

South Lake Tahoe Tourism Improvement District (SLTTID)
Special Board of Directors Meeting
1:00 pm, Thursday, June 25, 2020
Virtual Zoom Call

A. Call to Order

The meeting was called to order at 1:00 pm by Board Chairman Jerry Bindel.

B. Roll Call

Board members present Jerry Bindel, Doug Williams, Rich Bodine, and Bill Cottrill.

C. Introduction of Guests & Staff

Staff: Tony Lyle, Sue Barton, and Carol Chaplin with the Lake Tahoe Visitors Authority and Anne Sutterfield, Minutes.

Guests: None.

D. Approval of Agenda

A motion was made to approve the agenda.

Moved: Rich Bodine

Seconded: Bill Cottrill

Approved: Unanimously

E. Approval of Minutes

Will approve the April 6th meeting minutes at the next SLTTID meeting.

F. Public Comment (Non-Agenda Items, 5-Minute Limit)

None

AGENDA

1. Financial Updates

Bill Cottrill went over the financials

- Recap all deposits back to March 23rd.
 - March 23, 2020: Received \$239,094.51 from the city of SLT for January 2020.
 - April 6, 2020: Committed \$10K per SLTTID board vote to go to needy family's food program. The \$10K given to Raley's and will be administered in conjunction with a few teachers in the LTUSD.
 - April 17, 2020: Transferred \$227,139.78 to the LTVA. Contingency account balance after the transfer at \$181,639.85
 - May 5, 2020: Received \$220,547.90 from the city of SLT for February 2020.
 - May 8, 2020: Transferred \$209,520.51 to the LTVA. Contingency account balance after the transfer at \$192,670.40.
 - Check #3642: \$98.17 To:
 - Check #3643: \$10,000.00 To: Raleys for Food Program
 - May 19, 2020: Received \$106,207.25 from the city of SLT for March 2020.
 - May 28, 2020: Transferred \$100,896.89 to LTVA. Contingency account balance after the transfer at \$197,239.76.
- The only transaction not done is April Revenue, \$12K-\$13K from essential business
- \$209,000 in contingency
- A potential payout for Heavenly Holidays and possibly Valhalla

- Valhalla not doing events or weddings this season. Only being allowed 25% of the max (30 people) can only do ceremonies at this time.

2. Discussion/Possible Action

A. Follow Up Regarding Financial Support Grant of \$10,000 for Line -Level Lodging and Service Industry Employees

- Worked out well. Labor of love for Jerry.
- Now that properties are opening up there are much less requests.
- Do not have exact numbers, Raley's did not get back. Coming up to \$10K spend.
- Delivering about 50 meals/bags a week at \$20 each bag. In the 9th week of this project.
- School District dropped off probably because of summer break.
- Will have balance by the next meeting. Guessing less than a thousand dollars left.
- Don't think we need to replenish at this time. If we need to we can. A lot of appreciation.
- Doug commented that he is on the Board of Christmas Cheer and they are doing pretty good. Food banks are low.
- Jerry commented if at a future meeting you want to come to the board for a proposal regarding Christmas Cheer.

B. TDVA, LTVA, SLTTID Memorandum of Understanding Payment Obligation (estimated at \$188,978.60).

- The TDVA, LTVA and SLTTID have an MOU that recognizes the LTVA as the DMO for Lake Tahoe South Shore. The MOU states that the TDVA will contribute to the LTVA 20% of projected unrestricted revenues for destination marketing. In April 2020, marketing payments to the LTVA were suspended due to the COVID-19 revenue impacts. At the May meeting of the TDVA the revenue suspension was discussed and action was taken by the board to support the suspension of the final three payments for the fiscal year. Upon finalizing calculations it was determined that a payment of \$188,978.60 would need to be made to comply with the terms of the MOU. During the June meeting of the TDVA, the board requested leniency from the LTVA and TDVA boards regarding the amount owed due to current revenue reductions.
- Carol - many years ago MOU between LTVA/TDVA/TID. The LTVA DMO for S Shore. TDVA was willing to contribute to the LTVA Marketing Fund. Has been modified a few times. Last agreement causes TDVA to pledge 20% of budgeted revenues towards LTVA marketing. This is in addition to administrative costs that come from the TDVA like rent on the building, Celebrity Golf, and Fireworks. Last year as budgets have gone away, the TDVA at the end of June was projected to owe to the LTVA \$188,978 to get to the 20% minimum amount that they pledged. Under the circumstances, TDVA has asked the LTVA and TID to forgive that payment for 2020 only.
- The LTVA Board has approved that forgiveness.
- Now asking TID as third party in MOU to forgive payment of this year's \$188,978
- Bill Cottrill commented is 20% amount before or after COVID? No one was open March-May.
- Carol commented through June 2020. Based on tax collection in the Tahoe Township in Douglas County. The last 3 months of TDVA budget was expected to be zero. Payment to the LTVA would have been greater than \$189K.
- Doug commented on how this affects the LTVA budget.
- Carol commented that the LTVA is in a strong cash position. LTVA was able to cut almost \$500K out of budget when COVID hit. We did not do the Amgen Tour (\$250K) this year so that budget amount was not spent. Plus a lot of other cost cuts.
- TDVA payment set up was a minimum amount or up to 20%. LTVA Board agreed to put the excess in a restricted account to be used for the promotion of the Event Center.
- The overage restricted fund has accumulated 1.2 million since 2017.

