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2 INCLINE VILLAGE
3 GENERAL IMPROVEMENT DISTRICT
4 BOARD OF TRUSTEES
5 SPECIAL MEETING
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10 TRANSCRIPT OF HEARING
11 PUBLIC MEETING
12 Live and Via Zoom
13
14 Held at the Boardroom
15 893 Southwood Boulevard
16 Incline Village, Nevada
17
18 Tuesday, May 28, 2024
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22
23
24 Reported by: Brandi Ann Vianney Smith
25 Job Number: IVGID 41

1 APPEARANCES
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3 **BOARD MEMBERS PRESENT**
4 SARA SCHMITZ, CHAIR (via Zoom)
5 MATTHEW DENT, VICE CHAIR
6 MICHAELA TONKING, SECRETARY
7 RAY TULLOCH, TREASURER
8 DAVE NOBLE, MEMBER
9
10
11 **ALSO PRESENT**
12 SERGIO RUDIN, LEGAL COUNSEL
13 HEIDI WHITE, DISTRICT CLERK
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1 Incline Village, Nevada - 5/28/2024 - 6:00 P.M. 4
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5 (Zoom audio starts here.)
6 TRUSTEE DENT: Thank you for that. Item B
7 is the roll call of trustees.
8 B. ROLL CALL OF TRUSTEES
9 TRUSTEE DENT: We have Trustee Tonking?
10 TRUSTEE TONKING: Here.
11 TRUSTEE DENT: Trustee Tulloch?
12 TRUSTEE TULLOCH: Present.
13 TRUSTEE DENT: Trustee Noble?
14 TRUSTEE NOBLE: Here.
15 TRUSTEE DENT: And Chair Schmitz?
16 CHAIR SCHMITZ: I'm here.
17 TRUSTEE DENT: All right. I'm Trustee
18 Dent. All five trustees are present. Moving on to
19 item C.
20 C. INITIAL PUBLIC COMMENT
21 MR. KATZ: Good evening. Aaron Katz,
22 Incline Village. I have several written statements
23 to be attached to the minutes of the meeting I've
24 given to Mr. Magee.
25 I'm sorry I have to talk about this, but

<p style="text-align: right;">5</p> <p>1 it's your wonderful staff. They're dirty. Stop 2 denying it. Start doing something about it. 3 Several days ago I demonstrated to you where staff 4 had hoodwinked the Board into approving a doubling 5 of the skate board park enhancement project budget, 6 after they asked the Board for express approval, and 7 the Board refused to give it. 8 Now we see staff are attempting to pull 9 the same stunt with their bloated staffing and 10 compensation levels by tricking you into approving 11 it as part of the budget on tomorrow's meeting. 12 They can't produce audited financial statements as 13 the NRS mandates. They submit tentative budgets to 14 the State without Board review or approval. They 15 publish notice telling us the budget's available for 16 inspection and nothing's available for inspection. 17 They publish a notice telling us that the Board has 18 approved the rec fee report and it's available for 19 inspection, and yet there's no report. If you never 20 approved the report, and of course it's not 21 available, the NAC says your central services cost 22 plan must be approved when you submit a tentative 23 budget. You've never seen a plan, let alone 24 approved it yet even as of today. Nor has it been 25 shared with the public. Yet it's all on the public</p>	<p style="text-align: right;">6</p> <p>1 hearing for tomorrow. 2 The tentative budget must be confirmed by 3 the State, a certification, and yet I've seen no 4 evidence this has taken place. And I've made 5 requests for it and still they don't give it to me. 6 Staff refuses to provide. 7 How much of this stuff are we going to 8 have keep enduring time after time before we do 9 something? And nothing ever gets done. And what 10 you need to get done isn't going to be a happy thing 11 to do. 12 My request is you fire these people once 13 and for all. Close down dysfunctional staff. And 14 now we need to close down IVGID. Why? Because as 15 I've pointed out before, you're not able to properly 16 manage the District and you can't comply with the 17 NRS, and those are the two requirements. And so if 18 you can't do it, let's give it back to the State and 19 start winding down things. 20 By the way, have you taken a look at 21 what's for the board packet for tomorrow's meeting? 22 It's an absolute joke. Look at it if you haven't. 23 Thank you. 24 TRUSTEE DENT: Any other public comments 25 in the room?</p>
<p style="text-align: right;">7</p> <p>1 Seeing none, we'll go to Zoom. 2 MR. DOBLER: Cliff Dobler, 30 year 3 resident. 4 On March 6th, I provided public comment 5 regarding the inability of IVGID staff to properly 6 execute capital projects. At that time, 31 projects 7 would be carried over and 47 new projects would be 8 initiated. 9 Last Thursday, a new capital project 10 budget was provided that called for only 20 new 11 projects and a staggering 52 projects which will 12 have to be carried over, excluding the effluent 13 pipeline and storage tank will be carried over into 14 2025, and 10.1 million will be required for new 15 projects. 16 So 19.5 million is planned to be spent 17 next fiscal year. The largest project is 7.3 18 million for Incline Beach House and access project. 19 This project budget is a blast off rocket to the 20 moon. 21 Between Monday and Thursday last week, 22 staff indicated the project estimate rose from to 23 10.2 million to 16 million. In February, the Board 24 of Trustees requested the project costs be kept at 25 4 million. No one knows what the project is since</p>	<p style="text-align: right;">8</p> <p>1 not one sheet of paper has been presented to the 2 public. One might believe it is a CIA project. 3 Most residents seem to want a simple 4 project with the barefoot bar. The most important 5 schematic design contracts were issued in February 6 for 121,000. To move the project forward, the 7 simple solution from the simpleton board is to 8 borrow money, which of course cannot be done as 9 certain residents lack beach access and lenders 10 require a pledge of all district revenues. I 11 brought this up several years ago, but memories are 12 short. This project will go nowhere and the Board 13 will continue to entertain themselves with planning 14 the project. 15 So excluding the Incline Beach House, 16 there remains 71 projects with combined budgets of 17 12.2 million. The average for each project is only 18 171,000. Assuming a construction season of only 19 eight months, the staff will have to complete nine 20 projects each month. Does anyone believe that this 21 can be accomplished? If you do, seek a shrink. 22 Keep in mind that a mere three months ago, 23 staff brought -- thought they could deliver 47 new 24 projects, and now with a planned increase in 25 personnel only 20 new projects are planned. Ever</p>

9

1 heard the saying that with more you get less?

2 For an additional chuckle, Trustee Noble

3 wants 2 million for tennis courts.

4 Thank you very much.

5 TRUSTEE DENT: Do we have any more online

6 comments?

7 MR. BELOTE: We do not.

8 TRUSTEE DENT: That will close out item C.

9 Moving on to item D.

10 D. APPROVAL OF AGENDA

11 TRUSTEE DENT: Any questions or concerns

12 with the agenda?

13 You'd like to have a flexible agenda? The

14 only -- the approval of the agenda, the agenda's

15 approved. Moving on to item E.

16 E. GENERAL BUSINESS

17 TRUSTEE DENT: We have the '24/'25 budget

18 workshop.

19 MR. MAGEE: Tonight, this is a

20 continuation of the budget workshop that we started

21 the other night, and I wanted to let you know what

22 is being requested of the Board of Trustees today.

23 The other day, we got through pretty much all of the

24 budget units, except for the Rec Center, and I'd

25 asked Trustee Tulloch, who was chairing the meeting

10

1 from here in the chambers, the other night to give

2 us a moment to do some additional research on that.

3 Tonight, we're going to be presenting the

4 Rec Center. And as I had mentioned previously as

5 you all know, the previous Park and Rec director has

6 left the organization, and so we'll do our best as a

7 team to answer any questions the Board may have

8 tonight. But, obviously, I don't have insight as to

9 what some of her thought processes were as she built

10 that budget and made the ultimate recommendations.

11 And so we have a number of decision points

12 that staff needs tonight from the Board so that we

13 can enter that into what will be the final

14 recommended budget at tomorrow's budget public

15 hearing. And then we're asking the Board to provide

16 any input to any additional changes that it may wish

17 to see by tomorrow.

18 The Recreation Center, just to highlight a

19 couple of items, I did want to mention that there is

20 a revenue risk to the revenue projections that are

21 currently in the Rec Center budget that was included

22 in your packets previously.

23 There is a replaster project at the

24 swimming pool, which is currently scheduled on the

25 capital projects list for 2027. There are a number

11

1 of departments and people looking at the swimming

2 pool and wondering out loud if that replaster

3 project may need to be moved up into a future date.

4 And that determination has not been made as of yet,

5 but I did want to let the Board know that if the

6 pool needed to be shut down in this fiscal year,

7 obviously there would definitely be a hit to the

8 revenue. As of right now, we have no reason to

9 believe that the pool will need to be shut down, but

10 the possibility does exist, and we do have people

11 looking at that right now. Just wanted to highlight

12 that.

13 Out at the Rec Center, talked to the staff

14 today, and the membership is now at pre-COVID

15 levels, so we've seen a full recovery of membership

16 revenue numbers.

17 And then as we were going through the

18 budget with them, we will note that operating

19 expenses are fairly flat, excluding all of the

20 contractually required increases that the Board has

21 heard about over the past few meetings.

22 And with that, I think I'd like to stop my

23 presentation for just a moment and see if the Board

24 has any questions related to the Rec Center budget.

25 CHAIR SCHMITZ: I just have a follow-up

12

1 question as it relates to pool, because in the CIP

2 plan that you provide to us last week, the pool

3 replastering, I believe, is in -- it is in the

4 budget for \$100,000. But then there were things

5 like the sealing improvements and the block

6 replacements that were pushed into the next fiscal.

7 If we're doing all of this work with the

8 pool, why don't we have all of it bundled up into

9 one fiscal year?

10 MR. MAGEE: I'm not sure why the previous

11 director would have removed those, but that would

12 seem to make sense to me that if we end up needing

13 to close the swimming pool down, I think we would

14 want to come back to the Board and specifically ask

15 for the appropriations at that time to do all of

16 those projects at once. That would make sense.

17 CHAIR SCHMITZ: Well, it impacts our CIP

18 budget. It means there's two more projects that get

19 moved into this fiscal year.

20 Then I'm looking for the blue sheet for

21 the Rec Center, and I'm going from memory. I'm

22 remembering that revenues at the Rec Center were

23 projected to be flat, and I think there was a

24 question from all of us of why that is the case.

25 And so -- I think I found the blue sheet. It looks

13

1 like revenue is up by roughly 3 percent, but our
 2 wages are up 18 percent. And our cost of goods
 3 sold, it's not a significant number. But our
 4 services and supplies, it looks like it doubled.
 5 Are these numbers still remaining the same or have
 6 there been some reductions?
 7 I don't know why our staffing would you go
 8 from an actual of 1.7 up to over \$2 million, and
 9 that extra \$320,000 at the Rec Center for wages and
 10 benefits. Is that being looked at and is that being
 11 reduced? Because I know you told us that certain
 12 programs were no longer being offered, which would
 13 tell me that we would have lower wages as well.
 14 MR. MAGEE: Sure. Yes, we did talk to
 15 some of the Rec Center staff today. I do believe
 16 they tightened up those staffing numbers a little
 17 bit based on the number of hours that they believe
 18 will be provided.
 19 The revenue estimate, they believe -- I
 20 did talk to the Rec Center manager today, and she
 21 indicated that that's based on historical actuals,
 22 and that she believe that was a tight number.
 23 CHAIR SCHMITZ: And did I see that the
 24 floor got removed from the budget? I thought that
 25 was something at the Rec Center that was moving

15

1 Now, if that is what you consider to be
 2 flat, I've got some ocean-front property in Arizona
 3 to sell you because that is completely ridiculous.
 4 And, similarly, it states on the
 5 spreadsheet that the number of programs being
 6 offered are going down, programs have been reduced,
 7 yet they're increasing hours for staff. As Trustee
 8 Schmitz says, that makes absolutely no sense. What
 9 upside down world are we in? To quote on one
 10 comment I've had from the public -- and I've got a
 11 variety more -- what planet are these people from
 12 when they think that they just reduce revenues but
 13 they keep jacking up salaries by 20 percent plus?
 14 What planet is that sustainable on?
 15 TRUSTEE DENT: Any other questions or
 16 comments regarding the Rec Center?
 17 TRUSTEE NOBLE: Well, Trustee Tulloch,
 18 you've given some criticisms, why don't you come up
 19 with some solutions then? Where are you going to
 20 cut?
 21 TRUSTEE TULLOCH: Very simple, Trustee
 22 Noble. First I would not be increasing hours when
 23 we've got reduced programs. Secondly, I would be
 24 looking very hard at the costs of good and services
 25 sold. I'd be looking at services and supplies.

14

1 forward, and what the Board had wanted was to have
 2 some more strategic look at the exercise venues and
 3 capacity and configuration. But it seems as though
 4 the flooring, I'm not seeing it any longer on the
 5 CIP budget.
 6 So was that removed?
 7 MR. MAGEE: I do believe that project was
 8 removed, and I believe that the reason for that is
 9 the Parks and Recreation department is planning on
 10 coming back a second time and asking the Board for
 11 its priority list for the Rec Center, as staff has
 12 been working on what they believe the Board should
 13 accept as the priorities as they see it.
 14 CHAIR SCHMITZ: I think that at the Rec
 15 Center, we should be looking at a longer-term plan
 16 with some potential reconfiguration of space,
 17 because I do know that we do have some conflicting
 18 use.
 19 TRUSTEE TULLOCH: Thank you, Chair
 20 Schmitz, for making a lot of the points I had here.
 21 I'm looking at the spreadsheet here, I'm looking at
 22 the numbers. Wages and benefits up from 1.74
 23 million to 2.2 million, that's a 36 percent
 24 increase. Costs of good -- services and supplies up
 25 57 percent.

16

1 I've done it numerous times in my professional
 2 career. If you want me to go through the budget, I
 3 can quite happily go through the budget. I went
 4 through it today and come up with 4 million in
 5 savings already.
 6 But I don't want to be micromanaging.
 7 This is absolutely ridiculous. The only solution
 8 you've come up with so far is that let's jack the
 9 rec fee up to 1,500. You don't even mind if it goes
 10 to 2,000 bucks.
 11 TRUSTEE NOBLE: Actually, Trustee Tulloch,
 12 you're absolutely lying on that last point with
 13 regards to the rec fee going up to 2,000.
 14 Again, you're making up stuff, and you do
 15 this time and again and --
 16 CHAIR SCHMITZ: Point of order.
 17 TRUSTEE DENT: Yep.
 18 TRUSTEE NOBLE: I'm just pointing out
 19 exactly --
 20 CHAIR SCHMITZ: Point of order.
 21 TRUSTEE NOBLE: He lied on the record.
 22 CHAIR SCHMITZ: Point of order. I
 23 understand.
 24 We're here to address the budget, and
 25 let's focus on the budget. And, Trustee Tulloch,

17

1 you have suggestions, which I believe you just
 2 presented -- and I will back Trustee Noble up, he
 3 has never said anything about a \$2,000 rec fee.
 4 But we're not here to squabble amongst
 5 ourselves; we're here to solve a problem for the
 6 District. That's what we're elected to do.
 7 If we could please stay on topic, I would
 8 appreciate it.
 9 TRUSTEE TULLOCH: If Rec Center staff are
 10 confident that operating expenses are fairly flat,
 11 let's make them fairly flat, and let's revise them
 12 to that.
 13 I keep hearing about these contractually
 14 required increases. It's used to cover 20 percent
 15 increases basically across the board in salaries and
 16 benefits. Can somebody point out to me where we're
 17 contractually obliged to give 20 percent increases?
 18 As I understand it, I think the inflation
 19 rate is running at something like 3.2 percent.
 20 Perhaps somebody can clarify how suddenly that
 21 contractually required are up to 20 percent. I've
 22 heard some of it is from merit increases and step
 23 changes as people move up the scale. None of that
 24 amounts to 20 percent.
 25 TRUSTEE DENT: Anyone else?

18

1 I do -- I guess when it comes to -- I feel
 2 like we've -- when you look at each of the venues,
 3 we've stuffed a bunch of what used be, say, capital
 4 projects into the supplies and services, and we say
 5 supplies and services are going up 40 percent, 60
 6 percent, 100 percent, depends on what venue you look
 7 at.
 8 Perhaps instead of putting that in
 9 supplies and services, that would be broken out a
 10 little bit separately because we've heard
 11 numbers that it's 4.5 million across the District,
 12 we've heard numbers that it's 2 million across the
 13 District, and then 2.5 million at the utility.
 14 I feel like it would be a little bit more
 15 transparent to separate that out for us so we really
 16 know what we're looking at. I believe we've gotten
 17 in this situation because we're planning to
 18 overbudget once again for things that we can't
 19 produce and can't complete in the short construction
 20 season that we have.
 21 It would be awesome -- last year I
 22 preached this, it would be awesome if we actually
 23 had a budget that was something that staff could
 24 achieve or maybe they were opening projects early,
 25 stuff that would be budgeted for '26 and '27, we're

19

1 having to cut into fund balance and start doing
 2 those projects because we have nothing to do. But
 3 every year, it seems like we have more and more
 4 projects that we budget for and less and less that
 5 get done. This year, we do have a huge number there
 6 when it comes to the utility fund that's carryover,
 7 and there's reasons for that.
 8 But I feel like we can do a better job
 9 achieving what we say we're going to do rather than
 10 overbudgeting because every time we say we're going
 11 to do a budget and we don't complete it, we're
 12 collecting a rec fee that we don't need.
 13 I believe it would be a little bit more
 14 appropriate to just come right out say here are the
 15 numbers. I feel like there's a little bit of
 16 distrust, maybe, that has developed through this
 17 process. And I don't know -- I definitely don't
 18 think it's a line item budget that we've gotten,
 19 every entry that was in the program.
 20 But I believe by approaching this from a
 21 manner of: What are the projects that we actually
 22 think we can get done? And then if there's others
 23 that we need to get done, we have fund balance. We
 24 can open up fund balance and do those projects.
 25 That's just my two cents.

