

# AMENITY ACCESS POLICY WORKSHOP 2 – PHASE 2

August 10, 2023

# AGENDA + PROCESS

1. Review guidance to date – *15 minutes*
2. Member considerations
  1. Familial relationship validation requirements – *15 minutes*
  2. Age requirement – *30 minutes*
  3. Access revenue methodology– *90 minutes*
3. Member comments – *15 minutes*
4. Staff response
5. Board direction



# REVIEW – GUIDANCE TO DATE

# 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



# 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

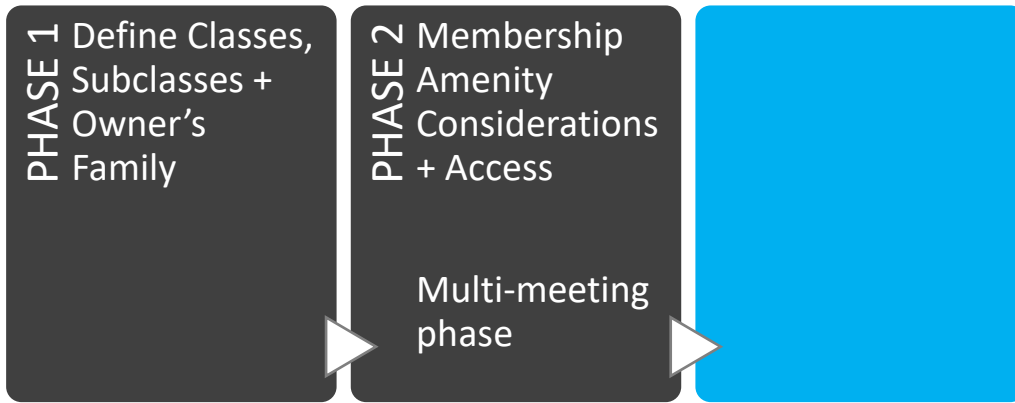




## GUIDANCE TO DATE – CONTINUED

3. Member photo ID cards should be tied to individuals (who are eligible for cards under the policy) and not transferable.
4. The limit of member photo ID cards that are issued should be capped per property (rather than per family who may have an ownership stake in that property)
5. There should be a limit on the number of member photo ID cards that are issued per property, and for analysis purposes, that limit is currently at 10 cards
6. For analysis purposes, to move forward to the next step in the process, staff should consider the following options:
  - a. Two member photo ID cards included in the assessment, with up to 8 additional cards available for purchase
  - b. Up to 10 member photo ID cards included in the assessment per property (no cost for cards)

# TODAY'S FOCUS – MULTI-PHASE APPROACH



# MEMBER CONSIDERATIONS PHASE 2 – MEETING 2

# TOPICS IN TODAY'S MEETING

- Requirements for validation of familial relationship
- Age discussion – requirements when a child needs a member card
- Access revenue methodology





# 1. FAMILIAL RELATIONSHIP VALIDATION REQUIREMENTS FOR A MEMBER PHOTO ID CARD

**GOAL:** Determine the validation requirements in order to prove the familial relationship with the deeded owner(s) of a property

# VALIDATION REQUIREMENTS - DISCUSSION

**CURRENT STATE:** Validation requirements to prove member photo ID card eligibility are not consistent. This is a result of the current definition of “owner’s family” and the difficulty of proving the familial relationships of cousins, uncles, aunts, nieces and nephews.

This was addressed in the updated definition of OWNER’S FAMILY from the June workshop:

