significance of tourism in Eastern Placer County and our efforts to drive tourism. Deb Dudley said the report also shows spending trends which are important to our marketing perspective.

9.0 STATUS REPORT – PREPARATION OF NLTRA FY-2008/09 YEAR END REPORT

9.1 Steve Teshara reported that staff intends to update the Year End Report for 2008/09 using the same format as last year. A draft document will be submitted to the Board for review and comment at the August meeting. Alex Mourelatos requested staff prepare an assessment of the data for Board review and how it impacts the organization. Roger Beck suggested that if we want the County to fund the NLTRA at a higher level, we need to highlight key metrics that demonstrate how spending funds in a particular area will generate increases in TOT. In addition to TOT and Sales Tax indicators, staff feels the County is also interested in how much leverage we get from our infrastructure investments. Alex said each part of the organization has key metrics to focus on. Ron Parson asked staff to prepare an Executive Summary to the report to share with our constituents.

10.0 DISCUSSION AND DIRECTION TO STAFF REGARDING DEVELOPMENT OF NLTRA STRATEGIC BUSINESS PLAN FOR FY-2009/10

10.1 Steve Teshara reported on the status of the development of the NLTRA Strategic Business Plan for FY-2009/10. Some of the content will be driven by work of the Task Group, but staff is preparing a draft to begin the process. It will have a similar format as in the past. The purpose of the plan is to show what we have accomplished and the goals moving forward. He asked the board to review the document and provide input at the next meeting. Dan Tester said goals and objectives should be measureable and quantifiable. Roger Beck agreed and suggested we set a realistic goal for the organization. He feels that remaining static or maintaining our market share in comparison to last year would be an achievement given the economic climate. He suggested we do a comparison to similar destination areas to be used as an indicator. Alex Mourelatos said we are currently benefitting from our drive market which is confirming our marketing efforts. Deb Dudley agreed and referred to the Strategic Marketing Group study that shows we maintained our market share during the 2008/09 ski season. Ron Parson said the document needs to show how we are reacting to a declining market.

11.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE THE MAY 31, 2009 FINANCIAL STATEMENTS

11.1 Sally Lyon reported that the Finance Committee met on Monday and recommended approval of the May 31, 2009 Financial Statements. She said we are tracking close to the nine months actual, three months forecast. Year End Financial Statements will be available for review by the Finance Committee and Board in September. The annual audit is scheduled to begin in mid-August. Alex Mourelatos said the Finance Committee continued to discuss ways to improve organizational efficiency. Ron Parson expressed concern related to the use of a password to view financial statements. He suggested we include a statement on the page related to password protected documents and contact information. Deb Dudley feels that for strategic marketing purposes, financial information should be password protected.

11.2 M/S/C (Parson/Dudley) (8/0) to approve the May 31, 2009 Financial Statements.

12.0 CHAMBER OF COMMERCE REPORT

- 12.1 Kym Fabel reported that in June, the North Lake Tahoe Chamber of Commerce sponsored the 23rd Annual Business Expo and mixer. The event was held at the North Tahoe Events Center in Kings Beach. Four other mixers were held in June and were also well attended. The mixers included the Village at Squaw Valley, McBride's Nursery, the Watson Cabin and the Incline Corporate Center in Incline Village. The Summer Recreation Luncheon at Sunnyside Resort was again very popular and sold out. Dave Wilderotter suggested we provide transportation to Incline Chamber events to encourage participation from our area. Kym said she would follow-up with that suggestion. Kym reported the Tahoe Environmental Research Center field trip was well received. Another field trip is planned for the fall at the Tahoe Maritime Museum.
- 12.2 The Chamber is continuing its distribution of a two week rolling calendar of events to lodging properties. The calendar is titled, *This Week in North Lake Tahoe*. The purpose of the calendar is to inform guests of events scheduled during their stay.
- 12.3 The Chamber organized a "coffee chat" with local CHP liaison officer Tony Prisco and the Chamber Advisory Committee regarding the 4th of July holiday enforcement. 15 people attended the meeting. Kym said it was an opportunity for the community to weigh-in on law enforcement issues during the holiday period. Dave Wilderotter said community feedback from the meeting has been positive.
- 12.4 There are currently 645 Chamber members. Kym distributed a schedule of events for July and August. She said events will pick up again in the fall.
- 12.5 The Chamber is finalizing its annual printed Business Directory. It should be distributed to the membership by the end of the month.

13.0 MARKETING REPORT

- 13.1 Andy Chapman announced that that the NLTRA Travel Planner was awarded 1st place by the California Travel and Tourism Commission as part of their marketing excellence awards program for 2009. The comments on the planner included "interesting size, beautiful cover, well organized, clean design, and self supported piece through advertising." Andy thanked Deb Dudley and HD96 Publishing for producing the planner. Dave Wilderotter noted the community partners appreciated being able to participate in the piece. Alex Mourelatos said he liked the tie-in with the Web site. He said consistency in our collateral reinforces our message. Andy agreed and said the Directory will also have a similar design.
- 13.2 Andy confirmed that he met with Alex Mourelatos and Smith and Jones to review the Web site in preparation for the work of the Task Group. The Task Group will make recommendations on a potential contractor to develop Web site strategies. Andy said the GoTahoeNorth Web site now includes more social media including blogging, YouTube, facebook, Twitter and Flickr.
- 13.3 Discussion followed in regards to social media.
- 13.3.1 Andy said the blog is seeded with writing to stimulate conversation. Alex said it is important to have a primer and a monitor to the blog. He said our new Web site specialist, when selected, will guide us effectively in these areas. Roger Beck suggested we test the Cool Deals section. He said the navigation bar needs to be more user friendly. Andy explained that the next rounds of updates will consider navigation and whether terms such as *Cool Deals* are resonating with our consumers. Alex added that the Task Group will review the Web site

and make recommendations. Andy said the blog will include preset categories that encourage positive blogging. He said there is a risk of negative posts when using social media which is why it is monitored. Deb Dudley said negative posts can add to the validity of the blog. She asked staff to include Yelp to social media. Andy confirmed that Yelp would be added as well as Dig-it.