20

1 TRUSTEE TONKING: I have a few thoughts on
 2 what you just said.
 3 One thing that I think we all need to be
 4 reflective of is there's only been -- and I tallied
 5 it, I think, two weeks ago now -- 30 percent of the
 6 projects that are brought to the Board to be passed
 7 right away. We are also a part of slowing down this
 8 process a little bit in getting things done. So I
 9 would just like us to flag that we also need to
 10 consider our role in it. It's not just the short
 11 season, we also bog down some projects as well.
 12 And then the other thing is I get
 13 concerned with us using a ton of fund balance. We
 14 saw what happened in the general fund, and I don't
 15 want us to set in to be using all of our fund
 16 balance because we can't budget well.
 17 That's just my thought on doing projects
 18 and dipping into fund balance. Things come up and
 19 we have a lot of issues of deferred maintenance and
 20 we have a lot of safety concerns that are coming up
 21 between the boat launch, Ski Way, the tennis center,
 22 and I think we're going to all of a sudden run out
 23 of fund balance quickly.
 24 TRUSTEE DENT: I would agree with you when
 25 it comes to the safety projects. We have a

21

1 half-a-million-dollar doorknob project, and, I mean,
 2 it just goes to I show there's a lot of deferred
 3 maintenance and a wish list. I think we just need
 4 to focus on what are those top priorities that we
 5 need to be achieving? This isn't about stopping
 6 staff from getting projects done; it's just what is
 7 actually something we can actually do?
 8 If we had contracts that were properly
 9 reviewed, then projects would be getting done much
 10 quick and rewarded much sooner. It's just a whole
 11 nother topic.
 12 I think the important stuff is focusing on
 13 the budget and making sure we're not asking for more
 14 money like we have done every year since we've been
 15 on the Board than we actually need so we create a
 16 giant fund balance like we have been doing. And the
 17 reason why we've been dropping the rec fee the last
 18 three years is not collect funds we can't spend.
 19 CHAIR SCHMITZ: I agree with what you're
 20 saying. And I also agree with what Trustee Tonking
 21 was saying.
 22 But we just have an ability get so much
 23 done. And what I heard you say -- and I'm
 24 clarifying this for Mr. Magee's purpose -- is that
 25 staff has provided us every single line item of

22

1 everything, I believe, and under services and
 2 supplies, I think what we're asking for is to see
 3 what is the line specifically that is, I think, R
 4 and M, routine maintenance, I believe it's routine
 5 maintenance for operating. And I think that's the
 6 line item that we would like to see and compare,
 7 because if it has a huge spike, from going what was
 8 budgeted last year and actual, that's an indication
 9 that it may be more than what we can take in one
 10 fiscal year.
 11 And if you look at this, what is projected
 12 to be our '23/'24 actual for services and supplies,
 13 it's \$500,000, and we have a budget of 680. To go
 14 from 500 up to 786, that's a large jump.
 15 But I think we need clarity here because
 16 this '23/'24 estimated actual, can someone clarify
 17 that this has been projected through fiscal year
 18 end, or is this only ten months? What is this?
 19 Because if it says estimated actual, I interpret to
 20 mean it's projected.
 21 So are these numbers in that '23/'24
 22 estimated actual, are those projected through
 23 fiscal year end or are they -- what is that?
 24 TRUSTEE DENT: Good question.
 25 MR. MAGEE: Yes, the estimated actual is a

23

1 combination of the actuals to date plus a projection
 2 to the year end. So those are projected
 3 through year end.
 4 CHAIR SCHMITZ: All right. So my point,
 5 then, is able to stick. And that is we're going to
 6 be shy of what we budgeted at 680, and to jump it
 7 another \$100,000 higher; it just seems like the
 8 potentially overbudgeting for things that we can
 9 actually get accomplished.
 10 And I agree that when see that programs
 11 and what not are reduced, it's hard to justify
 12 increasing wages.
 13 But the question I have about this slide
 14 is a question that I brought up last week related to
 15 the line item detail budget for golf. And there
 16 were so many items that said they were contractually
 17 required, and it didn't make sense to me.
 18 Could someone please clarify what line
 19 items are contractually required within the Rec
 20 Center?
 21 MR. MAGEE: I can answer a couple of the
 22 questions that I've heard during the discussion.
 23 The contractual increases for the
 24 employees, we've budgeted the contractual increase
 25 for the COLA at 3.5 percent, health insurance has

24

1 gone up roughly 13 percent, the merit increases,
 2 which are tied to the contracts also, at roughly
 3 3 percent. And then as we've discussed at length
 4 over the last few days, the worker's comp has gone
 5 up roughly 5 percent to the Rec Center budget.
 6 CHAIR SCHMITZ: Was it just a mistake last
 7 week when it was contractually required and it was
 8 parcel owner allowances and employee allowances and
 9 professional discounts, those were all labeled
 10 "contractually required," so was that just a
 11 mistake?
 12 MR. MAGEE: I'm not sure on that one. I
 13 wasn't involved in that particular aspect of this
 14 exercise, but I can certainly go back and find out
 15 and have that answer for the Board by tomorrow.
 16 CHAIR SCHMITZ: I think it's important
 17 that we all clearly know what line items are
 18 contractually required increases, because I recall
 19 bringing them to light last week about -- in the
 20 golf budget.
 21 TRUSTEE TULLOCH: Another area to address
 22 in terms of the capital expenses deferred
 23 maintenance, whichever -- whatever we want to call
 24 it, calls for a grand total of 4.5 million.
 25 If I look at the breakdown of that on the

25

1 tab of the spreadsheet saying "projection account
 2 details," and I look under, let's stay for a start,
 3 Parks, we have \$1,300 for top dressing supplies, we
 4 have \$100 for utility interconnect labor parts West
 5 Park, we have 1,570 for equipment consumables.
 6 Again, I asked this at the May the 20th meeting,
 7 these are all just normal expenditures, these are
 8 not something that would have ever been capitalized.
 9 Barbecue repairs at 500, and then we have a lump sum
 10 of 1,013,500 for CIP maintenance, with a request for
 11 215,642.50 for parks services as deferred
 12 maintenance.

13 Then I go to this year's budget, they
 14 budgeted 479,000 for services and supplies. To
 15 date, they spent -- and the projected to year end is
 16 249,000. Next year's request is for 553,000. I
 17 look at wages and benefits, it was estimated and
 18 budgeted at 580,000. It's projected now for
 19 694,000.

20 So it looks like the money that's -- they
 21 just used the aggregate budget, the money that was
 22 used, that was there, supposedly, for services and
 23 supplies to do things which included things like top
 24 dressing, repairing fences, just the standard
 25 operational practice not things that were ever

26

1 capitalized, has instead been put towards salaries,
 2 the over-20-percent increase -- overspend in
 3 salaries, and it's never been flagged.

4 In the treasurer's report, I've been
 5 flagging for the last two to three months, that
 6 we're looking at 1.2, 1.3 million overspend in
 7 salaries across the District.

8 So now we're just throwing it into
 9 services and supplies and deferred maintenance with
 10 no guarantee this work is going to be done, and not
 11 even any detail of what work is actually going to be
 12 done. We have a budget request for things, but no
 13 detail, no commitment to the work being done.

14 And I can't sign off on something like.
 15 We just got 4.5 million added for so-called deferred
 16 maintenance. And I start going through these line
 17 items -- and it's just to show it's not just Parks,
 18 let me pull up another one.

19 If I look at utilities, \$75,000 for
 20 equipment and maintenance upgrades. 200,000 for
 21 parts and supplies for valve cleaning. 170,000 for
 22 inventory balance writeoff. And inventory balance
 23 writeoff would not be cash out, I believe, but it's
 24 added to the cash requirement here. It should just
 25 be a writedown on the balance sheet. And since

27

1 we're not charging depreciation showing these
 2 things, I'm not sure why it's added in. There's
 3 another 20,000 for inventory balance writeoff.

4 Has anybody gone through these?
 5 MR. MAGEE: Yes, sir. Staff has gone
 6 through these. And this is the staff
 7 recommendation, and if the Board wishes to provide
 8 us some direction on that, we certainly will accept
 9 that direction and come back tomorrow with some
 10 changes on that.

11 And I did hear some discussion about the
 12 4.5 million in the deferred maintenance items that
 13 are in the budget for this year, and we do have all
 14 of that breakdown handy. One of the things that I
 15 will say is that -- this is specific to the
 16 recreation budget here -- of that 4.5 million, the
 17 recreation budget only includes 72,000 of that total
 18 4.5 million. Of that 4.5 million, 3 million of that
 19 is specifically related to the utility fund.

20 And staff is prepared to talk about any
 21 one of those projects if that's what the Board would
 22 like to do.

23 TRUSTEE TULLOCH: Perhaps staff can come
 24 up with an explanation on why they're requesting
 25 190,000 added to their services and supplies for

28

1 inventory writedown.

2 TRUSTEE TONKING: Are you saying that, for
 3 example in your Parks example, are you looking at
 4 the 113,500 for CIP maintenance and you want that
 5 broken down deeper? And I'm asking because I feel
 6 like that seems to be the one vague line, I feel
 7 like the rest of the detail they gave us was very
 8 deep and, like, notes and in detail.

9 I was just wondering if that's what you're
 10 referring to.

11 TRUSTEE TULLOCH: Yes, it would be helpful
 12 to have that.

13 But there's a total request for Parks of
 14 217, I think, 215. And that projection, current
 15 details, you questioned a week ago, whether I was
 16 misinterpreting that. I didn't. I added it up.
 17 There's all these requests for \$50, \$300, all these
 18 small dollar amounts which things would be normally
 19 included in that supplies and services budget. I'm
 20 questioning why they're then put through as deferred
 21 maintenance or former capital expenses. Yes, I'd
 22 like also like to see a breakdown of the 113,000.

23 Similarly in the utility fund, you've got
 24 655,000 for capital projects. Residential meters
 25 and electronics equipment, replacement capital

29

1 expense project. Last I recall, meters still
2 qualify as a capital expense. I could be wrong, but
3 it normally is. When I ran a metering business,
4 meters were always capitalized.
5 But, again, it's -- this just seems to
6 become a wish list rather than zero-based budgeting.
7 It looks like we've just taken the previous budget
8 and added all sorts of additional expenditures. And
9 that is the feedback I'm getting from the community
10 as well. Very strong feedback.
11 CHAIR SCHMITZ: I would just like to say
12 we need to stay focused here. Right now, we're
13 talking about the Recreation Center. I appreciate
14 all of the details for the other venues.
15 We have to figure out how we get from
16 today to tomorrow and that we will have a budget
17 that we can approve. And I'm hearing, again, the
18 same issues about salaries and supplies and
19 services.
20 I'm looking to Mr. Magee to say where are
21 we today with feedback on the Recreation Center,
22 what action is staff going to take, and what can we
23 be expecting to see given the repeated feedback
24 relative to these couple of issues?
25 MR. MAGEE: After the last two meetings,

31

1 makes it difficult to know where we're at, and it
2 makes it difficult to think about us coming tomorrow
3 evening to approve a budget because we've
4 given considerable feedback and we don't know how
5 these numbers have changed.
6 TRUSTEE DENT: Anyone else?
7 CHAIR SCHMITZ: I'm going to ask the
8 question again: What is staff intending to do with
9 the feedback that the Board has given as it pertains
10 to the Recreation Center?
11 MR. MAGEE: What we are doing with this --
12 and I know people are still downstairs working on
13 this as we speak -- the intention is and we're
14 hoping to have it during this meeting as part of a
15 later slide, I'm sure hoping we'll have it ready to
16 go by the time we get to this later slide, but our
17 intention is is to show the Board at the fund level
18 for the community services fund what the total
19 revenues are, what the total expenditures are, and
20 then what the delta is between those two numbers and
21 the Board for its direction on how to close that
22 gap.
23 TRUSTEE DENT: Is it a huge ask to
24 separate out the supplies and services from what we
25 were told used to be formerly CIP projects and now

30

1 every one of our department heads went back and, as
2 the Board directed, did everything they could that
3 they felt would tighten up their budgets and still
4 allow them to be responsible in making sure that the
5 services are provided back out to the constituency.
6 And so that is where we're at as of today.
7 This is the staff recommendation and as of today.
8 And I hear a lot of discussion, but I have not heard
9 any specific direction on anything that the Board
10 would like to see changed between today and tomorrow
11 for the Rec Center budget.
12 CHAIR SCHMITZ: I would say that we've
13 given some very specific direction as it relates to
14 to the revenue projection tied to wages and salaries
15 and the services and supplies budget.
16 I think that there's been very clear
17 direction that if the sales and fees budget that
18 you're putting forward is accurate, there's changes
19 that sounds like have been made, and perhaps changes
20 have been made by staff that we have not seen.
21 We're still sitting looking at numbers that were
22 given to us a week ago, so we don't know all of the
23 good work staff has done to address or concerns.
24 So, understand from our perspective, we're
25 sort of sitting here with the same numbers. And it

32

1 is being brought into operating budget? Rightfully
2 so, I don't think anyone's opposed to you guys
3 showing it that way. I appreciate your guys' effort
4 on that, it's just more of a -- I feel like it would
5 give a little bit more apples-to-apples comparison
6 versus where we were last year with some of these
7 service levels. Or, excuse me, supplies and
8 services.
9 MR. MAGEE: Sure. And I know we've
10 provided a lot of documents to the Board, and we
11 believe that we're being responsive to what the
12 Board has asked. I want to make sure we're clear on
13 what you're asking.
14 Can you help me narrowly define that
15 request?
16 TRUSTEE DENT: Yeah. The third item down,
17 supplies and services, pretty much in every budget,
18 and I would like to see anything was it was formerly
19 a capital project that is now being included in
20 supplies and services moved into its own line item
21 that says, whatever you to want to call it,
22 something project, maintenance projects.
23 MR. MAGEE: Yeah. I know we have provided
24 that to the Board at one of the previous meetings as
25 supplemental material. It was identified as from

33

1 capital to capital --

2 TRUSTEE DENT: I'm just trying to get us

3 past the year-to-year comparison, and we're talking

4 about 60 percent increases in our services and

5 supplies, because it doesn't sound like services and

6 supplies are really increasing by 60 percent.

7 Sounds like, maybe, it's a much smaller number, but

8 it's being inflated because there's \$4.5 million

9 accounted for in the supplies and services line item

10 when it should be in its own maintenance item.

11 MR. MAGEE: If the Board would like us to

12 move items into other line items, we can certainly

13 do that.

14 TRUSTEE DENT: Well, then -- I mean, this

15 is the first time we're including -- did I hear this

16 wrong? -- these capital projects and deferred

17 maintenance in the supplies and services; is that

18 correct?

19 MR. MAGEE: A number of them, yes, and

20 that's what we provided on that sheet previously.

21 And those were identified as --

22 TRUSTEE DENT: Here's the thing: There

23 has been a lot of sheets.

24 I'm just looking for -- you were talking

25 about what you guys are going to be bringing forward

35

1 added, a large portion of the 4.25 million seems to

2 be just normal operating costs that should have

3 already been included in the budget.

4 TRUSTEE TONKING: Mr. Cripps, can you

5 explain to us how that sheet works and what all the

6 different components of that sheet are? I think

7 that might add for some clarity purposes.

8 MR. CRIPPS: Yes. What that is derived

9 from is a series of items. So, yes, the typical

10 repair and maintenance throughout the District is

11 included within those same budgetary lines, as well

12 as the items that have been now identified as

13 capital expense projects. The entire list is not

14 inclusive of just deferred maintenance only. It is

15 a combination of items. Some of them being items --

16 the expenses that were previously some of them

17 deferred, but it's not an all-inclusive list of

18 that.

19 It does include just your general

20 maintenance and repair and maintenance throughout

21 the District that would be year over year that the

22 District would be budgeting for.

23 TRUSTEE DENT: And in the past, the

24 District has parked those items in services and

25 supplies; correct?

34

1 tomorrow, is that going to be -- we already have it,

2 I'm just asking: This that something that you're

3 going to be providing tomorrow?

4 TRUSTEE TONKING: I think I have a

5 solution to what you're asking for.

6 Mr. Cripps, on the sheet that Trustee

7 Tulloch and I were referring to, there is a portion

8 of those that were moved from CIP into maintenance,

9 they were changed, can you take that sheet and can

10 you highlight those ones so that those can be under

11 each department and people can understand how much

12 those are?

13 MR. CRIPPS: Yes, we can.

14 TRUSTEE TULLOCH: That would certainly be

15 helpful, because as I go through this capital

16 expenses breakdown, I see all these things that, to

17 me, seem to be just the normal, run-of-the-mill

18 repair and maintenance.

19 I see here like Golf Mountain admin and

20 overhead, 3,780 and R and M general. I mean, how is

21 that deferred maintenance? That is just another

22 standard operating cost.

23 I'd like to understand what's the existing

24 budget for staff and for services and supplies being

25 used for? Because all these things just seem to be

36

1 MR. CRIPPS: That's correct.

2 TRUSTEE DENT: Okay. Do you guys have

3 direction on that?

4 TRUSTEE TULLOCH: Perhaps you can clarify,

5 then, why -- if this includes all the R and M

6 maintenance and things, why this amount comes to

7 4.5 million, yet the total across the District for

8 services and supplies -- let me just pull up my

9 summary sheet.

10 The summary sheet shows 4.8, 5.9 across

11 the District for services and supplies. It's not

12 just the 4.5, so is the 4.5 inclusive of all these

13 costs or just added to it?

14 MR. CRIPPS: So the cumulative total for

15 district-wide services and supplies, that is rolled

16 up with a couple more objects that are included in

17 those lines. It's not just what we call the "7510

18 line," and that is going to be the repair and

19 maintenance items. That is where you're going to

20 see the difference between that 4.5 that's

21 identified, combined with the entire District where

22 it shows services and supplies, those numbers are

23 not going to match because they don't include the

24 same information.

25 TRUSTEE TULLOCH: So we can't make a

37

1 comparison, I think that's what my colleagues are
2 asking for, break this out so we can get a proper
3 comparison and understand where the rest of that
4 services and supplies is then added to the
5 4.5 million.

6 CHAIR SCHMITZ: I'm looking at the chart
7 of accounts, and there's R and M general, R and M
8 preventive, and R and M corrective.

9 Am I safe so assume that those three --
10 I'm going to use the word "object codes" -- would
11 be -- they're under services and supplies, and they
12 would be line items that would show all maintenance,
13 deferred maintenance, everything, in those three,
14 7510, 7515, and 7520, is that correct?

15 Because if that's the case, I think what
16 Trustee Dent is asking for is underneath services
17 and supplies to give us the information going back
18 on your blue sheets of the 7510, 7515, and 7520, if
19 that is where all of it now being placed.

20 TRUSTEE DENT: That's how I understand it.

21 MR. CRIPPS: Yeah. So the items that you
22 just labeled off, those are also additional lines
23 that would be services and supplies.

