

AMENITY ACCESS POLICY WORKSHOP – PHASE 2

July 13, 2023

AGENDA + PROCESS

1. Review guidance to date – *15 minutes*
2. Member considerations
 1. Member photo ID card tied to the individual or property – *30 minutes*
 2. Member photo ID card limit (property vs. family) – *30 minutes*
 3. Member photo ID card limit (quantity) – *30 minutes*
 4. Member photo ID cards included in assessment and available for purchase – *1 hour*
3. Member comments – *15 minutes*
4. Staff response – *15 minutes*
5. Board direction



REVIEW – AMENITY ACCESS POLICY UPDATE OUTCOMES

- Outcomes were developed in the winter of 2022 with the working group through reviews of the C&Rs, Bylaws, Covenants Rules and Resolutions
- Outcomes were presented to the Board on February 25, 2022, March 25, 2022 and November 18, 2022
- Outcomes were defined and approved by consensus during the April amenity access workshop session

- Promote a sense of community among members

- Protect the amenities, environment and membership

- Foster member enjoyment and use

- Simplify the policy for ease of understanding and administration

- Support a long-term sustainable and equitable pricing system

- Clarify user categories

REVIEW – GUIDANCE TO DATE



GUIDANCE TO DATE

1. The Board determined it had a broad authority to develop a new amenity access policy in February 2023
2. Guidance points agreed upon at the April 2023 workshop:
 - a. Defined the desired outcomes of the policy update – April 2023
 - b. Reviewed data requests from the Board and surveys, including the 2022 Amenity Access Survey – no additional data requested at this time
 - c. Agreed that user categories and subcategories need to be created and or defined
 - d. Agreed to use tiered access pricing, other peak period limitations and any other tool that makes sense to address member concerns
 - e. Agreed that private amenity access revenue should target around 7.5%-8% of operating revenues (consider cost recovery in the future)



GUIDANCE TO DATE – CONTINUED

3. 85%+ definitions of user categories and sub-categories at the June 2023 workshop
 - a. **OWNER:** Any person in which title to a residential parcel within the subdivision is vested at 15% or greater as shown by a recorded grant deed on file with the Office of the Nevada County Recorder, and the owner's family, making them eligible to obtain a member photo ID card
 - b. **OWNER'S FAMILY:** Any individual who has a relationship to an owner that is one of the following: spouse/domestic partner, mother, father, mother's spouse/domestic partner, father's spouse/domestic partner, children, child's spouse/domestic partner, domestic partner's child, grandchildren, grandchild's spouse/domestic partner, sister, brother, sister's spouse/domestic partner, brother's spouse/domestic partner



GUIDANCE TO DATE – CONTINUED

- c. **TENANT:** Any individual who occupies an owner's property in exchange for payment of rent, monetary or not
- d. **LONG-TERM TENANT:** A subclass of the TENANT user category that includes any individual who occupies an owner's property in exchange or payment of rent, monetary or not, for a period of 9 months or longer
- e. **SHORT-TERM TENANT:** A subclass of the TENANT user category that includes any individual who occupies an owner's property in exchange for payment of rent, monetary or not, for a period of 30 days or less (*30 days is also the Town of Truckee criteria*)
- f. **SEASONAL TENANT:** A subclass of the TENANT user category that includes any individual who occupies an owner's property in exchange for payment of rent, monetary or not, for a period of 31 days to less than 9 months



