



BOARD MEETING MINUTES
Wednesday, July 2, 2008 – 8:30 a.m.

Tahoe City Public Utility District

FINAL MINUTES

BOARD MEMBER ATTENDANCE: Ron McIntyre, Debbie Casey, Dan Tester, Jennifer Merchant, Roger Beck, Adam Wilson, Debra Dudley, Graham Rock, Dave Wilderotter (8:36 a.m.), and Tom Murphy (8:45 a.m.)

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

OTHERS IN ATTENDANCE: Pettit Gilwee, Rich Colwell, Alvinia Patterson, and Tom Miller

1.0 CALL TO ORDER – ESTABLISH A QUORUM

1.1 The NLTRA Board meeting was called to order at 8:30 a.m. by Chair Debbie Casey and a quorum was established. She read the NLTRA's mission and meeting ground rules.

2.0 PUBLIC FORUM

2.1 There were no public comments.

3.0 AGENDA AMENDMENTS AND APPROVAL

3.1 **M/S/C (McIntyre/Merchant) (8/0) to table agenda item D6 until further discussions with Placer County have been completed.**

3.2 **M/S/C (Wilson/McIntyre) (8/0) to approve the agenda as amended.**

4.0 CONSENT CALENDAR - MOTIONS

4.1 **M/S/C (Tester/Wilson) (8/0) to approve the consent calendar as presented.**

5.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE REQUEST FROM PLACER COUNTY DEPARTMENT OF PUBLIC WORKS FOR AN INFRASTRUCTURE ALLOCATION OF UP TO \$17,000 FOR THE PURCHASE OF PERMANENT SPEED LIMIT ADVISORY SIGNS TO BE LOCATED ON HIGHWAY 28 IN KINGS BEACH

5.1 Ron Treabess reported that the Placer County Department of Public Works (DPW) has submitted an infrastructure allocation request for the purchase of permanent solar powered speed limit advisory signs in Kings Beach for the purpose of slowing traffic through the commercial core. The total cost for the project is \$17,000. Originally the

DPW requested \$8,000 to match funds to be donated by a local citizen, but the Joint Infrastructure/Transportation Committee recommended that the NLTRA fund the entire cost of the project rather than matching private funds. Ron confirmed that we have TOT funds available to fund the project. Roger Beck clarified that the signs are for pedestrian access to the beach. Ron agreed noting that the primary reason is to slow traffic through Kings Beach is to improve pedestrian safety. Dave Wilderotter added that slower traffic also allows for more visibility to businesses in the commercial core. Jennifer Merchant confirmed that the signs will be installed in the business corridor in Kings Beach.

- 5.2 M/S/C (McIntyre/Wilderotter) (9/0) to recommend to the Placer County Board of Supervisors and Infrastructure allocation of up to \$17,000, but no less than \$8,000, for the purchase of permanent speed limit advisory signs to be located on Highway 28 in Kings Beach to facilitate safer pedestrian crossing to the beach and better visibility for businesses.**

