

MINUTES

MEETING OF JANUARY 12, 2015 Incline Village General Improvement District

The meeting of the General Manager's Diamond Peak Master Plan Steering Committee was called to order by General Manager Steve Pinkerton on Monday, January 12, 2015 at 3:00 p.m. at the IVGID Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada.

ATTENDEES

Steering Committee Members present were Bruce Simonian, Robert Olmer, Al O'Connor, Charlie White, Andrew Jaine, Steve Pulver, Bill Echols, Jess Jameson, Brian Hrindo, Liz Harrell, Judith Miller, and Shane Johnson.

Members of the public present were Mark Rosenberg, Rick Steinberger, Brad Mary McKenna, Donna Young, Kevin Lyons, Linda Newman, and others.

Members of IVGID Staff present were Diamond Peak General Manager Brad Wilson, Parks and Recreation Director Hal Paris

1. WELCOME

General Manager Steve Pinkerton gave an overview that included that everything is out on the table for discussion and that this committee is functioning as a working group thus it is not required to follow Nevada's Open Meeting Law. The District has publicized the meetings and they will be webcasted. There is no requirement for public comment at these meetings however to accommodate public comment, there will be meetings to get public comment when it is deemed appropriate. All of the District's Trustees are very interested however they will not be in attendance at these meetings however they may come from time to time and they will most likely watch the meetings via webcast. As to the conduct of the meetings, it will be left up to the committee and that technical consultants and District Staff members will be made available as resources. General Manager Pinkerton then stated that he felt it was very important to have a neutral party facilitate these meetings and that Ms. Deborah Prout volunteered.

2. INTRODUCTIONS

Ms. Prout said that her commitment is to getting the committee started and she noted that Mr. Eric Severance was not here today because his Father was in hospice but that Mr. Severance will watch the webcast.

Ms. Prout then read the message from Board of Trustees Chairman Jim Smith.

Ms. Prout gave her professional and personal history within the community, stated that she is excited to work with this group and that she is passionate about what this group is doing today and in the future as it is her hope that this will become a model to deal with complex issues going forward and that this represents an enormous turning point for our community. Ms. Prout then invited each member to give a brief overview of their background and why they are doing this; each member gave a verbal overview. Ms. Prout said that this is an impressive, varied group and that the various skill sets will be helpful.

Ms. Prout asked the committee to think about what they wanted to have at the end of the day and what their sense is as to what they want at the end of this endeavor. The following items were mentioned (without attribution):

- ✓ Financial viability to keep the ski area going in the winter without disrupting the community.
- ✓ Consensus around issues.
- ✓ Sustainable master plan for Diamond Peak.
- ✓ Don't want property values to decrease.
- ✓ Define what is the responsibility of the GID that has the powers of recreation and utilities – is it to generate tourist traffic or to serve the residents of the community.
- ✓ Not look at this as a business endeavor.
- ✓ Be mindful that a number of us have homes in other places so we need to build a greater interest and make it thoughtful.
- ✓ Have five things as priorities, build consensus around targeted areas of concern, add some specific items but in the end it should be a plan.
- ✓ Get a survey out to the community; poll the community.
- ✓ It would be helpful to know to what group the Trustees are responsible to.
- ✓ Talk about the groups and their responsibilities.
- ✓ What happens if this group or any other group is wrong?
- ✓ Need to find out what the people want to do because there is a belief that the fiduciary responsibility of the Trustees is to the homeowners.
- ✓ Overcome the challenge of connecting with homeowners.
- ✓ Build consensus and understand what the community value is and what the community wants.
- ✓ Gain understanding of the numbers and then say something about them.
- ✓ Have to be stewards of the environment.

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- ✓ Have to understand how it is going to transform our community if we move forward or if we don't move forward.
- ✓ Has to be congruent with the basin and our town.
- ✓ We have to start somewhere as every ski resort has a Master Plan as a framework as to where they want to go into the future.
- ✓ It is up to this committee to make the recommendations as to what the community wants to see up there.
- ✓ We need to define what is a Master Plan, what are the possibilities, what does it look like, it is different from financial projections and what has been presented, to date, is more of a business plan than a Master Plan.

Ms. Prout said that this committee has the permission to uncouple and to say what it should look like. The opening assumption has been that it has to be self-funded; this committee is free to state otherwise if it desires.

The committee had dialogue with the following highlights (without attribution):

- Most of the recreational facilities we have are for the property owners/residents and that this undertaking is specifically designed to attract tourists and that the residents may or may not get a benefit out of it. Northstar is a destination resort so they need to build facilities to support their year round appeal; they are very different from Incline Village.
- Everyone sees the restaurants and small businesses that come and go and if they don't cater to the residents, then they don't make it. Kids come into play thus how do we get use out of it and how does it attract us to get us to spend money there. Incline Village is a tourist destination no matter what so how do we get it to work for us and our kids and how do we spend our money there because we have to included somehow.
- We get there by the vote of the people as it is our own homeowners who are going to make this decision with the Trustees so we have to build it so that we approve of it and so the tourists can come and use it.

