



north lake tahoe

Chamber | CVB | Resort Association

**NLTRA Board of Directors Meeting
Wednesday, April 5, 2017
Part 2 Reports/Back Up
Documents**

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Executive Summary

Data based on a sample of up to 9 properties in the North Lake Tahoe destination, representing up to 1225 Units ('DestiMetrics Census**') and 37.93% of 3229 total units in the North Lake Tahoe destination ('Destination Census**')

| Last Month Performance: Current YTD vs. Previous YTD | | 2016/17 | 2015/16 | Year over Year % Variance |
|---|--------------------|---------|---------|---------------------------|
| North Lake Tahoe Occupancy for last month (Feb) changed by (7.3%) | Occupancy (Feb) : | 59.2% | 55.1% | 7.3% |
| North Lake Tahoe ADR for last month (Feb) changed by (-1.0%) | ADR (Feb) : | \$ 350 | \$ 354 | -1.0% |
| North Lake Tahoe RevPAR for last month (Feb) changed by (6.3%) | RevPAR (Feb) : | \$ 207 | \$ 195 | 6.3% |
| Next Month Performance: Current YTD vs. Previous YTD | | | | |
| North Lake Tahoe Occupancy for next month (Mar) changed by (12.3%) | Occupancy (Mar) : | 39.0% | 34.7% | 12.3% |
| North Lake Tahoe ADR for next month (Mar) changed by (-7.9%) | ADR (Mar) : | \$ 267 | \$ 290 | -7.9% |
| North Lake Tahoe RevPAR for next month (Mar) changed by (3.5%) | RevPAR (Mar) : | \$ 104 | \$ 101 | 3.5% |
| Historical past 6 months Month Actual Performance: Current YTD vs. Previous YTD | | | | |
| North Lake Tahoe Occupancy for the past 6 months changed by (0.3%) | Occupancy | 46.3% | 46.2% | 0.3% |
| North Lake Tahoe ADR for the past 6 months changed by (5.4%) | ADR | \$ 301 | \$ 286 | 5.4% |
| North Lake Tahoe RevPAR for the past 6 months changed by (5.7%) | RevPAR | \$ 140 | \$ 132 | 5.7% |
| Future 6 Month On The Books Performance: Current YTD vs. Previous YTD | | | | |
| North Lake Tahoe Occupancy for the future 6 months changed by (14.3%) | Occupancy | 27.3% | 23.9% | 14.3% |
| North Lake Tahoe ADR for the future 6 months changed by (5.2%) | ADR | \$ 321 | \$ 305 | 5.2% |
| North Lake Tahoe RevPAR for the future 6 months changed by (20.2%) | RevPAR | \$ 88 | \$ 73 | 20.2% |
| Incremental Pacing - % Variance in Rooms Booked last Calendar Month: Feb 28, 2017 vs. Previous Year | | | | |
| Rooms Booked during last month (Feb,17) compared to Rooms Booked during the same period last year (Feb,16) for all arrival dates has changed by (65.4%) | Booking Pace (Feb) | 6.9% | 4.1% | 65.4% |

* DestiMetrics Census: Total number of rooms reported by participating DestiMetrics properties as available for short-term rental in the reporting month. This number can vary monthly as inventories and report participants change over time. ** Destination Census: The total number of rooms available for rental within the community as established by the and adjusted for properties that have opened / closed since that time. This number varies infrequently as new properties start, or existing properties cease operations.

DESCRIPTION: The Reservation Activity Outlook Report tracks occupancy, average daily rate (ADR), and revenue per available room (RevPAR); the key metrics most of interest to lodging properties. The report combines the data sets of participating properties into a destination wide view that features three data sets (providing that sufficient information is available) including: i) current YTD occupancy, ii) last YTD occupancy, iii) last season's ending occupancy. The Reservation Activity Outlook Report is generated on a monthly basis, usually for a 12 month subscription period, and is created from data provided by a group of properties participating in a cooperative manner, and representing a valid set of data as a result. Report results are provided only to those properties who participate by submitting their data. Additionally, participating properties can order (on an a-la-carte basis) an individual report which shows the reservation activity of their property, measured against an aggregated set of competitive properties that they choose from amongst DestiMetrics's other participants. As is the case in all DestiMetrics data, all information provided by individual properties is strictly confidential, except when aggregated with other data and indistinguishable as a result.

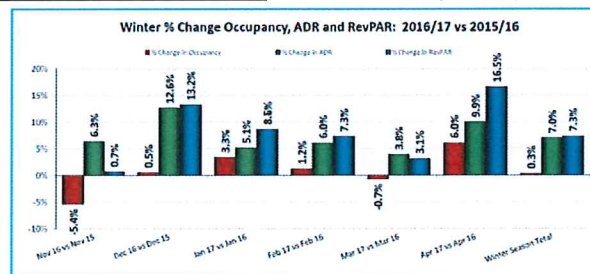
Home Stretch: Victory Will Depend on How You Measure

With the end of the booking season in sight and more than 90 percent of last year's total business now accounted for, overall occupancy is up very slightly and rates are up in the single digits, resulting in a good or not-so-good outcome, depending on what you measure. Both snow and the economic/geo-political forces have been volatile and inconsistent through much of this season. The resulting consumer uncertainty is most recently apparent with a marked slowdown in bookings made in February for the balance of the season, which is consistent in varying degrees across regions. The final outcome approaching season's end will depend on where you are, how you measure, and of course how these next few weeks perform at the finish.

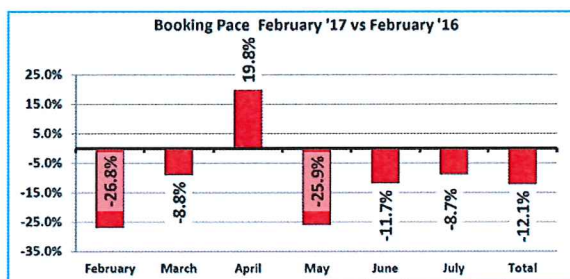
Section 1: Lodging Performance – Winter 2016/17 (November – April)

February historic actual occupancy as of Feb. 28 was up a slight 1.2 percent compared to February 2016, with a 66.9 percent occupancy rate. The Average Daily Rate (ADR) for the same period was up considerably more, gaining 6.0 percent for the month compared to last year, at \$425. The rate gains were the primary driver of overall revenue gains for the month, up 7.3 percent with RevPAR at \$284.

Winter (November '16 to April '17) actual and on-the books aggregate occupancy as of Feb. 28 is almost flat, up a very slight 0.3 percent compared to Winter 2015/16 as of this same time, at 45.6 percent occupancy. Occupancy is gaining in four of the six months, led by April (up 6.0 percent) and January (up 3.3 percent), while November and March are down. On the other hand, ADR on-the-books for the season is up a strong 7.0 percent at \$407 with gains in all six months, including a 9.9 percent gain in April and a 12.6 percent gain in December. The gains in ADR are offsetting flat or declining occupancy rates and resulting in aggregated strong revenue growth for the season, with revenue up 7.3 percent and RevPAR at \$185. Like ADR, revenue is increasing in all six months of the season, with double-digit gains in December and April.



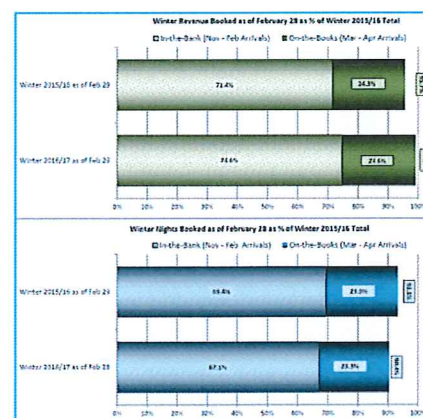
Total bookings made in February for arrival in February through July are down -12.1 percent compared to bookings made



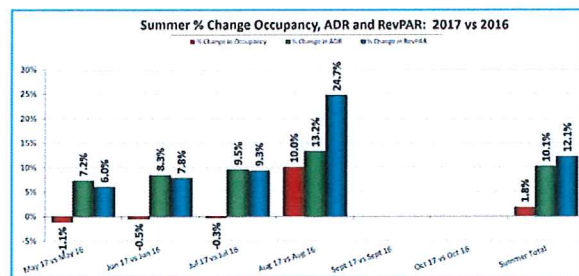
in February 2016 for arrival in the corresponding months last year. Bookings for arrival in February were down a very sharp -26.8 percent, while bookings for arrival in March were down -8.8 percent. Only bookings for April arrivals were up last month, gaining 19.8 percent. Looking ahead to early summer season activity, bookings taken in February for arrival in May, June and July all declined, down -25.9 percent, -11.7 percent, and -8.7 percent, respectively. See "Section 4 Commentary" on page 2 for notes on the decline in bookings last month.

Winter 2016/17 Year-Over-Year Room Nights and Revenue Booked as of

of Feb. 28. Room nights "in-the-bank" (actual room nights for November through February) for Winter 16/17 currently represent 67.1 percent of the total actual room nights that were booked for the entire winter season last year. An additional 23.3 percent of last year's total nights are already on-the-books for arrival in March and April. Overall, 90.4 percent of all nights for Winter 15/16 are now either banked or booked for Winter 16/17, a decline from this time last year (93.3 percent). Room revenue in-the-bank represents 74.6 percent of the total actual revenue booked last winter. An additional 24.6 percent of last year's total revenue is on-the-books for March to April arrivals. Overall, 99.2 percent of all revenue booked in Winter 15/16 has already been banked or booked this year, an increase from this time last year (95.7 percent).



