

MEMORANDUM

TO: Board of Trustees

FROM: Kendra Wong
Chairwoman, IVGID Board of Trustees

SUBJECT: Board Work Plan – Ordinance 7 – Review, discuss, and possibly provide direction on an outline a schedule for workshops, public meetings, communications, etc.

DATE: April 2, 2019

At the March 28, 2019 Board of Trustees workshop, the Board of Trustees undertook a conversation about Ordinance 7. This agenda item is a follow up to that conversation and to give our Staff direction for the following items:

- ✓ Schedule for workshops
- ✓ Schedule for public meetings
- ✓ Ideas about communications
- ✓ Any other thoughts or ideas related to this topic

I would encourage each Trustee to reach out to their constituents and trusted advisors to seek input on their thoughts, ideas, and suggestions related to this topic. It is critical that we provide enough of a runway to our Staff to be able to set up the various meetings and communications.

MINUTES

REGULAR MEETING OF MARCH 26, 2014 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Joe Wolfe on Wednesday, March 26, 2014 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PUBLIC HEARING (TIME CERTAIN) - Proposed amendments to IVGID Recreation Privileges Ordinance No. 7 entitled "An Ordinance Establishing Recreation Privileges by the Incline Village General Improvement District"

Trustee Simonian made a motion, seconded by Trustee Smith, to open the public hearing. Chairman Wolfe called the question and the motion was unanimously passed.

Aaron Katz said, as a resident of the District, that he had two quick comments and asked that the Board not approve the ordinance changes. He also formally objects to the three minute limitation which is used at a typical Board meeting. His two items are guests and passes that extend to everyone. For the guest privileges, one of his complaints for months and months is that forty percent of the beach attendees are not residents rather they gain access as guests and he pointed out how the boat storage facility gives access off their parcel to their customers. This is sloppy and if the guest says they are a guest then Staff treats them like a guest. As to the passes, every property owner is going to be able to get five (5) passes and then buy additional passes without limitation so the District is now opening the door to black market passes. Mr. Katz concluded by stating that he has seen this used by Don Kanare to attract customers and these are our rights so the Board needs to make them that way and make the ordinance right.

Judith Miller said that she thought that Ordinance 7 hasn't been well thought out and that these changes open a door to an owner to buy as many privileges as they want. For \$166, an owner can buy a beach access pass for anyone and then Ms. Miller shared a golf club example where they can then get the resident discount. Further, they can take their guests, which are not related to them or the owner, thus this opens up a completely unlimited number of beach access passes. Ms. Miller asked that the Board give this a little more thought, do a good job, and not rush into the first thing. The much bigger benefit is to the golfers at the Championship Golf Course but that we should try to give equal benefit to every property owner.

Paula McCombie said that this will cause there to be a lot more people in the beach area where we have enough problems and that this is opening this up to additional people and it will be worse for those who own property here.

Derrek Aaron said that he had no idea but that he agrees with the others, he has deep reservations, and finds this kind of disturbing.

Megan Lade said that she had a question and that was what are the IVGID punch cards worth? Each owner pays \$830 which is \$730 for the Recreation Facility Fee and then \$100 for the Beach Facility Fee and then when they use the Recreation Center, they pay additional fees thus it seems like a prepay. Ms. Lade continued to read from a prepared statement which was submitted.

Frank Wright said that he wasn't going to speak on this issue as it is geared and directed to the beaches which don't matter to him but in listening to the last speaker, she brought up an issue that the residents of this community are paying us and then they are paying more to us but this Board and other Boards have given our recreational facilities away for free to employees and the college students. So a little lady who lives in Crystal Bay who doesn't use the Recreation Center gets to pay for others to use it thus this doesn't take into consideration those that live here and he finds that atrocious. We need to look at who is paying this fee and assess what they are getting as this was set up for the people. We need more people like the previous speaker. Why should anyone get to put up a kayak rack who doesn't pay for it and then get it use it for free; he just doesn't understand and this whole thing is flawed.

Hearing no further public comments, Chairman Wolfe brought the matter back to the Board where Trustee Hammerel made a motion, seconded by Trustee Devine, to close the public hearing. Chairman Wolfe called the question and the motion was unanimously passed.

B. PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

C. ROLL CALL OF THE IVGID BOARD OF TRUSTEES

On roll call, present were Trustees Bill Devine, Jim Hammerel, Bruce Simonian, Joe Wolfe, and Jim Smith. Also present were District Staff Members Director of

Joe Pomroy said no, we wouldn't have been able to accomplish what we have without an advocate.