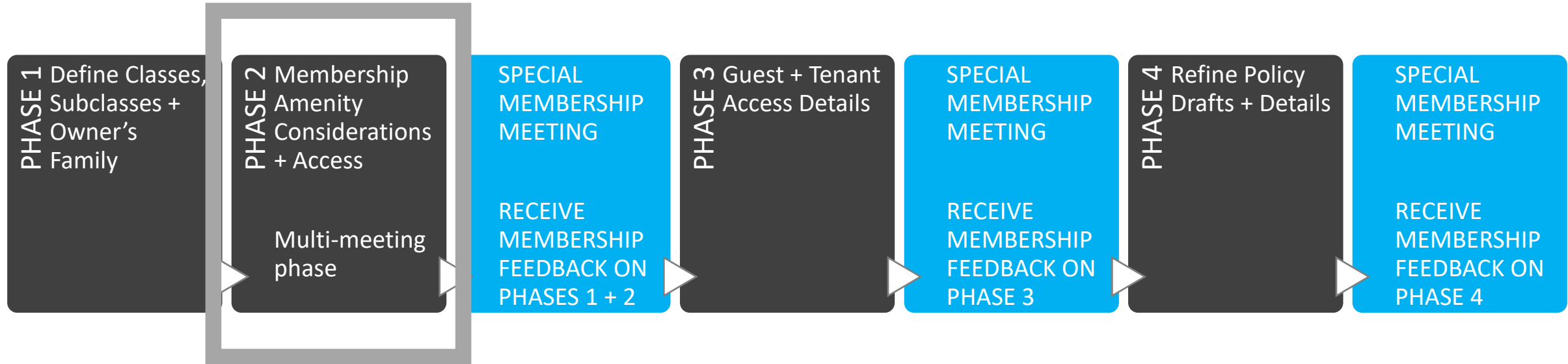
GUIDANCE TO DATE – CONTINUED

- g. **GUEST:** Any individual who has a non-tenant relationship with an owner, seeking access to the amenities with an owner's permission
- h. **ACCOMPANIED GUEST:** A subclass of the GUEST user category that includes any individual who has a non-tenant relationship with an owner, seeking access to the amenities with the owner
- i. **UNACCOMPANIED GUEST:** A subclass of the GUEST user category that includes any individual who has a non-tenant relationship with an owner, seeking access to the amenities without the owner
- j. **INVITEE:** Any individual who visits an Association amenity who does not qualify as either an owner, guest or tenant, and is a member of the general public

TODAY'S FOCUS – MULTI-PHASE APPROACH

Today's discussion will focus on phase 2 of the process

Issues from other phases will be put into a parking lot until the appropriate phase



MEMBER CONSIDERATIONS

TOPICS IN TODAY'S MEETING

1. Member card tied to the member or to the property
2. Member photo ID cards limit – property vs. family
3. Member photo ID cards limit – quantity
4. Member photo ID card quantity included in the assessment and allowed for purchase

MEMBER CONSIDERATIONS IN NEXT MEETING:

- Access revenue methodology
- Access distribution
- Requirements for validation of familial relationship
- Age discussion – 6 and under requirements



1. MEMBER PHOTO ID CARD TIED TO THE INDIVIDUAL OR THE PROPERTY

Member cards are currently tied to an individual with a photo ID of the member on the card for verification purposes

GOAL: Determine if the policy update should consider a change to this methodology

MEMBER CARDS TIED THE INDIVIDUAL VS. THE PROPERTY – DISCUSSION

CURRENT STATE

- Member card is assigned to an individual aged 7 and up
- Children ages 6 and under are considered members if they have been registered as a “onestore child”
- Provides exclusivity opportunities by establishing categories of users
- Allows policy to address member desires from the survey regarding giving members priority and value opportunities

ALTERNATIVE OPTION

X number of cards tied to the *property*, rather than an individual, that can be used by anyone who is in possession of those cards – much like a destination condominium resort