Section 2: Lodging Performance – Summer 2017 (May – October) Based on early available data for May through August, Summer 2017 occupancy on-the-books as of Feb. 28, is up a slight 1.8 percent compared to this same time last year, at 19.7 percent occupancy. The months of May, June and July are all declining very slightly and August is showing a strong gain. As with winter, the flat occupancy rate in summer is being offset by strong gains in ADR, with all four months up from this same time last year and the on-the-books occupancy up 10.1 percent at \$266 for the season. The resulting gain in revenue is 12.1 percent, with RevPAR at \$53 and gains in all four summer months for which data are available.



Section 3: The Economy

- **Dow Jones Industrial Average:** The Dow Jones added 948 points in February, resulting in a 4.8 percent increase in the benchmark index. Wall Street's confidence not only reflects the confidence of employers and consumers (see below), but is also in anticipation of the proposed easing of restrictions that were put in place after the major failures that led to the recession in 2008. As long as markets remain in their current state, and wages move upward, consumers can be expected to continue spending discretionary dollars on items such as travel.
- **Consumer Confidence Index (CCI):** Following a moderate decline in January, consumer confidence increased in February to 114.8 points, the highest consumer confidence measurement since July 2001. Consumers cited favorable business and labor conditions, both immediately and for the near future. Should wages continue to grow at or above the inflation rate (2.5 percent), we expect consumers to continue spending discretionary dollars.
- **Unemployment/Jobs:** Employers added 235,000 jobs in February, exceeding expectations and moving the unemployment rate down slightly to 4.7 percent. Wages also increased slightly in February, bringing the current pace of wage increases to 2.8 percent more than this time last year and in line with inflation. Consumers should now expect that the Federal Reserve Bank will increase interest rates at their March 14-15 meeting, which may have a temporary impact on consumer spending on discretionary goods.

Section 4: Commentary

The season is approachingt wrap-up and, as with last month, we see some transactional behavior that doesn't fit the patterns of the last six years or so, at least when we look at all western resorts in aggregate. Winter occupancy remains essentially flat for the overall season, with gains and declines hanging around the +/-1 percent range throughout, except November's decline and April's gain. At the same time, February saw a precipitous decline in bookings taken in that month for the balance of the winter as well as the early summer months. Warm, dry weather in the Rockies and epic and consistent snow in the Far West suggest these regions may be having very different winters, but it depends on the metric you study.

Longer reservation lead-times and good booking pace this winter have established a foundation of occupancy in the Rockies, while the Far West has had to work harder to attract guests, at least statistically, despite record-breaking snowfall. Overall, both regions are experiencing similar occupancy struggles, with the Far West gaining a slight 1.1 percent for the season, and an overall occupancy rate of 39.3 percent. Occupancy rates in the Rockies are up a similar amount, but less so at 0.3 percent compared to last year at 46.1 percent. But the rate picture is considerably different, with the Far West up a slight 1.6 percent in ADR this season and the Rockies up a strong 7.2 percent. The result is that both regions are gaining in revenue, but the Far West is lagging despite consistently great snow for the most part. The question then becomes "what conditions allow us to drive rate?" The situation in the Far West would suggest that epic snow doesn't necessarily drive rate up as we would hope, and overall consumer demand at peak times does, as we're seeing in the Rockies, lead to occupancy rates that are bumping up against maximum practical capacity—i.e. available inventory - on many occasions. And, in the end, the rhetorical question is "does it matter?" Clearly the Far West is working the system, finding the balance between rate tolerance and occupancy growth enough for a moderate, but achievable gain in revenue, while the Rockies are taking a different approach, with rate gains throughout the season, sometimes resulting in occupancy declines, but still achieving the revenue goal.

Conclusion: We've watched occupancy growth struggle this season for several reasons and there is no indication that it will resolve anytime soon. Inventory pressure, an option for rate over occupancy, inconsistent snow (in some cases), and other less tangible forces are all driving factors. The strategy is applied at the property level, sometimes by choice, sometimes to keep up with the comp set, but clearly is regional. As usual, we urge you to monitor your own property's performance, against itself and the destination by logging into www.DestiMetrics.com for property-specific reports.

North Lake Tahoe Resort Association
A/R Aging Summary
 As of December 31, 2016

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL |
|---|-----------------|-------------|-----------------|---------------|-----------------|------------------|
| 968 Park Hotel | 0.00 | 0.00 | 0.00 | 0.00 | 550.00 | 550.00 |
| Best Western Plus Truckee - Tahoe | 0.00 | 0.00 | 0.00 | 0.00 | 341.55 | 341.55 |
| DSC (Destination Services Corporation) | 0.00 | 0.00 | 0.00 | 550.00 | 0.00 | 550.00 |
| Hampton Inn & Suites | 0.00 | 0.00 | 0.00 | 0.00 | 550.00 | 550.00 |
| Hyatt Regency Lake Tahoe Resort, Spa & Ca | 0.00 | 0.00 | 0.00 | 0.00 | 90.80 | 90.80 |
| Northstar California | 0.00 | 0.00 | 0.00 | 0.00 | 2,833.83 | 2,833.83 |
| Resort at Squaw Creek* | 6,902.70 | 0.00 | 4,860.85 | 0.00 | 0.00 | 11,763.55 |
| Squaw Valley Lodge/Granite Peak Managemen | 0.00 | 0.00 | 0.00 | 0.00 | 1,919.27 | 1,919.27 |
| Tahoe Biltmore Lodge & Casino | 0.00 | 0.00 | 0.00 | 0.00 | 187.74 | 187.74 |
| Tahoe Mountain Resorts Lodging | 0.00 | 0.00 | 0.00 | 0.00 | 639.50 | 639.50 |
| Tahoma Lodge | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 | 200.00 |
| The Landing Resort & Spa | 0.00 | 0.00 | 0.00 | 0.00 | 550.00 | 550.00 |
| The Ridge Tahoe | 0.00 | 0.00 | 0.00 | 0.00 | 550.00 | 550.00 |
| The Ritz-Carlton | 0.00 | 0.00 | 1,278.65 | 0.00 | 0.00 | 1,278.65 |
| The Village at Squaw Valley | 0.00 | 0.00 | 0.00 | 229.70 | 914.22 | 1,143.92 |
| TOTAL | 6,902.70 | 0.00 | 6,139.50 | 779.70 | 9,326.91 | 23,148.81 |

Accounts Receivable Summary

Invoices With Apply Dates Through December 31, 2016

Aged as of Saturday, December 31, 2016

| <u>Revenue Item</u> (Double click to drill down) | <u>Not Yet Due</u> | <u>Current</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>91 - 120</u> | <u>121+</u> | <u>Total</u> |
|--|--------------------|----------------|----------------|----------------|-----------------|-------------|--------------|
| Activities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 85.00 | 85.00 |
| Dues | 0.00 | 2,405.00 | 3,015.00 | 0.00 | 650.00 | 1,605.00 | 7,675.00 |
| Email Blast | 0.00 | 0.00 | 0.00 | 0.00 | 75.00 | 0.00 | 75.00 |
| Total Open Invoices | 0.00 | 2,405.00 | 3,015.00 | 0.00 | 725.00 | 1,690.00 | 7,835.00 |

| | |
|--|------|
| Unapplied Payments With Payment Dates Prior to and Including 12/31/2016 | 5.00 |
|--|------|

Pre-Payments: Payments Made Prior to 12/31/2016 on Invoices With Apply Dates After 12/31/2016

| | |
|---------------------------|-----------|
| Dues | 14,705.00 |
| Total Pre-Payments | 14,705.00 |

| | |
|--|------------------|
| Net Accounts Receivable (Open Invoices Less Unapplied Payments Less Pre-Payments) | -6,875.00 |
|--|------------------|



North Lake Tahoe Chamber of Commerce

Upcoming Events:

- April 6, 2017 North Lake Tahoe Community Awards Banquet, Resort at Squaw Creek, 6-9 pm
- April 12, 2017 Chamber Mixer at Stillwater Spa, Hyatt Regency Incline Village 5-7 pm

Monthly Report February 2017

CONFERENCE REVENUE STATISTICS

North Shore Properties

Year to Date Bookings/Monthly Production Detail FY 16/17

Prepared By: Anna Atwood, Marketing Executive Assistant

| | <u>FY 16/17</u> | <u>FY 15/16</u> | <u>Variance</u> |
|---|-----------------|-----------------|-----------------|
| Total Revenue Booked as of 2/28/17: | \$2,975,823 | \$3,028,014 | -2% |
| Forecasted Commission for this Revenue: | \$96,391 | \$164,211 | -41% |
| Number of Room Nights: | 16436 | 15465 | 6% |
| Number of Delegates: | 18058 | 17043 | 6% |
| Annual Revenue Goal: | \$3,000,000 | \$2,800,000 | 7% |
| Annual Commission Goal: | \$173,000 | \$165,000 | 5% |
| Number of Tentative Bookings: | 170 | 121 | |

| <u>Monthly Detail/Activity</u> | <u>February-17</u> | <u>February-16</u> | |
|---------------------------------|--------------------|--------------------|-------|
| <u>Number of Groups Booked:</u> | 0 | 7 | |
| Revenue Booked: | \$0 | \$351,190 | -100% |
| Projected Commission: | \$0 | \$7,690 | -100% |
| Room Nights: | 0 | 2118 | -100% |
| Number of Delegates: | 0 | 653 | -100% |
| | | 4 Corp., 1 | |
| | | Assoc, 1 | |
| | | Incentive, 1 | |
| Booked Group Types: | | Film Crew | |
| Lost Business, # of Groups: | | 6 | |

