



BOARD MEETING MINUTES
Wednesday, November 5, 2008 – 8:30 a.m.

Tahoe City Public Utility District

FINAL MINUTES

BOARD MEMBER ATTENDANCE: Dave Wilderotter, Alex Mourelatos, Ron McIntyre, Graham Rock, Dan Tester, Debbie Casey, Deb Darby, Adam Wilson, Roger Beck, and Julie Regan (9:45 a.m.)

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

OTHERS IN ATTENDANCE: Kelly Atchley, Justin Broglio, Beth Kohn-Cole, Kathy Long, Curtis Aaron, and Duncan Webb

1.0 CALL TO ORDER – ESTABLISH A QUORUM

1.1 The NLTRA Board meeting was called to order at 8:36 a.m. by Chair Debbie Casey 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/Darby) (9/0) to approve the agenda as presented.**

4.0 CONSENT CALENDAR - MOTIONS

4.1 **M/S/C (McIntyre/Wilson) (9/0) to approve the consent calendar as presented.**

5.0 PRESENTATION – FY 2007/08 FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT AND MANAGEMENT LETTER PRESENTED BY BETH KOHN-COLE, CPA OF KOHN COLODNY LLP

5.1 Sally Lyon introduced Beth Kohn-Cole, CPA, of Kohn Colodny, LLP. Beth presented her report on the NLTRA's FY-2007/2008 Audited Financial Statements, Auditor Communication Letter and Management Letter. The Auditor Communication Letter summarized that there were no significant issues as a result of the audit. The NLTRA received an unqualified opinion or "clean" audit opinion. Beth reviewed the financial statements for the year ending June 30, 2008. The Statement of Activities reflects an increase in revenue. Expenses also increased from \$4.1 to \$5.8 million mostly due to infrastructure. There is a change in net assets of \$145,000 for the year.

- 5.2 Beth reviewed comments in the Management Letter and noted that Management responses to the recommendations were included in the letter.
- 5.2.1 In regards to payroll transfers, the auditor recommended that the final payroll transfer be compared to approved payroll reports to ensure only authorized amounts are being transferred and paid to employees. In response to this recommendation, the Director of Finance has implemented a procedure of reviewing the final payroll calculation to verify that no subsequent changes are made to the amount transferred.
- 5.2.2 The auditors recommended that commissions should be paid based on cash collected by the Association from member lodging properties to ensure that commissions paid are based on actual revenue generated. The Management Team has initiated a new system to generate, verify and approve commissionable payments to employees, based on actual revenue collected.
- 5.2.3 The auditors also recommended that all receipts for business related purchases include detailed information. The Management Team has implemented a procedure requiring detailed receipts for all restaurant and other business related purchases. Any exception will be documented and approved by the NLTRA's President and CEO to ensure it is a proper business expense.
- 5.2.4 Beth reported on Infrastructure expenses. She confirmed that staff had established a tracking system for infrastructure funds that adequately reconciled amounts received from Placer County to amounts expended. She noted that some approved projects have not been fully funded by Placer County. As a consequence, she also noted the association is paying invoices for approved project expenditures with funds available from other approved projects. The County has not reimbursed the Association for these project expenditures. The auditors recommended that the organization request a reimbursement from Placer County for project overages or request formal approval to transfer project funds. Lastly, the auditors asked for a reconciliation of the Infrastructure funds Placer County is holding. This reconciliation should include carryover funds, interest income, and county services. Beth thanked Sally Lyon for her work. She feels Sally does an excellent job for the Association.
- 5.3 M/S/C (McIntyre/Rock) (9/0) to receive and approve the FY-2007/2008 Audited Financial Statements and Independent Auditors' report.**

6.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE SEPTEMBER 30, 2008 FINANCIAL STATEMENTS

- 6.1 Sally Lyon reported that the Finance Committee recommended that the Board of Directors approve the September 30, 2008 Financial Statements. Ron McIntyre added that at the meeting he asked if staff is anticipating a decline in conference sales due to the economy. Staff said projections are tracking close to budget, but any changes in projections will be addressed in the six month forecast.
- 6.2 M/S/C (McIntyre/Wilderotter) (9/0) to approve the September 30, 2008 Financial Statements.**