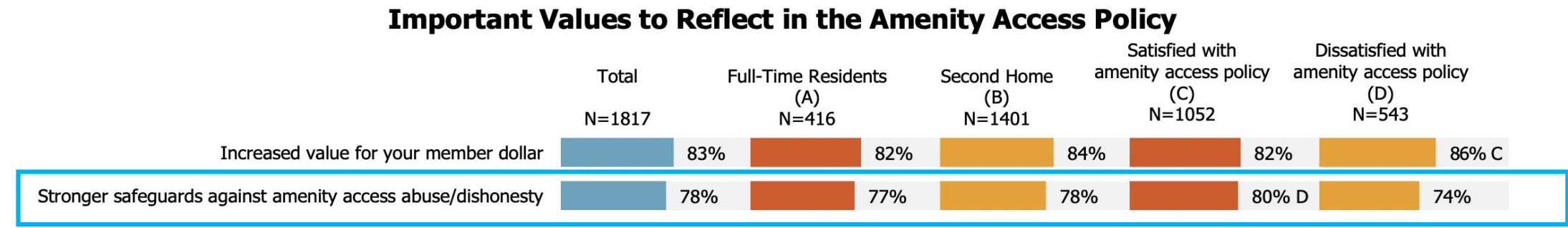
OWNER’S FAMILY: Any individual who has a relationship to an owner that is one of the following:

- Spouse/domestic partner
- Mother
- Father
- Children
- Grandchildren
- Sister
- Brother
- Mother’s spouse/domestic partner
- Father’s spouse/domestic partner
- Child’s spouse/domestic partner
- Domestic partner’s child
- Grandchild’s spouse/domestic partner
- Sister’s spouse/domestic partner
- Brother’s spouse/domestic partner

**CHANGE:** Narrowed to exclude grandparents, cousins, aunts, uncles, nieces and nephews of an owner as these relationships are difficult to validate.

# VALIDATION REQUIREMENTS - ANALYSIS

**Does the board want to require official documentation?** Requiring official documentation (birth certificate, marriage/domestic partnership certificate, etc) to prove the familial relationship and, therefore eligibility to receive a member photo ID card would address the member desire to have stronger safeguards against amenity access abuse/dishonesty.



PROS

- Protect the member benefits to ensure member ID card holders are truly part of an owner’s family
- A clear rule for staff to promote and enforce for new owners and existing owners making changes to their owner account

CONS

- Potential for inconvenience for owners to not have official documents available if their home is a second home

# VALIDATION REQUIREMENTS - RECOMMENDATION

Staff recommends **TO REQUIRE OWNERS TO PROVIDE OFFICIAL DOCUMENTATION TO PROVE FAMILIAL RELATIONSHIPS RELATIVE TO “OWNER’S FAMILY” AS DEFINED IN THE POLICY**. A list of acceptable official documents will be created and available for viewing on the Tahoe Donner website. Official documents will likely include: property deed, birth certificate, adoption record, marriage license, domestic partnership certificate, etc.

A process to consider exceptions to the required recommendation can be developed at a later date, but this recommendation includes the understanding that there will be no exceptions permitted by staff to the official documentation requirement without initiating the exception process. Also, to decide if existing member’s are “grandfathered in” or if we start from scratch.

Again, guidance regarding the definition of OWNER’S FAMILY from the June Workshop:

OWNER’S FAMILY: Any individual who has a relationship to an owner that is one of the following:

- Spouse/domestic partner
- Mother
- Father
- Children
- Grandchildren
- Sister
- Brother
- Mother’s spouse/domestic partner
- Father’s spouse/domestic partner
- Child’s spouse/domestic partner
- Domestic partner’s child
- Grandchild’s spouse/domestic partner
- Sister’s spouse/domestic partner
- Brother’s spouse/domestic partner



## 2. AGE REQUIREMENT

**GOAL:** Determine at what age the association should require an individual to have a member photo ID card in order to receive member benefits



# AGE REQUIREMENT - DISCUSSION

**CURRENT STATE:** Member photo ID cards are required for anyone 7 years old and older. Any child under the age of seven is not required to have a member photo ID card

- Currently, there is no Daily Access Fee to the private amenities for children under 7
- Owners who are purchasing member products for children under 7 can register their children on their property as a “Onestore Child” in order to get through the member validation process
  - These individuals will then receive the member discount and are eligible for member priority purchase windows
  - Onestore children registered to a property do not count towards the current limit of member photo ID cards issued per property (8, or 4 + 4)
  - The “onestore child” concept creates a lot of confusion and issues during registration, particularly with high demand products like kids camps