| <u>Arrived in the month</u> | <u>February-17</u> | <u>* Est.</u> | <u>February-16</u> | |
|-----------------------------|--------------------|---------------|--------------------|--|
| Number of Groups: | 1 | | 7 | |
| Revenue Arrived: | \$104,490 | | \$234,457 | |
| Projected Commission: | \$0 | | \$11,306 | |
| Room Nights: | 900 | | 709 | |
| Number of Delegates: | 250 | | 302 | |
| | | | 4 Corp, 1 | |
| | | | Assoc, 1 TA, 1 | |
| Arrived Group Types: | 1 Assoc. | | Film Crew | |

| <u>Monthly Detail/Activity</u> | <u>January-17</u> | <u>January-16</u> | |
|---------------------------------|-------------------|-------------------|-------|
| <u>Number of Groups Booked:</u> | 2 | 7 | |
| Revenue Booked: | \$178,405 | \$204,738 | -13% |
| Projected Commission: | \$0 | \$9,150 | -100% |
| Room Nights: | 845 | 1332 | -37% |
| Number of Delegates: | 1600 | 512 | 213% |
| | 1 Corp, 1 Non- | 4 Corp, 2 | |
| Booked Group Types: | Profit | Assoc., 1 Smf | |
| Lost Business, # of Groups: | 8 | 2 | |
| <u>Arrived in the month</u> | <u>January-17</u> | <u>January-16</u> | |
| Number of Groups: | 0 | 3 | |

| | | |
|-----------------------|-----|-----------------|
| Revenue Arrived: | \$0 | \$173,010 |
| Projected Commission: | \$0 | \$1,155 |
| Room Nights: | 0 | 723 |
| Number of Delegates: | 0 | 212 |
| Arrived Group Types: | | 2 Assoc, 1 Film |

| Monthly Detail/Activity | <u>December-16</u> | <u>December-15</u> | |
|---------------------------------|--------------------|--------------------|------|
| <u>Number of Groups Booked:</u> | 4 | 4 | |
| Revenue Booked: | \$142,936 | \$60,419 | 137% |
| Projected Commission: | \$6,683 | \$2,655 | 152% |
| Room Nights: | 837 | 393 | 113% |
| Number of Delegates: | 358 | 128 | 180% |
| | 2 Corp., 2 | | |
| Booked Group Types: | Assoc. | 3 Corp, 1 Govt. | |
| Lost Business, # of Groups: | 0 | 5 | |

| <u>Arrived in the month</u> | <u>December-16</u> | *Est. | <u>December-15</u> | |
|-----------------------------|--------------------|--------------|--------------------|-------|
| Number of Groups: | 2 | | 1 | |
| Revenue Arrived: | \$137,651 | | \$11,026 | 1148% |
| Projected Commission: | \$5,818 | | \$0 | |
| Room Nights: | 562 | | 74 | 659% |
| Number of Delegates: | 1125 | | 35 | 3114% |
| Arrived Group Types: | 3 Corp, 1 Smf | | 1 Corp. | |

| Monthly Detail/Activity | <u>November-16</u> | <u>November-15</u> | |
|---------------------------------|--------------------|--------------------|-------|
| <u>Number of Groups Booked:</u> | 1 | 2 | |
| Revenue Booked: | \$2,862 | \$20,326 | -86% |
| Projected Commission: | \$0 | \$656 | -100% |
| Room Nights: | 14 | 113 | -88% |
| Number of Delegates: | 14 | 204 | -93% |
| Booked Group Types: | 1 Corp. | 1 Corp, 1 Smf | |
| Lost Business, # of Groups: | 6 | 5 | |

| <u>Arrived in the month</u> | <u>November-16</u> | <u>November-15</u> | |
|-----------------------------|--------------------|--------------------|--|
| Number of Groups: | 5 | 0 | |
| Revenue Arrived: | \$130,205 | \$0 | |
| Projected Commission: | \$6,139 | \$0 | |
| Room Nights: | 920 | 0 | |
| Number of Delegates: | 1264 | 0 | |
| | 3 Corp, 1 Smf, | | |
| Arrived Group Types: | 1 Assoc. | | |

| Monthly Detail/Activity | <u>October-16</u> | <u>October-15</u> | |
|---------------------------------|-------------------|-------------------|-------|
| <u>Number of Groups Booked:</u> | 6 | 5 | |
| Revenue Booked: | \$557,045 | \$216,914 | 157% |
| Projected Commission: | \$7,726 | \$16,653 | -54% |
| Room Nights: | 2716 | 503 | 440% |
| Number of Delegates: | 11999 | 245 | 4798% |

| | | | |
|------------------------------------|--|--------------------------|------|
| | 3 Corp, 1 Smf, 1 Non-Profit, 1 Incentive | 3 Corp, 2 Assn. | |
| Booked Group Types: | | 2 | |
| Lost Business, # of Groups: | 3 | | |
| <u>Arrived in the month</u> | <u>October-16</u> | <u>October-15</u> | |
| Number of Groups: | 5 | 4 | |
| Revenue Arrived: | \$187,132 | \$378,115 | -51% |
| Projected Commission: | \$7,478 | \$37,381 | -80% |
| Room Nights: | 978 | 2214 | -56% |
| Number of Delegates: | 10220 | 10792 | -5% |
| | 3 Corp, 1 | | |
| Arrived Group Types: | Assoc, 1 Smf | 3 Corp, 1 Smf | |

| | | | |
|--|----------------------------|----------------------------|-------|
| Monthly Detail/Activity | <u>September-16</u> | <u>September-15</u> | |
| <u>Number of Groups Booked:</u> | 3 | 2 | |
| Revenue Booked: | \$113,630 | \$18,378 | 518% |
| Projected Commission: | \$2,245 | \$693 | 224% |
| Room Nights: | 962 | 150 | 541% |
| Number of Delegates: | 987 | 70 | 1310% |
| | 1 Corp, 1 | | |
| Booked Group Types: | Assoc, 1 Smf | 1 Smf, 1 Assn | |
| Lost Business, # of Groups: | 3 | 8 | |

| | | | |
|------------------------------------|----------------------------|----------------------------|------|
| <u>Arrived in the month</u> | <u>September-16</u> | <u>September-15</u> | |
| Number of Groups: | 10 | 9 | |
| Revenue Arrived: | \$788,598 | \$593,894 | 33% |
| Projected Commission: | \$6,209 | \$20,604 | -70% |
| Room Nights: | 4148 | 3170 | 31% |
| Number of Delegates: | 1757 | 986 | 78% |
| | 4 Corp, 3 Assn, | 2 Corp, 5 | |
| Arrived Group Types: | 3 Smf | Assoc, 2 Smf | |

| | | | |
|--|-------------------------|-------------------------|------|
| Monthly Detail/Activity | <u>August-16</u> | <u>August-15</u> | |
| <u>Number of Groups Booked:</u> | 4 | 3 | |
| Revenue Booked: | \$112,497 | \$40,570 | 177% |
| Projected Commission: | \$892 | \$3,884 | -77% |
| Room Nights: | 715 | 264 | 171% |
| Number of Delegates: | 275 | 224 | 23% |
| Booked Group Types: | 2 Assn., 1 Corp, | 2 Corp., 1 Smf | |
| Lost Business, # of Groups: | 0 | 7 | |

| | | | |
|------------------------------------|-------------------------|------------------------------|------|
| <u>Arrived in the month</u> | <u>August-16</u> | <u>August-15</u> | |
| Number of Groups: | 6 | 7 | |
| Revenue Arrived: | \$223,487 | \$273,081 | -18% |
| Projected Commission: | \$16,620 | \$21,858 | -24% |
| Room Nights: | 1052 | 1723 | -39% |
| Number of Delegates: | 257 | 521 | -51% |
| | 4 Corp, 1 | | |
| Arrived Group Types: | Assoc, 1 Film Crew | 3 Corp., 2 Assn., 2 Govt. | |

| Monthly Detail/Activity | <u>July-16</u> | <u>July-15</u> | |
|--|-----------------------|-----------------------|-------|
| <u>Number of Groups Booked:</u> | 2 | 4 | |
| Revenue Booked: | \$84,736 | \$119,459 | -29% |
| Projected Commission: | \$0 | \$3,023 | -100% |
| Room Nights: | 655 | 850 | -23% |
| Number of Delegates: | 425 | 10390 | -96% |
| | | 1 Ca Assoc., 1 | |
| | | Corp, 1 Smf, 1 | |
| | | Assoc. | |
| Booked Group Types: | 1 Corp, 1 Govt. | | |
| Lost Business, # of Groups: | 3 | 4 | |

| | | | |
|------------------------------------|-----------------------|-----------------------|------|
| <u>Arrived in the month</u> | <u>July-16</u> | <u>July-15</u> | |
| Number of Groups: | 5 | 7 | |
| Revenue Arrived: | \$712,929 | \$569,373 | 25% |
| Projected Commission: | \$39,282 | \$18,614 | 111% |
| Room Nights: | 3175 | 2686 | 18% |
| Number of Delegates: | 1551 | 1790 | -13% |
| Arrived Group Types: | 2 Assoc., 1 | 4 Corp, 1 Assn., | |

| | | |
|---------------------|------------------|------------------|
| For 2017/18: | \$452,645 | \$500,000 |
| For 2018/19: | \$462,146 | \$250,000 |

| | |
|---|------------|
| NUMBER OF LEADS Generated as of 2/28/17: | 176 |
| YTD 1/31/16: | 125 |
| YTD 1/31/15: | 99 |

Total Number of Leads Generated in Previous Years:

| | |
|------------|-----|
| 2015/16 | 194 |
| 2014/2015 | 175 |
| 2013/2014 | 172 |
| 2012/2013: | 171 |
| 2011/2012: | 119 |
| 2010/2011: | 92 |
| 2009/2010: | 107 |
| 2008/2009: | 151 |
| 2007/2008: | 209 |
| 2006/2007: | 205 |



north lake tahoe

Chamber | CVB | Resort Association

NLTRA Executive Committee

Monday, March 20, 2017

3:00 p.m. NLTRA Offices Upstairs

Phone – 712-770-4010 Access Code 775665#

REPORT

A. Open Session

1. Items for Board Retreat
 - a. Strategic Goals
 - b. Scope of Work
 - c. Funding Resources

EC reviewed draft agenda that Sandy and Adam had developed. The agenda was approved with minor changes.