7.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE POLICY RELATED TO EXTERNAL JURISDICTION MARKETING (TRUCKEE), CONSISTENT WITH SECTION 2.H OF THE FY-2008/09 PLACER COUNTY/NLTRA AGREEMENT

- 7.1 Debbie Casey reported that the Executive Committee and staff drafted a policy related to external jurisdiction marketing consistent with section 2.H of the FY-2008/09 Placer County/NLTRA Agreement. Staff has also submitted a formal request and packet of materials to be provided to the Town Manager Tony Lashbrook and Mayor Barbara Green to encourage the Town of Truckee to participate in the North Lake Tahoe Marketing Cooperative for FY-2009/2010. Roger Beck commended the Executive Committee for their work on this issue. Adam Wilson asked for a status report of preliminary discussions. Due to economic considerations, Debbie anticipates that Truckee will not be able to participate in the lodging component of our marketing program this fiscal year and therefore Truckee lodging properties will be removed from the GoTahoeNorth Web site. Jennifer Merchant clarified that the Web site is not the only lodging component of marketing. She said if Truckee does not participate in the coop, they should be removed from all vehicles of marketing. For example, Jennifer noted that Truckee lodging properties are listed in the 2008/09 vacation planner. Andy pointed out that the vacation planner is a publication supported wholly by advertising dollars and Marketing dollars are not allocated to pay for the publication. Roger Beck noted that Marketing dollars are paying to distribute the guide. Alex Mourelatos feels the intent of the policy is to encourage the Town of Truckee to participate in the coop. He said if we eliminate Truckee properties that are Chamber members from our print advertising, we are jeopardizing our Chamber membership. Jennifer said the purpose of the policy is to promote cooperative marketing, but in a manner that does not result in an inequitable funding allocation to businesses not located within Placer County. Dan asked clarification on the fee structure for the guide. Deb Darby said all businesses paid the same amount with the exception of the business associations; they received a discount.
- 7.2 Discussion followed in regards to Truckee's participation in print collateral and other non-jurisdictional lodging properties.
- 7.2.1 Debbie asked for clarification from Placer County regarding Truckee property management businesses that are also included in the guide. Jennifer said the County is concerned with the promotion of Truckee lodging properties, but the issue should be further vetted by the NLTRA Board. In regards to property management, Alex Mourelatos suggested that we should only include property management companies whose core business is in Placer County.
- 7.2.2 Andy Chapman noted that, if adopted, the external jurisdiction marketing policy would not apply to other non-Placer County jurisdictions such as Nevada County (outside the Town boundaries) and El Dorado County (Tahoma and Meeks Bay, south of Placer County). This issue should be addressed along with Truckee lodging. Debbie agreed and said this issue needs to be addressed at the Marketing Committee level before direction can be given by the Board.
- 7.2.3 Roger Beck reminded the group that the NLTRA is primarily funded by TOT and it should not promote properties that pay TOT to other jurisdictions. In addition, Roger said we should not promote outlying activity providers that are far away from Placer County lodging. He feels that that doing so will not encourage businesses to join the Chamber since they are already getting the benefit for free. Roger asked for clarification regarding ad rates for Truckee lodging properties in the publication going forward. Jennifer suggested lodging properties and activities providers outside our jurisdiction be charged higher rates to offset the NLTRA's distribution costs. As a point of reference, Andy noted that the North Lake Tahoe Marketing Coop, not just the NLTRA.

7.2.4 Ron McIntyre reminded the group there is a timeframe associated with implementing this policy and asked Jennifer if this process meets County requirements. Jennifer agreed tiered advertising would allow for fair share marketing.

7.2.5 Andy asked about including Truckee properties in public relations efforts. Debbie suggested that staff approach the Marketing Committee when there is a question of what should be included in public relations.

7.3 M/S/C (Tester/McIntyre) (8/0/1 No-Darby) to formally adopt the proposed External Jurisdiction Marketing Policy and Action Steps with an addition to the step three consequence to read: If a signed agreement is not secured by January 1, 2009, no Truckee lodging property shall be listed on the GoTahoeNorth.com Web site or in any coop advertising where such lodging properties have not paid an equitable share. Direction was given to staff to submit the cover letter and package of materials prepared as a formal invitation to the Town of Truckee to consider the NLTRA's request for an equitable contribution and participation in the North Lake Tahoe Marketing Cooperative.