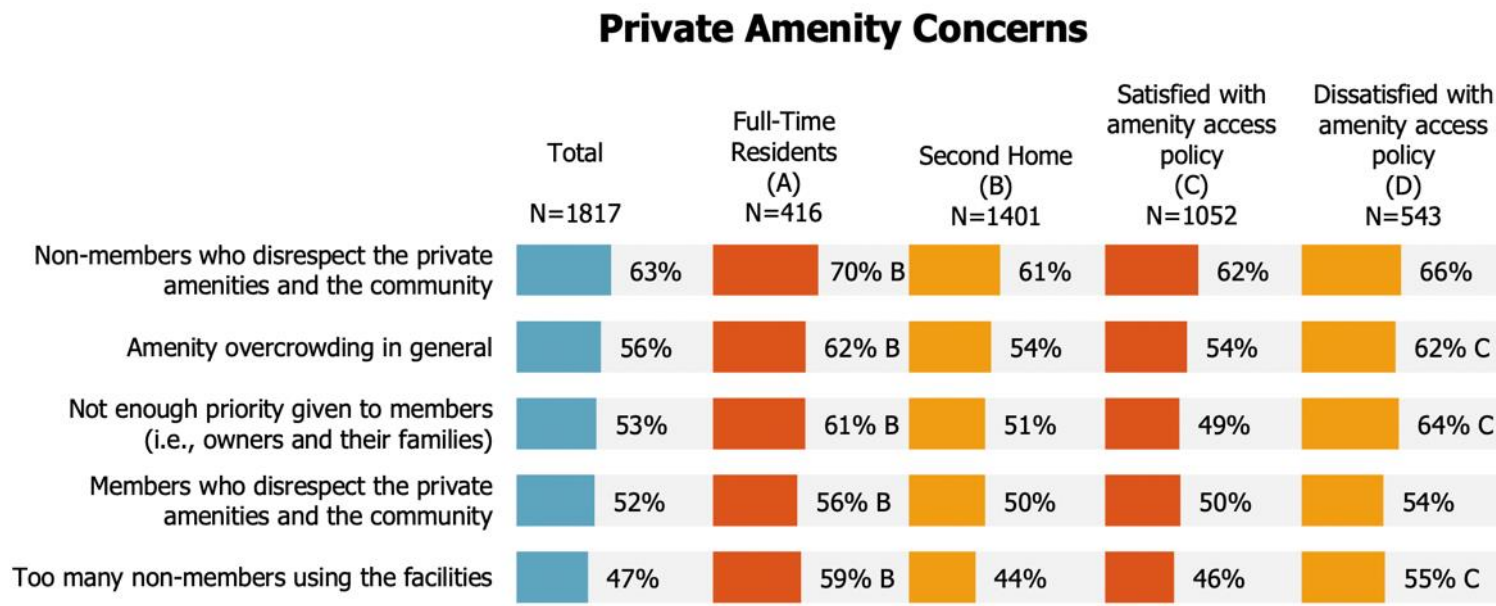
Not recommended by staff – see next slide



MEMBER CARDS TIED THE INDIVIDUAL VS. THE PROPERTY – ANALYSIS

MEMBER SURVEY KEY FINDING #4:

- Reduce overcrowding by providing owner exclusivity to the most popular private amenities



ACCEPTABLE MEMBER SURVEY AMENITY ACCESS POLICY IDEAS:

- “Prepaid amenity access passes that are fully transferable to both members and non-members” was considered acceptable by only 33% of the membership





MEMBER CARDS TIED THE INDIVIDUAL VS. THE PROPERTY – RECOMMENDATION

While transferable access cards could simplify the access policy, the recommendation is to **CONTINUE TO HAVE MEMBER PHOTO ID CARDS ASSIGNED TO AN INDIVIDUAL RATHER THAN TO THE PROPERTY AS IS THE CURRENT POLICY**

- Allows for member discounts to be granted to the individual who is purchasing the product or service
- Allows for member priority registration and reservation for high-demand products and services
- Provides exclusivity opportunities by establishing categories of users
- Addresses member desires from the survey (previous slide)

2. MEMBER PHOTO ID CARD LIMIT – PROPERTY VS. FAMILY

Member photo ID cards are currently limited to 8 per property

- Four member photo ID cards are included with the payment of the assessment
- Four additional member photo ID cards are available for purchase annually

GOAL: Determine if the limit on member photo ID cards should be tied to the property or tied to each owner's family