2. Organization Structure Next Steps
 - a. CI/T group completed
 - b. Marketing group – working on competitive analysis
 - c. Board Governance met with Chamber group Feb 7, Survey completed Jan 31 – 110 responses, Chamber committee meeting on Feb 15 and March 8 – working on a draft MOU with business associations
 - d. Board Governance – working with Wally to set up meeting in March
 - e. Contract – Erin and Sandy will begin work in March or April with Exec. Committee

3. Search Process – Finalized timeline and promotional collateral
Adam shared that the first report from SearchWide was due this week and he would share the progress with the full board at the retreat.

4. Other Business
Sandy encouraged everyone to complete the nominations for community awards and will send out the nomination survey to the EC and full board.

Sandy met with Brendan Madigan who has not been able to attend board meetings the past few months due to an illness that is still undiagnosed. He would like to remain on the board and participate as his health will allow. The EC agreed to keep him on the Board.

The NLTRA participated in a Website Conversion Study through the DMA West Foundation, of which Sandy has been serving as a board member for the last 3

years. This was a year-long study with 12 DMO participants, and was conducted by Destination Analysts, with further analysis by Miles. The final report has just been sent out and JT will be taking this to the Marketing Committee, Co-op Board and this could also be a future presentation to the NLTRA Board.



north lake tahoe

Chamber | CVB | Resort Association

April 4, 2017

Subject: Monthly Activity Report—March, 2017

From: Ron Treabess, Director of Community Partnerships and Planning

A. Capital Investment/Transportation Work Plan Projects—Update

- Attached is the monthly *Projects Currently Underway Contract & Funding Status* report as of March 31, 2017.
- The first season of the Tahoe City Ice Rink has been successfully completed.
- The Tahoe Vista Recreation Area Wayfinding Signage has been completed.
- The Speedboat Beach Master Planning project has been completed.
- The Tahoe City Holiday Lighting project has been completed.
- The 14 projects requesting \$2,043,264 TOT was submitted to Placer CEO and approved by the Board of Supervisors on February 21st.
- Contracts between Placer County and the grant recipients are now being prepared, which will be approved by the Board of Supervisors.
- Transit services funding for 2017/18 was discussed at the March CI/T meeting and the Committee recommended the staff proposal (7-3-3) with the addition that funding in addition to TOT would continue to be pursued.
- The Committee recommended (12-0-0) the Maritime Museum TOT request for \$60,700 to help initiate Phase 1 of the Tahoe Maritime Center Campus project.
- The Committee also recommended (13-0-0) the expenditure of up to \$24,900 for Dean Runyan Associates to update the *Economic Significance of Travel to North Lake Tahoe 2003-2016* report.

B. Other Meetings and Activities Attended

- TNT/TMA Board Meeting
- Resort Triangle Transportation Vision Coalition Meeting

- Truckee Long-Range Transportation Planning Meeting
- North Lake Tahoe Express Advisory Committee Meeting
- Tuesday Morning Breakfast Club
- NLTRA Representation at Snowfest Opening
- Fanny Bridge/Hwy 89/Tahoe City Wye Business Owners Meeting
- Squaw Valley Ski Museum Foundation Board meeting
- Tahoe Transportation District Board meeting
- TRPA Transportation Panel meeting
- Tahoe City Benefit Assessment District planning meeting
- Placer County Transportation Planning Agency Board meeting
- Meeting with NLTRA CEO Search Consultant

Capital Investment Projects Currently Underway Contract Status
As of March 31, 2017

| Placer BOS Approved Projects | | Project Code | Contract Completion | Remaining Funds | Possible 16/17 inv | Contract Status |
|------------------------------|---|--------------|---------------------|-----------------|--------------------|--------------------------|
| Grantee | | NLTINF- | | | | |
| PCDPWF | Wayfinding Signage Installation | O30000 | 9/30/2016 | \$62,267 | \$62,267 | needs extension & review |
| SBC | Water Trail Wayfinding Signage | O31000 | 12/31/2016 | \$0 | \$0 | completed |
| NTPUD | N.T. Reg Park Trails & Signage (Planning) | O32000 | 9/30/2017 | \$135,000 | \$135,000 | on schedule |
| UC | Tahoe City Field Station Signage | O34000 | 6/30/2017 | \$3,134 | \$3,134 | on schedule |
| PCDPWF | Dollar Creek Shared-use Construction | B-2 | 10/30/2016 | \$265,000 | | included in 021000? |
| PCDPWF | North Tahoe Shared-Use Trail (Planning) | O35000* | 11/30/2017 | \$213,336 | \$90,500 | on schedule |
| NCSD | Northstar/Martis Valley Bike Trail (P&C) | O36000 | 11/30/2016 | \$395,501 | \$189,036 | extension or rolled |
| PCDPWF | Truckee River Corridor Env. Doc (Plan) | O38000* | 10/31/2017 | \$448,057 | \$101,000 | on schedule |
| TCPUD | Homewood Trail Construction | O10000 | 10/15/2016 | \$600,000 | \$600,000 | on schedule |
| NTPUD | Tahoe Vista Recreation Area | O11000 | 6/30/2017 | \$19,477 | 19,477 | on schedule |
| TCPUD | Truckee River Trail Restoration(P&C) | O12000 | 10/31/2018 | \$876,256 | \$60,000 | on schedule |
| PCDPWF | Squaw Valley Bike Trail Rehab(P&C) | O13000* | 6/30/2017 | \$340,351 | \$197,351 | on schedule |
| DSL | Donner Sum Gateway Sign/Kiosk | O14000* | 6/30/2017 | \$4,000 | \$4,000 | on schedule |
| TPA | Tahoe Public Art Program | O16000 | 10/30/2016 | \$134,152 | \$75,000 | extension or rolled |
| UC | Lake Tahoe Water Interactive Displays | O17000 | 6/30/2017 | \$5,560 | \$5,560 | on schedule |
| PCDPWF | Speedboat Beach Access MP | O18000 | 6/30/2016 | \$0 | \$0 | completed |
| TCPUD | Tahoe City Ice Rink | O19000* | 12/31/2016 | \$0 | \$0 | completed |
| PCDPWF | Fanny Bridge Hwy SR 89 Match | O21000 | 9/30/2018 | \$1,490,000 | | on schedule |
| CTC | King's Beach Pier Concept Plan | O22000 | 6/30/2017 | \$25,000 | \$25,000 | on schedule |
| PCDPWF | King's Beach Boardwalk & Gateway Plan | | | | | needs extension |
| | | O23000 | 6/30/2016 | \$39,037 | \$12,000 | |
| PCDPWF | Tahoe City Parking Project Plan | O24000 | 6/30/2016 | \$85,000 | \$60,000 | needs extension |
| PCDPWF | Tahoe City Mobility Improvement Plan | | | | | needs extension |
| | | O25000 | 6/30/2016 | \$13,901 | \$13,901 | |
| PCDPWF | Tahoe City Mobility Improvements Env. Doc | | | | | on schedule |
| | | O26000* | 9/30/2017 | \$300,000 | \$150,000 | |
| PCDPWF | Regional Transit System Brand | O27000 | 9/30/2016 | \$47,784 | \$47,484 | needs extension |
| PCDPWF | TART Bus Shelter | O28000* | 10/31/2016 | \$65,000 | \$65,000 | needs extension |

Capital Investment Projects Currently Underway Contract Status

As of March 31, 2017

| | | | | | | |
|--------|---|---------|-----------|----------|----------|---------------------|
| PCDPWF | Signage-Mile Markers (Maint) | O29000 | On going | \$12,245 | | on going as needing |
| PCDPWF | Tahoe Pedestrian Safety (Maint) | O29000 | On going | \$3,285 | \$3,285 | on going as needing |
| TCPUD | Tahoe City Winter Trail Snow(Maint) | O29000* | 6/30/2017 | \$43,706 | \$43,706 | on schedule |
| SVPSD | Squaw Valley Winter Trail Snow Removal (Maint.) | O29000* | 6/30/2017 | \$36,158 | \$36,158 | on schedule |
| TCDA | TC Gateway Holiday Lighting (Maint) | 29000 | 1/31/2017 | \$0 | \$0 | on schedule |
| TCPUD | Truckee Midway Bridge Trail (Maint) | 29000 | 6/30/2017 | \$15,000 | \$15,000 | on schedule |

Approved Projects Totals:

\$5,663,207 \$2,013,859

*Projects to be Started During 16-17

Maint. Funds Avail. \$128,272

1. All Projects being done by Placer County DPWF or other County Departments will have contracts prepared and managed by the County
2. All contract amendments/extensions for County projects will be prepared and managed by the County.
3. All current projects being done by others that will be completed beyond F/Y 16-17 will have contract amendments/extensions prepared and managed by the County.
4. All current projects being done by others that will be completed during FY 16-17 will have contracts/amendments/extensions prepared and managed by the NLTRA.
5. All maintenance projects to be completed in the same year as approved will have contracts prepared and maintained by NLTRA
6. All future projects to be done by County or others will be recommended by NLTRA and approved by BOS and have contracts prepared and managed by the County.
7. All project invoices and fund requests will be submitted to NLTRA for payment recommendation and forward for direct payment or journal transfer.