- Doug commented what is the LTVA cutting to make up for this \$189K loss?
- Carol commented dropped \$500K out of budget and did not spend on Amgen.
- Sue commented LTVA eliminated a full-time position, all staff took unpaid furloughs, paused all advertising mid-March, reduced international contracts, everywhere we could cut we did. Basically stopped spending.
- Carol commented on the 2021 budget going to be \$181K in the red this year.
- Last year it was \$300K in the red.
- Reserves are \$500K for any kind of emergency spending or if the LTVA had to close its doors, pay liabilities/contracts. Cash position is robust. 2 mil in restricted funds and additional cash investments.

A motion was made to approve the forgiveness \$188,978.60 as stated.

Moved: Doug Williams
Seconded: Bill Cottrill
Approved: Unanimously

C. SLTTID Financial Forecast for Remainder of FY2020/2021. [PDF of Budget Spreadsheet](#)

- Budget at the top and the anticipated 2021. This is a guess. Updated to actual March and April numbers.
- Line item 34, see Oct-Apr. Oct down 9.2% to budget. Apr down 9.6%. Down for the year 22%. May on is a crap-shoot number that mirrors April. Numbers are percentages down.
- Guesstimate June 25% down. July 50% down.
- Bill thinks will be way down from prior year. Lost all group business through November. Thousands of room nights.
- Jerry commented thinking September might be the new “summer”
- Million dollars down for this fiscal year
- Also, raising the fee by \$1.00 on December 18, 2020.
- Doug asked what is projected amount for TDVA what will they be able to put in? LTVA budgeted TDVA \$1,929,000 and TID \$2,680,000. TDVA includes their contribution toward golf, rent, etc. down 13% lodging TID down 24%.
- Expenses are down 25% and revenues are down 25% in FY2021. Down to \$181K.
- Jerry commented if this continues we have reserves that can help pay things we have to pay. Board chose not to tap into the reserves this year.

D. Other Updates. LTVA.

- **Event Center**
 - We are about to break ground on July 9th. Not what we were anticipating. Not going vertical. Underground utilities and waterline re-route. MontBleu parking garage new entrance.
 - NBC Sports will video and run during Celebrity Golf.
 - Will be done about October and then buttoned up until May 2021.
 - Doug asked about not being able to bond and how does that affect the vote in November?
 - The November Ballot measure for Douglas County was certified by the clerk so it will go forward. To contemplate the disillusion of RDA#2 which supports the Events Center or any other redevelopment project in the Tahoe Township. As long as we issue debt before the end of December we will be fine. We have an agreement with Douglas County to receive tax increment, restricted for the Event

Center. Hope to have a shore term bond sale that will fund the \$5M needed for the work done this summer. We will have to issue bonds before the end of the year. We have a bond counsel on retainer. Need a couple of months of good tourism, we have to show it is a good risk to take. Pay interest starting whenever we get it. We are anticipating another 3-5% increase in expenses toward the event center. Will not have ice right away. Need a Zamboni.

- Carol is in the middle of writing a federal grant, \$3-\$5M help finish ice project. but we have to tie it to something more basic.
- Doug asked is this now 2022? Probably now about 6 months behind, so more like October 2022.
- Ground Breaking is July 9th. 50 people max in attendance, but we will stream. Trying for Governor but he is in special session.
- Jerry commented good job on Chamber presentation last week.

G. Board Member Comments

- Discussion about capacity and 24 hours between guests, etc.
- Discussion about disinfecting procedures, fogger, sprayer, etc.
- Rich, sick of Covid! Over all of this. Working 6 days a week. Guests appreciate the safe 50% capacity. Maybe tie midweek rates up a little. Midweek busier than weekends, until last minute.
- Jerry, 5 times the work for half the revenue.
- Doug asked about average occupancy on weekly vs last yr. Rich, 80% last year vs 54% this year.
- Carol commented casino properties are getting no rate resistance. Vacation rental places people are asking for 5 & 7-night plus minimums.
- Doug commented he is at 3-night minimum all summer.
- Jerry asked what is going on with the VHR Measure T legal. Doug, Got the Preliminary from Judge Sullivan. Lost. Now going into oral arguments beginning of next month. 45 minutes from each side why prelim judgment incorrect. if that does not go well will go for an injunction and appeal. Jerry, Is there a chance still that the ban will be in place for January 1, 2021? Doug, the Attorney feels that if go to appeal, will immediately issue an injunction would stop all aspects of enforcement would be on hold. So could issue permits, and all aspects of Measure T would be invalidated until appeals are exhausted. Doug guesses would go to another ballot measure at that point.

H. Next Meeting

Next Meeting Date: Thursday, August 27, 2020

I. Adjournment

The meeting was adjourned at 3:00 pm.