13.3.2 Andy noted our video news releases are on You Tube and itunes. Ron Parson asked about fulfillment for social media. Andy confirmed that we are driving them back to the Web site. Ron suggested that in the fall we include a value added lodging promotion and drive people to the Web site with a specific landing page. He said that way we could measure social media. Andy agreed and said consumers are responding to contests and deals. Tom Murphy suggested we change Cool Deals to Tahoe Deals to optimize the search engine.

13.3.3 Andy said we currently have 1,146 fans on facebook. Our updates go directly to our fan pages. Flickr features an online photo album. He said we have included pictures of our events such as Tour de Nez. Ron Parson said since we are dedicating resources to this, staff needs to measure our resources against fulfillment.

13.4 Graham Rock asked about feedback related to the new date for the Concourse d' Elegance Boat Show. Andy said comments suggested that moving the date was successful in helping to generate room nights in June, which is typically a slow period. Steve Teshara added that fewer boats registered due to the new date but it is anticipated to balance out over time. Graham asked if there was follow-up in regards to issues with the boat inspection process. Alex said Joanne Marchetta with TRPA has been very responsive. All indications are that the holiday weekend went relatively smoothly. Deb Dudley said she feels the wait is still too long. Steve Teshara agreed and said there is traffic congestion developing due to the boat inspection back-up at Sand Harbor. Ron Treabess said another issue is that we don't have all the ramps open due to water levels. Dave added that there are no off-site inspection locations. Alex said the boating community for the most part appreciated being forewarned about the inspections. Steve suggested this is a chance to increase boat rentals and take advantage of a new business opportunity. Tom Murphy said other locations were more populated with boat traffic this past holiday weekend. Steve said those lakes are at risk as well, perhaps even more so, since they have no inspection program. Ron Treabess reported TRPA is working with inspectors to continue to streamline the process.

14.0 ACTIVITY REPORT

14.1 Ron Treabess reported that the Board of Supervisors met yesterday and approved three infrastructure projects including the allocation for the Regional Wayfinding Signage Manual, the Olympic Ski Museum, and North Shore traffic calming devices.

14.2 Ron submitted a photo of progress on the bus shelters at the corner of Squaw Valley Road and Squaw Creek Road. Tom Murphy asked if the shelter at the entrance to the valley is scheduled for improvements. Ron said there are projects being considered for that site. The shelter would be included in those plans. Tom asked if the NLTRA could propose an alternative shelter in the interim. Ron said this item would be included for discussion on the next Joint Infrastructure/Transportation Committee meeting agenda.

15.0 PRESIDENT & CEO'S REPORT

15.1 Steve Teshara reported that the effort to save California State Parks is not going well. The NLTRA is working with partners including the Sierra State Parks Foundation on an alternative funding strategy for local state parks.

- 15.2 Steve said an Open House is scheduled at Homewood this Saturday from 10:00 a.m.-12:00 p.m. to present the proposed project for that location. He encouraged members of the Board to attend.

16.0 DIRECTOR'S COMMENTS

- 16.1 Dave Wilderotter said the final summer concert at Commons Beach is scheduled to be held during Labor Day weekend. The Tahoe City Downtown Association is requesting feedback (after Labor Day) from the community on whether it was helpful to have a headliner concert on Labor Day weekend. Alex Mourelatos anticipates less local participation due to the busy time period. Dave added the Booster Club will hold its community BBQ benefit that same weekend. Roger Beck asked about business levels over the 4th of July period. Dave said there were the same number of people purchasing, but they were purchasing less. Graham Rock said Squaw Valley was quiet because they did not have a fireworks show.

17.0 MEETING REVIEW AND STAFF DIRECTION

- 17.1 Staff will develop a slate of qualified candidates for the vacant ski area seat.
- 17.2 Staff will prepare an Executive Summary for the 2009 Update of the *Economic Significance of Travel to the North Lake Tahoe Area* (Detailed Visitor Impact Estimates 2003-2008p). In addition, the Board directed staff to include implications of the research to our long term strategy and an assessment of the data.
- 17.3 Staff will develop a draft Year End Report for Board review. They will also prepare an assessment of the data and how it will impact the organization. The Board asked staff to prepare an Executive Summary of the document.
- 17.4 Staff will develop a draft Strategic Business Plan for FY-2009/10 for Board review at the next meeting.
- 17.5 Staff will include a statement on the nltra.org Web site related to password protected documents.

18.0 ADJOURNMENT

- 18.1 The meeting adjourned at 10:49 a.m.

Submitted by,
Sarah Holster
Executive Assistant