# AGE REQUIREMENT - ANALYSIS

- Currently there are 1,226 Onestore children registered in our membership database
- Unfortunately, we have very poor data around 6 and under utilization as they are a free entry, so most of the time, the \$0 product is not rung in to track the use
  - Member visits are greater than 4,200
  - Guest visits are greater than 2,200
- Member-required products begin as early as age 3
- Any change to the current age requirement of 7 and older being required to have a member photo ID card will impact how larger families distribute their member photo ID cards
  - The increase to 10 cards as the limit per property should mitigate some of this concern



# AGE REQUIREMENT - RECOMMENDATION

Staff recommends **THE ADJUSTMENT OF THE MEMBER PHOTO ID CARD AGE REQUIREMENT FROM AGES 7 AND UP TO AGES 3 AND UP.**

- This will simplify the current policy for the membership and staff by eliminating the need for the member sub-category of Onestore Child
- Increasing the maximum cards per property limit from 8 to 10 will help alleviate the burden this puts on owners with many children
- The change will improve utilization data by requiring the entry to be validated via member photo ID card
- 3–7 year-olds will be subject to a Daily Access Fee to enter private amenities or have a Recreation Fee
- Toddlers ages 2 and under will still be free





# 3. ACCESS REVENUE METHODOLOGY

**GOAL:** Using the guidance to date, review different models relative to access revenue opportunity, and determine which of the options the policy update should consider

1. **OPTION 1:** Two cards included in the assessment with up to 8 more available for purchase
  - a. A variety of sub-options within Option 1
2. **OPTION 2:** 10 cards included in the assessment
  - a. A variety of sub-options within Option 2

# ACCESS REVENUE METHODOLOGY - DISCUSSION

**CURRENT STATE:** Member access revenue is collected via three methods

- Member Daily Access Fees
- The Annual Recreation Fee
- The annual fee for cards 5-8
- **Member Daily Access Fees** are collected when an individual with a member photo ID card chooses to enter a private amenity and does not have the Recreation Fee access product attached to their profile
- **Recreation Fee revenue** is collected when an owner chooses to purchase the annual unlimited access pass, which can be applied to two individuals with member photo ID cards or all the member photo ID cards on the property, depending on the Rec Fee product selected
- **Revenue for the annual fee for cards 5-8** is collected when an owner chooses to purchase cards 5-8 to have more than the 4 included member photo ID cards issued to family





# ACCESS REVENUE IN 2023

Member access revenue is collected via three methods. The 2023 budgeted amount for these methods are:

- The Annual Recreation Fee: \$1,160,652
- Member Daily Access Fees: \$84,730
- The annual fee for member cards #5-8: \$142,000

Total budgeted member access revenue for 2023 is approximately \$1,390,000 or 8% of total operating revenue (does not include guest access revenue – future workshop topic)

# ACCESS REVENUE METHODOLOGY - ANALYSIS

## HOW THE MODELS WERE DEVELOPED

- **The models developed for the analysis were basic**, given the number of variables and options that needed to be modeled
- **The prices are illustrations of how the budgeted 2023 revenue target could have been achieved** – future revenue needs will be determined during the annual budget process and the updated access system would include pricing recommendations that target those future revenue needs
- **For this analysis, historical volumes were considered** and adjusted to address variables that may impact those volumes
- **These assumptions were then applied to the two scenarios** identified in the last workshop to develop a baseline to assist in narrowing the options
  - OPTION 1: Two cards included in assessment, purchase up to 8 more
  - OPTION 2: Properties can get up to 10 cards without paying any additional fees for cards
- **Pooled access inventory by property is not an option.** TDA's member management software is based on individuals and doesn't support per property shared access (Example: 100 shared accesses per property is not possible. 100 accesses per person is possible).