KEY METRICS FOR February 28, 2017 FINANCIAL STATEMENTS

| Total District 5 TOT Collections by Quarter 2010 - 2016 (as reported thru Feb 2017) | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|
| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
| 2010-11 | \$ 3,242,663 | \$ 2,107,554 | \$ 3,776,990 | \$ 1,361,343 | \$ 10,488,550 |
| 2011-12 | \$ 3,683,345 | \$ 1,794,633 | \$ 3,159,674 | \$ 1,554,224 | \$ 10,191,876 |
| 2012-13 | \$ 3,882,952 | \$ 2,106,218 | \$ 4,263,868 | \$ 1,447,976 | \$ 11,701,014 |
| 2013-14 | \$ 4,525,634 | \$ 2,145,657 | \$ 3,569,348 | \$ 1,751,002 | \$ 11,991,641 |
| 2014-15 | \$ 4,693,925 | \$ 2,527,484 | \$ 3,513,426 | \$ 1,868,198 | \$ 12,603,033 |
| 2015-16 | \$ 4,871,545 | \$ 3,874,302 | \$ 5,419,057 | \$ 2,344,932 | \$ 16,509,836 |
| 2016-17 | \$ 5,483,438 | \$ 3,287,043 | \$ 583,670 | | \$ 9,354,151 |

| Visitor Information Comparative Statistics For Fiscal YTD 2013 - 2017 (thru Feb '17) | | | | | |
|--|-----------|-----------|-----------|-----------|--------------|
| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | YOY % Change |
| Referrals - | | | | | |
| Tahoe City: | | | | | |
| Walk In/Events | 34,112 | 31,909 | 29,177 | 31,963 | 9.55% |
| Phone/Email | 1,853 | 1,525 | 1,637 | 2,434 | 48.69% |
| Kings Beach (Walk In Only) | 9,685 | 6,211 | 8,239 | 3,455 | -58.07% |
| Totals | 45,650 | 39,645 | 39,053 | 37,852 | -3.08% |

| Sales Tax Revenue by Fiscal Year Quarter - North Lake Tahoe (as of Nov 2016, 6 mth lag) | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Quarter | 2012/13 | 2013/14 | 2014/15 | 2015/16 | YOY % Change |
| First | \$ 724,645 | \$ 860,783 | \$ 885,368 | \$ 875,768 | -1.08% |
| Second | \$ 529,470 | \$ 481,165 | \$ 557,614 | \$ 596,985 | 7.06% |
| Third | \$ 724,645 | \$ 589,226 | \$ 573,778 | \$ 699,157 | 21.85% |
| Fourth | \$ 488,100 | \$ 521,965 | \$ 495,699 | \$ 558,566 | 12.68% |
| Total | \$ 2,466,860 | \$ 2,453,139 | \$ 2,512,459 | \$ 2,730,476 | |

| Unemployment Rates | June 2014 | July 2015 | Aug 2016 | Feb 2017 |
|------------------------------|-----------|-----------|----------|----------|
| California (pop. 38,332,521) | 7.1% | 6.7% | 5.5% | 5.0% |
| Placer County (367,309) | 6.0% | 5.2% | 4.7% | 4.3% |
| Dollar Point (1,215) | 7.1% | 6.1% | 1.1% | 2.1% |
| Kings Beach (3,893) | 6.0% | 6.8% | 6.1% | 7.0% |
| Sunnyside/Tahoe City (1,557) | 7.0% | 5.7% | 5.1% | 5.5% |
| Tahoe Vista (1,433) | 10.1% | 8.9% | 4.3% | 5.0% |

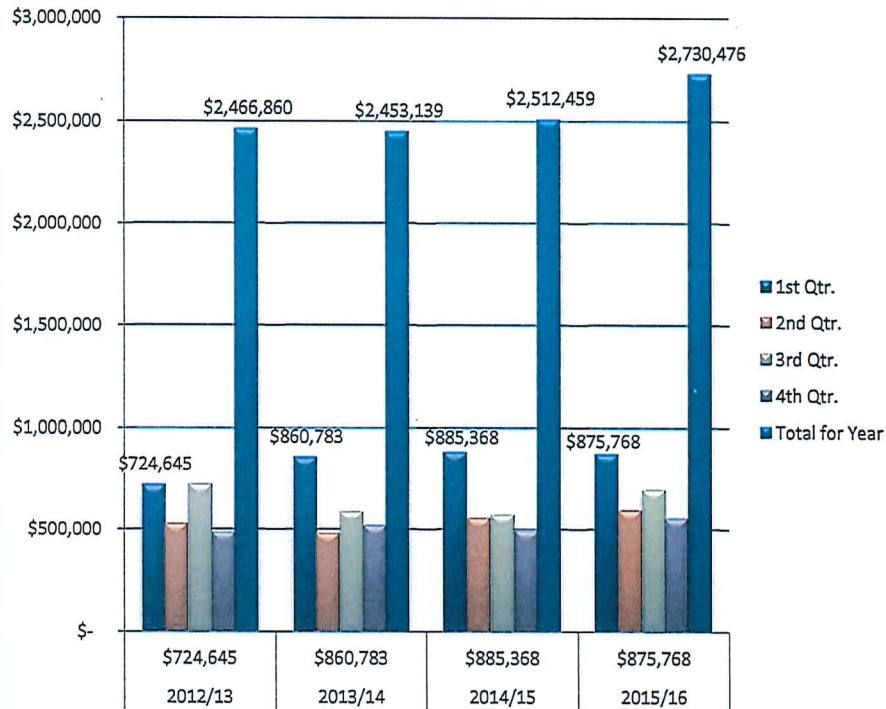
EDD

| Destimetrics Reservations Activity | FYTD 15/16 | FYTD 16/17 | Change |
|------------------------------------|------------|------------|--------|
| Occupancy | 55.1% | 59.2% | 7.3% |
| ADR (Average Daily Rate) | \$ 354 | \$ 350 | -1.0% |
| RevPAR (Rev per Available Room) | \$ 195 | \$ 207 | 6.3% |
| Occupancy 1 Mth Forecast | 34.7% | 39.0% | 12.3% |
| ADR 1 Mth Forecast | \$ 290 | \$ 267 | -7.9% |
| RevPAR 1 Mth Forecast | \$ 101 | \$ 104 | 3.5% |
| Occupancy (prior 6 months) | 46.2% | 46.3% | 0.3% |
| ADR (prior 6 months) | \$ 286 | \$ 301 | 5.4% |
| RevPAR (prior 6 months) | \$ 132 | \$ 140 | 5.7% |
| Occupancy (next 6 months) | 23.9% | 27.3% | 14.3% |
| ADR (next 6 months) | \$ 305 | \$ 321 | 5.2% |
| RevPAR (next 6 months) | \$ 73 | \$ 88 | 20.2% |

| Infrastructure Fund Balances Held by Placer County as of 9/30/16 (Reported Quarterly) | | Total Chamber Membership | |
|---|--------------|--------------------------|-----|
| | | June 2013 | 465 |
| FY 2015-16 Contract | \$ 4,260,134 | June 2014 | 457 |
| FY 2016-17 Contract | 1,854,885 | June 2015 | 474 |
| Total Fund Balances | \$ 6,115,020 | June 2016 | 508 |
| | | Feb 2017 | 427 |

| Conference Revenue Statistics Comparison FYTD 15/16 vs. FYTD 16/17 at 02/28/2017 | | | |
|--|--------------|--------------|----------------------------------|
| | 2015-16 | 2016-17 | YOY % Change |
| | Actuals | Forecasted | |
| FORWARD LOOKING (2015/16) | | | |
| Total Revenue Booked | \$ 3,400,515 | \$ 3,374,236 | -0.77% |
| Forecasted Commission for this Revenue | 181,949 | 106,289 | -41.58% |
| Number of Room Nights | 17,805 | 19,812 | 11.27% |
| Number of Tentative Bookings | 79 | 58 | -26.58% |
| CURRENT | | | |
| NLT - Annual Revenue Goal | \$ 2,800,000 | \$ 2,800,000 | 0.00% |
| Annual Commission Goal | \$ 175,000 | \$ 135,000 | -22.86% |
| Conference Revenue And Percentage by County: | | | |
| | 15-16 | 16-17 | |
| Placer | 73% | 69% | \$ 2,477,285 \$ 2,326,702 -6.08% |
| Washoe | 20% | 19% | \$ 667,127 \$ 646,844 -3.04% |
| South Lake | 6% | 12% | \$ 215,063 \$ 398,413 85.25% |
| Nevada | 1% | 0% | \$ 41,040 \$ 2,277 -94.45% |
| Total Conference Revenue | 100% | 100% | \$ 3,400,515 \$ 3,374,236 -0.77% |