Ms. Prout said that the committee needs to approach the plan by being specific to the plan in the committee's arguments. The end results will go to the Trustees, via the General Manager, and that this committee can say they like this, they don't like that, etc. so the committee has to understand the details and be willing to challenge the details, etc. and that the end product is to have this committee's take on this Master Plan.

The following comments (without attribution) were made:

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- The plan is pretty ambitious and it is locking us up. We need to think about this on a strategic level.
- What about the alternatives – there is no suggestion about an ice skating rink for example.
- The approach is for the community and doing summer stuff and we need to include the kid point of view because right now the activities for them are repetitive.
- There are a lot of things in there that would be great for a lot of people such as mountain biking, ability to ski the backside, etc.
- Objective is to create something that is beneficial to the local community that can be kept going.
- Would like to have the people who did the original work come and talk to us about what was their initial objective.
- There needs to be a separation of business plan and Master Plan and the question of does IVGID need to do this needs to be answered.
- The impetus for this plan was, in part, to offset losses during the tough sessions because the District has an expensive asset. The Board was looking at the financial drain and Staff did a good job of going further to see if there were revenue opportunities to offset this drain and, at the same time, to provide value to the community. The people are already here so the first priority is to serve the property owners, renters, and tenants which is a huge population and the why was because of the financial benefit to the homeowners.

Ms. Prout said that there needs to be understanding as to the starting point and what was the impetus for action and we need to understand why the Master Plan was a good idea and get that out front and center.

Mr. Simonian said, as a former Trustee, that the capital improvement projects are looked at from a perspective of viability and being financially sensible. Further, when we get the numbers, we have to look at from the perspective of what is the community willing to pay for. Then we have to create the consensus and explain the raise. It might be of interest to know that during the Ordinance 7 conversations, with the community, many people stated that they would be willing to pay more to privatize the beaches. Mr. Jaine said that we have to remember we have two sets of people.

Ms. Prout said that the committee needs to understand the pressures on the system that started this which is the impetus or the prologue to the book.

Ms. Miller said she wished the committee had the Master Plan in front of them because if we were trying to offset losses at Diamond Peak, she believed it showed that all of the revenues go back into the next phases (of the plan). Not a penny would go to offset any losses for 12 years. Unless we did something else to increase revenues or reduce losses, the Master Plan wouldn't do anything to offset those losses.

Mr. Olmer said that 75% of the guests at Diamond Peak come from Northern California and so if we have the alpine coaster and the restaurant, we will need to have Staff to man it and if we have essentially no tourists, there is a possibility of a tremendous drain as the patterns of tourism behavior will not change and they will always be soft mid-week. We should not be creating projects that will bring new business or new activities.

Mr. Jaine said that this is raising the access piece as Mammoth has the same problem when there were not enough roads and the same thing when the question was raised about planes coming into that area.

Mr. Simonian said that the committee has to understand that the District is running Diamond Peak as efficiently and effectively as it can and that every recreational venue we have always aims to either breakeven or do the best it can. There is always room for improvement so we have to leave the rhetoric off the table as well the emotion and work with the facts.

Ms. Prout said that we can slog through the plan with the goal, at the end of the process, to come forward with a written take that has been truly communicated to the community and that reflects the areas of disagreement. It should be a road map to follow and it should be a very valuable product.

Mr. Jaine said before this committee starts going through the plan we have to know what we are trying to accomplish. Ms. Prout said or what was someone trying to accomplish.

Mr. Simonian said that the impetus of the Diamond Peak Master Plan was to provide some assets to the community and how do we go about getting them and paying for them without raising the Recreation Facility Fee.

Ms. Prout asked what resource(s) can be provided to the committee.

The following responses (without attribution) were made:

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- All members asked for paper copies of the Diamond Peak Master Plan.
- What was the objective of the whole drill and what was the goal.
- What are the potential financing sources of this plan and who is going to pay for it.
- We have to be careful about accepting the numbers as presented because this is a unique place and Diamond Peak is different.
- We have to look at the facts and ask ourselves do we believe them or not, etc.
- Need to understand why we are here in order to go forward.
- Let's put it all items on the table so we can look at them and understand them and all their nuances.

Ms. Prout said that getting the areas of conflict out is important and that there has to be a push to be honest and duke out the areas of conflict and state them.