MEMBER CARD LIMIT – PROPERTY VS. FAMILY – DISCUSSION

CURRENT STATE

- 4 member photo ID cards are included with the payment of the assessment per property
- 4 additional member photo ID cards are available for purchase annually, bringing the maximum limit per property to 8 total member photo ID cards
- The 8-card limit does not satisfy some larger families
- The 8-card limit does not consider multi-family-owned properties

ALTERNATIVE OPTION 1

Limit the number of member photo ID cards per family (instead of per property)

- Example: One property is owned by 3 separate families. The families must divvy up the 8 cards currently, but this option would allow each of the 3 families 8 cards each for a total of up to 24 cards
- Allows greater flexibility for multi-family ownerships
- Would likely result in many additional member photo ID cards being issued

MEMBER CARD LIMIT – PROPERTY VS. FAMILY – ANALYSIS

FOCUS GROUP FEEDBACK

- One focus group was comprised of multi-family owners, and their feedback was that they do not use the amenities as often as desired because only one or two members of their family have member photo ID cards because of the per-property limit of 8 member photo ID cards
- Changing the limit to per family rather than per property would allow these individuals to obtain member photo ID cards for their families
- This would likely increase the total number of member photo ID cards issued
 - Survey data shows approximately 10% (640) of properties shared ownership
 - With up to 6 families max per property and 8 cards per family, the maximum exposure is over 25,000 new member photo ID cards issued. The *actual* new member photo ID card total will be much lower, but over 1,500 new member photo ID cards are likely under this scenario
 - Currently, Tahoe Donner allow up to 8 cards per property, but the average property only uses 5 cards
 - For properties with 6 owners (15% ownership minimum decided upon in the past workshop), a single property may have up to 48 member photo ID cards issued under the current 8-card limit
- Multi-family-owned properties are likely dividing the assessment amongst the individual owners, so are not each paying the entire assessment amount

MEMBER CARD LIMIT – PROPERTY VS. FAMILY – RECOMMENDATION

Staff recommends to **KEEP THE MEMBER PHOTO ID CARD LIMIT PER PROPERTY RATHER THAN PER FAMILY AS IS THE CURRENT POLICY**

- This limits the exposure to additional member photo ID cards being issued
 - Alternative option 1 would result in far more member cards being issued
- Keeping the limit per property eliminates the the inequity perception of one property have up to 48 member photo ID cards.

3. MEMBER PHOTO ID CARD LIMIT – QUANTITY

Member photo ID cards are currently limited to 8 per property

- Four member photo ID cards are included with the payment of the assessment
- Four additional member photo ID cards are available for purchase annually

GOAL: Decide if this is the proper quantity of cards or if the quantity limit should change



MEMBER CARD LIMIT – QUANTITY – DISCUSSION

CURRENT STATE

- Four member photo ID cards are included with the payment of the assessment
- Four additional member photo ID cards are available for purchase, generating approximately 750-850 additional member photo ID cards and, for this fiscal year, approximately \$123,000-\$140,000 in revenue
- The 8-card limit does not satisfy some larger families
- The 8-card limit does not consider multi-family-owned properties

ALTERNATIVE OPTION 1: Increase the member photo ID card limit per property

- Allows greater flexibility for larger families or multi-family ownerships

ALTERNATIVE OPTION 2: Do not limit to the number of member photo ID cards per property