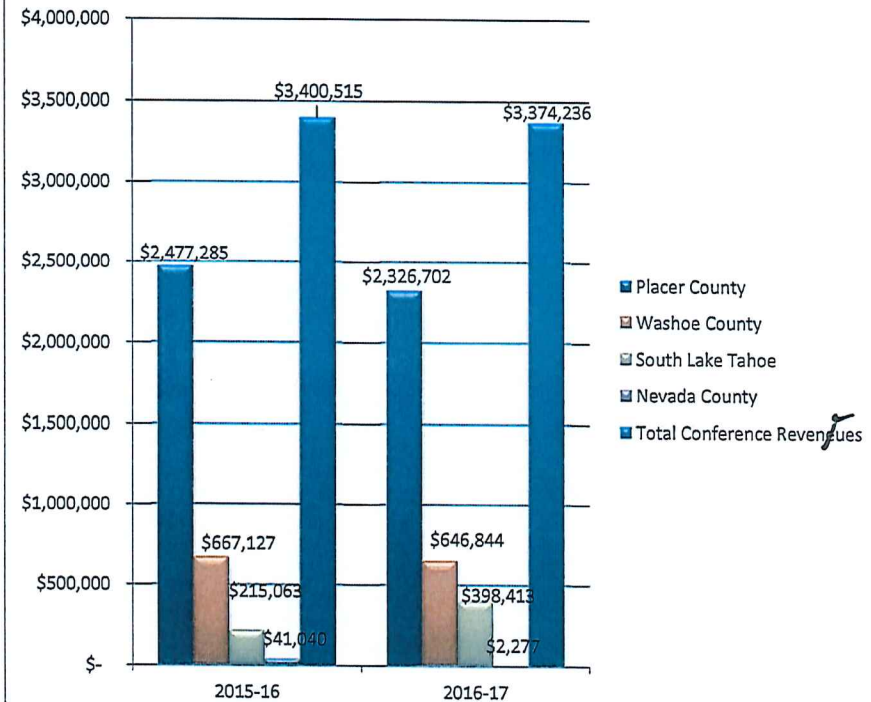
Annual Sales Tax Revenue - Lake Tahoe (Now on Fiscal Year Basis)



Sales Tax Revenue by Fiscal Year Quarter - North Lake Tahoe (as of Nov 2016, 6 mth lag)

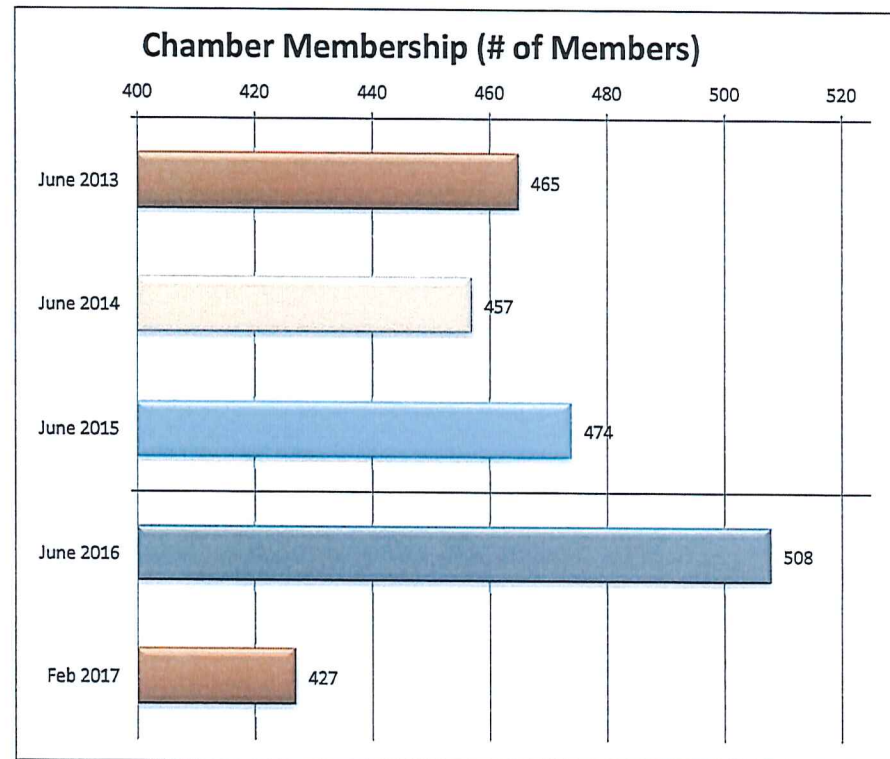
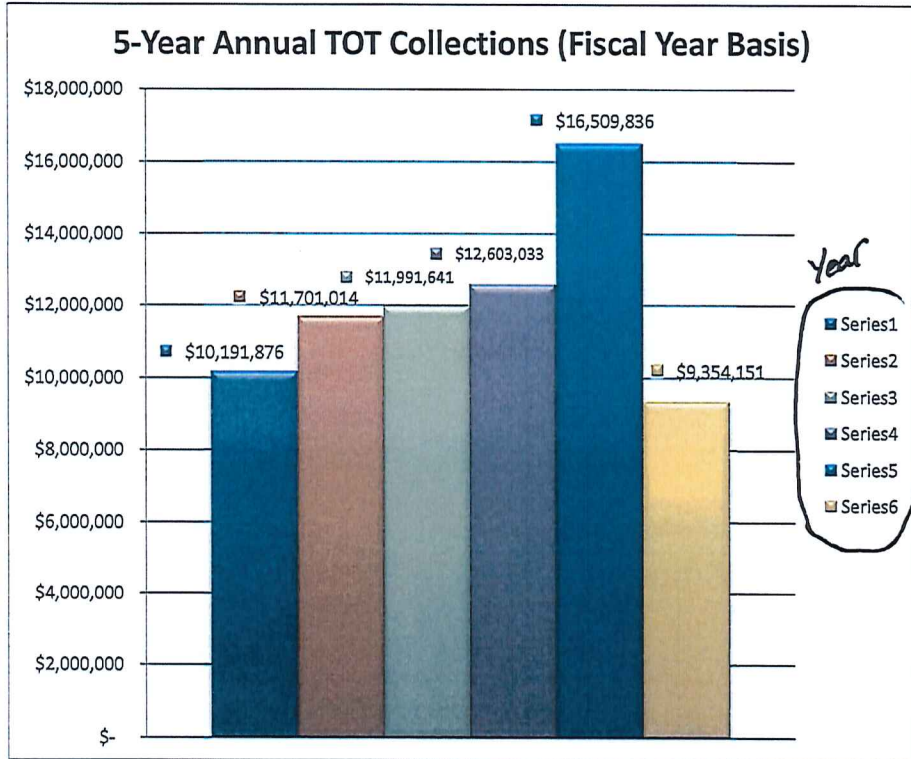
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| Fourth | \$ 488,100 | \$ 521,965 | \$ 495,699 | \$ 558,566 | 12.68% |
| Total | \$ 2,466,860 | \$ 2,453,139 | \$ 2,512,459 | \$ 2,730,476 | |

Conference Revenue Statistics & Revenue Share by County



Conference Revenue Statistics Comparison FYTD 15/16 vs. FYTD 16/17 at 02/28/2017

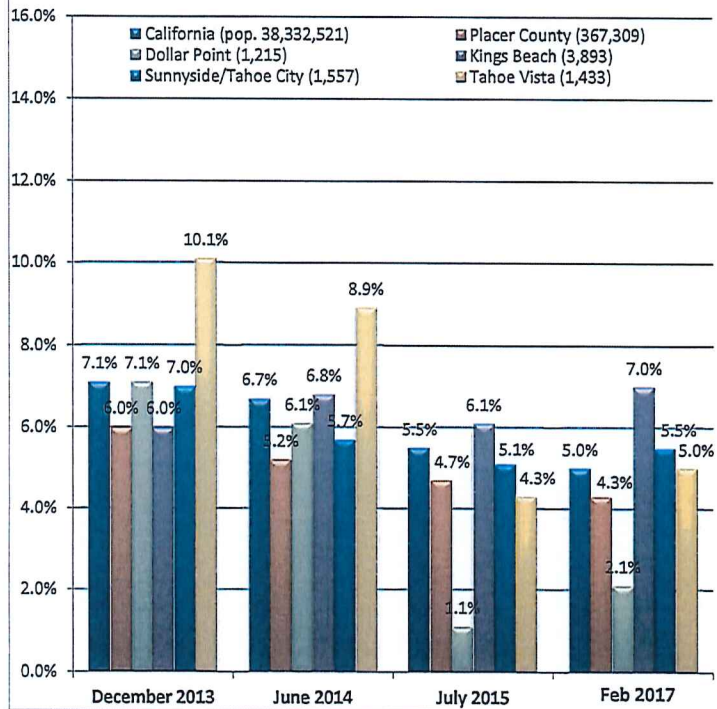
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| Number of Room Nights | 17,805 | 19,812 | 11.27% |
| Number of Tentative Bookings | 79 | 58 | -26.58% |
| CURRENT | | | |
| NLT - Annual Revenue Goal | \$ 2,800,000 | \$ 2,800,000 | 0.00% |
| Annual Commission Goal | \$ 175,000 | \$ 135,000 | -22.86% |
| Conference Revenue And Percentage by County: | | | |
| Placer | \$ 2,477,285 | \$ 2,326,702 | -6.08% |
| Washoe | \$ 667,127 | \$ 646,844 | -3.04% |
| South Lake | \$ 215,063 | \$ 398,413 | 85.25% |
| Nevada | \$ 41,040 | \$ 2,277 | -94.45% |
| Total Conference Revenue | \$ 3,400,515 | \$ 3,374,236 | -0.77% |



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| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
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| 2013-14 | \$ 4,525,634 | \$ 2,145,657 | \$ 3,569,348 | \$ 1,751,002 | \$ 11,991,641 |
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| 2016-17 | \$ 5,483,438 | \$ 3,287,043 | \$ 583,670 | \$ - | \$ 9,354,151 |