# **ACCESS REVENUE METHODOLOGY – OPTION 1: 2 CARDS INCLUDED IN ASSESSMENT, OPTION TO PURCHASE UP TO 8 MORE**

**2023 Revenue Target \$1,390,000. Numbers used for modeling purposes only**

The 2 + 8 option considers that 2 member photo ID cards are included in the assessment payment annually, and owners have the option to purchase up to 8 additional member photo ID cards for their family as desired

## **ASSUMPTIONS**

- 25,000 member cards is the starting point, as this is the approximate current total cards issued
- A reduction factor is necessary given that the included number of cards is being reduced from four to two
- A growth factor is appropriate as a result of the limit increase from 8 to 10 member photo ID cards per property and any age requirement change
- The result is an assumption that approximately 8,500 optional member photo ID cards would be purchased
- A nominal annual fee of \$35 for these cards would result in approximately \$300,000 in revenue, leaving the need to capture \$1,090,000 in additional revenue to reach the target.
  - $(\$1,390,000 - \$300,000 = \$1,090,000)$

# ACCESS REVENUE METHODOLOGY – 2 + 8 OPTION

Continued – 2023 Revenue target \$1,390,000. Numbers used for modeling purposes only

The remaining targeted revenue balance could be made up in a number of ways. Here are a few examples with modeled financial results to achieve the targeted revenue:

## OPTION 1A

Private amenity access is included for anyone in possession of a member photo ID card

- After the revenue generated by the sales of additional card (\$35 each), this would require a \$168 increase to the annual assessment
- No member daily access revenue or Rec Fee revenue/additional cost to the member
- Not realistic given assessment pressure

## OPTION 1B

Individual Rec Fee for member photo ID card holders for all member photo ID cards on the property. Revenue streams would include:

- Cards 3-10 at \$35 each - \$300,000
- The Rec Fee would be an optional add-on for each individual at \$95 each - \$1,010,000
- Member daily access rate of \$12 per day per person - \$85,000

## OPTION 1C

The first 2 included cards would include private amenity access, and the remaining 8 cards would come at a fee per card and an optional Rec Fee per card

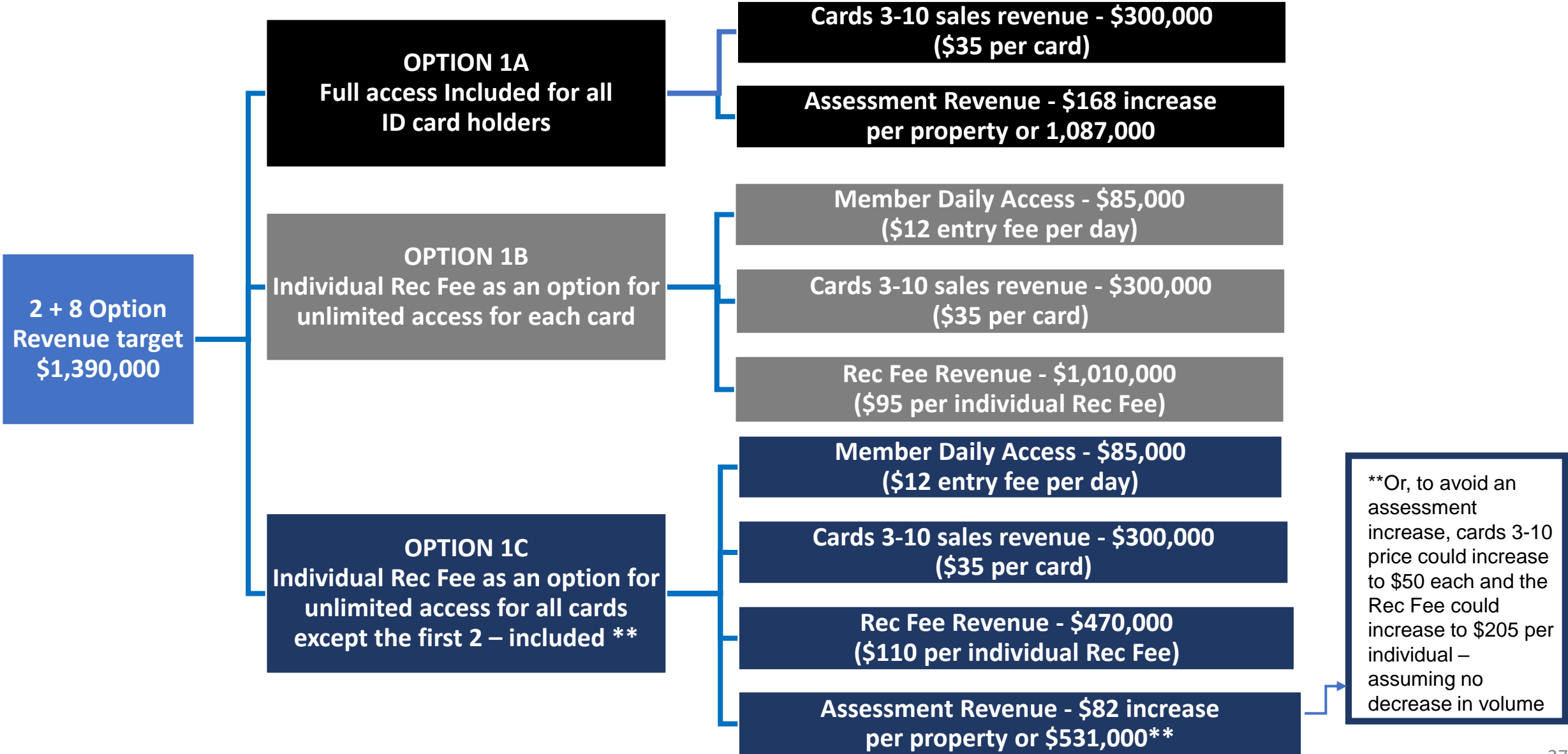
- Cards 3-10 at \$35 each - \$300,000
- The Rec Fee would be an optional add on for each individual at \$110 each - \$470,000
- Member daily access rate of \$12 per day per person – \$85,000
- Annual assessment increase of \$82 per property - \$531,000