8.0 DISCUSSION AND POSSIBLE ACTION TO APPOINT SUBCOMMITTEE FOR THE PURPOSE OF DEFINING WASHOE COUNTY CONFERENCE MARKETING AND BOOKING "IMPROVEMENTS," CONSISTENT WITH SECTION 2.G OF THE FY-2008/09 PLACER COUNTY/NLTRA AGREEMENT

8.1 Debbie Casey reported that consistent with section 2.G of the FY-2008/09 Placer County/NLTRA Agreement, a subcommittee shall be appointed for the purpose of defining Washoe County Conference Marketing and Booking "Improvements. She reported that the Executive Committee has proposed the following members to serve on the Committee: Debbie Casey, Chair; Alex Mourelatos, Vice Chair; Ron McIntyre, Treasurer; Dan Tester, Secretary; Jennifer Merchant, Placer County representative; and Bill Hoffman, Executive Director, Incline Village Crystal Bay Visitors Bureau. Jennifer reviewed the contract language from Section 2.G. She said the purpose of the subcommittee is to ensure commission structure equitability for Washoe County as it relates to conference marketing and booking.

8.2 M/S/C (Tester/Wilson) (9/0) to appoint the proposed Subcommittee as presented for the purpose of defining Washoe County Conference Marketing and Booking "Improvements," consistent with section 2.G of the FY-2008/09 Placer County/NLTRA Agreement.

9.0 STATUS REPORT – TRUCKEE-NORTH LAKE TAHOE PLAN FOR ARTS AND CULTURE PRESENTED BY DUNCAN WEBB, WEBB MANAGEMENT SERVICES, INC.

9.1 Ron Treabess introduced Duncan Webb with Webb Management Services, Inc. Duncan is the consultant hired to complete the Truckee-North Lake Tahoe Plan for Arts and Culture. He said Duncan's presentation today on the status of the business plan is for informational purposes only. The project began in March 2008 with the NLTRA's approval of \$60,000 in infrastructure funds for the study. Other organizations have contributed an additional \$42,000 towards the project.

9.2 Duncan Webb provided a status report on the progress of the Truckee-North Lake Tahoe Plan for Arts and Culture. He said his role is to help communities make decisions about arts and cultural facilities. The first phase of work established what types of facilities are needed in the region. He reported that the approach to this study was based on four questions related to audience, demand, current inventory, and the community's vision

related to the arts. The consultants have recommended that the community pursue an arts based economic development strategy. In addition, they also recommended creating or expanding an existing arts service organization to provide programs to strengthen the cultural sector. The consultants prepared a list of seven types of recommended facilities which include an outdoor plaza event venue, large capacity amphitheater, high quality amphitheater (intimate), visual arts center, state-of-the-art performing arts center plus high end gallery, regional cultural arts center and community art facilities. These community facilities would be designed to provide functional space and accessible programs for permanent local and seasonal residents. The regional facility (jewel box) would be larger and target touring productions.

- 9.3 Currently the consultants are writing a business plan for each of these facilities. He noted that there are projects currently underway and stressed the need to work collaboratively. The consultants are trying to match up needs identified with the project underway and reaching out to various project leads. Duncan reported that the consultants are working with Truckee artists to find a smaller, intimate location for visual arts. In addition, two performing arts facility projects are contemplated with very preliminary planning underway; at Sierra Nevada College and Northstar. The consultants are working both groups to help them draft business plans to determine how to staff and operate the facilities.
- 9.4 Discussion followed in regards to the performing arts center project. Roger Beck said he thought the intent of the NLTRA allocation was for the one regional facility located within Placer County. Duncan said the presumption going into the project may have been one facility, but the outcome of the research suggests more opportunities. Neil Cunningham gave a status report on the progress of the Northstar project. He said East West Partners is involved in a similar project in Vail, Colorado. They are applying what they have learned from that project to the one proposed in Northstar. He noted that they are also working with the Arts and Culture Council of Truckee Tahoe (ACCTT). Graham asked about the findings related to Tahoe City. Duncan said Tahoe City is a prime location for a community arts center. Ron Treabess added that the golf course was identified as a potential opportunity for an outdoor facility.