6.0 PRESENTATION AND DISCUSSION – CONSUMER FOCUS GROUP RESULTS

- 6.1 Andy Chapman reported that consistent with Board direction, the NLTRA staff and marketing agency contracted with Strata Research to conduct a series of consumer focus groups for the purpose of exploring the reaction of the NLTRA's overall marketing campaign. Four focus group sessions of the focus groups were conducted in San Francisco and Los Angeles. Andy reviewed the project objectives, methodology and summary of findings. The results show that the print campaign resonated well with both groups. Session participants felt the ads were eye catching and captivating; however, the ads also focused on "extreme sports" which alienated some who prefer more relaxing vacations. The TV spot did not resonate with the consumer. As it relates to future visitation, the groups were inspired to visit North Lake Tahoe because the ads gave an impression of great snow quality and high end resorts. There is a perception that South Lake Tahoe has more nightlife which remains the greatest barrier for those not convinced to stay in North Lake Tahoe. They also mentioned that accessibility to North Lake Tahoe is a concern and this issue was not addressed in the ads. The message for North Lake Tahoe was clear in San Francisco, but Los Angeles did not distinguish between North and South Lake Tahoe. Feedback shows that the "N" icon was not immediately understood by all to be specific to North Lake Tahoe, but it did prove to have branding power. There was a split decision with regards to replacing the "N is for North" with "North Lake Tahoe" or "North Tahoe". The "Neighborhoods" concept was poorly received and some described it as confusing. The said neighborhoods are where they live, not where they vacation. In addition, the North Lake Tahoe icon and Pure Experiences tagline were both perceived as out-dated in their look and disconnected aesthetically with the "N".
- 6.2 It was recommended by Strata Research to continue using the "N" icon with further discussion regarding the text. Andy noted that subsequent to the findings, the Marketing Committee has decided to use "N is for North" in drive market advertising and "N is for North Lake Tahoe" in destination marketing. Andy reported that Strata Research suggested updating the North Lake Tahoe icon and removing the Pure Experiences tagline, and to delete all reference to the "Neighborhoods" concept. They also suggested matching the copy text in the ad and recommended using a multiple shot creative to demonstrate a well rounded view of the destination. Andy confirmed that the NLTRA will update the North Lake Tahoe logo. He said NLTRA staff is looking at ways to continue testing our marketing efforts through webinars and surveys.
- 6.3 Questions followed in regards to the results from the Consumer Focus Groups.

- 6.3.1 Jennifer Merchant said in addition to highlighting nightlife activities, we should also include family friendly advertising. Andy said family activities will be included in the summer photo shoot.
- 6.3.2 Ron McIntyre asked about the statistical validity of the study. Andy explained that there are two types of research; quantitative and qualitative. For our purposes we used a quantitative study which is more statistically valid. Ron asked about next steps. Andy said the Marketing Committee has discussed the findings and some changes have already been implemented. He said staff will bring logo revisions before the Board for review. Ron asked that the findings be made available to our constituents. Andy confirmed that staff would post the research report and recommendations on www.nltra.org. Dan Tester said the Marketing Committee saw a tremendous amount of value in this study. He said they are in the process of revisiting the Three Year Marketing Strategy and will use the findings to help update the plan.
- 6.3.3 Roger Beck feels we should conduct a research study on an annual basis. As it relates to the Neighborhood concept, he suggested using “Resorts” instead of “Communities” or “Neighborhoods”. He said we need to address the issue that our visitors do not distinguish between South and North Lake Tahoe. He suggested we test our marketing ads before they run.
- 6.3.4 Tom Murphy said in regards to feedback on snow quality, we should also advertise our warm, comfortable and sunny conditions. Andy said that message comes through visually in our ads. Tom asked if the North Lake Tahoe logo needs to be included since it appears to clutter the ads. Andy explained that the logo needs to be on the ad, but the agency is looking to update the logo. Tom suggested placing “North Lake Tahoe” as a footnote at the bottom of the ad or consider removing the logo altogether. Debbie Casey said the Marketing Committee will consider this option.
- 6.3.5 Debra Dudley feels the “N” already looks like a logo. She said the updated logo should have a similar feel to the “N”. Andy said the agency is working to update the logo and will bring revisions to the Marketing Committee and the Board for review. Debra asked if advertising plans for L.A. include a partnership with the airlines to do an ad to address the access issue. Andy said that is something we have done in the past, but the airlines are experiencing other priority issues at the present time. She said it is to our advantage to mention that we have direct flights on specific airlines.
- 6.3.6 Dave Wilderotter said the “Neighborhoods/Resorts” concept doesn’t need to be on the ad. Roger disagreed and said it is important to distinguish ourselves from South Lake Tahoe. Andy said that discussion will be vetted further through the Marketing Committee. Debra step the first step is to draw the consumer in and then explain the different communities.

7.0 STATUS REPORT – DISCUSSION AND POSSIBLE FURTHER DIRECTION TO STAFF REGARDING MARKETING EQUITY ISSUES

- 7.1 Andy Chapman gave an update regarding the Truckee marketing equity issue. He said there are currently 12,000 click throughs a year going to Truckee lodging properties. Andy met with representatives from the Truckee lodging properties and Truckee Donner Chamber of Commerce and they agreed to pay a \$1.00 click through charge or click through equivalent, effective August 1, 2008. He said they understand that this is the first step in establishing marketing equity. The next step would be for the Chamber to match the funds paid by the lodging properties.