24 However, what -- as far as request to
25 extract the capital expense items, we do have that

39

1 district-wide services and supplies was 5.9 million.
2 I spoke incorrectly.

3 I'm looking at the summary sheet, it's
4 actually 15.825 million. I'm trying to reconcile
5 the 4.5 million that's supposed to include most of
6 that with the 15.82 million across the District.
7 It's only a 11 million delta.

8 TRUSTEE DENT: Which sheet are you looking
9 at? One of the blue sheets?

10 TRUSTEE TULLOCH: Yeah, the blue sheet for
11 the general fund, the all fund summary that was
12 given out prior to the meeting on Thursday.

13 TRUSTEE DENT: Without proposed changes?

14 TRUSTEE TULLOCH: Yes.

15 TRUSTEE TONKING: Can you give us -- or
16 just send out to the Board a list of all of the
17 object codes that fall under the supplies and
18 services? Because I think there's a lot of them. I
19 just can't break it out on the chart of accounts
20 sheet we have.

21 MR. CRIPPS: Yes, that's something that
22 can be provided.

23 TRUSTEE DENT: Has the Board given clear
24 direction with the request?

25 MR. CRIPPS: I do believe so.

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1 list, and then with what I explained to Trustee
2 Tonking is the ability to highlight what we already
3 have, that is something we can absolutely do. And
4 then that will demonstrate the items that are going
5 within those budgets.

6 CHAIR SCHMITZ: But if what I'm hearing is
7 there's been a real increase for our budget to
8 schedule and take care of more maintenance, those
9 three line items, going back to the 2022 budget,
10 would show an increase. And I think that's what
11 Trustee Dent is trying to see is to say is this
12 actually increasing by that much or is it somewhere
13 else in services and supplies?

14 Because I don't think any of us want to go
15 through every single line item that goes through
16 services and supplies. We're trying to grapple with
17 what we're being told is the budget went up so much
18 because we're doing all of this deferred
19 maintenance.

20 And we're just trying to make sure that
21 we're all understanding that, and we see that's
22 truly where the significant increase in the budget
23 is coming from.

24 TRUSTEE TULLOCH: I owe the Board an
25 apology. I misspoke when I said that the

40

1 Again, we have the services and supplies
2 line, obviously it's a roll up that we're seeing
3 here at this level. And then from that, we're going
4 to have a object code which items do roll into that,
5 which, again, there is a number of them. It's going
6 to lead to your difference between the one that's
7 leading to the 4.5 compared to the delta that we're
8 speaking of here tonight. Then from that, we have
9 the ability to highlight the items, the capital
10 expense projects that we'll be tackling this
11 fiscal year through this budget, that way, we can
12 identify the costs associated with those, and show
13 you that breakout from there.

14 TRUSTEE DENT: Thank you for that.

15 Chair Schmitz, are you okay with that
16 summary? All right.

17 TRUSTEE TULLOCH: If proposed, as
18 proposed, we just simply add all these expense
19 replacement projects to the operating budget, the
20 operating budget doesn't carry over to the future
21 year if these projects are not done, how are we
22 going to ensure that we don't just let -- this money
23 just doesn't get dissipated to increased the hours
24 and wages and salaries which have already gone up 20
25 percent, how do we ensure that these proposed

41

1 projects actually get done?

2 MR. CRIPPS: That's an answer I'd leave to

3 General Manager Magee to answer.

4 MR. MAGEE: There are controls in place to

5 ensure that that is exactly not happening. That is

6 part of the system that Mr. Cripps has been putting

7 into place where we will be providing budget

8 performance reports back to the Board.

9 We've suggested we do it quarterly, and

10 we've heard from the Board that you would like to

11 see it monthly, and so we've communicated that back

12 to staff there would be monthly budget performance

13 and analytics that the Board would have the

14 opportunity to see that every single month

15 throughout the year it has assurances that money is

16 not being shifting from services and supplies into

17 staffing.

18 TRUSTEE TULLOCH: So we'll see a detailed

19 list of these, and we'll see progress of spend and

20 progress against these projects?

21 MR. MAGEE: That absolutely is the intent.

22 We have -- and, Mr. Cripps, please correct

23 me if I'm wrong. We have the program essentially in

24 place and ready to go. We've starting training

25 staff on what that will look like, what the

42

1 expectation is from each of the departments and the

2 department heads moving forward, and how we plan on

3 reporting that. Theoretically, it would start for

4 the month of July in August, we would start bringing

5 those reports in August.

6 TRUSTEE DENT: Is there a concern for you,

7 General Manager, that next year when we asked staff

8 what the deferred maintenance projects are that

9 budget could stay the exact same as far as how much

10 money is needed?

11 And the only reason I bring this up -- and

12 then just to piggyback on Trustee Tulloch's question

13 -- is for many years the rec fee was balanced out at

14 this 830. And for several years, the 830 wasn't

15 needed, and the rec fee stayed at 830. And bonds

16 fell off that we were collecting for, told that it

17 would go away, and it never did.

18 And so there's been a concern, I would

19 say, over many years. And the last three years by

20 this board and previous boards, we started to

21 address the fact that we're collecting a fee. We

22 can't spend it. We don't have enough resources to

23 spend all the money that we're getting. And and so

24 how do you stop the wish list from growing more

25 next year? Question one.

43

1 And two is how do we breakdown this wish

2 list, just not at the rec center but at all venues

3 so it's, maybe, tackled over four years so you don't

4 see a giant spike in the rec fee for one year?

5 And to my colleague's point, it stays a

6 little bit more consistent and it's something that

7 we -- maybe next year, we can bite off a little bit

8 more than we did this year and achieve some more.

9 And I'm all about tackling all of these deferred

10 maintenance projects, they just didn't exist

11 last year, so it's catching us off guard.

12 MR. MAGEE: Sure. And, again, as it

13 relates to the \$4.5 million in the capital

14 expenditures breakdown that we provided to the Board

15 as item F 2 on May 20th, of that 4.5 million,

16 3 million of that is specific to the utility fund,

17 and then there's a lot of small projects in there as

18 well.

19 I see one at Champ, one at Mountain, one

20 at facilities, one at recreation, one at tennis.

21 There's 407,000 that goes into ski, for example. So

22 that breaks it down quite a bit when you start

23 breaking it down that different departments have a

24 lot of different items that they will be managing.

25 Obviously, the bulk of this to goes to Public Works.

44

1 I think, to answer your question, the

2 greatest fear that I would have is if the Board does

3 not appropriate this and staff does start finishing

4 off some of the projects as they have now, that we

5 would have staff sitting around with nothing to do

6 until we could get the Board to approve future

7 projects. That would be my greatest fear.

8 TRUSTEE DENT: And with the fact that we

9 were managing this monthly, we would know that quite

10 a bit in advance that staff is going to run out of

11 things to do if we're forecasting to the end of

12 the year.

13 MR. MAGEE: I think we can certainly

14 provide these reports back to the Board as often as

15 the Board would like.

16 TRUSTEE DENT: How hard would it be to

17 break down the deferred maintenance into a

18 three-year plan and bring that back to us tomorrow,

19 or a five-year plan? I don't know what it can take.

20 I just hate the idea of saying we're going to go do

21 something, we do it every year, we never achieve all

22 the projects. We have tons of projects -- we heard

23 it tonight in our public comment -- 50-something

24 projects that are rolling over.

25 I want us to get more accurate at, hey,

45

1 we're going to go do this and we go and do it.
 2 That's all.
 3 MR. MAGEE: Certainly. I know that
 4 Ms. Nelson, interim Director of Public Works, is in
 5 the bullpen. I'd have to defer to her if she thinks
 6 we could have this realistically by noon tomorrow,
 7 to break this down into a three- to four-year plan
 8 as opposed to proposing this in one year.
 9 Hopefully she heard me and she's running
 10 up here right now.
 11 CHAIR SCHMITZ: I just want to clarify.
 12 We should be receiving monthly financial reports,
 13 should we not? And the monthly financial reports
 14 should have the same breakdowns of services and
 15 supplies and wages and benefits. And I think some
 16 of us asking about reporting is because for the
 17 past year, we haven't gotten monthly financial
 18 reports.
 19 So my feeling is is that by producing
 20 timely, monthly financial reports as potentially
 21 part of the treasurer's report, we should be able to
 22 see and track these line items. And if things are
 23 going over budget on a line item basis like services
 24 and supplies, we, as a board, would be able to see
 25 where is it potentially being spent. I feel like

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1 having timely financial reports addresses the
 2 concern about the money instead being used for other
 3 purpose. That's my speculation.
 4 But until we start getting timely monthly
 5 reports, we all are concerned about what we're
 6 budgeting and what is actually happening.
 7 MR. MAGEE: Yes, that is absolutely the
 8 intent.
 9 As the Board knows, we've been working
 10 diligently on getting the Tyler Enterprise, formally
 11 known as Munis system in position to do exactly
 12 that. And I believe we're at about that point that
 13 we can provide those monthly reports moving forward.
 14 Again, the Board has heard me say this a number of
 15 times, the treasurer's report belongs to the
 16 treasurer, which is Treasurer Tulloch, and if he so
 17 directs, we will certainly include that in the
 18 treasurer's reports moving forward.
 19 With that, I also see that Ms. Nelson has
 20 come into the room. If the Board would like, we can
 21 certainly ask her to answer the question related to
 22 breaking this \$3 million in utility fund and maybe
 23 some of the other projects that Public Works may be
 24 managing into a three- or four-year process by
 25 tomorrow.

47

1 MS. NELSON: It's a big ask, but we will
 2 definitely do our best to provide you what we can by
 3 tomorrow.
 4 As far as the deferred maintenance goes,
 5 just be mindful that maintenance never ends.
 6 There's the big maintenance projects every once in a
 7 while, but you always have that maintenance. And
 8 what I've seen in the District is the buildings
 9 department has a never-ending list of to dos, and
 10 there's only so much they can get done in a year.
 11 I'll leave it at that.
 12 TRUSTEE DENT: Understood. And I don't
 13 think anyone's trying stop us from achieving --
 14 having the best facilities, and that means
 15 maintaining our facilities. It's just catching us
 16 all off guard because this budget -- we didn't have
 17 a deferred -- no deferred maintenance that was
 18 presented to the Board last year, the year before
 19 that, the year before that. These are just a huge
 20 increase on top of a huge staffing increase as it
 21 relates to employee costs.
 22 And so this is blowing -- this is doubling
 23 any increases we saw during the COVID inflationary
 24 increases, so I think it's a little shocking to
 25 everyone that's up here.

48

1 And, I guess, I'm not asking for a lot.
 2 Just like go through that list and here's our
 3 number one priority, if it doesn't get done, the
 4 water's not going to run. And the number two to
 5 that. At least with utilities, the last thing I
 6 want to do, or any of us want to do, is mess with
 7 utilities when it comes to that stuff.
 8 There are things in there that don't have
 9 to happen now or we do have a fund balance open and
 10 we can open it up if we need to. I'm just trying to
 11 avoid a massive spike for one year in our budget and
 12 the next year it falls off a cliff. It shows we
 13 should be spacing this out a little bit, kind of
 14 like collecting a rec fee for a legacy project.
 15 Tennis courts or beach house, you name it, these
 16 projects that cumulatively add up to tens
 17 of millions of dollars, and all of a sudden we're
 18 going to try and pay for it today, but we're going
 19 to use it for 50 years. Same concept with the
 20 operating budget.
 21 Is that something you think that you can
 22 get back to us?
 23 MS. NELSON: Yeah.
 24 TRUSTEE DENT: We're just trying to figure
 25 out: How do we lessen that blow? Can we get it

49

1 down to \$1 million next year, and we know it's going
2 to be \$2 million the following year?
3 At least were putting a plan together to
4 tackle it, is all I'm trying to do without blowing
5 up the rec fee, utilities obviously not included in
6 that, but the rates would see a massive increase.
7 MS. NELSON: And I think the way I will
8 tackle that is, even with utilities, health safety
9 comes first, and then the following projects.
10 That's how I will set it up for tomorrow.
11 TRUSTEE DENT: We appreciate that. Thank
12 you.
13 TRUSTEE TULLOCH: It's actually a question
14 for Ms. Nelson before she goes away. Just looking
15 through some of these line items here, I'll just
16 pick one out, random. \$100,000 for station
17 maintenance, cleaning fitters, miscellaneous
18 supplies, sewer pump station repairs and
19 maintenance.
20 Is that a special item? Is that just a
21 routine R and M item?
22 MS. NELSON: That's routine R and M.
23 TRUSTEE TULLOCH: Okay. Because that's
24 included in the 3 million General Manager Magee was
25 referring to.

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1 all these in one year. I think General Manager
2 Magee has not been around here long enough to know
3 that we've never got anywhere near completing our
4 work. I have no qualms that we're going to run out
5 of work and have staff sitting about. Echoing
6 Trustee Dent's comment, we heard in public comments
7 that we carry over projects that have gone up from
8 42, I believe, or 47 to 52 already. Just in the
9 scope of the last month.
10 I think if we could even make end roads
11 into that, we would be doing well. I have no qualms
12 if we split this into a, say, three-year projection.
13 We'll have a much greater chance of success, rather
14 than appropriating money for it and then finding
15 it's not required.
16 TRUSTEE DENT: Any other questions or
17 comments?
18 MR. MAGEE: Moving on from the Rec Center
19 budget, we did want to talk a little bit about
20 budget adjustments that we've made since the last
21 meeting last Thursday.
22 The budget team went back to work and
23 added into the blue sheets that you will see
24 finalized soon, tomorrow morning, hopefully, after
25 we get direction of the Board on a number of items

50

1 Then I see another item here, 655,000 for
2 capital expense projects. So is the 655, or some of
3 these other ones, most of these appear to be just
4 normal R and M, so I'm wondering why they're called
5 that again as specific additional items.
6 MS. NELSON: Some of them are routine
7 maintenance. Some of them are what are considered
8 capital expense projects.
9 What we did was we took that spreadsheet
10 of capital expense projects that you guys saw
11 last year in the budget, and we were directed to put
12 that into operating.
13 What I'm hearing from the Board is we need
14 to break that out and show you those capital expense
15 projects again, line item, and they're just falling
16 under the 7510 object code.
17 TRUSTEE TULLOCH: Again, I'm concerned
18 that a lot of these things seem to be additive or
19 potential double counting or doubling claiming on
20 budget, because it doesn't make a whole lot of sense
21 because we have them mixed together. I'll defer
22 judgment on that until we see what's presented
23 tomorrow.
24 Following up on Trustee Dent's proposal,
25 yes, I do believe that we should not be trying to do

52

1 tonight, you'll see what we hope are the final blue
2 sheets. The budget adjustment was allocating to the
3 various funds the investment earnings at the
4 direction of the Board, and so we have that now in
5 the budget in each individual budget unit as
6 appropriate.
7 The golf director let us know he's
8 identified a reduction of expenditures of \$120,000,
9 some of this was located in the capital expenditures
10 line. I believe he removed the rebuilding of the
11 tee box 16 at the Champ Course. That was located in
12 here, and that was a fairly large chunk of that
13 that's on capital expenditures breakdown. And then
14 another number of line items that he said some of it
15 was related to part-time hours and what not that we
16 believed he could find a way to absorb. He said it
17 wasn't a perfect scenario for him, but he believed
18 he could make it work.
19 At the last meeting --
20 TRUSTEE DENT: Before you go on, General
21 Manager.
22 Trustee Schmitz, do you have a question
23 that pertains to --
24 CHAIR SCHMITZ: Yes, it pertains to golf.
25 I'm looking at, I believe, it's our

53

1 capital improvements projects spreadsheet that's
2 yellow and blue, we got it last week in one of our
3 emails. But there, I noticed some things in golf
4 and I noticed in other ones, but there's \$172,000
5 and it's just labeled "rolling stock." Wherever we
6 have rolling stock, we've got 160,000 in utilities,
7 I'm curious what that rolling stock is. We used to
8 see that itemized, whether it was a beverage cart or
9 whatever it was, but still has \$172,000 in rolling
10 stock.

11 And then I have a question for the
12 Mountain Course. This isn't for this fiscal year,
13 but I want to ask the question. It's got a \$600,000
14 project for the Mountain Course fuel tank
15 replacement. And my question is is are we staying
16 long term with gas carts up at the Mountain Course?
17 I'm assuming so with this project. But I know we've
18 had other projects where we wanted to have electric
19 carts up there. I just wanted to say we should be
20 budgeted and doing work strategically again.

21 Those were my two comments and questions
22 relative to golf and the golf budget.

23 MR. MAGEE: I can speak to a couple of
24 these points, and hopefully this answers your
25 question.

55

1 ware, on weddings, just an FYI, we do have just over
2 a million dollars prebooked for the '24 and '25
3 season. We have not replaced the service ware for,
4 I believe, six to eight years. I need to follow up
5 with my staff just to make sure I have a better
6 gauge on when we actually did purchase this and what
7 the total value is we would request.

8 CHAIR SCHMITZ: This would be capitalized;
9 correct?

10 MR. SANDS: That is correct.

11 CHAIR SCHMITZ: Okay. But I think that,
12 then, what is it that we're spending the \$172,000 on
13 at the Championship Course for rolling stock?

14 MR. SANDS: It would be multiple different
15 machines. The main purchase would be actually to do
16 for snow removal on the course, so we're looking to
17 purchase a skid steerer from Bobcat that has a
18 snowplow machine on it.

19 That would help cut down the overall costs
20 and also interdepartmental costs back to Public
21 Works.

22 CHAIR SCHMITZ: We have quite a few of
23 those, I believe, in Parks and other places.
24 Instead of having an interdepartmental charge, we're
25 to go and buy more equipment?

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1 In other places I've been, rolling stock
2 is typically equipment that may be anything from the
3 golf carts to the mowers to basically anything that
4 has wheels that is required to operate a golf
5 course. That would be your rolling stock.

6 And then I do know that I've talked to
7 General Manager of Golf Sands, and he has indicated
8 that it's -- the intention is to use gas carts for
9 at least the next ten years out at the Mountain
10 Course.

11 CHAIR SCHMITZ: Okay. But you didn't
12 answer my question. I know what rolling stock is.
13 What's the \$172,000 being budgeted for? That was
14 the question.