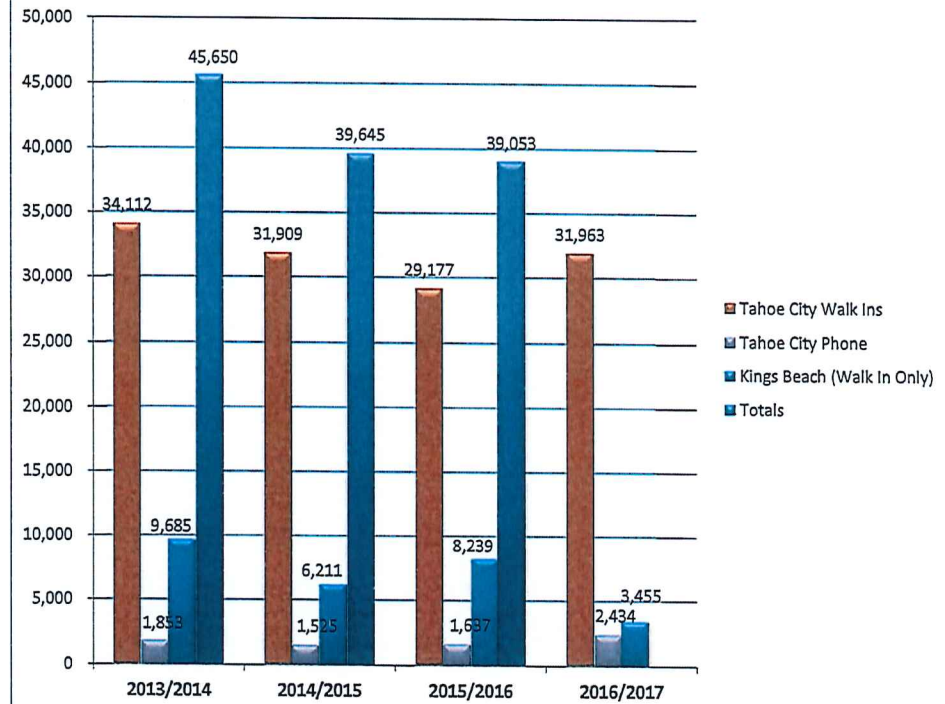
| Chamber Of Commerce Total Membership | |
|--------------------------------------|-----|
| June 2013 | 465 |
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| June 2015 | 474 |
| June 2016 | 508 |
| Feb 2017 | 427 |

Unemployment Rates by Region



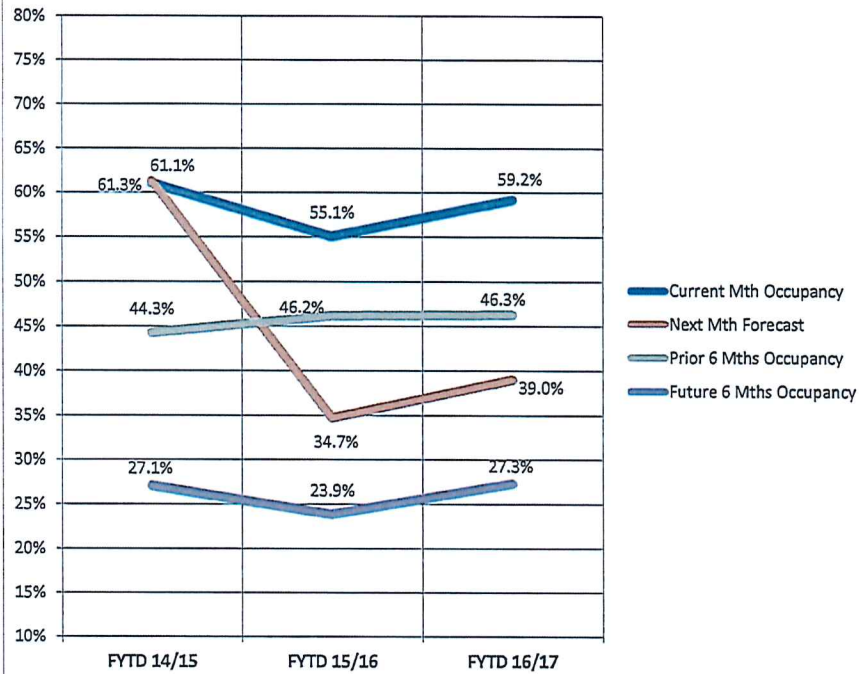
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|----------------------|---------------|-----------|-----------|----------|
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| Placer County | 6.0% | 5.2% | 4.7% | 4.3% |
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| Kings Beach | 6.0% | 6.8% | 6.1% | 7.0% |
| Sunnyside/Tahoe City | 7.0% | 5.7% | 5.1% | 5.5% |
| Tahoe Vista | 10.1% | 8.9% | 4.3% | 5.0% |

Visitor Information - FYTD YOY



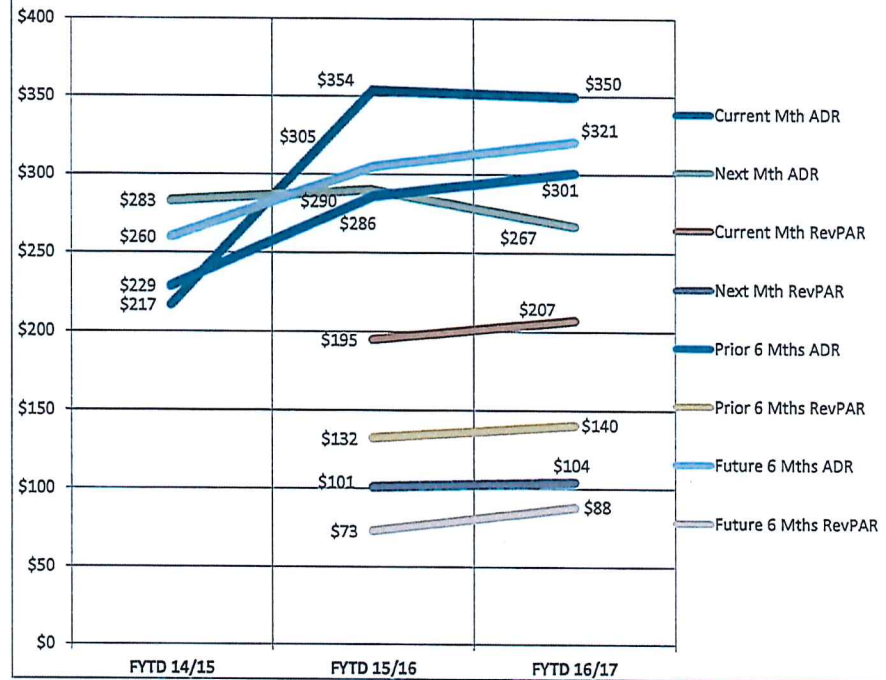
| Visitor Information Comparative Statistics For Fiscal YTD 2013 - 2017 (thru Feb '17) | | | | | |
|--|---------------|---------------|---------------|---------------|--------------|
| Referrals - | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | YOY % Change |
| Tahoe City: | Annual Totals | Annual Totals | Annual Totals | Annual Totals | |
| Walk In | 34,112 | 31,909 | 29,177 | 31,963 | 9.55% |
| Phone | 1,853 | 1,525 | 1,637 | 2,434 | 48.69% |
| Kings Beach (Walk In Only, Jun-Sep) | 9,685 | 6,211 | 8,239 | 3,455 | -58.07% |
| Totals | 45,650 | 39,645 | 39,053 | 37,852 | -3.08% |

Destimetrics Occupancy in NLT Comparisons



| Destimetrics Reservations Activity | FYTD 14/15 | FYTD 15/16 | FYTD 16/17 | Y-O-Y Change |
|------------------------------------|------------|------------|------------|--------------|
| Occupancy | 61.1% | 55.1% | 59.2% | 7.3% |
| Occupancy 1 Mth Forecast | 61.3% | 34.7% | 39.0% | 12.3% |
| Occupancy (prior 6 months) | 44.3% | 46.2% | 46.3% | 0.3% |
| Occupancy (next 6 months) | 27.1% | 23.9% | 27.3% | 14.3% |

Destimetrics RevPAR in NLT Comparisons



| Destimetrics Reservations Activity | FYTD 14/15 | FYTD 15/16 | FYTD 16/17 | Y-O-Y Change |
|------------------------------------|------------|------------|------------|--------------|
| ADR (Average Daily Rate) | \$217 | \$354 | \$350 | -1.0% |
| RevPAR (Rev per Available Room) | \$283 | \$195 | \$207 | 6.3% |
| ADR 1 Mth Forecast | \$283 | \$290 | \$267 | -7.9% |
| RevPAR 1 Mth Forecast | \$229 | \$101 | \$104 | 3.5% |
| ADR (prior 6 months) | \$229 | \$286 | \$301 | 5.4% |
| RevPAR (prior 6 months) | \$260 | \$132 | \$140 | 5.7% |
| ADR (next 6 months) | \$260 | \$305 | \$321 | 5.2% |
| RevPAR (next 6 months) | \$260 | \$73 | \$88 | 20.2% |

North Lake Tahoe Resort Association (NLTRA): Activities Report

Houston Magnani & Associates (HMA)

Tourism and Visitor Serving Infrastructure

HMA is serving on point in regards to AB 907 (Garcia), a bill to establish the Office of Outdoor Recreation and Public Lands Enhancement. This bill is patterned after similar legislation adopted in the neighboring states of UT, WA, and CO and is designed to place CA on competitive footing to compete for outdoor recreation and visitor dollars and bolster its already robust \$90 billion outdoor economy. The office will serve many functions but primarily will serve as promoter of the outdoors in all settings. The office will also work with industry/visitor serving entities in order to attract and retain businesses in an effort to maximize economic, recreational, and health related benefits in the state. Doug Houston has formed California Outdoor Recreation Partners which is comprised of industry, local government, and trade association reps and serves as its Executive Director. NLTRA has signed onto a letter in support of this effort.

Environment

HMA has been serving as an advocate on AB 18 (Garcia), a park and resources bond slated for the June 2018 ballot. This bill contains the following programs and amounts that may be of benefit to the greater Lake Tahoe Region:

- CTC \$20 million
- Forest Health \$55 million
- Rural Parks Program \$40 million (specified language drafted for Tahoe benefit)
- Trails Program \$45 million
- Per Capita Program \$425 million (discretionary grants to local agencies for park improvements).