OR, if the desire is to not increase the assessment

- Cards 3-10 at \$50 each – \$427,000
- The Rec Fee would be an optional add on for each individual on cards 3-10 at \$205 each - \$880,000
- Member daily access rate of \$12 per day per person – \$85,000

# ACCESS REVENUE METHODOLOGY – 2 + 8 OPTION

Continued – Visual representation. Numbers used for modeling purposes only



## **ACCESS REVENUE METHODOLOGY – OPTION 2: 10 CARDS INCLUDED IN ASSESSMENT OPTION**

### **2023 Revenue target \$1,390,000. Numbers used for modeling purposes only**

The 10 cards at no additional cost to the members option considers that up to 10 member photo ID cards are included in the assessment payment annually for owners to assign to their family members.

Those cards allow access to the private amenities (with a fee), priority reservations and member discounts (similar to current member photo ID cardholder benefits)

The analysis is based on the same number of member photo ID cards being issued - 25,000 – as the familial requirements are likely to reduce the number of member photo ID cards issued with this number to be offset by an equal increase based on the increase in the cap to the number of cards issued per property. Since all cards are included in the assessment, revenue opportunities are limited to:

- The Annual Assessment
- Member Daily Access Fees
- A Recreation Fee opportunity

# ACCESS REVENUE METHODOLOGY – 10 CARDS INCLUDED OPTION

## Continued – 2023 Revenue target \$1,390,000. Numbers used for modeling purposes only

The revenue target could be achieved using a few different methods. Here are two examples with modeled financial results to achieve the revenue target:

**OPTION 2A:** Private amenity access included for anyone in possession of a member photo ID card (no daily access fees for members and no recreation fee add on)

- All revenue (\$1,390,000) would be collected through the assessment resulting in an assessment increase of approximately \$215 per property
- Not possible for 2024 budget, given assessment pressures