10.0 INFORMATIONAL PRESENTATION – OVERVIEW OF OUTCOMES AND RESULTS FY–2007/08 COMMUNITY MARKETING GRANT PROGRAM

- 10.1 Cheri Sprenger, Chair, Chamber Advisory Committee, reported on the outcomes and results of the FY-2007/08 Community Marketing Grant program. She said this is a very successful program and it continues to evolve. She encouraged the NLTRA to increase the amount of funding available for the program in the future. Cheri gave examples of what the community marketing grant program has accomplished.
- 10.1.1 The North Tahoe Business Association (NTBA) produced a Bay to Bay map to include all businesses in the district. The NTBA, in collaboration with the Tahoe City Downtown Association (TCDA), secured a year round presence for the North Shore on Tahoe TV and Inside Tahoe. Together they also produced 5,000 summer rack cards that were distributed to multiple locations from Auburn to Reno. The NTBA and TCDA also paid for coop marketing in the North Tahoe Guide and Tahoe Traveler summer edition. In the past, the NTBA had not been able to secure advertising for the district, but this year they tripled their efforts with help of these funds.
- 10.1.2 The TCDA produced a new walking map which is very popular with visitors at the Visitors Information Center. In addition, their grant funding went to special event promotion for the Heart and Solstice Festival and other holiday and special events.

10.1.3 The West Shore Association (WSA) used their funds to produce the Magical West Shore map and the production and distribution of the passport which promotes the successful Opening Day at the Lake event during the Memorial Day weekend.

10.1.4 The Squaw Valley Business Association (SVBA) used the funds to produce a Squaw Valley map. In addition, the SVBA used a portion of their funding to produce a laser light show on the 3rd of July.

10.1.5 The Northstar Village Retailers Association (NVRA) received funds for the 2007 Noel Nights events and village directory signage.

10.2 Dave Wilderotter said the program has developed a non-competitive, supportive environment for events around the North Lake Tahoe area. He said the business associations are working together to promote local events. Cheri agreed and said there has been strong relationship building among the chamber, NLTRA and the business associations.

11.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE COMMUNITY MARKETING PROGRAM EVENT GRANTS, AS RECOMMENDED BY THE CHAMBER OF COMMERCE ADVISORY COMMITTEE

11.1 Cheri Sprenger reported on this year’s event grant recommendations. She noted that the grant application was revised this year to open the event component of the program to more event organizers. The committee worked with Pettit Gilwee with Pettit Gilwee PR on significant outreach to the community. Cheri reported that approximately \$40,000 in funds was requested. Of that amount, only \$10,000 was available for this year’s program. She encouraged the NLTRA to allocate more funding toward the program next year and in the future. The Committee’s Community Marketing Program event grant recommendations are as follows:

- SnowFest! 2009 – A 10 Day Winter Festival (Feb. 27-Mar. 8) \$5,000.00
- Ta-Hoe-Nalu – Stand-Up Paddle Events on Lake Tahoe \$2,000.00
- Squaw Valley Institute – A Toast to Tahoe Skiing (11/15/08) \$1,000.00
- Trails & Vistas* - Art Hike \$1,000.00
- TOCCATTA* The Orchestra & Community Choral Artists of the Tahoe Area \$500.00
- Melting Man Festival** - Proposed Spring Festival in Squaw Valley \$500.00

Total Funds Awarded \$10,000.00

11.2 Cheri noted that items marked with an asterisk* indicate that in order to receive funds awarded, the event organizers are required to demonstrate benefit to the Placer County portion of the North Lake Tahoe area. In addition, grants marked with a double asterisk** are contingent upon the organizer’s willingness and ability to hold the event in April, rather than in March. Cheri said the Chamber Advisory Committee feels SnowFest! is an important event for the community. The event could potentially generate significant “heads in beds”. The committee would like to see the festival strengthened and suggested that SnowFest! become an ongoing line item in the NLTRA’s marketing budget.