- Allows maximum flexibility for larger families or multi-family ownerships

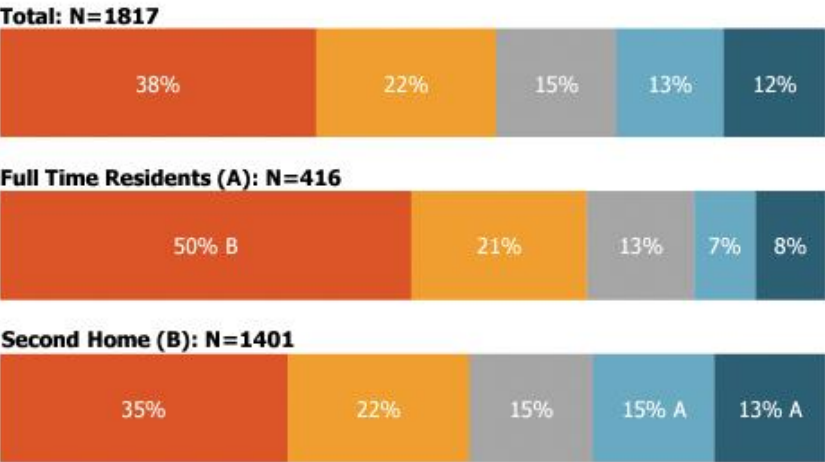
MEMBER CARD LIMIT – QUANTITY – ANALYSIS

MEMBER SURVEY

- The majority of the membership would like to see a cap on the number of member photo ID cards that can be issued per property

Members are in agreement that there should be a ceiling on the number of access cards available to any one property.

Attitudes Towards Placing a Ceiling on Photo ID Crads



Statement A
There should be a ceiling on the number of member amenity access photo ID cards available to any one property.

Statement B
Property owners should be allowed to purchase as many member amenity access photo ID cards as needed.

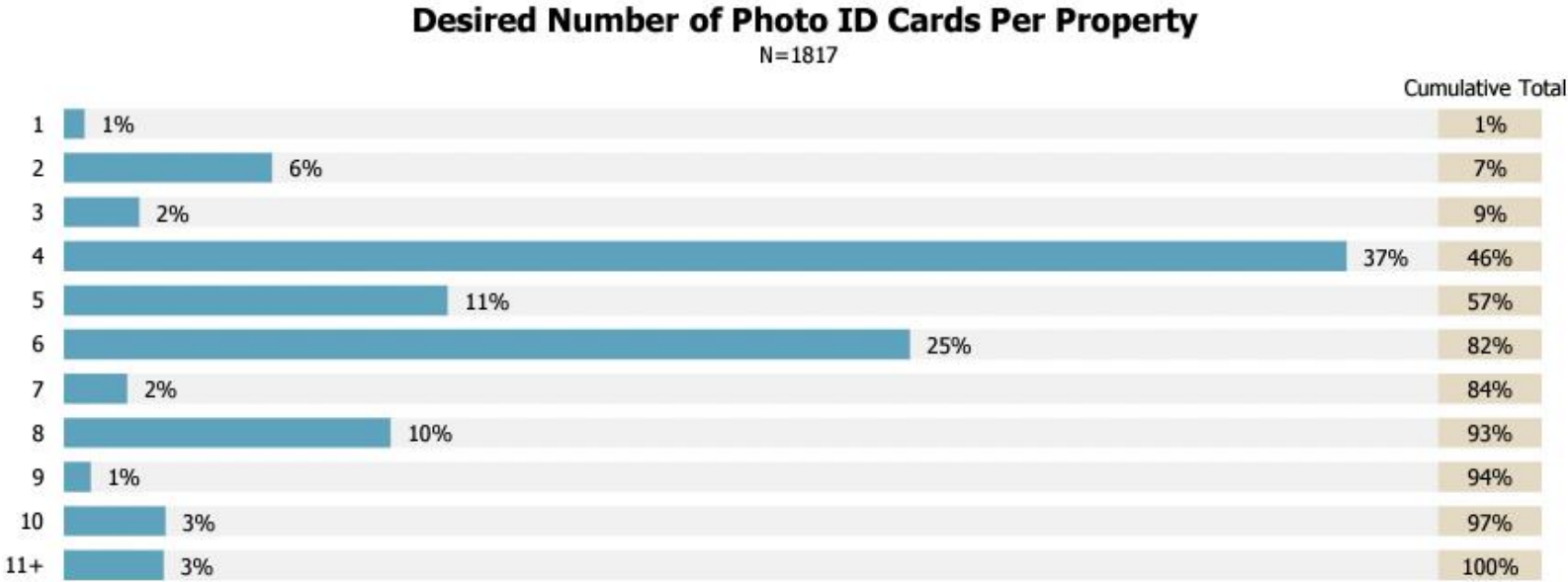
Strongly agree with A Somewhat agree with A Agree with both A and B about the same Somewhat agree with B Strongly agree with B