The following items were listed as areas of conflict:

1. SE Group has an impeccable track record yet we don't trust them completely.
2. There must be financial facts.
3. We need to figure out what the constraints are so we can work with a clear pathway.
4. Answer the question is Diamond Peak a value and if it is a value, how do we make it sustainable. If there is no value, then do we shut it down.
5. Small, undercapitalized facilities have been closed and while Diamond Peak fits within that definition, it has not been closed because it is subsidized and the people have said it is okay to keep it open.
6. At the golf courses, we subsidize the owners to the tune of one million dollars a year so we need to have a much larger philosophical discussion that is fact based about what we want to do as a community and to keep that in this room.
7. Polls – the experience has been that we get a 20% response so what do we learn when we get that response.

Ms. Prout said that she didn't know who was educated on this topic so how does this committee educate the community and what is its relationship to the community?

Mr. Simonian said he would like to get the information out, have discussions, ask questions, etc. as there may be some that are less informed. People are not getting the information unless they decide to thus we may have an uninformed

community which means they are complacent and it is this committees work to engage them and get out the facts.

Mr. White said that it is basic human nature that if something doesn't interest you, you don't seek out information so we have to inspire them so they can know. We have to say why we are here and make it relevant to busy people. Once we make it relevant, we have to come forth in a uniform voice. We have to encourage them to go to the IVGID meetings. He has also noticed that there is no Hispanic representation either on this committee or at meetings; why aren't they here.

Mr. Olmer said that perhaps the General Manager can do a wrap up at each Board meeting stating this is what we discussed and while no one wants to shot holes in this committee, he knows for a fact that some Trustees think this is a waste of time and that there were elected to make decisions thus it is irrelevant what this committee does.

General Manager Pinkerton said there is a consensus on how we move forward and that is to engage and educate the community and that one thing that is painful obvious is that this community is vicious in coming to a consensus and that this is his attempt to have meaningful dialogue. He wants this to be a model for the future and to come up with a better process.

Mr. O'Connor said that he thinks this will because it is a complicated topic and there are diverse opinions but that this committee is committed to this process. This is a community that is full of gossip and if we can reach some consensus, people will poke holes in it, etc. and it will spread around and it will have some impact.

Mr. Jaine asked if the committee members are to spread the word to people or just go out through the General Manager?

Ms. Prout said that this committee is the squad that is out there and that this is what you can do and you should share the struggle with others and move off that it is easy, etc.

Mr. Olmer said that the committee members should share this is what we covered in order to keep the conversation moving.

Ms. Jameson said that she agrees that we have a voice in the community and that we need to get out the right information. She sees three things being talking

points – we are trying to build consensus about how this is going to work, we need to get the community behind us, and that we don't want to be a disservice to ourselves or our community.

Ms. Prout said that, as a united front, you are committee to digging deep and understanding the data and let the community know how honest this process was.

Mr. Johnson said he applauds what everyone has said as we do have a lot of different opinions and that furthering our own opinions is not the right message rather that this is a process and we should come up with three top line talking points.

Mr. White said that we have to recognize the perception of the public and that we are trying to get somewhere which the general public is not used to seeing so we could be fighting more battles because this wouldn't be easily done with people that haven't seen it done before.

Mr. Olmer said that the General Manager did an amazing job choosing this committee with its diversity and that this is not a committee of people who are going to yes and that the community needs to know that the General Manager has brought together a good bunch of people and that he wasn't afraid to put people together who disagreed.

Mr. Johnson said that he loved the diversity but that there is no one from the Hispanic community and they are a huge part of this community so should we be looking at adding someone else and is everyone a property owner or a tenant, etc.

General Manager Pinkerton said that a manageable size was his goal and that he would prefer to keep it to this size and that he would like to move on to the basic plan and how we do these meetings.

Ms. Prout asked how the committee liked the venue, setup, etc.

Mr. Simonian suggested moving over to the Chateau and that we should be set up in a circular manner. Mr. Olmer asked to do a field trip one or two times to Diamond Peak. Mr. Jaine asked about having meetings at Diamond Peak and the Fireside Room was suggested. Mr. Pulver said that as this progresses, would it be possible to have more public members attend. General Manager Pinkerton reminded the committee that there will be separate meetings for the public.

Pinkerton – manageable size was his goal, keep it to this size, feedback put extra emphasis – save for another day. Basic plan and how do meetings.

General Manager Pinkerton asked about having a facilitator and all committee members agreed that they would like Ms. Prout to continue as their facilitator.

General Manager Pinkerton asked about the leadership structure and all committee members agreed that at this time it was not necessary.

All committee members were asked to read the Diamond Peak Master Plan and identify any items of concern. Mr. Olmer asked that the committee also be given a copy of the 1998 Deloitte and Touché report as he feels it is germane to IVGID today.

Mr. Jaine said that he would not be in town for the next meeting and asked about using Skype to attend. Mr. Pulver asked about substitutes; General Manager Pinkerton said that substitutes are not allowed and that Mr. Jaine shouldn't worry about attendance at the next meeting as he could watch via webcast.

At 5:03 p.m. the meeting was adjourned.

Respectfully submitted,

Susan A. Herron, CMC