11.3 Jennifer Merchant thanked the Chamber Advisory Committee for taking the lead on grant review and consideration. She suggested that in the future, Grant Program presentations be made to the Board, instead of being imbedded in the consent calendar. Deb Darby commended the group on establishing a good set of criteria so all events were evaluated fairly. Justin Broglio (Grant Subcommittee Chair) said the goal is to establish two grant

cycles during each fiscal year. Dave Wilderotter noted that this funding helps promote the work of the NLTRA.

- 11.4 M/S/C (Wilson/Wilderotter) (9/0) to approve the community marketing program event grants, as recommended by the Chamber of Commerce Advisory Committee.**

12.0 DISCUSSION – STATUS OF \$15,000 IN “ANNUAL CONFERENCE MARKETING SUPPORT” FOR THE NORTH TAHOE COMMUNITY CONFERENCE CENTER

- 12.1 Steve Teshara reported that staff seeks direction in regards to the status of the \$15,000 in annual conference marketing support for the North Tahoe Community Conference Center (NTCC). The staff report explained that \$15,000 was an annual contribution in the NLTRA's conference marketing budget, but since the marketing budget was reduced by \$276,991 this year, cuts had to be made. Jennifer Merchant said the marketing budget 2007/08 carryover was earmarked for one time expenses and should not affect the conference center line item. Steve explained that at the time the NLTRA's FY-2008/09 budget was being prepared, the NTPUD Board and staff was discussing the future of the North Tahoe Conference Center. It was suggested that the conference center would operate as a community center, so the conference marketing line item was removed. Andy clarified that there were additional expenses for 2008/09. Steve confirmed that based on his conversation with the NTPUD's General Manager/CEO, the NTPUD is still interested in the \$15,000 for annual marketing support. He also confirmed that there are marketing reserves available to fund the allocation. Dan Tester suggested this request and allocation needs to go before the Marketing Committee for further discussion.
- 12.2 Curtis Aaron, NTPUD General Manager/CEO, reported that while his staff was developing expenditure budgets, it was realized the allocation had gone away. Kathy Long said the expenditure of funds, if reconsidered and granted, would focus on Web advertising rather than print collateral. Curtis said the North Tahoe Conference Center is planning a “Media Day” inviting all local resorts, wedding and event planners, and local and regional media to showcase and market the facility. The center is partnering with the NTBA to assist with this new marketing focus. Roger Beck suggested that when making the presentation to the Marketing Committee, NTPUD staff should include information about how money was spent in the past and the return on investment; in addition include a budget for how the money will be spent this year. Staff confirmed that the discussion would be included on the next Marketing Committee agenda.

13.0 CHAMBER OF COMMERCE REPORT

- 13.1 Kym Fabel announced that the new Location Based map is now available at the Visitor Information Center. The map features mostly recreational activities and was completed in collaboration with the North Lake Tahoe Chamber and community partners. Kym reported that 25,000 maps were printed and each organization is responsible for the distribution of the map in their district. Jennifer Merchant asked about the funding source for the map. Andy Chapman said the project was included under the program line item of the marketing budget and included a \$3,000 contribution from the Incline Crystal Bay Visitors Bureau. Steve Teshara recognized Maja Thaler and her team at Sandbox Studio for their work on the map. Dave said future community walking maps will include similar icons as the Location Based map. Kelly Atchley expressed concern about ongoing distribution costs for the map.
- 13.2 Kym Fabel reported on October Chamber mixers and events. The North Lake Tahoe Chamber and Bonanza newspaper co-sponsored three Incline forums last month. The topics ranged from the economy to the elections. She reported that the forums were well attended.

- 13.3 The Chamber has forged a partnership with the Central Sierra Green Business Recognition program. The Chamber is working with local and regional recycling coordinators to formally recognize local businesses that recycle and embrace green practices. The Chamber is also working with Washoe County on a workforce housing needs assessment.
- 13.4 The Chamber is assisting the NTBA with holiday events, promoting a Shop Local program, and the Parasol Foundation's Toys for Tots fundraiser. She distributed the Chamber's events calendar and noted that Winter Recreation Luncheon at Alpine Meadows is scheduled for November 6th. In addition, a Chamber mixer is scheduled that evening at the Tahoe Biltmore beginning at 5:00 p.m. A Joint Chamber mixer with the Truckee Donner Chamber of Commerce is scheduled for November 20th at the Tahoe Maritime Museum.

