



# Tahoe Donner Association 2019 Budget Incentive Compensation Overview

Board, Finance Committee, Members Meeting 10/19/2018

Prepared by Michael Salmon, Director of Finance and Accounting, 10/18/2018

# Incentive Compensation Overview



\$ thousands

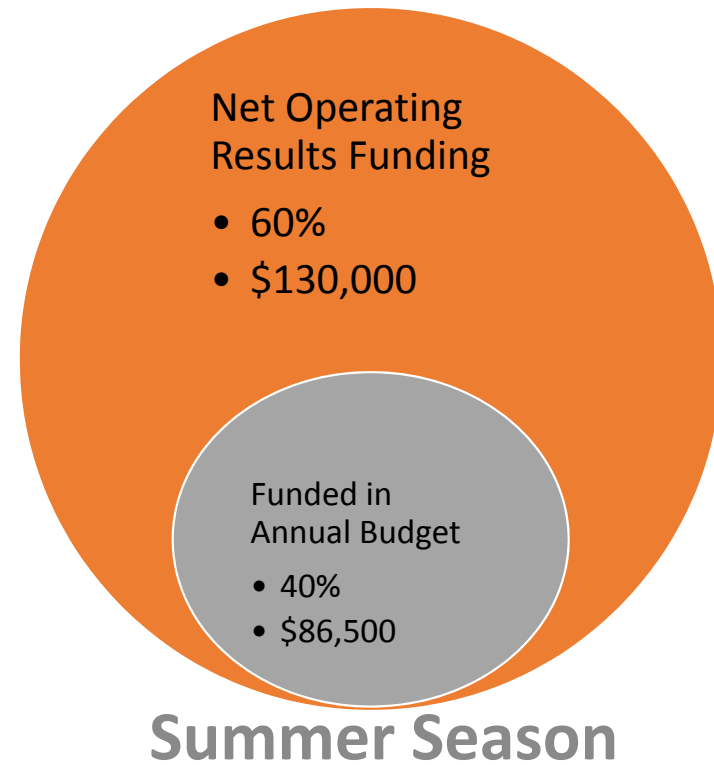
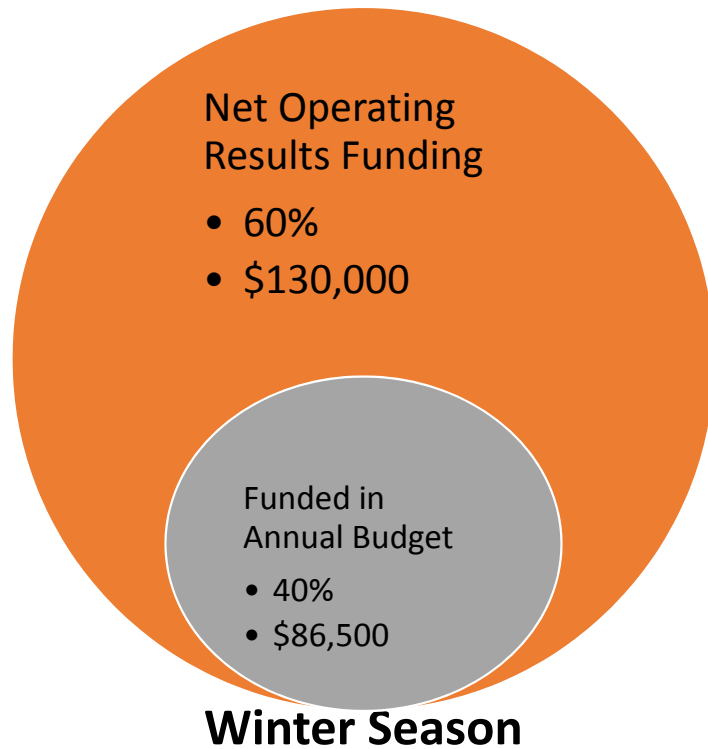
	2018 Budget	2019 Budget	%chg	
<b>Payroll Direct (salaries &amp; wages)</b>				
Base Salaries and Wages & Commissions	\$ 9,498	\$ 10,457	10%	< change detailed G01,p50 also see G01,p15
Incentive Comp, FTYR, Exempt	132 1.4%	143 1.4%	8%	
Incentive Comp, FTYR, NonExempt	36 0.4%	30 0.3%	-17%	
subtotal	<u>168 1.8%</u>	<u>173 1.7%</u>	3%	
Incentive Comp, Seasonal, NonExempt	10 0.1%	10 0.1%	0%	
	178 1.9%	183 1.8%	3%	
Incentive Comp, Total				
	<u>\$ 9,676</u>	<u>\$ 10,640</u>	10%	
Total Payroll Direct (salaries and wages)				
<b>Operating Revenue</b>	<u>\$ 12,460</u>	<u>\$ 14,320</u>	15%	< change detailed G01,p47
Total Payroll Direct % of Revenue	78%	74%	-4%	