Trustee Devine then asked about Item H.2. – when it was originally put forth, at \$20,000, what was the time frame it was expected to last for. Interim General Manager/Director of Public Works Pomroy said six to nine months however the callouts have been higher than anticipated. Trustee Devine asked how callouts added to this. Interim General Manager/Director of Public Works Pomroy said they expend the funds quicker. Trustee Devine said that the funds are not what we collect, correct. Interim General Manager/Director of Public Works Pomroy said that is correct because appeals can occur before the Board and if they are successful, then they are refunded.

Trustee Devine then asked about Item H.3. – are we rejecting the bids due to their high costs which were caused by the time restraints. Interim General Manager/Director of Public Works Pomroy said yes as we think the bids were increased because of the time constraints. Trustee Simonian said that he spoke with Engineering Manager Brad Johnson about this and that moving this bid process to the fall will probably save us some money and work better for those in our immediate area.

Trustee Smith thanked Staff for meeting with him yesterday and asked if the contract with the lobbyist has a thirty day cancellation clause. Interim General Manager/Director of Public Works Pomroy said that this action authorizes this for four years, gives authority to spend for one year, and there is a termination within thirty days. Trustee Simonian added that the amount of money, bundled, we are seeking is about thirteen million dollars.

Hearing no further questions from the Board, Chairman Wolfe called the question and the motion was unanimously passed.

I. GENERAL BUSINESS (for possible action)

- I.1. Adoption of Resolution No. 1825 which incorporates the proposed amendments to IVGID Recreation Privileges Ordinance No. 7 entitled “An Ordinance Establishing Recreation Privileges by the Incline Village General Improvement District” (Requesting Staff Member: Parks and Recreation Director Hal Paris)**

Trustee Hammerel said there were three phases discussed and asked what was the timeline on those phases and were they going to be attacked on a fiscal year basis. Parks and Recreation Director Hal Paris said yes, we have contemplated a three year process so that we can track everything.

Trustee Devine asked if the purchasing of extra passes could be considered in Phase 2. Parks and Recreation Director Paris said it can be done now. Chairman Wolfe said but not a picture pass. Parks and Recreation Director Paris said no, you can purchase both right now. Interim General Manager/Director of Public Works Pomroy added that each parcel gets five cards per parcel and that you can purchase additional cards. If you purchase additional cards, they won't have the current golf restriction and that holder will be able to play golf at the resident rate; this isn't creating more cards.

Chairman Wolfe asked how long we have been able to purchase additional cards. Parks and Recreation Director Paris said since the original ordinance. Chairman Wolfe said so it has been a long time. Trustee Simonian asked if there was any limit. Parks and Recreation Director Paris said there is no limit and the purchase price is one fifth of the Recreation Facility Fee.

Trustee Smith asked how many extra cards have been purchased. Parks and Recreation Director Paris said 188; 87 punch cards and 101 picture passes.

Chairman Wolfe asked if there was a black market on these cards. Parks and Recreation Director Paris said there has been occasions when it has been investigated, followed by education, and thus stopped and there have been occasions when we don't know and this revision doesn't change that.

Trustee Devine asked what the difference was by eliminating the family tree and were people buying them within the limits of the family tree. Parks and Recreation Director Paris said additional cards could always be purchased and who they were given to was limited by the family tree. Now, the parcel owner can give them to whomever and it remains the parcel owner's responsibility for their use. He has heard chatter about abuse but the parcel owner will always be responsible for who they give that card to. Trustee Devine asked so what was Staff trying to address with this change and can you put that into the context of the push back we are receiving.

Parks and Recreation Director Paris explained that right now the parcel owner has the ability to assign a picture pass to one of 62 people as defined by the family tree and that assignee has to behave or the District will pull all privileges on that parcel. If this ordinance is adopted, the parcel owner can give the passes to whomever they want to. Where this is coming from is from those people who are saying they don't have 62 people to give passes to thus they are not being treated fairly but with this change, they could and the parcel owner is still responsible. The guest access card (formerly known as the punch card) is transferrable, can go to whomever, and it has always been that way. Also these changes would take place on May 15 after adoption of the budget. Interim General Manager/Director of Public Works Pomroy added that in the current proposed ordinance it is forbidden to sell ones privileges and the District can revoke privileges but the parcel owner can give them to family members or to whomever they choose. Parks and Recreation Director Paris said that this is a value enhancement to the both the parcel owner and the parcel.