15 And then I do have one because facilities
16 is underneath golf also, underneath Mr. Sands. We
17 have \$75,000 to replace banquet service ware. We're
18 hearing that they're struggling to get weddings,
19 they're not making enough to cover their operational
20 costs. I question whether it's the right time to be
21 spending \$75,000 in a cost center that was looking
22 to the Board to subsidize its operations.

23 MR. SANDS: I can answer that question, if
24 possible.

25 As of now pertaining to the CIP on service

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1 MR. SANDS: The existing equipment
2 throughout the District is actually too large to
3 operate on the golf course, and we have actual
4 annual damage that occurs because of that equipment
5 that's used. So we're looking to find a better
6 piece of equipment not only to be more efficient but
7 also create less damage throughout the season.

8 CHAIR SCHMITZ: So we're going to spend
9 \$172,000 on snow removal equipment?

10 MR. SANDS: No. There is other machines
11 that would be purchased within that CIP. I would
12 definitely like to provide you with a breakdown so
13 you could see what we're requesting.

14 CHAIR SCHMITZ: I think that would be
15 helpful, because all of these, they just say
16 "rolling stock." We're used to getting what the
17 rolling stock is. We're used to seeing what it is
18 that's being replaced because we have questions
19 sometimes, and we want to make sure we're doing
20 things correctly and wisely.

21 And I appreciate -- I'm not trying to say
22 there isn't trust, it's just what we're used to
23 seeing, that's all.

24 TRUSTEE NOBLE: Mr. Sands, Mr. Magee
25 explained the reduction in expenditures of 120,000

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1 mentioned that the rebuild of the hole 16 tee box
 2 was a large percentage of that; is that correct?
 3 MR. SANDS: Yes, sir, that is correct.
 4 TRUSTEE NOBLE: And how much was that
 5 rebuild projected to be?
 6 MR. SANDS: Approximately -- let me just
 7 dig into one quick file and then I will be able to
 8 answer that.
 9 TRUSTEE NOBLE: And --
 10 MR. MAGEE: I'm sorry, Trustee Noble.
 11 For clarity, that's not a large chunk of
 12 the total 120,000; that's a large chunk of the
 13 capital expenditures breakdown that's on that
 14 capital breakdown spreadsheet.
 15 TRUSTEE NOBLE: Okay. I guess my question
 16 with regards -- I do appreciate Mr. Sands looking at
 17 possible reductions. My question, though, is are we
 18 just putting off what needs to be done, or is this
 19 just something that was a wish list that would be
 20 nice to do but really don't need to do and won't be
 21 seeing it come back next year?
 22 Because I'd rather do it now it versus
 23 kicking it off and doing it next year unless there's
 24 a good reason for pushing it off until next year.
 25 Otherwise, I think we're just going be piling on for

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1 next year's board to figure this out again.
 2 I question Mr. Sands: Why is okay for us
 3 to delay that project?
 4 MR. SANDS: As staff, I think being
 5 directed to find certain areas we could trim down
 6 and reduce the budget, this is one of them. It is a
 7 need that we want to complete. It is not urgent and
 8 there's not a safety factor that goes into
 9 rebuilding the tee box. It is just definitely more
 10 of a playability and aesthetic-type of situation.
 11 TRUSTEE TULLOCH: Mr. Sands, with regard
 12 to the skid steerer purchase for snow removal or
 13 whatever, my memory fails me slightly, but I know
 14 this board approved last year a similar type of
 15 machine with various different attachments, one of
 16 which was for snow clearing. I don't necessary
 17 think it's correct to say we don't have any in the
 18 District already.
 19 I seem to recall we spent something
 20 approaching 100,000 on this last year. I believe it
 21 was for Parks.
 22 MR. MAGEE: I think I can answer that
 23 question. We did look into that. My understanding
 24 is that the Board did approve it but did not fund
 25 it, because we looked at making that purchase for

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1 this year and we found there was no appropriations
 2 available in this year to do it and it was going to
 3 have to wait until July, assuming that it was
 4 approved in this budget.
 5 We definitely looked into that one
 6 already.
 7 TRUSTEE DENT: The Board approved it, so
 8 it was budgeted.
 9 MR. MAGEE: That's my understanding. It
 10 was placed on a list, and then it was not
 11 appropriated. That is the way it was explained to
 12 me, yes.
 13 TRUSTEE DENT: Okay. I don't understand
 14 how that works because typically if we approve the
 15 budget, then all the funds have been appropriated.
 16 MR. MAGEE: Right.
 17 And, Mr. Sands, if you have any further
 18 insight in that, please jump in here. I know he
 19 looked into a little bit too. I don't think it was
 20 included as part of the budgeted appropriations,
 21 however, it was identified as a need last year.
 22 (Inaudible discussion amongst the
 23 Board.)
 24 TRUSTEE DENT: Thank you for the
 25 clarification on that question.

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1 CHAIR SCHMITZ: I had another question for
 2 him.
 3 When I look at the budget for Championship
 4 Golf, the budget in services and supplies went up by
 5 \$420,000 compared to '23/'24 actuals. So, to me, an
 6 increase of services and supplies by \$420,000 is a
 7 huge increase.
 8 At the Champ Course, the wages and
 9 benefits stayed relatively flat, but at the Mountain
 10 Course, wages went up by \$100,000, which is almost
 11 17 percent.
 12 So, I guess I'm wondering if there's maybe
 13 some additional savings, or what's changing this and
 14 adding \$420,000 to services and supplies? And if I
 15 add the Mountain Course to it, it's almost -- close
 16 to \$500,000 of increases between the two courses.
 17 MR. SANDS: I would definitely say that is
 18 looking at transferring from more of an
 19 operational-type of budget instead of putting things
 20 into the CIP budget. As we look at repairs that are
 21 needed from seasonal damage, it's quite expensive,
 22 especially when we look at both properties, so
 23 that's the main reason for that type of increase.
 24 CHAIR SCHMITZ: That'll be explained when
 25 we get the line item details for that 7510 object

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1 code?

2 MR. SANDS: Correct. I think it should

3 explain it better, yes.

4 CHAIR SCHMITZ: Okay. Because it looks to

5 me like there's some substantial increases.

6 TRUSTEE TULLOCH: I'm just looking at

7 capital expenses breakdown that shows a total of

8 \$30,700 for Championship Golf Course for deferred

9 maintenance or capital projects that are now

10 expense. That doesn't (inaudible) so I will be

11 interested to see how that reflects on the

12 breakdown.

13 Follow-up question to the question I

14 raised on Thursdays: Are we going to at least break

15 even on food and beverage and The Grille and things

16 this year or are we continuing to hemorrhage money?

17 MR. SANDS: Very good question. We are

18 definitely not hemorrhaging money out of the food

19 and beverage department. I am working on a detailed

20 report to provide to General Manager Magee, allowing

21 him to see the full breakdown of cost of goods,

22 labor, and then adjusted for revenue, especially

23 when we start looking at what are the electrical

24 costs, what is the water sewage costs.

25 As of now, we have had an amazing start to

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1 the season. Through all summertime food and

2 beverage venues, we've had an approximate revenue of

3 just over \$72,000. Once I finish compiling my

4 report with labor and other extenuating costs,

5 General Manager Magee will be able to provide some

6 clarity to the Board.

7 TRUSTEE TULLOCH: Glad to hear that.

8 Still, as we discussed on Thursday, when

9 we projected -- your 2.9 million that you projected

10 to the Board a couple of weeks for golf operations

11 basically breaking even, but then when we looked

12 through the budget, there's still 1.1 million

13 increase in revenues, about 1.8 million increase in

14 expenses when we stripped out the 2.9 million.

15 So if we take out 120,000, that's still

16 about 6 -- 550, 600k discrepancy in expenses to

17 revenues. Can you give us some idea where that is

18 occurring?

19 MR. SANDS: I think with our staff waiting

20 for our food and beverage consultant report to come

21 back to give us a little more clarity on that, I'm

22 hesitant to answer because I don't feel like I have

23 the correct answer for you at this time.

24 TRUSTEE TULLOCH: I appreciate that. But

25 you'll also appreciate if it's showing a 600,000

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1 loss and we don't know even know where it is, that's

2 concerning to me as well.

3 MR. SANDS: Agreed. And I hope to have

4 more information as we continue through this

5 process.

6 TRUSTEE TULLOCH: I look forward to it.

7 TRUSTEE DENT: Any other questions for

8 Mr. Sands as it relates to golf?

9 MR. MAGEE: One question for the Board.

10 There was a lot of discussion there on the golf

11 budget. I'm not sure I heard any direction from the

12 Board to make any adjustments, further adjustments

13 to the blue sheets that you're expected for

14 tomorrow.

15 Was there any expectation of the Board? I

16 see -- I have a lot of notes here, but I don't see

17 anything specific to changing the golf budget.

18 TRUSTEE DENT: I believe the expectations

19 when it comes to the blue sheets is across the

20 District.

21 MR. MAGEE: Understood.

22 TRUSTEE TULLOCH: One thing I noticed that

23 the -- Mr. Sands has previously said he was going to

24 be looking at ways to reduce salaries and wages, the

25 costs of labor, basically, at the Mountain Course.

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1 That doesn't seem to have translated through in the

2 blue sheets. I see labor costs still going up

3 there. Perhaps there's something else you can take

4 a look at.

5 MR. SANDS: Yes, we certainly can.

6 TRUSTEE DENT: Any other questions for

7 golf? I believe you got your question answered,

8 General Manager, there was no specific direction.

9 MR. MAGEE: Yes. Thank you. I think I

10 understand.

11 CHAIR SCHMITZ: My specific direction is

12 these services and supplies budgets are grossly

13 overbudgeted from a glance. And I just -- I'm very

14 uncomfortable with these sizable increases in

15 services and supplies.

16 And, for me, if there isn't something that

17 gives us some justification of why it's increasing

18 at this percentage, it just doesn't make sense.

19 TRUSTEE DENT: I believe most of us are on

20 the same page with that.

21 MR. MAGEE: Moving on, what we heard at

22 the last couple of meetings is that the Board has

23 indicated it was not interesting in funding the

24 recommended positions of the meeting IT coordinator,

25 the community services ambassador, and the Public

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1 Works maintenance worker I/II, so we have made that
 2 adjustment. We've removed all three of those
 3 positions out of the budget and removed the funding
 4 associated with those.

5 TRUSTEE DENT: Before you go on, we have
 6 one question.

7 TRUSTEE NOBLE: And this actually would
 8 probably be for Ms. Feore.

9 On the meeting IT coordinator, I know
 10 there was discussion about taking a step back and
 11 looking at the records digitization project. If
 12 that piece is carved out at this point for the
 13 proposed meeting IT coordinator position, is that
 14 position still justified, or is it better to hold
 15 off at this point until a more holistic view of the
 16 document digitization project takes place?

17 MS. FEORE: Could you repeat that?

18 TRUSTEE NOBLE: In a previous meeting last
 19 week, there was board discussion about taking a step
 20 back and taking a more holistic view of the document
 21 digitization project. And that was one of elements
 22 for supporting the creation of a meeting IT
 23 coordinator to allow that to move forward.

24 With that piece carved out now, do the
 25 justifications for the meeting IT coordinator still

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1 exist to actually go forward with that position at
 2 this time?

3 MS. FEORE: I mean, I personally believe
 4 that it is in that one of the key things that was
 5 going to help with this position, this position was
 6 going to be working with the District Clerk to
 7 manage all of the meetings, whether they are the
 8 board-appointed committee meetings or the Board of
 9 Trustees meetings.

10 And then also that was -- the idea was
 11 this would allow the senior IT analyst to remove
 12 himself from these meetings so that he could focus
 13 on -- General Manager Magee, I'll need your help
 14 remembering this -- there was one particular
 15 initiative that the IT had for the next fiscal year,
 16 I believe it was Office 365, to get us up and
 17 running with that, and that's going to be a real
 18 intense -- it's going to take a lot of time to put
 19 that together.

20 I believe that that was another reason why
 21 this position was identified as needed so
 22 critically.

23 TRUSTEE NOBLE: Okay.

24 This is opinion, I understand the
 25 community services ambassador, not recommending that

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1 position. I'm in agreement with that. I believe
 2 that we should move forward with the meeting IT
 3 coordinator. But of all three, I think the Public
 4 Works maintenance worker I/II is absolutely
 5 necessary. Time and again, the last two weeks,
 6 we're talking about deferred maintenance and can
 7 these projects get done, and that is an integral
 8 part of that Public Works maintenance worker I/II
 9 position as well as the water and sewer maintenance
 10 work that needs to be done, which is never going to
 11 go away.

12 I just think that's a critical position
 13 that we need to fill.

14 MS. FEORE: I agree.

15 CHAIR SCHMITZ: As it relates to the
 16 meeting IT coordinator, I believe that it was about
 17 a third of the IT professional's time. I don't see
 18 how we can justify -- I understand, he's a very
 19 talented individual and could be working on things
 20 that are more of, perhaps, higher value to the
 21 District given his skill set.

22 Maybe there's another opportunity to
 23 leverage other staff in the organization that
 24 attends the meetings. We have a staff member who
 25 attends all of those meetings, and perhaps that

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1 person could step up and start taking over some of
 2 the responsibility as it relates to meeting
 3 coordination.

4 As it relates to the Public Works
 5 maintenance, one of things I forgot to ask about at
 6 our last meeting when we were talking about this is
 7 that a couple of years ago, we had an assessment
 8 done of the staffing levels, the staffing model
 9 within utilities. And I know they made some
 10 recommendations for some changes and what not, and
 11 perhaps interim Public Works Director Nelson could
 12 provide for the Board how this position either fits
 13 into those recommendations or reflect back on those
 14 recommendations and help us to understand where the
 15 staffing model is today compared to the report and
 16 touch on this particular position.

17 MS. NELSON: I'll have to go back to that
 18 report. It was the Raffelis report.

19 I know that over the last, I think,
 20 two years we've implemented some of their
 21 recommendations. I'll have that information for you
 22 tomorrow because I can't remember off the top of my
 23 head if this was in there or not.

24 CHAIR SCHMITZ: Thank you. I mean, we pay
 25 a lot to have these reports done, and we sometimes

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1 forget about them. I think it would be important to
2 dust it off, take a look at it, and share with the
3 Board how this position aligns or doesn't align with
4 that recommendation.
5 TRUSTEE TULLOCH: I agree with Trustee
6 Schmitz. We discussed this on Thursday and we
7 reckoned it was maybe a third of a position for the
8 meeting IT coordinator and we're going to find other
9 duties to fill it in.
10 I don't think if we're projecting a 20
11 percent increase in salaries and benefits across the
12 District, that's over 5 million bucks, we should be
13 taking on -- creating a position just fill in.
14 Similarly, in the Public Works maintenance
15 worker, we also had it explained to us on Thursday
16 that we're quite sure -- well, it is going to be a
17 highly skilled position, but we weren't quite sure
18 if it would be full time or just fill in with
19 building maintenance. It seems not to be very well
20 thought through at this stage.
21 Also, if I look at the budget for water,
22 it's proposed that the wages and benefits goes from
23 2.175 million to 3.062 million next year. That's 45
24 percent increase. I think we should be looking at
25 what's creating that first before we start adding in

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1 least paying a little bit further, how that aligns
2 with the report that came, why is this coming
3 forward, why now.
4 MR. MAGEE: I think we need to make sure
5 we understand the direction of the Board with
6 respect to each of these positions and whether we
7 should be including these in your blue sheets for
8 tomorrow.
9 TRUSTEE DENT: Community services
10 ambassador is not included in the blue sheets for
11 tomorrow. The meeting IT coordinator was not
12 included in the blue sheets for tomorrow. And the
13 Public Works maintenance worker, I would say not
14 included in the sheets for tomorrow per your
15 recommendation. However, we want to know a little
16 bit more information before we're approving a budget
17 for that.
18 If there's an alternative to the budget,
19 and that would be adding in this position, because
20 the Board not only has to approve positions but job
21 descriptions, then that would be the right time to
22 do that at the approval of the budget.
23 MR. MAGEE: Understood. Thank you for the
24 clarification. I'll move on.
25 As we've talked about previously, the

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1 even further staff, which is obviously contributing
2 to this.
3 With regard to the community service
4 ambassador, I fully agree with it. I think it was a
5 misguided position. I think also the fact that -- I
6 also found out that it wasn't going to be one
7 position, we're going to have two benefited staff
8 both working part time, which obviously increases
9 the -- makes a higher cost than just one full-time,
10 benefited staff as well.
11 I'm glad to see these three positions are
12 recommended to be removed.
13 TRUSTEE TONKING: I wasn't able to be here
14 on Thursday, but I would argue that I would like to
15 hear some more about the Public Works maintenance
16 worker I/II, so if interim Director Nelson has some
17 time to just take that with the Raftelis report and
18 then also the amount of time you really envision
19 this person working and what that looks like, that
20 would be wonderful.
21 TRUSTEE DENT: Anything additional on this
22 slide by the Board? I think we're all aligned with
23 looking into Public Works maintenance worker and how
24 that aligns, except Trustee Tulloch. Okay.
25 There are three that I heard I'm fine, at

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1 General Manager of -- the General Manager of Diamond
2 Peak has indicated that he built his budget based on
3 what his historical practices have been, and it was
4 little bit of a conservative approach.
5 And based on the Board discussion, he went
6 back and tighten up his budget and found a reduction
7 of expenditures to ski of \$375,000, which has now
8 been rolled into the blue sheets, as well as
9 increasing budgeted revenues by \$861,000.
10 I'm happy to park it here if the Board has
11 any questions on this one.
12 TRUSTEE DENT: Any questions for General
13 Manager Bandelin at Diamond Peak?
14 TRUSTEE TULLOCH: Thank you. Somebody
15 listened to the Board. Perhaps you can convey the
16 message so some of your colleagues as well how to
17 look at these things.
18 I'm delighting that you're not going to be
19 in a position of showing up projecting a loss
20 this year. It's nice to see Diamond Peak still
21 making a profit, all be it not multi millions that's
22 going to subsidize every other part of the
23 operation, but congratulations and thank you for
24 listening.
25 CHAIR SCHMITZ: I wanted to also thank

