

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winqest
District General Manager

SUBJECT: Potential Rebate to all Recreation and/or Beach Fee Rate Payers for Fiscal Year ending 2019/2020 due to COVID-19 impacts on IVGID Recreational Venues – Discussion of possible processes to issue the rebate

DATE: September 22, 2020

Discussion Points

The Board of Trustees, at their August 12, 2020 meeting, asked Staff to provide cost estimates for providing a monetary rebate of Recreation and/or Beach Fee Rate Payers for Fiscal Year 2019/2020.

Staff has identified a number of options for providing monetary refund(s) or equivalent value to property owners who were assessed Recreation and Beach Facility fees, to include:

- Credit applied on FY2021/22 Property Tax Bills via either:
 - FY2021/22 Facility Fee reduced by amount of FY2020/21 credit
 - Separate line-item on FY2021/22 bill equal to amount of credit*Cost estimate: Zero to \$1,000.*

- Refund check issued to each of the 8,200 property-owners via either:
 - Individual checks processed and mailed by IVGID Finance Dept.
 - Individual checks processed via Wells Fargo Payment Management Services*Cost Estimate: \$13,000 - \$20,000*

- District provides equivalent value of refund amount via either:
 - IVGID Certificate / IVGID Bucks*Cost estimate: \$2,500*
 - Refund amount added to existing Punch Card(s)*Cost estimate: \$10,000-\$12,000*

The following summarizes the process and estimated cost (including staff time) for each of the alternatives being evaluated:

Credit applied on FY2021/22 Property Tax Bills:

Process:

Each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer's Office. The District is charged \$1,000 by Washoe County for the collection and remittance of the annual Facility Fees. Should the Board elect to provide a refund or credit for a portion of the Facility Fees charged to property owners, one option to effect the refund would be to reduce the amount of the FY2021/22 Facility Fees by the amount of the refund and have this reduced amount serve as the charge for FY2021/22.

Cost:

There would be no additional cost to the District to process refunds in this manner, as the cost would be covered by the annual charge of \$1,000 already paid by the District to Washoe County.

Modified Alternative:

A modified alternative could entail providing a refund to property owners via the annual property tax bill, albeit include the refund amount as a separate line item on the property tax bill. This alternative is equivalent to the previous option with the added benefit of clearly designating the amount of the refund, separate from the FY2021/22 Facility Fee charges. *Staff is exploring whether adding an additional line item to each property tax bill would incur any additional cost; however, it is unlikely that this charge would exceed an additional \$1,000.*

Refund Check issued to each individual property owner

Process:

At Board direction, IVGID Staff could initiate a process to issue individual refund checks to each property owner who paid their FY2019/20 Facility Fee through the District's internal accounts payable system. This process would entail establishing each property owner as a "vendor" in our system and manually entering 8,200 separate invoices against which checks would be processed. Each check would, in turn, be placed in an envelope with matching mailing labels and mailed to each property owner.

Cost:

Staff has estimated the cost to the District of processing roughly 8,200 manual checks as being in the range of \$20,000. This cost includes staff time (estimated at 675 hours), supplies (checks, envelope, labels) and postage. This cost estimate may vary based on the ability of the District to utilize a bulk mailing rate, while

additional costs could also be incurred to track checks as they are cashed as well as any “stop payments” or processing of replacement checks.

Modified Alternative:

Another option for issuing individual checks to property owners would be to utilize the Payment Manager Service offered by the District’s bank (Wells Fargo). Under this option, the District would upload an electronic file to the bank with the names and addresses of each individual eligible for a refund, and the bank would process and mail the checks. An initial review of this option reveals a preliminary cost estimate of \$13,000 - \$15,000 (depending on postage rate).

Check:

Each rate payer would have to be entered into the system as a vendor and the estimate amount of time to do that process is 5 minutes per rate payer at approximately 8,200 rate payers – estimate is that it would take about a week and a half to get everyone entered into the system. The verification of rate payers would have to occur.

IVGID certificate/ IVGID bucks

Process:

Staff could print 8,200 certificates and apply a numbered label that could be scanned at each venue; the label would be unique to each certificate. The IVGID certificate (aka IVGID bucks) would include an expiration date of one year from the issuance date – it is estimated that this process would take about a week and a half. The verification of rate payers would have to occur.

Cost:

Staff estimates the cost of providing and IVGID Certificate to be approximately \$2,500, to include staff time and supplies.

Credit loaded onto a punch card (or other form of card)

Process:

If a punch card has been issued to a parcel, there is a possibility that an additional amount could be loaded onto an existing punch card through the Vermont Point-of-Sale system. If there is no punch card on the parcel, a new one could be issued with the rebate amount. Either of these processes would require the verification of rate payer.

Cost:

Staff estimates that the cost to add value to an existing Punch Card, or issue and additional punch card to be roughly \$ 8,000 -\$10,000 (mostly staff time to update individual parcel owner records in our Capstone system and manage the process).

Verification of Property Owners of Record:

Among the challenges in implementing a robust one-time refund program is that each parcel would have to be verified as to ownership on the date the fee was paid, the time period for which a refund is applied, and validating that the owner who paid the fee is the same one that would be receiving the rebate.

Additionally, if a parcel didn't pay the fee, or has an outstanding balance on their facility fee, for whatever reason, it would need to be verified so that no rebate was provided back to a property owner who is not current on their facility fee.

Other Ideas as Suggested by the Board of Trustees