Trustee Smith asked how does this apply to shared ownership i.e. a property with three owners, and does it help them. Parks and Recreation Director Paris said yes, it does deal with joint owners because they get to make the decision and after May 15, they get to tell us who they go to.

Chairman Wolfe asked why do we want to do away with the family tree, what is the problem, and what are the financial implications to the District. Parks and Recreation Director Paris said we want to do away with the family tree because of the push back that we hear in various places and the fact that different owners have different situations so this is speaking for them. Think about the couple or the grandparents who don't get equal value and have cards that sit unused. It removes the barrier and offers value enhancement to those parcel owners. Interim General Manager/Director of Public Works Pomroy added that nannies aren't in the family tree and neither is a domestic partner, etc. Director of Finance, Accounting and Risk Management Gerry Eick said in looking at it from a risk perspective, we are not changing the number of parcels nor the overall number of cards rather we asked what is at risk is allowing parcel owners to give out their own cards and we might find that there will be more picture passes instead of guest access cards. There is a possibility of an impact at the beaches but there are more benefits in giving the freedom to the parcel owner and giving them value than worrying about the number of exact fees through punch cards. We don't get any more revenue when a punch card

is used, it is just a shift with no dollars changing hands. What is more likely to occur is the feeling of being slighted about golf and thus we may see more picture passes sold and more rounds of golf being played. It is an opportunity for more revenue, more utilization, and not so much of a loss.

Hearing no further comments from the Board, Chairman Wolfe opened the matter for public comment.

Don Epstein asked why the Board wants to change this because we all knew what we were getting and knew everything so if it has worked for 40 years, why change it. He knew what he was buying and while he gets 5 cards, he really only uses 2 so if this has worked for 40 years, leave it along. This reminds him of buying a property near an airport; he is con this change.

Phil Horan said that he kind of agrees with Mr. Epstein and he is not sure what is driving the change because it makes the card a commodity and the financial impact is the golfers get to pay lower fees to play golf. The objections raised earlier are very valid and he is not in support of passing this ordinance.

Margaret Martini said that she must be missing something here because we all get 5 picture passes and we have the opportunity to purchase as many as we want and is that what is being proposed or is that what we have right now. Ms. Martini continued that she understands we can purchase punch passes but not picture passes. Further, she supports keeping the family tree as she sells real estate and the multiple owners are in the minority so let's keep this as it is because it has worked for 40 years so if it isn't broken, let's not fix it and look at the big picture. It has worked for most and now we have this proposal just because of a few people. Ms. Martini concluded by stating that she thinks the Board should leave it alone.

Judith Miller said that she is encouraged to hear that the members of the Board are starting to get the realization that we can purchase but that they were limited to the family tree. She doesn't know if she has that many living relatives. Every time someone applies, they are making a promise and most are honest as they attest to that to get the picture pass. Now, we are opening it up to Raley's, as one parcel example, and they will be able to purchase a pass for everyone so this is going to open it up for commercial purposes and that is not a fair situation for commercial parcels.

In thinking about the boat ramp, they wouldn't be a guest rather they would be a business customer and not a guest. In looking at this whole concept, it is giving access to anyone, won't be restricted, there will be a bigger demand, cause more crowding at our facilities, and it will turn into a business users privilege. Ms. Miller concluded by stating that she encourages the Board to table this and give it more thought.

Derrek Aaron said he is stirred by some of the thoughts and it seems that the big impetus is to stir up some more revenue at the Championship Golf Course so there is no benefit or loss at the beaches. Allowing for more golfers and with the golf course not performing, he gets that idea. What other possible solutions has the Board entertained for the golf course – how about a separate membership to the golf course as that would contribute to the revenue and then they would pay the regular fee.

Megan Lade said if it is possible to get 124 passes for each parcel, what about the timeshares as that would be bringing in a whole lot of unknown people. There is an annual golf membership for the Mountain Golf Course and without the family tree it would mean that there would be passes going out to a whole lot of people.

Frank Wright said that he looks at this as a community bush with the parcel owners selling their passes. There will be a store in town and they will be selling them to anyone that comes into town. That's not right. Who is going to monitor this as it will become like scalping tickets to a ball game. What is the Board trying to do? These privileges are for the people in town and now everyone is going to have one. Don't pass this.