- 7.2 Discussion followed with regard to the Truckee marketing equity issue.
- 7.2.1 Jennifer Merchant said her staff will continue to record click through data as the NLTRA makes it available. She noted that in the last six months, Nevada County click throughs have increased. In regards to Alvina Patterson's concern regarding fair share marketing, she agreed that Truckee's contribution should be higher than 45% of their marketing funds. Debbie said the contribution should be formula driven to be accurate on an annual basis. Jennifer agreed and suggested the percentage be based on total TOT collected. She suggested a multi step process to include the establishment of a click through assessment on Truckee lodging properties effective August 1st, a matching amount from the Truckee Donner Chamber of Commerce, and the balance of funds to be paid by the Town of Truckee within one year from the beginning of the fiscal year.
- 7.2.2 Dave Wilderotter said Truckee may not want to be part of our advertising if they risk losing their unique identity. Debbie said we need to establish a plan and Truckee will have to decide whether to participate. Roger Beck feels Truckee has already demonstrated that they do not want to participate in our marketing efforts. He expressed concern that Truckee is getting the same amount of click throughs as the Resort at Squaw Creek. He reported that this year the Resort at Squaw Creek will generate significant TOT and would ask the County to rebate that amount until Truckee participates. He feels Truckee will not recognize the benefit of our marketing until it's gone.
- 7.2.3 Ron McIntyre said it is difficult for a public entity to change its budget priorities within a tight timeframe. He feels the timeframe is too short, but recognizes the sense of urgency with this manner. Ron feels the Chamber should participate in matching funds this year and hopefully pressure the Town Council to make changes to their budget by next year.
- 7.2.4 Adam Wilson said the lodging properties see the value of our marketing efforts even though the Town does not. Unfortunately he does not anticipate the Town's participation within the year. Dan Tester feels the properties will pressure the Town Council and their willingness to pay the click through amount shows their commitment to pursue the Town Council. Debra Dudley agreed and said the properties are participating in the travel planner on a "pay to play" basis. She said it is our responsibility to show them the value of participating.
- 7.2.5 Tom Murphy noted that Truckee uses North Lake Tahoe in their marketing. He feels Truckee sees the value in our marketing efforts and the click through charge is a good first step.
- 7.2.6 Graham Rock said we need a more aggressive approach. He feels that if they do not comply within the one year timeframe they should not be able to participate in our marketing efforts going forward.
- 7.2.7 Jennifer said smaller properties at the Lake are at a more competitive disadvantage with Truckee and we need to "level the playing field" on behalf of our members. She recognizes that we benefit from each other, but the funding partnership is one-sided.
- 7.2.8 Alvina Patterson said if it wasn't for Placer County lodging properties, there would be no NLTRA. She said the NLTRA is spending North Lake Tahoe lodging property money to market Truckee properties for free. Debbie said this issue will be addressed in the Placer County/NLTRA contract.

8.0 STATUS REPORT – DISCUSSION AND POSSIBLE FURTHER DIRECTION TO STAFF REGARDING CONFERENCE BOOKING COMMISSION STRUCTURE OUTSIDE OF PLACER AND WASHOE COUNTIES