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1 Mr. Bandelin for understanding what the Board was
 2 asking and for doing this work.
 3 TRUSTEE DENT: Thank you, Mr. Bandelin. I
 4 don't think we have any further questions for you.
 5 Let's move on.
 6 MR. MAGEE: We also have a number of
 7 decision points that we need from the Board tonight.
 8 Earlier today, we sent over a document
 9 that is supplemental as E 1, which included at the
 10 last meeting, the Board asked for some increases to
 11 the beach fee, some recommended increase to the
 12 beach fees by today, along with a five-year look
 13 back. We provided a little bit longer look back
 14 because we had the data handy.
 15 After looking at this and discussing this
 16 with the beach staff, there has been a couple of
 17 recommendations that have been made. Number one,
 18 moving the adult pass up \$1 from \$16 to \$17.
 19 Number two, the youth pass from \$8 that to \$9.
 20 Holding the round-trip boat fee at \$25, and the
 21 one-way boat fee at \$15, and then increasing -- the
 22 recommendation is to increase the annual boat pass
 23 from \$250 to \$275.
 24 We needed a couple of decisions from the
 25 Board. Number one is do you wish to accept these

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1 those.
 2 TRUSTEE DENT: Okay.
 3 TRUSTEE TULLOCH: We're proposing a 6
 4 percent increase from last year on the guest pass
 5 access, yet this year alone we're projecting a 40
 6 percent increase in salaries and benefits at the
 7 beaches. I think 6 percent is more than reasonable.
 8 And, yes, it should be implemented this year. If we
 9 hold off until next year, we're then looking at
 10 further increases if we bring that back.
 11 I think we should be doing everything
 12 possible to bring the revenues. Our projections are
 13 showing a \$200,000 reduction in revenues at beaches
 14 this year, but costs of wages and benefits are going
 15 up 40, 50 percent, I think it's only sensible.
 16 On the boat pass, it was 250 in 2022, so
 17 it goes up -- over three years, it goes up to 275.
 18 I don't think that's an excessive increase. I would
 19 have thought that the -- I'll reserve judgment on
 20 that one. I saw some claimed numbers from other
 21 boat launches, it's something I take part in very
 22 often, so I'll reserve judgment on that one. But I
 23 believe the guest passes should certainly go up, if
 24 not more. Personally, I was going to recommend 18
 25 bucks as a rounded number rather than 17. It should

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1 staff-recommended increases, or would you like to
 2 make any modifications to that? And if you make any
 3 modifications to that, would you like that to be
 4 effective as of July 1, or would you prefer that
 5 that is held off until next season?
 6 Those are the two items that we need from
 7 the Board on this slide.
 8 TRUSTEE NOBLE: Given the increases that
 9 were implemented in 2023, especially with regards to
 10 the youth passes and then the adult's that's gone up
 11 from 12 to \$16 from 2020 to 2023, as well as a
 12 significant increases to the annual boat passes over
 13 the last several years, I would hold steady the 2024
 14 fees consistent with 2023.
 15 TRUSTEE TONKING: I agree with Trustee
 16 Noble. I can maybe see us raising that adult fee,
 17 possibly, but the annual boat pass would have gone
 18 up almost 80 percent in four years, and that seems a
 19 little excessive since it's solely for our
 20 residents. I mean, most all this is solely, but
 21 that's for the guests. This is also, like, solely
 22 for them.
 23 TRUSTEE DENT: So, no to the boat fee,
 24 maybe on the adult fee, and --
 25 TRUSTEE TONKING: I could compromise on

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1 certainly go up and it should certainly be
 2 implemented this year. We have a significant
 3 revenue deficit, obviously.
 4 CHAIR SCHMITZ: I one of things that we've
 5 always had when we make decisions -- or at least
 6 what I'm recalling when we make decisions relative
 7 to the season pass for the boat launch fee is we
 8 have data from the prior year of how many launches
 9 were -- how many launches on average, how many of
 10 them did we sell. We don't have a lot of data on
 11 that.
 12 I think that our costs are going up, and I
 13 too feel like the longer we don't pass on some sort
 14 of inflationary increase, it only makes it a more
 15 difficult, a more abrupt change in the future. I
 16 think that we should have some sort of a small,
 17 incremental increase to the rates because we're
 18 having increases to the costs.
 19 One of the questions I had on the beach
 20 budget is the staffing number went up so
 21 substantially, it is possible that lifeguards were
 22 put into the budget for this summer -- and we
 23 haven't had lifeguards on a regular basis for a
 24 couple of years -- and so I'm wondering if that is
 25 particularly what's leading the beaches' salary

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1 number to increase so much. And if that's the case,
2 we have to look at the reality of it and say if we
3 are not to be able to staff the lifeguards like we
4 haven't been able to in the past, we should be
5 budgeting the salary because then all we're doing is
6 budgeting to have overbudget and then pass it on
7 with a beach fee.

8 I think that that needs to be relooked at.
9 But I think that if we don't have some sort of
10 small, incremental increase, we're setting our
11 parcel owners up for a more abrupt change come
12 next year.

13 TRUSTEE DENT: Yeah, if we could get a
14 breakdown of the huge increase for wages and
15 benefits, that would be beneficial for us to
16 understand going into approving this budget
17 tomorrow.

18 The overall rate increase by staff -- and
19 I'll speak to why there weren't rate increases for
20 many years and it was I don't believe the Board was
21 approving some of these rates and things were just
22 kept the same, like the annual boat pass. It was a
23 surprise to the Board that the Board should be
24 approving all the rates for the District, not just
25 the budget. I'm not as concerned about where we

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1 former director of parks and rec had indicated that
2 the Ski Beach bridge replacement that the District
3 was receiving a grant for that, and I know I've
4 asked this question before and I don't recall
5 whether I got an answer that we are putting in our
6 receiving a grant for this bridge replacement. It's
7 \$170,000 in our CIP.

8 MS. NELSON: The grant funding is actually
9 coming -- the Nevada Division of Wildlife is
10 actually applying for that grant funding, so has not
11 come to fruition yet. And that budgeted number that
12 we have in there at 170 would be our match to get
13 those bridges replaced.

14 CHAIR SCHMITZ: Did you say "bridges"?

15 TRUSTEE DENT: Yeah. It's Ski Beach and
16 Incline Beach; correct?

17 MS. NELSON: Correct.

18 CHAIR SCHMITZ: The one going over to
19 Hermit Beach is included?

20 TRUSTEE DENT: That's correct.

21 CHAIR SCHMITZ: Okay. Thank you.

22 TRUSTEE DENT: I got a question along
23 those same lines. Does it make sense for us to
24 budget for that project right now not knowing if
25 this is going to happen in this year? Where are we

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1 were and where we're going. I believe sometimes we
2 have to take some drastic measures to get things
3 realigned to where they should have been, just given
4 that this wasn't something that was done in the
5 past.

6 As far as the overall rates that are here,
7 I'm fine with staff's recommendation on accepting
8 these. But I would like to see how this wages and
9 benefits breaks down, because maybe we don't need to
10 see a rate increase when it comes to the youth based
11 on the new information.

12 I wouldn't be opposed to this, I just
13 think we need a little bit more information before
14 we can all be definitive.

15 TRUSTEE TULLOCH: Just to point out in the
16 wages and benefits, the projected for this year is
17 1.513 million, whereas the budget was 1.162 million,
18 so this year we've already overspent -- overshot by
19 35 percent on wages and benefits at the beaches,
20 with a further increase next year. Obviously, we
21 need to look at -- I would suggest that staff go
22 back and look very closely at why that wages and
23 benefits this year has way overshot the budget.

24 CHAIR SCHMITZ: I just have a question on
25 the capital improvement project. I believe that

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1 at with it, I just don't want to be overbudgeting
2 when we do have a fund balance there.

3 MS. NELSON: Correct. And that would be
4 one of the cases where Manager Magee was talking
5 about if, say, NDOW does get that grant and they
6 want to move quickly on it, then we're coming back
7 and you're reappropriate the funds.

8 I think that project could probably be
9 delayed, if that makes sense. I think it needs to
10 stay on the CIP plan, but it doesn't necessarily
11 have to show that we're moving forward next year
12 because we don't know.

13 TRUSTEE DENT: We will find out about this
14 at the new fiscal year if it got budgeted. So in a
15 month, roughly, we'll know.

16 MS. NELSON: I believe so, yes.

17 TRUSTEE DENT: And then how quickly would
18 we be moving forward with this -- is it something
19 that's getting done this summer, or is it
20 something's getting done --

21 MS. NELSON: It would probably next year
22 starting, May 1.

23 TRUSTEE DENT: Okay.

24 TRUSTEE TULLOCH: With regard to the
25 grants, I noticed the 250,000 grant for the skate

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1 park still has not appeared. We're showing the
 2 budget at 463,000 now with carryover. The 500,000
 3 expenditure in the skate park was based on the 250k
 4 grant as well. Perhaps that can be applied.
 5 MS. NELSON: Remember, the grant is a
 6 reimbursement grant. We have to spend the money to
 7 get the money reimbursed.
 8 Essentially, we have to have that money
 9 appropriated.
 10 TRUSTEE TULLOCH: Okay. Thank you.
 11 TRUSTEE DENT: General Manager, going back
 12 to the beach fee schedule, do you want to summarize
 13 what you've heard from us as far as direction?
 14 MR. MAGEE: Well, I heard a lot of
 15 discussion, but I'm not sure I can answer if the
 16 full board wants to accept the staff recommendation
 17 or not.
 18 I think that's the full direction that I
 19 need from the full board.
 20 TRUSTEE DENT: I'll speak to this and then
 21 any of my colleagues, feel free to jump in. I
 22 believe before we're willing to fully accept this
 23 recommendation, we would like to see a little bit --
 24 or get a better understanding of what's included in
 25 the wages and benefits and what's driving up those

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1 costs. If that's something that you guys could let
 2 us know what's being projected there and why we're
 3 seeing a massive increase, then I think -- I know
 4 there are at least three or maybe four of us very
 5 similarly aligned with these rates. Maybe someone's
 6 nil on one and yes on another.
 7 But I feel like we're, across the board,
 8 in a -- other than Trustee Noble, we were all
 9 willing to work with the rates that we saw, but we
 10 need a little bit more detail as to what's driving
 11 up the costs at the beaches.
 12 MR. MAGEE: Sure. And we can certainly
 13 bring that back to the Board tomorrow.
 14 And, again, I'll remind the Board that a
 15 lot of these increases are contractual and it's
 16 specific, this goes across the board, the 3.5
 17 percent for the COLA that we've budgeted, the 13
 18 percent for health insurance, 3 percent for merit,
 19 and then also the 5ish percent on workers' comp
 20 across the board. So, just for clarity, that's a
 21 big part of why you're seeing these go up in every
 22 one of these budgets.
 23 What I am hearing from the Board is do not
 24 include any of these changes your blue sheets
 25 tomorrow. Is that an accurate statement?

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1 TRUSTEE DENT: I think we would include
 2 them in the projection for tomorrow, knowing that
 3 there could be a change. It's hard for us to
 4 understand, we've had so many spreadsheets and
 5 talking about different spreadsheets, we don't all
 6 have the same information in front of us. I think
 7 having a new starting point, a new basis, at least
 8 we can be on the same page.
 9 MR. MAGEE: Understood. And if we include
 10 these in the blue sheets, then do we want to start
 11 the projection having these new rates effective July
 12 1 or waiting until next beach season?
 13 TRUSTEE TONKING: I feel like at least
 14 with the -- you could do the daily ones, but how
 15 would you do the annual boat pass? People buy that
 16 now, which is fine.
 17 TRUSTEE DENT: Our hands are a little tied
 18 because the rates didn't come to us prior like they
 19 usually do with the other venues. We should be
 20 approving these rates in winter at the latest or
 21 late fall. We should know where we're at and how we
 22 landed at the end of the season and get a wrap up
 23 like we do at golf or ski, a few months later.
 24 TRUSTEE TULLOCH: It might be a good way
 25 to get panic buying if the annual boat pass, get it

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1 quick at 250 or it's up to 275. Let's get some more
 2 revenue in.
 3 MR. MAGEE: So we'll -- I'm not sure if we
 4 have the data or not. I'll see if we sold any
 5 annual boat passes after July of last year and we'll
 6 use that as a factor.
 7 What I'm hearing from the Board is go
 8 ahead and include this as a projection based on
 9 historical data effective July 1.
 10 TRUSTEE DENT: Yeah. And I would
 11 definitely -- we need some sort of understanding of
 12 what's going on with wages and benefits. I
 13 understand you did not put together -- or, Mr.
 14 Cripps, you guys were not involved in this budget,
 15 but there's got to be somebody that can say why the
 16 wages are going on up. And I don't buy that the
 17 dental costs went up by 5 percent. What did you
 18 show? It was like 60 percent increase or something.
 19 It's significantly higher, and it just seems like
 20 something's off.
 21 Just a little bit more understanding so we
 22 can have some clarity with it and giving approval.
 23 TRUSTEE TULLOCH: Can I suggest that if
 24 there's no passes, no annual passes bought after 1st
 25 of July, then there's no harm, no foul, and it also

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1 means you have the 275 in place for next year for
2 the start of the season next year.

3 TRUSTEE DENT: Can we take a five-minute
4 break, and we will resume at 8:02? Thank you.
5 (Recess at 7:57 p.m. to 8:02 p.m.)
6 TRUSTEE DENT: We're going to resume. I
7 assume Trustee Schmitz will join us shortly.
8 MR. MAGEE: Moving on to our next decision
9 point, the Beach House funding.
10 What staff heard from the Board at the
11 last meeting is there's an interest in exploring the
12 bonding possibility. As part of that, staff went
13 back and crunched some numbers today related to the
14 beach fee and how that would look. We did some
15 variance analysis on the recommendations that have
16 been previously made, splitting apart the facilities
17 fee with the beach fee and how that interacts.
18 Ultimately, if the Board wishes to have
19 construction begin this upcoming year through a
20 bonding program, ultimately, there would be enough
21 in available fund balance for this year and
22 realistically this year only, to support the beach
23 operations solely on the use of fund balance.
24 And if you would like, I can certainly
25 have Mr. Cripps bring up -- he's got that blue sheet

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1 cumulative budget for the project, depending on
2 which way that the Board decides to go.
3 With that, what we would be looking at is
4 a net total of combined total. And so if we do just
5 the revenues and the subtotal of operating
6 expenditures, you're looking at about a 1.4
7 different there. Then of course adding any capital,
8 that's going to bring us down to a net of 5.3. And
9 then if we did include a beach fee at the current
10 budgeted rate, that would add another 2.5 million,
11 bringing us to usage of fund balance of 2.7.
12 TRUSTEE DENT: Thank you for that
13 overview.
14 TRUSTEE TULLOCH: I'm not sure where this
15 plays into funding. I did -- ran some rough
16 numbers. On the staggering 16 million that we're
17 suddenly quoted on Thursday, which had gone up from
18 4 million to 6 million to 10 million, and suddenly
19 we get this for 16 million, bonding for 20 years at
20 5 percent on 16 million would be approximately 1.7
21 million a year in service and costs. A total cost
22 of the life of the bond would be about 38 million.
23 You're showing drawing down fund balance.
24 We already appropriated 4 million in this year's
25 budget for the Beach House, so basically you're then

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1 handy, and we can show you what total revenues
2 versus total expenses look like.
3 MR. CRIPPS: What we have here
4 demonstrated on the screen is the updated blue sheet
5 compared with some of the updates that we had
6 performed that General Manager Magee did indicate.
7 And what we have, the bottom here, is a breakdown of
8 where the expenditures lie, where we would be with
9 the beach fee, our facility fee -- our beach fee --
10 I'm sorry -- in this case, and then what that does
11 to us as far as like in any fund balances and what
12 we can do looking forward and moving forward and how
13 do we tackle this task.
14 What I have -- what we can show here is
15 going to be this column where my mouse is, I'm going
16 to highlight here for, the update, and that's the
17 updated information from Thursday's meeting. What
18 we have is the updated revenues, so our line here
19 going to be at 1.3 million, and then the subtotal
20 for expenditures sans any kind of capital
21 improvements is 2.7 million. Then currently
22 included in the budget is some of the -- a component
23 of the Beach House project, but 3.9 put in again
24 moving -- we would need to recognize the budget that
25 we need to move forward for that as well as total

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1 going to start drawing down that 4 million we've
2 contributed for capital towards operating costs. I
3 think that is crazy.
4 I think it seems like -- the feedback I've
5 got from the public over the 16 million is
6 staggering. People just cannot believe it. I've
7 been told by so many: We wanted decent toilets and
8 the tiki bar. We didn't want the Loan Eagle.
9 There's absolutely no way I'll vote in
10 favor of bonding for 16 million in the Beach House.
11 We need to -- we've seen nothing, the public has
12 seen nothing on any of these. The Board has seen
13 two numbers, a 6.2 and 10.2 approximately. There's
14 been no public information released on this, and
15 suddenly we're told it's 16 million. But that's
16 okay, don't worry, we have a credit card, and wave
17 it about. It will only cost us 1.7 million a year
18 for the next 20 years.
19 I think we need to relook at that. I
20 don't think this is necessarily the time to just be
21 doing a sudden funding decision on bonding on a
22 16 million cost that nobody's ever seen, which will
23 probably rise to 20 million. It seems a pattern.
24 The pool was estimated at 1.5 and ended up costing
25 near 6. And we're seeing a quadrupling of costs

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1 here again. I'm not in favor of that.

2 At the moment, let's move forward on the

3 basis what we're there. I don't think we should be

4 syphoning off the 4 million we've already budgeting

5 for and put toward -- appropriate for capital for

6 the new Beach House to just bring down -- have a

7 rising operating costs.

8 TRUSTEE NOBLE: Mr. Magee, you're not

9 asking the Board to make a decision on whether or

10 not to bond for 6 million or 10 million or 16

11 million at this point, are you, it's just the

12 concept of bonding or not?

13 MR. MAGEE: That is correct. What we're

14 trying to do is figure out what the Board would like

15 to see in these blue sheets as part of the public

16 hearing for the final budget.

17 And so right now, we have the various

18 options in here. We just wanted to present to the

19 Board what this would look like if the Board chose

20 to use. Currently, we have \$4 million programmed in

21 the budget, and we can carry that forward or we can

22 return that to fund balance and use that a different

23 way.

24 We're definitely not asking the Board to

25 determine a bonded amount tonight. But what we are

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1 suggesting is is if the Board wishes to go down that

2 route, given the direction that we've received on

3 what the Board expects to see as part of this

4 design, we just wanted to make sure the Board had

5 all of the information it needs.

6 And understand that if you choose to

7 reduce the beach fee, this is how much you would be

8 drawing down on fund balance in each one of these

9 scenarios and understand that we will be coming back

10 to the Board with a recommendation in the future.