14.0 MARKETING REPORT

- 14.1 Andy Chapman reported that the next Chamber Education program scheduled for November 20th will feature representatives from the wholesale travel trade. The location has not been determined. The purpose of this program is to inform the lodging community and activity providers on wholesale and Tour operator distribution channels.
- 14.2 Modifications are being implemented to the www.nltra.org Web site so it can include marketing related materials including media plans, ads, and the marketing resource guide.
- 14.3 Andy announced that Orbitz.com has named Lake Tahoe as the #1 package destination for winter season 2008/2009. He said this is the second year in the row Lake Tahoe has to received this honor. Andy said we are doing a big push on new snow PR efforts. He noted that Conference Sales are currently at 88% of our commissionable goal.

15.0 ACTIVITY REPORT

- 15.1 Ron Treabess reported North Lake Tahoe Express ridership shows a 16% increase over last October. Steve said a major factor in the increase in ridership is attributable to group business. Ron reported that less subsidy is being paid per passenger.
- 15.2 Ron reported that concrete is being poured for the first of two new Squaw Valley Bus Shelters. He anticipates that at least one of the two shelters will be completed this year. He said the Contractors Association of Truckee Tahoe (CATT), the volunteers working on the project, has secured insurance to cover worker's compensation.
- 15.3 The Squaw Valley Olympic Museum project request was approved this month by the Placer County Board of Supervisors. They will return to the NLTRA before other project allocations are considered for approval. The committee is meeting today to discuss hiring a consultant and timeline to complete work.
- 15.4 Ron gave a brief status report on the survey package that was approved in April. The package includes new residential and Web site surveys and funding to pay for our portion of the County-wide economic data report. In addition, the allocation will also fund an update of the NLTRA's Dean Runyan report. Staff is working with Jennifer Merchant to determine the funding split between Marketing and Infrastructure for the survey package. The allocation will be included on the November 25th Board of Supervisors agenda for approval.

16.0 PRESIDENT AND CEO'S REPORT

- 16.1 Steve Teshara gave a status report on the 2008 NLTRA Board election process. The applications were due Monday, November 3rd by 5:00 p.m. Candidates are as follows, Ron McIntyre and Richard McLennan for the At-large seat; Debbie Casey, Ron Parson, and Craig Cooper for the Real Estate/Property Management seat; and Jim Kercher for the Ski Area seat. Ballots will go out by the end of the week and are due back to McClintock Accountancy by December 2nd.
- 16.2 Steve reviewed the timeline and process for the 2009 NLTRA committee member solicitation. He reported that this memorandum shall serve as formal notice for the Resort Association's process to formally solicit "lay member" applicants for the Marketing, Chamber of Commerce Advisory and Finance committees. Applications are due back at the end of December. Appointments will be made at the January Board meeting. Steve noted that six of the twelve members of the Infrastructure Committee serve at the pleasure of the Placer County Board of Supervisors.

17.0 DIRECTORS' COMMENTS

- 17.1 Julie Regan announced that the TRPA Governing Board has adopted a new ordinance package creating various new shorezone policies for the Tahoe basin. The invasive species protection ordinance also passed, meaning boat ramps will be closed if they are not staffed with trained inspectors. TRPA is working to get the word out about the new policies. Julie reported that TRPA was recently audited by the State of Nevada. They focused on two areas of improvement – project securities and time tracking. The Regional Plan continues to move forward. She thanked all members who participated in the recent regional plan public workshops.

18.0 MEETING REVIEW AND STAFF DIRECTION

- 18.1 There were no further comments.

19.0 ADJOURNMENT TO CLOSED SESSION

- 19.1 The Board meeting adjourned to Closed Session at 11:25 a.m.

20.0 RECONVENE TO OPEN SESSION

- 20.1 The Board Chair has been directed to provide information to the NLTRA's Chief Financial Officer regarding financial outcomes of the Chief Executive Officer's performance evaluation.

21.0 ADJOURNMENT

- 21.1 The Board meeting adjourned at 12:00 p.m.

Submitted by,
Sarah Holster
Executive Assistant