- 8.1 Steve Teshara reported that commission structure for properties outside Placer and Washoe Counties will increase to 15%. Andy reminded the Board that the NLTRA does not promote properties outside of Placer or Washoe; however, leads do go to those properties if we are unable to book North Shore. The commission revenues from those leads return to help market North Lake Tahoe.
- 8.2 Discussion followed with regard to the commission structure outside Placer and Washoe Counties.
- 8.2.1 Roger Beck asked for commission paid from properties within Placer and Washoe counties. Andy explained that 10% on booked business is paid back to the program. Roger expressed concern that the financial incentive is to book outside Placer and Washoe counties. Andy assured the Board that Jason represents North Lake Tahoe properties. Jason refers properties outside Placer and Washoe upon request of the client or out of need, because North Lake Tahoe properties are booked.
- 8.2.2 Jennifer Merchant reminded the Board that conference marketing and the amount of sales to businesses outside Placer County came up in the compliance audit. Unfortunately the base year for comparison at that time was 2005/06 which was uncharacteristically low. Subsequent to the audit, the contract required the NLTRA to develop a policy for conference sales outside Placer and Washoe counties including the possibility of a multi level commission structure. She expressed concern that Washoe County pays the same commission as Placer County, but they do not contribute funding to our Conference department. She said the contract says the NLTRA should be reimbursed by partners on a fair share basis for expenses the NLTRA incurs on developing the program. Steve reported that Incline's staff has been asked to provide a report detailing their efforts in the coop which includes conference. He said the costs will show equity.
- 8.2.3 Debra Dudley reported that the NLTRA partners with the Reno/Tahoe meeting coop which means all leads from Reno to Lake Tahoe come to our Conference department. She noted the importance of partnerships and explained that Reno outspends our coop in the meeting industry 50/1. Jennifer requested information about the number of leads we receive from Reno (RSCVA).
- 8.2.4 Roger Beck asked that staff bring back a thorough analysis of what we are spending to generate room revenue. Steve confirmed that staff would bring detailed information to the next meeting. Roger asked staff to break out Placer County. Debbie said we need to bring that information back to the Board prior to the August Board meeting.

9.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE THE MAY 31, 2008 FINANCIAL STATEMENTS

- 9.1 Sally Lyon reported that the Finance Committee met on Monday and recommended establishing a reserve, in an amount to be determined by staff, for two past due accounts with Mont Bleu. She reported Mont Bleu's parent company is now in Chapter 11 bankruptcy. The Committee also discussed the new Infrastructure project tracking form which includes dates of NLTRA Board's approval of projects, the Placer County Board of Supervisors approval, whether the funding was transferred to the NLTRA, expenditures listed by date, and the ending balance. The next Finance Committee meeting is

scheduled for August 25, 2008. Sally reported that the Committee recommended to the Board of Directors the approval of the May 31, 2008 Financial Statements. Jennifer Merchant thanked staff for their work in developing the new project tracking form. She said it is user friendly and will aid the auditors in their work.

- 9.2 M/S/C (McIntyre/Murphy) (9/0) to approve the May 31, 2008 Financial Statements with the request that any changes to the final budget for FY-2008/09 to come back to the Board for review.**

10.0 STATUS REPORT – DEVELOPMENT OF FINAL DRAFT PLACER COUNTY/NLTRA AGREEMENT FOR FY-2008/09

- 10.1 This item was tabled until further discussions with Placer County have been completed.

11.0 STATUS REPORT – DISCUSSION AND POSSIBLE FURTHER DIRECTION TO STAFF REGARDING DEVELOPMENT OF NLTRA STRATEGIC BUSINESS PLAN FOR FY-2008/09

- 11.1 Steve Teshara reported that staff has been working to update the Strategic Business Plan for FY-2008/2009. He provided to the Board an outline of proposed changes to the plan and asked they submit any comments to him by not later than two weeks from today. Staff will bring a draft plan to the Board for review next month. In answer to Dan Tester's request, Steve confirmed that each goal and objective in the plan will be measurable. Roger Beck asked staff to include as a goal for marketing, the achievement of marketing equity.

12.0 STATUS REPORT – DISCUSSION AND POSSIBLE FURTHER DIRECTION TO STAFF REGARDING UPDATE OF BOARD LEVEL METRICS PLAN

- 12.1 Steve Teshara reported that staff is also working to update the Board Level Metrics Plan. He said some of the metrics are not available until we have data available through the end of the fiscal year. He reviewed the existing metrics and said a more detailed draft document will be submitted to the Board for review next month.