11 TRUSTEE NOBLE: Given that the Beach House

12 is anticipated -- or I would anticipate to be a

13 facility that's going to last for 30, 40 years,

14 given the dollar figures, whether it is 6 or

15 10 million or something else, I think that bonding

16 is appropriate in this instance.

17 CHAIR SCHMITZ: Couple of things.

18 We're not making a decision about bonding.

19 We're trying to understand our costs and we're

20 trying to make a decision about what the beach fee

21 needs to be set to.

22 And there was a comment made in public

23 comment, and I know the Board has talked about this

24 issue of bonding for a beach house for many years.

25 And we've heard both things: It can't be done, it

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1 can be done. And public comment again tonight said

2 it can't be done.

3 So, it's realistic to think we would have

4 that capability?

5 TRUSTEE DENT: It looks like our General

6 Manager and staff will have to research that and get

7 back to us.

8 CHAIR SCHMITZ: Okay. Because that's an

9 important decision point because if we can't, then

10 we need to continue to collect.

11 But I agree that this is a building that

12 is going to be there for an extended period of time,

13 and given the costs that we're talking about -- we

14 went into this with the assumption we were going to

15 be collecting far in excess of what we actually need

16 for this beach house. It's disappointing, but we've

17 collected money, so we have a huge fund balance in

18 the beach fund. And if we do have the ability to

19 bond, I feel that we should. I don't think that we

20 should be trying to go for a \$16-million building,

21 but we need to build a building, and we need to

22 improve the facility.

23 So I think that we should be looking at

24 the decision about if we can't bond, we have to

25 continue to collect this facility fee in order to

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1 fund a sufficient building and the ingress/egress

2 improvements that we've talked about.

3 TRUSTEE DENT: I believe our former

4 director of finance is the one that confirmed we

5 could bond after years of hearing we could not.

6 Perhaps someone on staff could reach out Mr. Navazio

7 and at least get caught up to speed on that.

8 TRUSTEE TULLOCH: Now, if we're to kick

9 off on May 25 of this, we would need to have

10 appropriated the full amount of the project; is that

11 correct?

12 MR. MAGEE: That is correct.

13 TRUSTEE TULLOCH: We need to make a

14 decision for the budget of how we're going to do

15 this. So whether we're going to bond it, if it is

16 possible, or whether we're going to fund it, we need

17 to come up with something. We need to set a

18 number on this.

19 And like Chair Schmitz, I don't believe

20 16 million is a sensible number. We're talking

21 16 million at the Beach House. God knows what

22 Snowflake Lodge is going to cost. Somewhere north

23 of 30 million, probably.

24 I'm not against bonding totally in

25 principle, but I'm against bonding when it's a case

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1 of, oh, let's just increase the costs and let's just
 2 whip the credit card out and we'll bond it instead.
 3 It's a magical solution.
 4 It's still, on a 20-year bond, 1.7 million
 5 a year in additional operating costs. Let's look
 6 carefully of what the cost of this is going to be
 7 because we need to decide, basically, over the next
 8 couple of days what financial provision we're going
 9 to make for it.
 10 And are we going to make financial
 11 provision for 16 million, 20 million, or for 10
 12 million. It's a pretty basic point to set the
 13 budget here.
 14 TRUSTEE TONKING: I think that -- I've
 15 always been a proponent of bonding for something
 16 that lasts a long time because I feel like it's
 17 something that you're able to put on to everyone
 18 who's living throughout the community.
 19 I had just heard about the 16 million when
 20 I watched our last board meeting when I missed on
 21 Thursday, and that was an awe-dropping number. A, I
 22 hope that is not the cost of it.
 23 But I do think we probably would have to
 24 have that answer by tomorrow. And if we don't have
 25 that answer by tomorrow, I think we have to continue

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1 But our initial starting point at \$4
 2 million didn't include the site work improvements.
 3 It didn't at either of the beaches, initially, and
 4 so then we brought in the second beach, which is
 5 connected, being Ski Beach, at the last meeting.
 6 There's a lot of room to grow there as far
 7 as what the rec fee should be. I hate
 8 over-collecting on a rec fee, but I feel like we
 9 need to collect, potentially, something at the
 10 beaches. I don't know what number is. I feel like
 11 once we have a little bit better understanding,
 12 maybe we're subsidizing half of this. Maybe we're
 13 subsidizing a quarter of it. I don't know. Maybe
 14 we're collecting exactly what we need for operations
 15 and we're not completing capital.
 16 I'd just like to see everything kind of
 17 wrapped up holistically as one, because I don't know
 18 what that means at the beaches. I don't know what
 19 that does to the rec fee overall at this point,
 20 given the last set of numbers that I looked at.
 21 Anyone else want to weigh in on this?
 22 TRUSTEE TULLOCH: Just keep me correct in
 23 terms of what we need to appropriate. We can't just
 24 put in bonding, number for bonding, I don't believe,
 25 if we haven't arranged a bond and we have no clear

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1 to charge the fee. Otherwise, we're going to have
 2 much bigger problems on our hands. Not the 16, but
 3 if we can bond or not is the answer, not cost of the
 4 Beach House.
 5 TRUSTEE DENT: Understood.
 6 Bonding, I'm favor of bonding for the
 7 Beach House. As far as what's included in the 16
 8 million, I don't think any of us know. It's just a
 9 wag.
 10 Until we get some details and have an
 11 understanding, perhaps, including -- we don't know
 12 at this point what staff included in the Ski Beach
 13 egress project, and so that -- it sounds like it's a
 14 \$6-million number, but perhaps there's stuff in
 15 there that we are not anticipating doing in this
 16 phase. I don't know.
 17 I feel like these numbers are pretty crazy
 18 considering the types of houses you can build,
 19 several of them, for that kind of money. I feel
 20 like our projections are just a little bit off -- or
 21 our expectations, the community's expectations, the
 22 Board's expectations are not matching what the
 23 budgets are coming back, whether it's 10 million,
 24 12 million, 16 million, it seems it's starting to
 25 get way too high.

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1 definition of whether we can actually do it or not,
 2 I don't think we can actually put in our budget. Am
 3 I correct in that? We need to make sure we have
 4 guaranteed appropriation -- guaranteed availability
 5 of funds for appropriation?
 6 MR. RUDIN: I can comment a little bit on
 7 the bonding question. I mean, NRS 318.320 and
 8 318.325 do give the District power to issue bonds,
 9 both revenue bonds and general obligation bonds.
 10 That being said, with respect to this
 11 particular facility, you would want to do some
 12 analysis -- some fiscal analysis as to, one, whether
 13 or not revenues of the proposed facility would be
 14 able to repay the bonds. Two, if not, whether or
 15 not you would want to go through the process of
 16 doing like a geo bond or something like that
 17 specifically for getting additional capital for that
 18 facility and what that would look like in the long
 19 term.
 20 Yeah, those would be your options, but
 21 trying to figure out what the bonding would cost
 22 relative to the facility would be worthwhile.
 23 MR. MAGEE: What I'm hearing is is there's
 24 a belief that we can bond if we choose to bond. And
 25 there's additional fiscal analysis that needs to be

1 done on that.

2 I don't believe that we are appropriating

3 based on an assumption that we would get a bond at

4 any given amount because I -- that analysis has not

5 been done. That's not included in this budget.

6 So for the purposes of getting the budget

7 passed, we really need some direction on this blue

8 sheet here, which is would you like for staff to

9 explore what that bond amount would be,

10 understanding we would be coming back at a future

11 date for that piece of it? And then if we are doing

12 that, did you wish to bond for the full amount of

13 the Beach House, meaning we would reduce the amount

14 of the capital improvements on this particular blue

15 sheet by the almost \$4 million that you see in

16 column there? Or is there an interest in continuing

17 with some of that money going towards that project?

18 TRUSTEE TONKING: I agree with Trustee

19 Tulloch. I don't think you can pass a budget for a

20 capital expense -- an unbalanced budget if you don't

21 actually have the bond.

22 That was the whole issue that happened

23 with why we are on such a really tight timeline

24 getting bonding for the effluent pipeline. A, we

25 had to get the timeline working, but also in order

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1 to get it to pass in our budget, we had to do that

2 then. Otherwise, we were going to have to find

3 appropriate funds to do it.

4 I think, in theory, we have to operate as

5 though we are not able to bond, unfortunately, since

6 we are at the end, the eleventh, twelfth hour and

7 maybe a couple minutes to spare.

8 TRUSTEE DENT: And this is -- just the

9 background on this. We've been asking for analysis

10 on this since -- for a long time, at least a year,

11 over a year.

12 And so this isn't -- we don't have the

13 information, we can't just go and increase the beach

14 fee to collect money for a project that we don't

15 even know what it is, because we don't know what is

16 being offered for 16 million. We got bathrooms for

17 4 million, and you got bathrooms with a kitchen for

18 10 million and a bunch of site work. It's may be a

19 little too premature, given that we don't understand

20 what the financing is, we don't understand what the

21 scope is, to even try and put a budget together for

22 it.

23 I'd say we just collect a fee to cover

24 operations, maybe. And at least we're covering the

25 operational costs, we're not depleting the beach

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1 fund from the capital that we've put over, and we

2 continue for at least -- I don't know. We have no

3 clue what we're doing as it relates to what we're

4 building, what the scope is, and what the budgets

5 could be. And the community hasn't seen this

6 project.

7 TRUSTEE TONKING: I think that's fine.

8 Except the problem is you're going to end up pushing

9 this out another year. That's the decision our

10 board is making right now is we are not budgeting

11 for worst case scenario if we just cover operating.

12 We're only budgeting for best case and being allowed

13 to bond. We don't even know for certain if we can

14 bond on the beaches.

15 TRUSTEE DENT: Yeah, I understand.

16 TRUSTEE TONKING: I think my fear is if we

17 wanted to start this project this next May, we

18 wouldn't be able to. And so that's pushing it out

19 another May. That's one thing we need to consider

20 on that.

21 TRUSTEE DENT: I understand. I totally

22 agree with you on that. But you're also talking

23 about collecting another -- you're talking about a

24 rec fee going to \$1,500 this year and beach fee to

25 be \$700 this year to get up to a number that can

99

1 handle this.

2 I feel like there's too many moving parts,

3 we don't have enough information to make a decision,

4 and this is brought on us at the last minute.

5 It's -- we're kind of -- our hands are tied. And

6 we're going to go ask the community for \$780 to go

7 towards the beach fee so we can have another 5,

8 \$6 million in that fund when we don't even know what

9 we're building, and if the project's even moving

10 forward next year. A lot of unknowns.

11 TRUSTEE TONKING: There's a middle ground

12 to that, though. You don't have to do the whole

13 amount of 16 million, 10 million. You can take 25

14 percent of it, for example, or 30, and at least

15 budget that way. And we can -- I feel like 25

16 percent is usually a good number when you're trying

17 to bond anyway when covering the costs, maybe a

18 little less.

19 We have idea of what -- like, you can take

20 25 percent of 10, for example, or 25 percent of 6 or

21 something like that and do it that way. That at

22 least is giving you some foundational money.

23 TRUSTEE TULLOCH: I would agree, for the

24 most part, with Trustee Tonking. I think we made a

25 commitment to the community that we would get this

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1 moving. I think we're running into danger of doing
2 the same thing as past boards did with the effluent
3 pipeline where they just kept going round and round
4 in circles.
5 Perhaps you can clarify. The originally
6 recommended beach fee from staff was 320 -- is that
7 correct? -- per parcel. If you can just give us a
8 breakdown what that included. Let's look at the
9 numbers. The numbers don't lie.
10 MR. MAGEE: The original beach fee was
11 330; 142 going to operating, 188 going to capital.
12 TRUSTEE TULLOCH: Correct. And what would
13 that 188 to capital, how much capital would that
14 raise?
15 MR. MAGEE: I don't have that number in
16 front of me.
17 TRUSTEE TULLOCH: 188 by 8,000. 4.5
18 million.
19 I think we should -- that certainly helps
20 towards it, and perhaps it helps focus some reality
21 on our contractors and things and our design for the
22 beach as well. Rather than the contractors that as
23 soon as they heard, mistakenly, that the Board had
24 just lifted the cap, thrown away the cap on spending
25 of the Beach House, they could suddenly go from

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1 10.2 million to 16 million. I think that was never
2 the intention of the Board.
3 I think I agree with Trustee Tonking, if
4 we want to get moving on something, we should be
5 doing something now.
6 Quite apart from the fact that bonding
7 could probably take us about six months to arrange.
8 That would be -- it would also be absent any legal
9 challenges from non-beach access parcel holders. It
10 would be nice to support a general obligation bond.
11 I think there's all the pitfalls there that have
12 been previously explored.
13 I would tend to go along with Trustee
14 Tonking here. We should be collecting some money.
15 As much as I don't like collecting the money, but if
16 we do collect this and we do go ahead with the Beach
17 House, at least it will reduce the bonding amount.
18 1.7 million a year in additional operating cost to
19 service the bond is not insignificant.
20 TRUSTEE DENT: So I'm clear, how much were
21 you proposing, 1.5 to collect or 1.5 plus the
22 operating costs?
23 TRUSTEE TULLOCH: It would be the 1.5 plus
24 the operating costs. I mean, I was okay with the
25 beach fee at 320 here. It was the facility fee at

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1 450 or 460 or something I was objecting to.
2 TRUSTEE DENT: Understood. Okay. It's
3 similar logic to what we talked about last year.
4 TRUSTEE TULLOCH: Yeah.
5 MR. RUDIN: I just wanted to supplement my
6 earlier answer on the bonding. NRS 318.197, which
7 gives you your powers to set recreation fees and
8 charges and assessments, also states that those can
9 be used to be pledged as revenue for the repayment
10 of any indebtedness or special obligations of the
11 District.
12 So you could, in theory, do a revenue bond
13 using things like beach fees or rec fees for a
14 specific project.
15 TRUSTEE DENT: Thank you.
16 CHAIR SCHMITZ: I want to understand these
17 numbers. We have currently our fund balance for the
18 beaches is \$9.3 million -- is that correct? -- at
19 the bottom, that's our current fund balance is 9.3
20 million.
21 MR. CRIPPS: No. That's the anticipated
22 ending fund balance of fiscal year '24.
23 CHAIR SCHMITZ: Can you show me the
24 columns up above? This is '23/'24 actuals, so this
25 is what you're anticipating being our bond balance

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1 at the end of this fiscal year, 9.3 million. Before
2 anything goes into a new fiscal year, that's our
3 fund balance, 9.3?
4 MR. CRIPPS: That's the current estimated,
5 correct.
6 CHAIR SCHMITZ: So we've got 9.3 million
7 set aside already, built up already. What is the
8 required fund balance per policy for the beach fund?
9 MR. CRIPPS: My understand is that's at 25
10 percent of operations.
11 CHAIR SCHMITZ: 25 percent of operations,
12 so that's 25 percent of, roughly, 2.7, then; is that
13 correct?
14 MR. CRIPPS: Yeah. But there's some other
15 components. There's actually three pieces to the
16 fund balance policy. That's 25 percent of operating
17 budget, then there's a component of the capital
18 where it's the average of three years for
19 depreciation, and -- off the top of my head, I don't
20 remember the third component.
21 There are actually three components to it.
22 The first one is the 25 percent of operation.
23 CHAIR SCHMITZ: I would -- a million
24 dollars is -- would be more than be sufficient for
25 required fund balance, because the 25 percent of

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1 operating is like 685,000, so a million dollars.
 2 We've got \$8.3 million-plus already set aside for
 3 this project.
 4 I understand the concerns about the
 5 bonding. I think that we should have been
 6 discussing awhile ago, but we can't turn back the
 7 hands of time, we can only go forward. But if we're
 8 serious about the ability and the desire to bond, I
 9 can't feel comfortable with saying we're going to go
 10 and collect money from people if we don't have a
 11 need for it. We have a huge fund balance that we
 12 built up. We could use 8 million, 8.3 million of
 13 that to pay for half of the project and bond half of
 14 it.
 15 I don't feel comfortable saying we need to
 16 collect -- what we have now today is \$455 per parcel
 17 for the beach fee because we were doing that to
 18 build up this fund balance.
 19 So I think until I see what the recreation
 20 fee is looking to do, it has an impact on my comfort
 21 level with what we do here because I'm very
 22 concerned on the recreation side that we've got a
 23 huge budget and we need to cover it and I think we
 24 need to get the answers, for me anyway, to some of
 25 the bonding questions so that -- and know where

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1 community services is coming in from a need for
 2 recreation fee to them make a decision about how do
 3 we want to handle this one, because I can't fathom
 4 requiring anything over the 830 that has been
 5 over-collecting for in many, many years.
 6 And so, for me, I think there's just more
 7 information on community services that is needed and
 8 more information about the practicality of actually
 9 bonding. But if we could bond half it, we've got
 10 the other half if it truly is a \$16 million project.
 11 But the Board has to make decisions based
 12 on facts, and to be honest, we don't really have any
 13 facts, we just have numbers floating around.
 14 TRUSTEE TONKING: Help me understand this
 15 sheet, Mr. Cripps. If I'm looking at this, if I
 16 don't collect a beach fee, I'm going to be at the
 17 end of next year negative \$349,000, roughly
 18 \$350,000, in the hole?
 19 MR. CRIPPS: One update to that. Like the
 20 number that you're looking at, what that entails --
 21 so fiscal year '24, beach fee was collected, so
 22 we're actually going to be projected -- estimated at
 23 that 9.3.
 24 So then what you would need to do is then
 25 go up to your net amount, in the next column, where

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1 that negative -- where you are seeing that negative
 2 amount, that's where you're actually going to the --
 3 that's where the '25 original budget was in the
 4 column next to that where that 5.3 million is, so
 5 then you would see that positive 452. You actually
 6 need to take those balances from -- or so the net
 7 effect of those budgets from the 9.3, so then we
 8 would actually be at a fund balance level of about
 9 4 million.
 10 Because what's happening with the
 11 estimated fiscal year '24 is that 4 million that was
 12 budgeting for the project is not estimated on being
 13 spent, and so that's why it's rolling into fund
 14 balance. That's that 9.3. So the end balance with
 15 the facility fee because fiscal year '24 did have a
 16 beach fee.
 17 TRUSTEE TONKING: Okay.
 18 TRUSTEE TULLOCH: Can we get a copy of
 19 this sheet? This is -- it's almost impossible to
 20 read from here.
 21 TRUSTEE TONKING: I spent a lot of time in
 22 budgets and accounting, and I don't think I quite
 23 got what you were saying.
 24 Let's walk through that a little bit more
 25 clearly. So, in there, you're saying at the end of

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1 this year I'm going to have \$9 million, is what
 2 you're estimating, at the end of FY 2024?
 3 MR. CRIPPS: Um-hum.
 4 TRUSTEE TONKING: So, then I have put in
 5 there the budget for the beach house -- correct? --
 6 of 4.5 million, 4 million?
 7 MR. CRIPPS: Fiscal year '24 has
 8 4 million.
 9 TRUSTEE TONKING: Okay. So, of that
 10 9 million, 4 million of that has to come out?
 11 MR. CRIPPS: Correct.
 12 TRUSTEE TONKING: Now I'm left over with
 13 the 5.8, is that where you got that -- where is the
 14 5.8?
 15 MR. CRIPPS: No. So the 5.8, that's
 16 just -- it's based on formula. That's where I tried
 17 to do it before -- because we got this really late
 18 in the day -- I tried to have the 9.3 up above too
 19 where the beginning balance is, but the way the
 20 formulas are, it was -- I was unable to do that.
 21 That's why I'm trying to spell it out right now.
 22 However, I can help with a road map, like
 23 the sheets as the Board is requesting, I believe it
 24 would probably be a little bit easier to see it
 25 demonstrated that way.