Tim Callicrate said that he is taken aback about the beaches as he does so enjoy the beaches and it is the facility that he uses the most. There have been many good points brought up today and there might be some misunderstanding as well because just because one has 162 possibilities doesn't mean that those would all go out. There used to be a limit of 5 picture passes with the option to buy an additional one if you had a larger family. There were a lot of interesting ideas and he did notice that the Parks and Recreation Director has discretion to allow additional passes per parcel so it sounds like that is already there. As you may go forward, he would recommend taking a little more time as this is a fairly volatile situation since it affects each parcel owner especially with our beaches. Mr. Callicrate concluded by wishing the Board the best as this is a very difficult decision.

Aaron Katz said when the Board sends this back for reconsideration that they need to consider the guest issue. Further, what it demonstrates is that this is why you never should put anything on the Consent Calendar. As to who came up with this idea of who wanted to change this ordinance, it was Staff and it was the former General Manager because he said that profit isn't a dirty word. If we sell our passes, and there is a black market, then we are told we can't do that but if there is a tenant you can sell it to the tenant which is a good thing to do but it is not a good thing to do with our buddies. He has a buddy who wants to go and play the Championship Golf Course and he wants the resident rate so he will go and buy him a card and now he gets the resident rate for the whole season and to say that this is not going to happen, well, no one is going to think that. Let's give them to anyone, violate the beach deed, and you will have destroyed the beach fee because it is not allowed in the deed. Vote this down please.

Craig Olson said he thinks there a couple of members that always have wanted beach access and couldn't get it so this is an opportunity to get it. Buy them a card, yeah, there will be some that are willing to buy them a card but it will be for certain individuals so let's stop all the silly, frivolous, knucklehead lawsuits and the taking up of the time. If he gets to pay then everyone gets to pay. Think about it and who they might pick.

Hearing no further public comment, Chairman Wolfe brought it back to the Board.

Trustee Hammerel said that he would like to remind Mr. Katz that the Consent Calendar has been voted upon and approved. When it was asked about whose idea this was, it was implied that this was his idea. During the last election, there was a public outcry that the Recreation Fee and Beach Fee didn't add value, etc. so he brought this to the Board and the Board had several meetings on this item. Over a year ago, the Board decided to address three issues – clarify and eliminate confusion, add value to the residents so they get something for their fees, and encourage venue usage which as a side effect generated revenue. Those were the goals given to Staff. We had a public information session that went over the ordinance, we also had a Board Retreat where Staff came back with ideas, broke it down into three phases, and the Board was content and satisfied with these three phases because at the end of the third year, we will have tackled all the issues with the problems that residents have had. He would hate for the Board and the residents to think this is it because we are

moving slowly to fix things as we go along and that he hopes to have an ordinance that provides value, eliminates confusion, and makes it worthwhile. There is also a lot of talk about buying and selling – it is illegal to sell a picture pass or a punch card and that has not changed and it is still illegal.

Trustee Devine said that he understood earlier the part about the current program where you can purchase extra passes for family members but by eliminating the family tree, in theory, it would be unlimited. He doesn't know how often that would occur but he would like to see the family tree be moved to Phase 2 or 3 so we can revisit it.

Trustee Simonian said that there are protocols in place to deal with it so he would not leave it the way it is and instead involve everyone. Trustee Smith said that he is in favor of eliminating the family tree. Trustee Simonian said that how it is presented right now and he agrees with it.

Trustee Smith said that he agrees with Trustees Simonian and Hammerel and that he thinks there are situations where someone deserves a picture pass. We have only sold 101 so it may grow a little bit but we can always increase the rate and we can look at a maximum number if it gets out hand so he likes Phase 1.

Trustee Hammerel made a motion to adopt Resolution 1825 amending IVGID Recreation Privileges Ordinance No. 7, entitled "An Ordinance Establishing Recreation Privileges by the Incline Village General Improvement District". Recreation Privileges Ordinance No. 7 shall become effective on May 15, 2014. Trustee Simonian seconded the motion.

Chairman Wolfe said that he told the four other Trustees that we are opening a can of worms and that he would like to wait on this until he gets off the Board so he finds himself between a rock and a hard spot. The community has spoken and knowing that the District can act against nefarious persons and that we can correct it if we make a mistake he is for this.

Chairman Wolfe called the question; Trustees Hammerel, Smith, Simonian and Wolfe voted in favor of the motion and Trustee Devine voted against. The motion passed.