13.0 CHAMBER OF COMMERCE REPORT

- 13.1 Kym Fabel reported on June events. She said the Business Expo was very successful, an increase in attendance over last year. The Summer Recreation Luncheon was sold out. The mixer held at the Village at Squaw Valley was very successful and well attended with over 200 participants. Unfortunately the Law Enforcement forum was not well attended, but the CHP got the message from the community that they appreciate Placer County's approach to be friendly and approachable to our visitors. Kym noted that the Chamber sent out an e-mail blast to the membership notifying them about the alcohol ban on the Truckee River this coming holiday weekend.
- 13.2 Kym reported that she went to the Crystal Bay ground breaking for their utility underground project. The work is scheduled to continue for about four months and will remove the utilities from the view corridor and place them underground.
- 13.3 Kym announced that we received 14 new members last month for a new total of 627 members. Kym distributed a summer calendar of events.

14.0 MARKETING REPORT

- 14.1 Andy Chapman announced that the NLTRA received an award for Best Overall Marketing Campaign for a destination from the California Travel and Tourism Commission (CTTC).

Andy said we were also a finalist for Best Web site, but that award went to the Truckee/Tahoe Airport. He congratulated the Airport District for its award.

- 14.2 Andy confirmed that the Kings Beach visitor information center is open for the summer season. Jennifer Knox has returned this year to serve as lead staff for the operation.
- 14.3 Plans for the 2008 Autumn Food and Wine Festival are moving into high gear.
- 14.4 Andy reported that the Joint Chamber/Marketing Committee workshop that was held last week was very productive. The Committees discussed the Chamber's role in supporting "In Market" advertising and promotions. He said the two committees will formally communicate at least twice a year in terms of coordinating their efforts.
- 14.5 Andy reported that Board member Alex Mourelatos asked the Board to review and discuss business projections, given the continued rise in gas prices. Steve Teshara said Alex has reported that his advanced bookings are solid, but they are seeing a drop in last minute bookings for weekends. Debbie Casey reported that East West businesses are off 10% and attribute the decrease to gas prices and smoke. Dan Tester reported the Squaw Valley Lodge is doing well for summer advance reservations, but also noticed a dip in short term reservations. Andy reported that MTRiP shows that July is flat for bookings but both June and August show an increase. He noted that we are doing well in comparison to similar resorts nationwide. Roger Beck noted that we had a "horrible" Memorial Day weekend due to weather. He said Resort at Squaw Creek leisure business is very late booking. They are not full at this time and views this weekend as a test. Ron McIntyre said this is a clear warning that food and fuel prices will continue to increase. He said we need to look at this in our long term marketing. Graham Rock spoke with representatives from the rental management community and they reported bookings are way off this year. Dave Wilderotter reported that retail is down, but added that although his amount of sales has decreased, the purchase amounts are higher. He feels we still have our high end customer. Graham said his business is below average this summer. Jennifer said it would be interesting to learn what other organizations are doing in response to the rising gas prices. Debra Dudley added that airfare prices are also contributing to travel decreases. She said some destinations are lowering lodging prices to encourage travelers to pay airfare.
- 14.6 Dave said he feels the CHP traffic management program is very effective in reducing traffic congestion, which better serves the experience for our visitor. He feels we are losing the "day tripper" and retaining our high end customer. He anticipates the same next winter, depending on snow conditions.

15.0 ACTIVITY REPORT

- 15.1 Ron Treabess said the Joint Infrastructure/Transportation Committee conducted a Bike Trail workshop last week. Project leads for each segment of the bike trail currently underway presented their progress on the region's bike trail system. He said the purpose of the workshop was to create awareness of the progress of each project and show that each segment is part of the greater whole. He said it was also an opportunity to review where missing links in the system are located. Dave Wilderotter asked if Washoe County participated in the workshop. Ron said they were not present, but the proposed Boulder Bay development will construct a trail through North Shore Stateline. He said the NLTRA will need to work to make a connection from Stateline to Kings Beach. He noted the planned Kings Beach Commercial Core Improvement Project does not address this trail segment.
- 15.2 Ron reported that the summer transportation program has begun and is similar to last year. He said this year TART will continue operation on Highway 89 on an hourly basis

year round. Staff is working with the TMA and Northstar to establish year round service on Highway 267 from North Lake Tahoe to Northstar during the time TART cannot provide it. Unfortunately Truckee did not fund the portion from Northstar to Truckee this year, but they are planning to fund the connection next year. He reported that there is an increase in ridership over the same time last year.