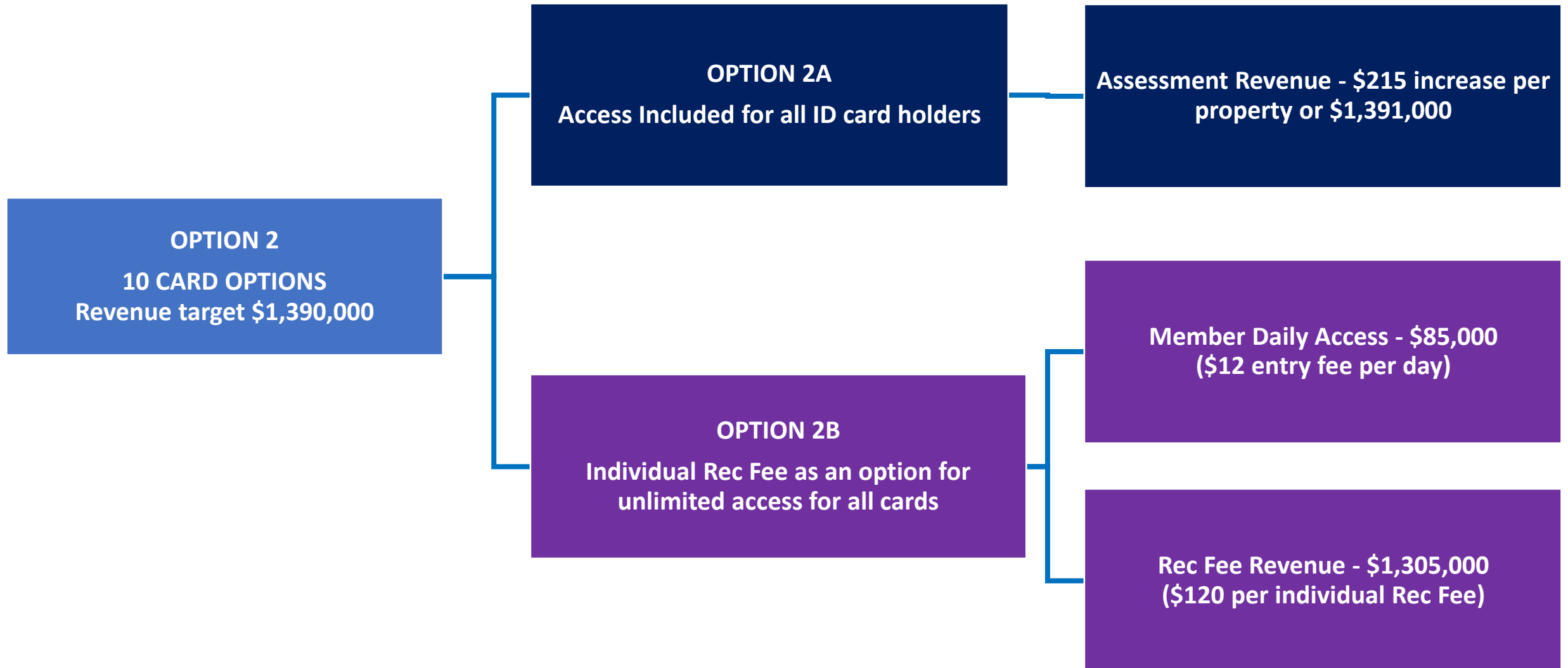
**OPTION 2B:** Per Person Rec Fee option available for member photo ID card holder on the property

- Member Daily Access Fee of \$12 per day per person – \$85,000
- The Rec Fee would be an optional add-on for each individual, at \$120 each – \$1,305,000



# ACCESS REVENUE METHODOLOGY – 10 CARD OPTION

Continued – Visual representation. Numbers used for modeling purposes only





# ACCESS REVENUE METHODOLOGY - RECOMMENDATION

Staff recommends **OPTION 2B: ACCESS REVENUE METHODOLOGY 2 USING THE 10 CARD INCLUDED IN THE ASSESSMENT OPTION**, and an optional unlimited access Recreation Fee is available for each individual with a member photo ID card. If the Recreation Fee is not purchased, that individual has the option to pay a Daily Access Fee to enjoy the private amenities.