MEMBER CARD LIMIT – QUANTITY – ANALYSIS CONT'D

MEMBER SURVEY

- 93% of survey respondents are satisfied with the current member photo ID card limit of 8
- A member photo ID card limit of 10 would satisfy 97% of the survey respondents
- Currently, the average number of cards issued per property is 5

Almost half of all members surveyed are satisfied with four ID cards, and almost all (93%) are satisfied with eight. This is in line with the current allotment of ID cards for each property (including the four additional ID cards that can be purchased for a fee).



MEMBER CARD LIMIT – QUANTITY – RECOMMENDATION

Staff recommends alternative option 1: **INCREASE THE TOTAL NUMBER OF CARDS AVAILABLE TO 10 TO ACCOMMODATE LARGER FAMILIES AND PROVIDE MORE FLEXIBILITY TO MULTI-FAMILY-OWNED PROPERTIES, ADDING TWO ADDITIONAL CARDS PER PROPERTY TO THE CURRENT LIMIT**

- The limit of 10 member photo ID cards per property controls exposure of too many new member photo ID cards being issued
 - Total exposure with this change is almost 13,000 additional member photo ID cards issued (2x6473 properties), but the reality is likely to be far less as less than 30 properties purchase an eighth card historically. If each of these properties purchased up to 10, this would be less than 60 new member photo ID cards issued
- Increasing the limit from 8 to 10 provides more flexibility for larger families and multi-family-owned properties
- Alternative option 2 would result in far more exposure for new member ID cards issued given no limit
 - Also goes against member desire to have a limit to the number of cards issued per property

4. MEMBER PHOTO ID CARDS – INCLUDED IN THE ASSESSMENT AND AVAILABLE FOR PURCHASE

Currently, four member photo ID cards are included in the assessment with the option to purchase up to four additional member photo ID cards annually

These cards provide the holder will all the member benefits, including:

- Access to private amenities
- Member discounts on thousands of products and services
- Priority purchase windows for high-demand products (like youth camps)
- Priority reservation windows for golf tee times and tennis/pickleball courts

GOAL: Determine what quantity of member photo ID cards should be included in the assessment and what quantity should be available for purchase

CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – DISCUSSION (FURTHER DETAILS TO FOLLOW)

CURRENT STATE

- Four member photo ID cards are included with the payment of the assessment
- Four additional member photo ID cards are available for purchase

ALTERNATIVE OPTION 1

Include 1 card in the assessment with the option to purchase up to 7 (or 9) additional member cards annually

- This option could have significant implications on how we implement the Rec Fee and member Daily Access Fees, which will be addressed in the next member considerations meeting
- Owner's family who do not have a member photo ID card would be considered guests and are not eligible for member benefits

ALTERNATIVE OPTION 2

Include all member photo ID cards in the assessment

- Member card revenue loss of \$123,000-\$140,000
- Access revenues of approximately 7.5%-8% (\$1.9M would be made up through other avenues –access fees (Rec Fee and Daily Access Fees), assessment increase, etc.
- Access fees/Rec Fee could look very different than the current Rec Fee setup



CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – DISCUSSION CONT'D

ALTERNATIVE OPTION 3:

Another combination of member photo ID cards included in the assessment vs. available for purchase



CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – ANALYSIS

CURRENT STATE

- Four member photo ID cards are included with the payment of the assessment
- Four additional member photo ID cards are available for purchase
 - Additional member photo ID cards (cards 5-8) generate approximately 750-850 additional member photo ID cards, and for this fiscal year, approximately \$123,000-\$140,000 in revenue
 - This revenue contributes to the \$1.9 million generated by private amenity access fees annually (7.5%-8% of total Operating Fund revenues)
- The current 4+4 member photo ID card policy creates tremendous confusion with the membership, especially when combined with attempting to understand the Recreation Fee
- Causes frustration with households that have less than four member photo ID cards issued – lack of fairness

CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – ANALYSIS CONT'D

ALTERNATIVE OPTION 1

Include one card in the assessment with the option to purchase up to 7 (or 9) additional member cards annually

- By charging an annual fee for each additional card purchased for eligible family members after the one included in the assessment, the targeted revenue generation could be collected through this fee, which could effectively eliminate the recreation fee and member daily access fees to the private amenities
- Addresses the “fairness” complaint from members who have fewer than four member photo ID cards issued on their property
- Could potentially simplify the policy by eliminating the Recreation Fee and member Daily Access Fees for the private amenities but add challenges to managing the membership database with an annual turnover of the entire membership

CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – ANALYSIS CONT'D

ALTERNATIVE OPTION 2

Include all member photo ID cards (as discussed on slide 23) in the assessment

- Access revenue would still need to be collected through the Recreation Fee (or a modified methodology) and member daily access fees to the private amenities. A per-person Rec Fee could provide some equity to smaller households
- An additional \$123,000 to \$140,000 in revenue would need to be collected through access fees or the assessment to offset the current card 5-8 revenue
- Member value perception would likely increase for those who currently purchase cards 5-8

CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – ANALYSIS CONT'D

ALTERNATIVE OPTION 3

Other combination of included member photo ID cards included in the assessment vs. available for purchase

- Revenue projections would need to be completed for each other combination of member photo ID cards included in the assessment versus member photo ID cards available for purchase up to the limit determined by the updated policy
- The current 4+4 option creates tremendous confusion with the membership, especially in combination of attempting to understand the Recreation Fee. It is likely that another combination of included versus available for purchase member photo ID cards will not alleviate that confusion



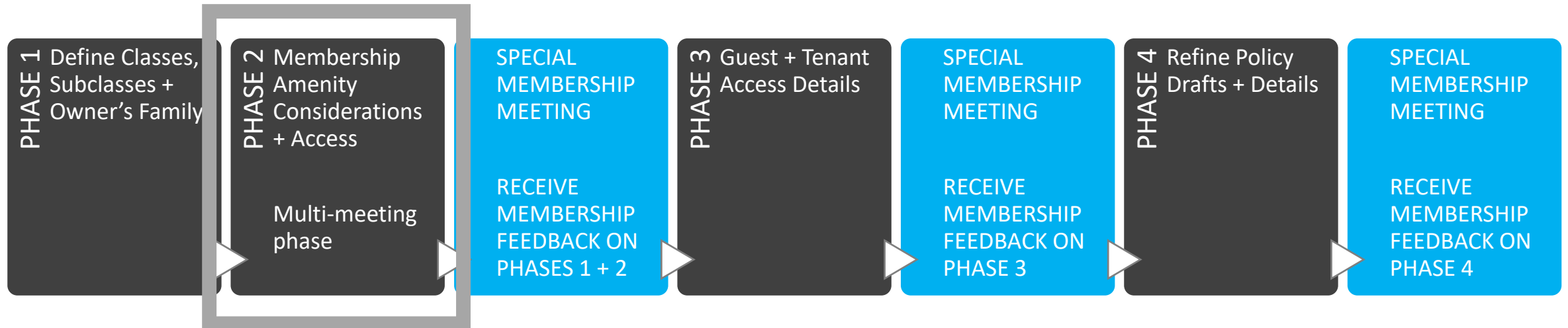
CARD QUANTITY INCLUDED IN ASSESSMENT VS. AVAILABLE FOR PURCHASE – RECOMMENDATION

Of the options presented, staff is looking for direction from the Board on which one of these options to continue to research

NEXT STEPS

The next step will be to continue the discussion of member considerations, focusing on:

- Access revenue methodology
- Access distribution
- Requirements for validation of familial relationship
- Age discussion – 6 and under requirements



THANK YOU