



Tahoe Donner Association  
2017 Executive Compensation Study  
*-- Status Update --*

*Presented to Board  
April 22, 2017*

*Romanoff Consulting*



## OBJECTIVES

- Determine how TDA executives are paid relative to executives in comparable organizations
- Determine how much TDA must pay to compete effectively for executive talent
- Recommend appropriate compensation levels to encourage high-performing executives to remain with TDA for the long-haul

## **COMPENSATION ELEMENTS**

- Base salary
- Annual cash incentives
- Benefits and perquisites not included

## PROJECT SCOPE

TITLE
General Manager
Director Finance and Accounting
Director Capital Projects
Director Information Technology
Director Operations
Director Risk Management & Real Property
Director Human Resources
Director Food & Beverage
Director Marketing & Member Relations

# METHODOLOGY

## Step 1 -- Document and Program Review

- Financial statements
- Business planning documents
- Executive employment agreements
- Compensation (base salary and bonus) plan documents
- Current salary administration guidelines
- Salary listings
- Most recent bonus payouts

# METHODOLOGY

## Step 2 -- Interviews

- Roles and responsibilities
- Observations, issues and concerns
- Ways to improve TDA's current executive pay program

# METHODOLOGY

## Step 3 – Compensation Philosophy

- Identifying survey databases to market price TDA jobs
- Establishing TDA's desired market position (e.g. median)
- Recommending structure of TDA salary ranges
- Determining incumbent's proper position in their range

# METHODOLOGY

## Step 4 – Market Data

TDA provided Romanoff Consulting with the following compensation surveys:

<b>Publisher</b>	<b>Survey Title</b>
GuideStar USA	<i>2016 GuideStar Nonprofit Compensation Report</i>
Foundation for Community <u>Assoc</u> Research	<i>2013 Community Association Manager Compensation Survey</i>
Unknown	<i>2010 City Town Manager Compensation Survey</i>
Tahoe Donner Association	<i>List of Large Home Owners Associations</i>

Romanoff Consulting provided TDA with the following compensation survey:

<b>Publisher</b>	<b>Survey Title</b>
Non-Profit Compensation Associates	<i>2015 Northern California Fair Pay for Nonprofits</i>



## SURVEY PROS & CONS

SURVEY	PROS	CONS
2016 GuideStar	<ul style="list-style-type: none"> <li>• 96,000 organizations</li> <li>• Numerous sub-cuts</li> <li>• Massive quantity of data</li> </ul>	<ul style="list-style-type: none"> <li>• Few Comparable organizations</li> <li>• Only includes 8 jobs</li> <li>• No bonus information</li> <li>• Old data (from 2013 tax returns)</li> </ul>
2015 NorCal Fair Pay	<ul style="list-style-type: none"> <li>• 547 organizations</li> <li>• 200 positions</li> <li>• Nor Cal only</li> <li>• Includes bonus information</li> </ul>	<ul style="list-style-type: none"> <li>• Numerous small organizations</li> <li>• None comparable to TDA</li> <li>• Insufficient data for most sub-cuts</li> </ul>
2013 Community Association	<ul style="list-style-type: none"> <li>• Only HOAs</li> <li>• Includes bonus information</li> </ul>	<ul style="list-style-type: none"> <li>• Only HOAs</li> <li>• Includes one match (GM)</li> <li>• Numerous small organizations</li> <li>• 4 years old (aged)</li> </ul>
2010 City Town Manager Compensation Survey	NOT USED -- Survey outdated	
List of Large Home Owners Associations	NOT USED -- Unconfirmed anecdotal data	

## WHAT MAKES TDA UNIQUE?

- Diverse services, activities & amenities
- Complex financial challenges
- Number and frequency of Board and Board Committee meetings
- Extensive governmental partnerships
- Staffing a full-service winter/summer resort
- Dependency on volatile weather conditions
- Continuous maintenance and upgrades
- Extensive land-holdings
- Managing and controlling risk
- Technological complexity

## OVERALL FINDINGS

- TDA is highly unique
- Most TDA executive jobs perform duties that are outside the scope of a typical HOA
- Many TDA executive positions have recently been created or expanded and have been paid within the constraints of the existing pay program
- Published compensation surveys do not include data from comparable organizations
- In order to draw any conclusions about the competitiveness of TDA executive pay, we need to improve the quality of our market data

## Board Recommendation to Conduct a Custom Market Survey

- Define criteria for participation
- Hand-pick 15 to 20 comparable organizations
- Include the following pay elements:
  - Base salary
  - Annual Bonus
  - Total Cash Compensation
  - Deferred Compensation
  - Benefits
  - Perquisites
  - Salary Administration Practices
- Participants receive results for free in return for submitting data
- Data sent to and analyzed by Romanoff Consulting to protect confidentiality

## Next Steps

- Define criteria for participation
- Create preliminary prospect list
- Explore the possibility of including additional non-executive jobs
- Review prospect list with:
  - TDA executives
  - Board of Directors
  - Members
- Finalize Prospect List (at next Board Meeting)

## Timeline

STEP	ESTIMATED COMPLETION
Establish Criteria & Select Prospects	May
Develop Questionnaire	June
Contact Prospects & Distribute Questionnaires	July
Data Submission Deadline	August
Publish Reports	September
Analyze Data	October
Recommend New TDA Executive Salary Ranges	November
Final Board Approval of New TDA Exec Pay Program	December
Implement New TDA Executive Pay Program	January 2018
Executive Salary Adjustments (if necessary)	January 2018

NOTE: The above timeline may be adjusted to accommodate summer vacation schedules.