## PROS OF THIS OPTION

- Is relatively simple to understand
- Does not have a direct impact on the assessment, as revenues can be raised through access fees
- Provides a similar value or increased value to the member (see next slide for comparison)
- Provides additional cards to families at no cost considering potential age requirement impacts
- Should not have a material impact on private amenity demand by members
- Per person Recreation Fee could be purchased through ShopTD (similar to purchasing a ski season pass) and reduce staff implementation time

# ACCESS REVENUE METHODOLOGY – 10 CARD OPTION

**Value Comparison of OPTION 2B to current. Numbers used for modeling purposes only**

Number of Family Members	Costs for unlimited access in current policy (2023)	Cost for unlimited access in OPTION 2B
1 person	\$295	\$120
2 person	\$295	\$240
3 person	\$460	\$360
4 person	\$460	\$480
5 person	\$625	\$600
6 person	\$790	\$720
7 person	\$955	\$840
8 person	\$1,120	\$960

Costs in this model:

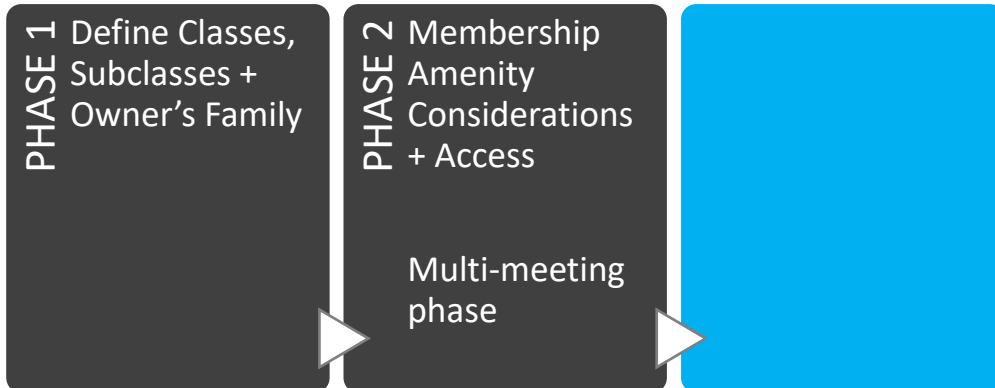
- 2-person Rec Fee \$295
- Rec Fee: \$460
- Member Additional cards 5-8: \$165

Costs in this model:

- Per Person Rec Fee: \$120

# NEXT STEPS

The next step will be to host an evening special membership meeting to review the direction to date with the general membership to receive feedback on phases 1 and 2, before moving on to Phase 3, guest and tenant access details.



# THANK YOU



# APPENDIX

## PARKING LOT:

- **Should there be a separate policy to define “member” that the Amenity Access policy references?** To be determined when the draft policy is completed
- **Amenity Access lots (undeveloped) – Do we want to consider them separately?** Will add complexity to the policy revision, may need legal opinion to know if its possible (governing documents)
- **The difference in user who is using a house vs not** – Not sure how to validate in the field
- **Foster child, au pair and exchange students** – To be addressed in a future workshop
- **Do we need to define “resident”?** Future workshop discussion
  - **What about month-to-month leases?**
  - **Is the seasonal term too limiting – medium term?**
- **Registration of guests** – Future workshop discussion
- **Liability of users/guests** – To be addressed with Risk
- **Do existing cards track usage and auto-turn off** – Existing cards do allow us to track individual usage. Access can be auto-shut off depending how the access product is set up
- **Further define member or subclasses (Rec Fee Member)** – May not be necessary to include this definition in the policy - TBD
- **Consider total uses per property when developing access policies** – data can be pulled from the system, but we cannot pool uses to make them available for everyone on the property
- **Use policy to identify family member to prioritize members over guests** - Yes
- **Data – multi-family-owned properties – how many and makeup – how many 1, 2, 3, 4, 5, 6 family-owned lots** – We do not have this information in a database. To find it, we would need to go through each deed manually.