Likewise, HMA has been closely monitoring a companion measure in the Senate which is SB 5 (KDL). This bill contains lesser amounts in all categories for Tahoe benefit.

Broadband

AB 1665 (Garcia). This bill seeks to fund the costs of infrastructure improvements necessary to serve areas in the state where service is non-existent or underperforming. This proposal ostensibly piggybacks on a report issued by the PUC that identifies areas in the state without internet service. HMA has been invited to participate in a working group on the matter and one of the principal challenges associated with this bill will be in the definition of disadvantaged communities. HMA will participate and closely monitor this activity on behalf of the Tahoe region to ensure funding eligibility if available.

Transportation

HMA is a member of the California Active Transportation Leadership Coalition. In CATL's efforts to attract and secure ATP funding, the group has successfully managed to convince the Administration to budget an additional \$100 million toward ATP expenditures. These funds can be directed toward non-motorized trail expansion and improvement projects within the Tahoe basin. HMA is also monitoring AB 1 and SB 1, companion measures seeking to devise a new revenue program in support of enhanced transit/transportation expenditures.

Housing

HMA is monitoring both SB 3 (Beall), a \$3 billion housing bond, and SB 2 (Atkins), a measure seeking to create a sustainable funding source for housing construction assistance through a \$75 real estate transaction fee.

HMA is looking for continued direction from NLTRA relative to the housing and transportation measures.

Louis A. Basile
Kelley R. Carroll*†
Peter H. Cuttitta*
Steven C. Gross*
Brian C. Hanley*
James L. Porter, Jr.*
James E. Simon
Ravn R. Whittington*



Aparna L. Reddy

Stephen C. Lieberman,
1941-2016
Dennis W. De Cuir, A Law
Corporation, Of Counsel

† Certified Specialist in Estate
Planning, Trust & Probate Law
* Also licensed in Nevada

MEMORANDUM

DATED: March 28, 2017
TO: SANDY EVANS HALL, CEO AND PRESIDENT OF THE NORTH LAKE TAHOE
RESORT ASSOCIATION
FROM: STEVEN C. GROSS & APARNA L. REDDY
RE: PROCEDURE FOR HANDLING COMPLAINTS UNDER A WHISTLEBLOWER POLICY

ATTORNEY CLIENT PRIVILEGE

INTRODUCTION/OVERVIEW

This memorandum addresses whistleblower policies and the best practices to structure the review and handling of complaints. Essentially, there is no right or wrong way to structure the review and handling of complaints, as long as the complaints get addressed and the board of directors is periodically informed to the complaints and their disposition. Therefore, our recommendation is to adopt a process that is best suited to the organization, is easy to administer, provides periodic reporting to the board of directors and that the board of directors finds comfortable.

ANALYSIS

The driving forces behind a whistleblower policy are IRS' form 990 (non-profits) and Sarbanes-Oxley (public companies) ("SOX"). IRS' Form 990 is a tax form for non-profits and doesn't require non-profits to implement a whistleblowing policy to keep its non-profit status. The form asks whether the nonprofit has a whistleblower policy, which suggests that it is good practice to have one. While, SOX doesn't govern a non-profit, it provides advice as to how whistleblower policies should be implemented.

The National Council of Nonprofits has a sample whistleblower policy which gives the compliance officer the responsibility for ensuring all complaints are investigated and resolved. The compliance officer for the company is to advise the executive director and/or the board of directors of all complaints and their resolution and reports annually to the treasurer/chair of the finance committee/audit committee on compliance activity relating to financial improprieties. So

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in this sample policy the compliance officer is empowered to resolve the complaints without input from the board of directors.

Additional whistle blower policies we reviewed for both non-profit and for profit companies have complaints being directed to a compliance officer or audit committee, respectively, for review, investigation and handling. The compliance officer / audit committee is then directed to alert the board of directors if it believes the board should be involved in the resulting actions to be taken.

Ultimately, in all of the sample whistle blower policies we reviewed, the practice seems to be to allow the compliance officer or audit committee to use his/her/its discretion to review, investigate and handle a complaint. The compliance officer or audit committee should be trusted enough to be able to determine when the board of directors should be involved in resolving a complaint.

With respect to the North Lake Tahoe Resort Association In this instance, depending on the comfort of the NLTRA Board of Directors (“Board”) with the compliance officer, the Board may empower the compliance officer to undertake all acts necessary to address and resolve complaints under the whistle blower policy and simply require the compliance officer to update the Board on the complaints and the resolutions at each Board meeting.

Alternatively, if the Board would feel more comfortable exercising more control over complaints brought under the whistleblower policy, it could require the compliance officer or committee to report all complaints to the Board or an executive committee, which would provide a recommendation to the Board for approval, before allowing the Compliance Officer to resolve a complaint.

CONCLUSION

The process to handle a whistle blowing complaint is really up to the discretion of the Board and how involved it would like to be in such issues, as well as, the trust it has for the people and/or committees it delegates to handle whistle blowing complaints and the subsequent resolution.

2.10 Whistleblower Policy

General

The North Lake Tahoe Resort Association's Standards of Conduct, as set forth in the adopted Employee Handbook requires employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. NLTRA employees are required to act with honesty and integrity in fulfilling their responsibilities, as well as to comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all employees to comply with the Standards of Conduct and other all other provisions of the adopted NLTRA Employee Handbook and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No employee who in good faith reports a violation of the Standards of Conduct or other provisions of the NLTRA Employee Handbook shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline, up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the organization prior to seeking a resolution outside the organization.

Reporting Violations

The process for reporting violations or suspected violations of the Standards of Conduct or other provisions of the Employee Handbook shall be similar to the process described in the Open Door Policy section of the Handbook (Section 2.8); specifically, the Whistleblower reporting process shall include these steps:

- 1) As soon as possible, bring the violation or suspected violation to the attention of your immediate supervisor, who will then investigate, consulting with appropriate company management as may be necessary, and respond to the employee with the actions that will be taken based on the complaint.
- 2) If the employee is not comfortable speaking with his/her supervisor, or if he/she is not satisfied with the supervisor's response, the employee can speak to the Director of Human Resources or to the company Chief Executive Officer. That person will then investigate and take action as appropriate. Supervisors or company managers are required to report suspected violations of the Standards of Conduct or other provisions of the Employee Handbook to the organization's designated Compliance Officer.
- 3) If the original reporting party is not satisfied or comfortable with the response of his/her supervisor or company management, the employee should contact the designated Compliance Officer directly.

Compliance Officer

The designed organization Compliance Officer shall be responsible for assisting the Chief Executive Officer and Director of Human Resources in investigating and resolving any reported violation or suspected violation of the Standards of Conduct or other provisions of the NLTRA Employee Handbook. If the complaint involves the CEO or Director of Human Resources, the Compliance Officer shall investigate and work to resolve the complaint, acting independently and reporting to members of the NLTRA Executive Committee. The Compliance Officer has been designated to be the Board Secretary by the Board of Directors.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Standards of Conduct or other provisions of the Employee Handbook must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed and addressed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and reach a resolution of the matter.

2.11 Progressive Discipline and Involuntary Termination

Violation of NLTRA policies and rules may warrant disciplinary action. NLTRA has established a system of progressive discipline that includes verbal warnings, written warnings, and suspension. The system is not formal and NLTRA may, in its sole discretion, use whatever form of discipline is deemed appropriate under the circumstances, up to and including termination of employment. NLTRA's policy of progressive discipline in no way limits or alters the at-will employment relationship.

2.12 Voluntary Termination

Voluntary termination results when an employee voluntarily resigns his or her employment, or fails to report to work for three (3) consecutively scheduled workdays without notice to, and/or approval by, his or her supervisor. All NLTRA property, including keys, identification badges, cell phones and laptops must be returned immediately upon termination of employment. You will be billed for the value of any NLTRA property not promptly returned.

(iv) Keep at its registered office or principal place of business within California a record containing the names and registered addresses of all Members; and

(v) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chair or by the Board.

Assistant Secretaries, if any, shall have the duties and powers as given by the Secretary, Chair or the Board, all subject to supervision by the Secretary.

- d. Treasurer. The Treasurer shall (i) support the Chief Financial Officer in his or her duties; (ii) be a member of the Finance Committee; and (iii) perform all other duties incident to the office of the Treasurer and, upon request of the Board, shall make such reports as may be required at any time. The Treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the Chair. The Assistant Treasurers, if any, shall have the powers and duties given by the Treasurer, Chair or the Board, all subject to the supervision of the Treasurer.
- e. Executive Committee: With the annual approval of the full Board of Directors, the officers of the corporation, as defined above, shall serve as members of the Board Executive Committee. The purpose of the Executive Committee is to conduct Board business and implement Board policies and direction, as may be more efficiently handled by a committee of the Board. The full Board may delegate specific duties to the Executive Committee, as the full Board deems appropriate, through formal Board action.

Responsibilities that may be assigned by the full Board to the Executive Committee may include, but not necessarily limited to, representing Board policy directives and guiding the CEO in annual contract negotiations with Placer County. Annually, consistent with the adopted NLTRA Whistleblower Policy, the Executive Committee shall appoint one of its members to serve as the Compliance Officer, as defined in that policy.

Section 6. **LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND MEMBERS.** To the fullest extent permitted by law, the directors, officers, employees and Members of the Association shall not be liable for any of the Association's obligations, or for any act, or failure to act, of the Association. To the fullest extent permitted by law, the corporation shall indemnify its directors, officers, employees and other persons described in California Corporations Code §5238(a), including persons

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Compliance Officer

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