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1 TRUSTEE TONKING: I think what I need to
2 see is I need to see if I don't collect a fee at
3 all, what does my ending fund balance look like at
4 the end of FY 2025, and I'm budgeting 4.5 million,
5 let's say, (inaudible) it a little bit too low right
6 now.

7 MR. CRIPPS: Yeah. No. Understood.

8 TRUSTEE TONKING: Can you show me what
9 that -- is it --

10 MR. CRIPPS: Yes. I completely understand
11 what you're asking for.

12 TRUSTEE TONKING: Great. I think that
13 would clear up a lot of it because it's confusing.
14 I think I don't think I could make a
15 decision on that until I could see what happens for
16 a fund balance in the next two years from that, so,
17 really, FY '25 would be the most (inaudible).

18 MR. CRIPPS: Okay.

19 TRUSTEE DENT: Any other questions on this
20 item?

21 TRUSTEE TULLOCH: Yeah. Comment, I think.
22 It depends if we're serious about actually starting
23 this next year or not.
24 If it's 16 million, I'm definitely a hard
25 no whether it's bonding or not because I think it's

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1 going on.
2 I don't think -- I think there's way too
3 many uncertainties around bonding. In principle,
4 it's good if it makes some sense. It doesn't make
5 sense to just way overpay, twice as much as we need
6 for something just because we can bond it. That's
7 what leads to something like 2 trillion in credit
8 card debt in the U.S., and I'm not in favor of that.
9 But I think we should still keep
10 collecting. For me, the major question is what are
11 the overall fees are going to be, including the rec
12 fee? And if we do have a rec fee and a beach fee, I
13 don't want to see them increasing over last year's
14 level. I don't see the point in collecting 6.2
15 million combined beach and rec fee, as is shown in
16 the 780 fee, just to pay for 5 million in increased
17 salaries and benefits. I think that's completely
18 wrong. I'm not prepared to ask the public to do
19 that.

20 TRUSTEE TONKING: I have a question. Can
21 -- is it at all possible to move to slide 16, which
22 is the beach fee and the rec fee? 15. Or did you
23 need us to go through the other decision points? I
24 mean, we'll have to go through them, I know that,
25 but I wasn't sure if that ...

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1 just stupid. But I think it's just egregious.
2 People are just letting their imaginations run riot,
3 because even in the 10.2 million, I must apologize
4 to the Board, I made some quotes a couple meetings
5 ago that it was ridiculous to spent 2.05 million on
6 a kitchen, an industrial kitchen for the Beach
7 House. I apologize. I gave the Board the wrong
8 number. Actually, when I added in all the general
9 conditions and the fees and everything
10 appropriate -- allocated to that across the kitchen,
11 the kitchen costs actually came to about 3.3 million
12 in that 10.2 million, for, again, a \$50,000-a-year
13 revenue to prepare sandwiches and hot dogs. So, I
14 mean, I think we need to go back and visit this.
15 I think we do need to make sure if we've
16 got 9 million sitting there, we should not be ruling
17 now on operating costs, we should be putting that
18 towards -- we've collected it from the residents
19 already. Residents desperately want decent toilets.
20 And if anybody's been watching social media, you see
21 there's been a big outcry in the last few days of it
22 doing away with the tiki bar sort of thing and
23 coming up with some sort of indoor restaurant or
24 something that nobody seems to want. It's amazing
25 how that goes when you actually listen to what's

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1 MR. MAGEE: I think it would be helpful --
2 we intentionally put that at the very end, and I it
3 would be helpful to go through each slide. But if
4 the Board wants to, we can certainly do that now.

5 TRUSTEE TONKING: It's fine to go through
6 each slide. We just moved into that conversation,
7 and so before we debated it, I was just wondering if
8 we should go there if we need to go through these
9 other decision points.

10 TRUSTEE DENT: Let's work through these
11 other decisions points because I feel like once, you
12 know, the crux of this, the last page, is really
13 what -- oh.

14 Chair Schmitz, you had a question?

15 CHAIR SCHMITZ: I do, yeah.
16 So, again, we've got -- I'm looking at
17 this CIP spreadsheet that we were provided that's
18 yellow, and one of the things -- and another
19 spreadsheet we received, I think it was today or
20 yesterday, there was something that appeared to be
21 budgeted for Incline Beach restroom, you know, the
22 partitions between. We need to make sure that we're
23 not budgeting and planning to do something that we
24 intend to just rip out next year.
25 I don't know whether this sheet is valid

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1 or the other sheet is valid, but it sure would be
2 nice if we had one thing and one list that we could
3 look at and say this is what's in our budget or not
4 in our budget because I don't know.
5 But I'm bringing that to somebody's
6 attention because on another spreadsheet, it was in
7 the board packet material, it had restrooms
8 separators for like \$15,000.
9 And then on the capital project list,
10 there's another rolling stock of \$35,000 for the
11 beaches. What is this? The rolling stock numbers,
12 can we please have some information? I know we've
13 spent a lot of money on the mowers, the cats, and
14 the vehicles that drive around. I just want to
15 understand what it is that we're planning to buy and
16 to pay for.
17 Those are my comments relative to the
18 beaches. And I think that we have to understand
19 where these numbers are coming in, what's in the
20 numbers, what's out of the numbers, and what's the
21 bottom line. I'm sitting here and we have things
22 all over, and it needs to get pulled together and it
23 needs to be precise and we need to understand what
24 projects are in the budget for each of these venues
25 and be able to make some decisions. I feel like

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1 TRUSTEE DENT: I think that would answer a
2 lot of questions.
3 Slide 10, tennis center courts 5, 6, and
4 7.
5 MR. MAGEE: The next decision point, I was
6 asked a question specifically about the Incline
7 Tahoe Foundation. They do have a item on their
8 website related to funding for the tennis center. I
9 did reach out to them, they have not collected any
10 money at all for the tennis center. To answer that
11 question to start, there is zero that is available
12 from the ITF for these tennis center courts.
13 As the Board heard a few months ago a
14 couple of different times, the tennis center courts
15 5, 6, and 7 are in poor condition and failing and
16 there's been a consultant's report related to that,
17 and we had made a recommendation previously to
18 replace those courts and appropriate the funds using
19 community services fund balance for that. The Board
20 told us no at that time, and asked us for additional
21 information, though.
22 And so just to let the Board know, we have
23 not included any funding in this budget for the
24 tennis center courts 5, 6, and 7. And so if staff's
25 understanding is incorrect and the Board wishes for

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1 we've just got information scattered different
2 places, and is it's not helping us to just quickly
3 make decisions.
4 MS. NELSON: I just wanted to direct the
5 Board's attention that the rolling stock itemized
6 fleet CIP was given to the Board at March 6th
7 meeting, item G 2, so that's where you can find the
8 detailed explanation.
9 CHAIR SCHMITZ: So I have to go find
10 another spreadsheet from another meeting to know
11 what this is, is that what I'm hearing?
12 MS. NELSON: Yeah. That was the initial
13 CIP meeting that we had on the 6th of March.
14 CHAIR SCHMITZ: I'll go print out another
15 -- or look at another spreadsheet that will have
16 that information.
17 TRUSTEE DENT: Are you guys going to put
18 all this together so we at least have it in front of
19 us tomorrow? Is that the idea?
20 TRUSTEE TULLOCH: Can we get a breakdown
21 of all the rolling stock included -- by department,
22 included in next year's budget?
23 MS. NELSON: Yeah, that's what it is.
24 We'll just print it off. It's already there, yeah,
25 broken down by fund.

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1 staff to include funding for these tennis center
2 courts, we would need that direction at this time.
3 TRUSTEE DENT: Do we have an estimated
4 cost as to the entire tennis center court funding
5 project?
6 MR. MAGEE: Current estimate is \$3 million
7 for courts 5, 6, and 7.
8 TRUSTEE DENT: Correct. And then the
9 other three, same?
10 MR. MAGEE: I don't have the other three
11 in front of me. I thought it was slightly lower
12 than that, though.
13 (Inaudible discussion amongst the
14 Board.)
15 MR. MAGEE: I think I'm looking at the
16 wrong courts, then.
17 (Inaudible discussion amongst the
18 Board.)
19 TRUSTEE DENT: Okay. When it comes -- and
20 then how long does a tennis court last? So, 20-year
21 facility that we're considering paying for today?
22 MR. MAGEE: Correct.
23 TRUSTEE DENT: I will pass the floor to
24 Trustee Noble.
25 TRUSTEE NOBLE: I think we need to start

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1 on to courts sooner rather than later. I think we
 2 should put in the funding for it now in this budget,
 3 and explore bonding for the future phases of the
 4 tennis courts so we got a combination of going
 5 forward.

6 CHAIR SCHMITZ: I think that we should do
 7 a couple of things. I think we should evaluate the
 8 use and the demand for the tennis courts and the
 9 pickleball courts. I think they are an asset to our
 10 community that we need to maintain, and I believe
 11 that they have fulfilled their life. And I think
 12 that we should seriously look at what is needed in
 13 its entirety. And I think we should bond it.

14 And I think we should look at what do we
 15 need at the Rec Center as far as reconfiguration of
 16 space and improvement of space at the Rec Center.
 17 And we should try to bundle this stuff up and do a
 18 bond and take care of these facilities.

19 It's very difficult to have these types of
 20 expenditures when you're collecting revenue from
 21 parcel owners, and then it has a life of 30 years.

22 And I just think that we need to get ahead
 23 of this, and I know courts need to be done. And I
 24 think we should analyze what's truly needed and how
 25 to build them so that they potentially can be dual

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1 purpose, tennis/pickleball, and take care of it and
 2 move on.

3 I don't think we should be trying to cover
 4 this with our recreation fee for the capital outlay.

5 TRUSTEE TULLOCH: This year's projections,
 6 the revenues were dropping down 20 percent at the
 7 tennis center to \$240,000. I think we do need to
 8 see what is actually required. I think the key
 9 question is if revenues are dropping, the usage is
 10 dropping, do we still need 12 courts in total? It's
 11 costing a million and a half, a million, a million
 12 and a half per court to refurbish them.

13 For bonding, can we bond them against the
 14 tennis center revenues?

15 TRUSTEE DENT: No.

16 TRUSTEE TONKING: I am -- as I've said a
 17 hundred times, I am (inaudible) these courts, I am
 18 very concerned it's going to become a safety hazard
 19 and we'll have bigger problems on our hands.

20 And I think bonding is a good idea if
 21 possible, but, really, we just have to start getting
 22 these ones done.

23 TRUSTEE DENT: Understood.

24 There are -- in the packet that we
 25 received today that has the Rec Center list on it,

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1 there are several -- to Chair Schmitz' point --
 2 projects in there that are -- could be -- I mean,
 3 several hundred-thousand-dollar, large projects
 4 that's related to the pool that could be included in
 5 a bonding project. There is reworking the Rec
 6 Center, especially knowing that we're at, say, an
 7 all-time high in the last five years with, say,
 8 usage and membership it sounds like from today's
 9 reporting. And when it comes to seriously deferred
 10 maintenance at the tennis center, I just struggle
 11 with wanting to pay for this today when we should be
 12 lumping all this together, look into it, General
 13 Manager, let's bond this, and let's move forward and
 14 do these projects.

15 Whether it's next summer, we tackle a
 16 couple of them, three of them, and we tackle the
 17 next and the next and get these facilities to where
 18 they need to be. It's just hard to bite all of this
 19 off in one year and add these massive deferred
 20 maintenance projects when we're not collecting
 21 anything for maintenance.

22 It would be nice to, going into
 23 next year's budget, plan a little bit differently
 24 knowing that we're now bringing forward many of
 25 these deferred maintenance projects, not calling

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1 tennis one of those, but there's several new ones
 2 that have come forward that we didn't have in years
 3 past, just a way to tackle that.

4 And if the rec fee needs to go up moving
 5 forward, it is what it is. But it just seems like
 6 we have all of our facilities kind of coming to a
 7 point where they're going to need some serious work,
 8 and bonding's going to really be the way to tackle a
 9 huge chunk of that.

10 Anyone else on this item?

11 ITF funding, I think we already talked on
 12 that?

13 MR. MAGEE: Yep.

14 I want to make sure I'm very clear on each
 15 one of these slides here. What I'm hearing from the
 16 full board is explore bonding for tennis courts 5,
 17 6, and 7, and do not include them in the
 18 spreadsheets for tomorrow.

19 TRUSTEE TULLOCH: I think what I heard was
 20 that let's roll all these together, so if we're
 21 doing one bonding issue it covers a multitude of
 22 them. Rather than just trying to do a whole pile of
 23 individual bonds, let's look at what the full impact
 24 is, so then what people realize what the payments
 25 are going to be on these bonds, year on year, and

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1 how that's going to restrict future boards as well.
 2 MR. MAGEE: Okay. Thank you.
 3 Moving forward on to the next decision
 4 point. What staff heard at the last meeting is
 5 Parks is to remain in the general fund. I wanted to
 6 make sure we have agreement and clarity on that
 7 item.
 8 TRUSTEE NOBLE: I think Parks should go
 9 back. Granted there are fences around them and
 10 we're not regulating who uses the parks, including
 11 all the ball fields. When you look at soccer,
 12 softball baseball, flag football, everything else
 13 that this community participates in at those parks,
 14 it's definitely the community members that are using
 15 those, by and large, way more than anybody else.
 16 People are not coming from other areas to use our
 17 parks by and large. It's the community here that's
 18 doing that.
 19 TRUSTEE TONKING: I'm against keeping
 20 Parks in the general fund. We have a very set
 21 revenue base in general fund. We are -- have to be
 22 compliant under NRS within our general fund, and
 23 it's going to put us out of compliance in that 16 to
 24 18 months.
 25 CHAIR SCHMITZ: Part of the reason why we

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1 moved Parks to the general fund is because we felt
 2 that the Parks budget, perhaps, needed to be
 3 reviewed a bit more closely and not just have
 4 everything getting subsidized through the rec fee.
 5 I think we should be looking at some of
 6 these capital improvement projects. I read in one
 7 of the spreadsheets that we're doing fencing at
 8 Ridgeline Park and we're doing something at Preston
 9 Field, and there's nothing on here that relates to
 10 Village Green. And Village Green is probably the
 11 most heavily used of our parks.
 12 And so I think we should be looking at
 13 what is the priority of our spending. And we have
 14 in here -- one spreadsheet has it at 30,000, another
 15 one has it at 45,000 to do field stripping. I don't
 16 know what that is for.
 17 And I think that we need to be diligent
 18 about what is our budget and working to work within
 19 our budget, not just shift it someplace that, oh,
 20 we'll just cover it with the rec fee. Parks
 21 typically are always in the general fund. And I
 22 think the biggest issue with Parks is the capital
 23 improvement projects and that the capital
 24 improvement project funding is a problem for the
 25 general fund.

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1 But I think that there's, perhaps, a
 2 different way that the capital improvements could be
 3 handled and budgeted. And, perhaps, the capital
 4 portion of it is in community services. But in
 5 reality in most situations, that is where parks are.
 6 They're a general fund-type of venue.
 7 But I think that there's budgetary --
 8 their fuel costs doubled, I think that it's just a
 9 budget that should be looked at a bit more closely
 10 and have some additional reductions in the blue
 11 sheets for tomorrow.
 12 TRUSTEE TULLOCH: I tend to agree. To be
 13 frank, I don't really care which budget they're in.
 14 I think we spend too much time trying to do --
 15 allocate several service costs playing games,
 16 playing financial games rather than addressing the
 17 key issue: How do we make delivery of services most
 18 efficient and more cost effective?
 19 Instead, everyone wants to just throw
 20 things over the wall to somebody else. And we then
 21 create internal services departments based on all
 22 internal trading, basically selling hamburgers to
 23 each other.
 24 Let's address the root cause, let's look
 25 at the real costs of doing things, find out how we

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1 can do it in a most efficient and effective way
 2 rather than just actually playing games around who's
 3 budget it's in.
 4 TRUSTEE TONKING: Trustee Tulloch took
 5 what I was going to say and put it in a little bit
 6 more crass of terms than I was about to put it.
 7 I was going to say, literally, what we
 8 just did in this budget workshop is take a bunch of
 9 general fund dollars and allocate them all the way
 10 back to central services allocation in which now the
 11 rec fee's covering it. I don't think it really
 12 matters where you put the Parks budget, it's going
 13 to end up happening that your central services are
 14 going -- it's going to come in allocation.
 15 So, why don't we then just do the deep
 16 dive into Parks and figure out what you want to
 17 change and not play this budgeting game in circles?
 18 It seems like it's a waste of everyone's time.
 19 TRUSTEE TULLOCH: Add one other thing. In
 20 the Parks budget, it had 55,000 for Incline Beach
 21 beautification, which is kind of pointless if we're
 22 going to be tearing it up to build a new building
 23 and things as well. I think that's another one that
 24 could be delayed.
 25 TRUSTEE DENT: You're right. And we

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1 talked about that last -- I believe we brought that
 2 up at the last meeting, just making sure we're not
 3 beautifying something that's getting ripped out.
 4 The -- Trustee Schmitz, I agree with some
 5 of the stuff you said there as it relates to the
 6 Parks budget. I believe we could use -- capital
 7 could be offset by the community services rec fee
 8 that's charged. And then this leads into the next
 9 slide, but it is Parks.
 10 How much -- Mr. Cripps, do you have 1
 11 million, 2 million, or 1 to 3 million in your budget
 12 for tomorrow for the dog park?
 13 MR. CRIPPS: That item is coming up in
 14 another slide.
 15 TRUSTEE DENT: I understand.
 16 MR. CRIPPS: That's not currently
 17 budgeted.
 18 TRUSTEE DENT: Not currently budgeted.
 19 Okay. All right. I'll wait, then.
 20 I was just looking at the spreadsheet of 1
 21 to 3 million from the information we had received
 22 for this meeting.
 23 TRUSTEE TULLOCH: Just on the dog park,
 24 it's my recollection we previously appropriated
 25 1 million for the dog park two, three years ago.