# Incentive Compensation Overview



- Incentive Plan, Full Time Year Round (FTYR) Employees(1) *(1) Plan also includes seasonal managers and supervisors for example Ski Patrol Director, Rental Shop Supervisor, Campground Manager*
  - FTYR's eligible, if performance review rating 3.0 or higher
  - Incentive Potential
    - 2.5% of Base, Line *(nonexempt)*
    - 5.0% of Base, Supervisors *(exempt & nonexempt)*
    - 10.0% of Base, Managers *(exempt)*
    - 15.0% of Base, Directors *(exempt)*
  - Split Seasonally Winter and Summer months
  - Funding of Pool is 40% in Budget and 60% via NOR performance greater than Budget
    - This avoids building into Budget and accordingly the Annual Assessment the entire amount
    - Example, if performance funds to 80% of Potential, then Manager 10% is funded at 8% level.
  - Each individual incentive amounts are based on specific Goal achievement by the Individual
    - Example continued, funded 80% of Potential, then Manager 10% is funded at 8% level, but hits 75% on goals attainment, the manager would receive a 6.0% bonus (10% x 80% x 75%)
- Consistent methodology for approximately 8 years.
  - % Funded in Budget was changed in 2018 from 30% to 40%, due to more aggressive budget expectations (p3 of G01'b18)
- Exempt Employees do not receive Overtime Pay
- NonExempt employees receive 1.5x Overtime and 2.0x Overtime premium compensation
- General Manager Incentive – not in above and no amount in Budget

# FTYR<sup>(1)</sup> Employees Incentive Plan



(1) Plan also includes seasonal managers and supervisors  
for example Ski Patrol Director, Rental Shop Supervisor, Campground Manager



# Incentive Compensation Overview

- Incentive Plan, Full Time Year Round (FTYR)<sup>(1)</sup> Employees

## ANNUAL PERSPECTIVE 1:

- \$176,000 in Budget – Pool 40% Funded - 1.7% of TL Base Compensation
- \$257,000 NOT in Budget – + 60% Co-wide Results Funded – 2.5% of TL Base Comp
- \$433,000 Max Potential – if Pool 100% Funded - 4.1% of TL Base Comp

## ANNUAL PERSPECTIVE 2:

- \$176,000 in Budget – Pool 40% Funded - 2.9% of FTYR Base Compensation
  - \$257,000 NOT in Budget – + 60% Co-wide Results Funded – 4.3% of FTYR Base Comp
  - \$433,000 Max Potential – if Pool 100% Funded - 7.2% of FTYR Base Comp
- The 41% to 100% range of pool funding is variable and dependent upon each season's net performance. The employee's incentive % also hinges on his/her goals achievement.

(1) Plan also includes seasonal managers and supervisors  
for example Ski Patrol Director, Rental Shop Supervisor, Campground Manager

# Incentive Compensation Overview



- Incentive Plan, Seasonal Line Nonexempt Employees
  - \$10,000 in Budget
    - Increased or decreased depending upon the season.
      - Max Potential in record season ~\$25,000
      - Min in difficult season, \$0 - \$2000 range
    - Distributed to key performers based on manager/supervisor recommendations, at the end of the season