- 15.3 Ron reported that both the Homewood Class 1 Bike Trail project and the Tahoe City Historical Walking Tour project are scheduled to be reviewed and approved by the Placer County Board of Supervisors at their July meeting in Tahoe. In addition, the summer traffic management speed easement signs that were approved today will also be on that agenda. Dave Wilderotter asked if issues related to the Homewood Bike Trail project have been resolved. Ron said Caltrans will accommodate the trail as part of their realignment plan for that section of road. The TCPUD is currently working on the easement needs for two parcels of private land. Construction of the trail is scheduled to begin next season.
- 15.4 The next meeting of the Regional Wayfinding Signage Advisory Committee is scheduled to be held Monday, July 7, 2008. The consultant will provide a status report on the progress of the signage manual.
- 15.5 Ron reported that last week the consultants for the Performing Arts met to interview 60 community leaders and representatives from arts organizations as part of the study kick-off.
- 15.6 The Placer County Department of Public Works is continuing its work to design two new bus shelters in Squaw Valley. They anticipate constructing two shelters later this construction season.
- 15.7 Roger Beck asked about the subsidy for the North Lake Tahoe Express airport shuttle. Ron explained that our subsidy budget is reduced for next year. He noted the subsidy is capped by what is budgeted. Roger expressed concern that rising fuel costs will increase our subsidy. Ron said we will likely be renegotiating our contract which will remain within our budget revenues.

16.0 PRESIDENT AND CEO'S REPORT

- 16.1 Steve Teshara confirmed that the 2008 Lake Tahoe Summit is scheduled for Saturday, August 16, 2008 at Valhalla on the South Shore. The co-hosts for the event will be Senator Dianne Feinstein and Governor Arnold Schwarzenegger. At a recent event planning meeting, Tahoe leaders secured a commitment from Senator Feinstein to look at drafting and introducing an update of the Lake Tahoe Restoration Act (LTRA). The first LTRA was the principle framework for authorizing the Lake Tahoe Environmental Improvement Program (EIP) in the amount of \$300 million. We will be asking her to consider introducing legislation next year to update the bill. NLTRA staff is currently assisting Senator Feinstein's staff and others to complete planning for the event.
- 16.2 Staff and Board representatives met last week with Nolan Rosall and David Becher of RRC to update the Master Plan surveys. Staff is working with Jennifer to determine the marketing and infrastructure share of the project. In addition, staff is also working with Leon Aliski with Dean Runyan to update the 2003 study, The Impacts of Travel on the North Lake Tahoe economy.
- 16.3 Steve announced that Domus Development has been awarded a State of California Infrastructure infill grant in the amount of \$3 million to help advance plans to develop workforce housing in Kings Beach, in partnership with the Redevelopment Agency.

17.0 DIRECTORS' COMMENTS

- 17.1 The Board thanked Placer County CEO Tom Miller and Chief Assistant CEO Rich Colwell for attending the meeting. Rich said Placer County is working with staff on negotiating the FY-2008/09 contract.
- 17.2 Jennifer Merchant reported that the Governor has signed the legislation that allows Placer County to have authority to impose an alcohol ban on the Truckee River waterway during specific summer periods. She thanked the NLTRA for its support. She noted that the Placer County Board of Supervisors will hold its quarterly meeting on July 21st and 26th in Kings Beach.

18.0 MEETING REVIEW AND STAFF DIRECTION

- 18.1 Staff will bring back more information with regards to the consumer focus groups, marketing equity issue and conference commission structure. Staff will update and present the draft FY-2008/09 Strategic Business Plan and Board Level Metrics plan at the next Board meeting. The Executive Committee will also update the Board on contract negotiations next month.

19.0 ADJOURNMENT

- 19.1 The Board meeting adjourned at 11:02 a.m.

Submitted by,
Sarah Holster
Executive Assistant