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1 TRUSTEE DENT: We may have and it didn't
 2 get rebudgeted. And there were several projects
 3 like that that fell last year.
 4 TRUSTEE TULLOCH: But the money's been
 5 appropriated.
 6 TRUSTEE DENT: General Manager Magee?
 7 MR. MAGEE: Sure. If the money was
 8 appropriated in a previous budget and then not
 9 rebudgeted nor carried forward, then it does fall
 10 off.
 11 I don't know what happened with this
 12 particular, but it has been shared with me that
 13 there is no appropriations available for the dog
 14 park at this time. It has not been included in
 15 next year's budget. I don't know what happened
 16 three years ago.
 17 TRUSTEE DENT: Which means there's not
 18 budget currently in this current fiscal year?
 19 MR. MAGEE: That is my understanding.
 20 TRUSTEE TULLOCH: Does that mean the 1
 21 million has gone back into fund balance?
 22 MR. MAGEE: The 1 million would have been
 23 appropriated, and then, theoretically, encumbered at
 24 that time. And so when it was unencumbered then,
 25 yes, it would be go back into fund balance.

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1 TRUSTEE DENT: Anyone else want to weigh
 2 in on this item?
 3 MR. MAGEE: Again, I want to be very
 4 clear: Is Parks remaining in the general fund for
 5 tomorrow's spreadsheets?
 6 TRUSTEE TONKING: I have a carryover
 7 question, actually.
 8 So we did our budget at the end for FY
 9 '24, director of finance Navazio left, at that time,
 10 we were doing those periodic carryovers.
 11 What you're saying is when the new team
 12 came in, we never carried over a bunch of stuff,
 13 then; is that correct?
 14 MR. MAGEE: I don't know if it was a bunch
 15 of stuff because I wasn't here. When I first got
 16 here, we did the carryover shortly after I arrived.
 17 I don't know which projects that were previously
 18 appropriated were carried over or not carried over.
 19 What I was told is the dog park was not
 20 carried over.
 21 TRUSTEE DENT: So last year's budget that
 22 we approved, we didn't carry over the dog park?
 23 TRUSTEE TONKING: No. So we did -- in
 24 October, we would always do a big carryover. That's
 25 how we were in compliance with NRS. And so what

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1 happened was our whole team flipped and I think we
 2 lost -- there was a bunch of different stuff that
 3 would have been in that carryover, and I don't know
 4 which ones were in it and which ones were out. I
 5 didn't even think to flag it, but now that's
 6 slightly alarming.
 7 TRUSTEE DENT: This isn't the first time
 8 this has happened. The 40- or \$50,000 that was
 9 approved for legal counsel by this board, last
 10 January or February, was not carried forward.
 11 That's why a couple months back we had to approve
 12 legal counsel for the same legal counsel we had
 13 approved last year.
 14 There was a lot of stuff that wasn't being
 15 done as we expected.
 16 TRUSTEE TONKING: Not something to do for
 17 this budget because you're on your eleventh/twelfth
 18 hour, but what needs to happen is there is a
 19 carryover sheet that exists and it would have been
 20 presented at our budget workshop in March of
 21 2023, and that has the list of all the projects that
 22 didn't happen and their carryover amounts, and we
 23 need to tie that to the carryover that we put into
 24 place in October and figure out what things got
 25 dropped off, just so we all know.

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1 I think a lot of those things, to Trustee
 2 Tulloch's point, we approved them -- and this is
 3 just me thinking about it with the dog park, I'm not
 4 saying that the dog park is the reason this is a big
 5 deal -- that we've approved, that now they just all
 6 end up back in general fund. I'm a nervous now that
 7 there are things that we are missing that are going
 8 to become an issue in our minds as they come up
 9 again.

10 Apparently we do have short memories
 11 because I didn't think about it until this moment.

12 MR. MAGEE: We can certainly do that
 13 analysis. Obviously, that's one we are not going to
 14 do by tomorrow at noon, but we will take a look at
 15 that, do that analysis, and get that back to the
 16 Board.

17 TRUSTEE TULLOCH: I think there's a
 18 knock-on issue there, building on Trustee Tonking's
 19 point, there's a danger we start spending like say
 20 there's a leave and things and then forget there's
 21 other things that we assume we've already collected
 22 the money for, and then we're committing the funds
 23 twice.

24 TRUSTEE DENT: Understood.

25 MR. MAGEE: Back to the decision point.

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1 Are we keeping Parks in the general fund for
 2 tomorrow's spreadsheets?

3 TRUSTEE DENT: Yes, we are.

4 MR. MAGEE: Thank you.

5 On to the dog park funding. As we've
 6 already started talking about, there is no funding
 7 programmed into this year's budget. And so the
 8 question is is would the Board like for us to
 9 include this in tomorrow's spreadsheets, or would
 10 you like for it to remain out of tomorrow's
 11 spreadsheets?

12 TRUSTEE TONKING: I think that this is a
 13 great one that we can bring back and make the
 14 appropriation if needed.

15 I know that there has been a lot of talk
 16 about the new bill that was put through the Senate,
 17 and actually a different bill that has now just been
 18 passed in the House last week, that both have this
 19 earmarked in there. I think there is a lot of
 20 opportunity that exists that we may not have
 21 considered two years ago.

22 I think it's probably fine to leave it
 23 unfunded and bring it as we see fit.

24 TRUSTEE DENT: Anyone else want to weigh
 25 in on that? Do we want to take the direction that

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1 Trustee Tonking just laid out?

2 TRUSTEE TULLOCH: Unfortunately with the
 3 demise of Timber, I no longer have a dog in this
 4 fight.

5 TRUSTEE DENT: Anyone else?
 6 We're leaving it out.

7 MR. MAGEE: Okay. Thank you.
 8 Next decision point is the utility rate
 9 study, and we need some direction. Are we funding
 10 this or not?

11 TRUSTEE TULLOCH: We've already seen the
 12 report from DOWL. We've made no provision for any
 13 of the costs in that so far. DOWL also identified
 14 that we don't really have information. We need to
 15 do a fair bit of data analysis.

16 I'm not sure why we suddenly do yet
 17 another utility rate study to tell -- and then just
 18 ignore it by adding additional staff, additional
 19 costs and things, so the rate study's out of date
 20 before we've even implemented it.

21 I think we need to do some fairly deep,
 22 significant analysis and assessment. DOWL called
 23 for about 55 million of additional capital that's
 24 not there, that's another pipeline, and this is
 25 going into rates that have increased over 50 over

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1 the last three years already for water -- for
 2 utilities. I think we need to make sure that we're
 3 actually spending money in the proper place. And
 4 when we do a utility rate study, we've got all the
 5 current information, we don't just then suddenly go
 6 and make all sorts of changes and increases in
 7 budgets and staff and things and say, oh, well we
 8 need another at rate study.

9 It's pointless doing it on that basis.

10 TRUSTEE TONKING: This is a question for
 11 interim Director of Public Works. When we talked
 12 about this, I think it was like five months ago, we
 13 discussed that we weren't going to do it this year,
 14 but we should consider doing it the following
 15 year -- is that correct? -- or am I misunderstanding
 16 what decision we had talked about.

17 MS. NELSON: That's correct. And it's not
 18 like a full-blown rate study like we had done
 19 last year. It's an update to the rate study, and
 20 that's what's been proposed.

21 And I fully understand where Trustee
 22 Tulloch's coming from. I just don't want our rates
 23 to get completely out of whack and then we have a
 24 huge increase. Whereas, we're trying to make it
 25 level.

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1 We didn't raise rates for three years, and
 2 we're trying to catch up from that. And then if we
 3 allow our rates to continue to just pull off of the
 4 old rate study, which is we're going off of year two
 5 proposed currently, that's my fear.
 6 TRUSTEE TONKING: How are we going to
 7 incorporate some of the stuff in the DOWL report,
 8 how would that work?
 9 MS. NELSON: There is a recommendation to
 10 do some design reports for sewer pump stations and
 11 water pump stations. I would like to move forward
 12 with that this coming year, and that's included in,
 13 I believe right now, the capital plan, knowing full
 14 well that those reports are expensed. That
 15 information would then give us a better plan of
 16 exactly which pump stations need to be immediately
 17 put into the capital plan. I think that would be
 18 the best place to start for the sewer pump stations
 19 and the water pump stations.
 20 We know that we have -- our water lines
 21 need to be replaced. For this budget, I did not
 22 change the bottom-line capital improvement line
 23 item, just knowing that we weren't going to do that
 24 rate study update. I held that where it should be,
 25 according to the rate study. However, we know that

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1 start --
 2 TRUSTEE TULLOCH: How much of that 55
 3 million, approximately? 20 percent, 30 percent?
 4 MS. NELSON: I don't have that answer.
 5 TRUSTEE TULLOCH: To me, that's why it's
 6 premature doing a rate study until we -- we should
 7 be doing this data analysis, make sure we've got all
 8 this data, rather than just keep doing rate studies
 9 and keep doing updates.
 10 I think we owe it to our utility
 11 customers -- we've seen about 50 percent increase
 12 over the last three years already -- to do this.
 13 And this is an area where I think bonding does make
 14 a whole lot more sense, but I think we need to be
 15 careful before we start blithely bonding 50 million
 16 here, 50 million there, 100 million there. Pretty
 17 soon, you're talking real money.
 18 I would like to see this -- the full
 19 impact that DOWL factored into it before we do the
 20 rate study.
 21 TRUSTEE NOBLE: I think it's appropriate
 22 to do an updated utility rate study now. We will
 23 never have all the information that we want. But
 24 what this does is it gives us the best snapshot at
 25 the time that that updated rate study is done so

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1 we have a lot of water lines that need to be
 2 addressed in the near future.
 3 TRUSTEE TONKING: I do believe that we
 4 should do a rate study, so I'm not agreeing with
 5 Trustee Tulloch in that sense.
 6 That was really helpful information. And
 7 I am concerned about that DOWL report because that's
 8 going to come to haunt us probably soon.
 9 TRUSTEE TULLOCH: What you're saying is
 10 you budgeted this year to do the study of the pump
 11 stations and things, primarily, as the initial one.
 12 So wouldn't we need the results of that before we
 13 can do the utility rate study?
 14 MS. NELSON: We would need the results for
 15 that. But if we have the budget approved for July
 16 1, we should have that information by December, and
 17 then be able to put it into the rate study update.
 18 The update does not take as much analysis
 19 as the full rate study, so, therefore, I'm not
 20 anticipating that it would take us very long to get
 21 that update completed.
 22 TRUSTEE TULLOCH: This will have the full
 23 impact of the 55 million DOWL recommendations ready
 24 for it?
 25 MS. NELSON: We'll have a much better

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1 that we can have as accurate rates as possible.
 2 And if we need to do further updates in
 3 years going forward, that's totally appropriate.
 4 And that also gives the appropriate cost signals to
 5 the ratepayers, both for water and wastewater
 6 facilities.
 7 TRUSTEE DENT: Is this going to be the
 8 fourth rate study in three years? Third rate study
 9 in four years; is that correct?
 10 MS. NELSON: I don't -- the only one I
 11 know of is the one that HDR prepared last year.
 12 TRUSTEE DENT: And we had one before that
 13 by HDR, so we had two in a row by HDR.
 14 I'm just curious if for \$30,000, we can
 15 create a spreadsheet that we could project, because
 16 really that's all this is, if we're asking HDR to
 17 help us come in and set our rates at each of these
 18 individual levels. But if it's us projecting what
 19 we need for CIP, that seems like something -- doing
 20 rate studies is fairly new at the District. We've
 21 done two, I believe, since I've been here. Prior to
 22 that, our former public works director did the rate
 23 studies.
 24 Really, to me, it seems like it's a
 25 projection. If there is a need to get in and say,

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1 okay, hey, our water rates we feel like are out of
 2 whack, and we need some guidance from a consultant,
 3 I'd say let's do that. But if we need to spend a
 4 little extra money and we need to budget so we can
 5 actually have a tool that we can actually use year
 6 after year, I think there's a little bit -- money is
 7 a little bit well spent, like, do we go in that
 8 direction than just throwing it on a consultant and
 9 then not getting any information other than a piece
 10 of paper they printed that's now outdated and it's
 11 going to be wrong. Right? We know that. We could
 12 do this every year, and we don't see much change.

13 But if we could spend a little bit of
 14 money or have finance work on something like that to
 15 help utilities out so we can project a little bit
 16 better, I feel like that would be money well spent.

17 Utility rate study, I'm against the
 18 utility rate study. I think three utility rate
 19 studies in four years might be a little too many
 20 without much changes. Trustee Tulloch sounded like
 21 he was against it, and Trustee Tonking and Trustee
 22 Noble said they were favor of it -- or portions of
 23 it.

24 Chair, can you weigh in?
 25 CHAIR SCHMITZ: What were you budgeting

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1 for this, how much?
 2 MS. NELSON: It was 40,000 that we had
 3 budgeted, and it was spread between water and sewer.
 4 CHAIR SCHMITZ: I agree a lot of what
 5 Trustee Dent had to say. But I'm sitting here
 6 thinking we need to have a better handle on our
 7 long-term rates because we have that DOWL report
 8 that we didn't have when HDR did this study.
 9 For \$40,000 for what our utility
 10 infrastructure costs are, I think it's probably
 11 money worth spending at this point in time. I
 12 understand the reluctance behind it, I do. And I
 13 agree with Trustee Dent when he says we should have
 14 a tool that we can use ourselves.
 15 I mean, right now, today when we're
 16 talking about the year utility budget, I've asked
 17 questions of what are the assumptions, and my
 18 feeling is the assumptions aren't right because
 19 utility rates have gone up so much. I'm sitting
 20 here going we can't do just a year two increase
 21 because I can see what's happening to our budget.
 22 We've already asked you to potentially look at
 23 tweaking that and modifying that. We do spend a lot
 24 of money on these rate studies, and then two years
 25 in you say, well, the assumptions aren't right.

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1 But I do understand that DOWL
 2 recommendations really does change the landscape
 3 from a long-term perspective, and I think that
 4 should at least be incorporated in.

5 TRUSTEE DENT: That's three yeses for a
 6 rate study. I liked Mr. Cripps doing the rate study
 7 for us, personally.
 8 Let's move on.
 9 MR. MAGEE: Moving on to the next decision
 10 point, the marketing advertising budget. And so a
 11 question came up: Was it double appropriated?
 12 We did look into that; the answer is no.
 13 We did confirm that appropriations are correct
 14 inside of the budget. It's currently sitting in the
 15 spreadsheets at 270,000.
 16 As the Board is aware, the initial
 17 recommendation from staff was 512,000. We heard
 18 some discussion on reducing costs, and so the
 19 recommendation was made to move it back to 270.
 20 Then we heard some additional discussion by the
 21 Board that there may be some interest in leaving it
 22 at the 512,000.
 23 I did talk to our marketing manager, and
 24 he indicated that, while it's quite challenging to
 25 be able to show a definitive return on investment

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1 with advertising, he does believe that this is
 2 appropriate. He'd been working with the various
 3 venue managers on capturing advertising to
 4 individuals that may be visiting this area and may
 5 have an interest in visiting or golf course or ski
 6 resort or whatever. And so that's why he made the
 7 recommendation after working with all of the venue
 8 manager.
 9 And so we need some direction from the
 10 Board based on the previous discussion we heard.
 11 Are we going to set this at 512,00 for district-wide
 12 advertising, 270,00 for district-wide advertising,
 13 which was what was budgeted last year, or some
 14 number that the Board may see alternate to what
 15 we've provided here?
 16 TRUSTEE DENT: Just so we're clear,
 17 there's no projection on how much additional revenue
 18 will be brought into the budget from doubling the
 19 marketing budget -- or nearly doubling it?
 20 MR. MAGEE: No. And that's exactly what
 21 his point was is calculating a true ROI is
 22 incredibly difficult on this type of activity.
 23 Do we have an actual projection? The
 24 answer is no.
 25 TRUSTEE DENT: A follow-up question is why

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1 would we double the budget if we don't know? A
 2 little bit less risky stance would be increase it by
 3 10 percent or increase it by 25 percent and -- okay.
 4 I'll open it up to the floor.
 5 TRUSTEE TONKING: I was going to say we
 6 should increase it by 30 percent, but I could do 25
 7 percent.
 8 TRUSTEE TULLOCH: I believe we should keep
 9 it at 270. We have not seen -- our marketing
 10 manager has failed to demonstrate any ROI on it.
 11 Earlier this year, he gave us a presentation with
 12 hundreds of slides that proved absolutely nothing,
 13 and talked about clicks and views, but absolutely no
 14 link to revenue.
 15 I believe we're trying to find -- we've
 16 got huge increases. Supplies and services all over
 17 the place. I think we should keep at the 270k, and
 18 let's see if our own marketing people can do as
 19 well. Let's make sure that we leverage that spend.
 20 We're spending about 1 million bucks on the
 21 marketing department alone, so I think we should be
 22 seeing some return on that as well. Not just, oh,
 23 here XL media says we should spend 500k with XL
 24 media.
 25 TRUSTEE NOBLE: When I'm hearing that our

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1 venue managers feel that they need the advertising
 2 to help drive revenues, that's where I think the
 3 512,000 would appropriate.
 4 However, if the majority thinks that 25
 5 percent increase over 270, that's a step in the
 6 right direction, and I would support that.
 7 TRUSTEE TONKING: This was brought up
 8 greatly when we discussed our golf fees. This was
 9 also brought up, A, when the Golf Advisory Committee
 10 came up with the utilization rate, and then when us,
 11 as a board, had this conversation when we talked
 12 about raising the fees especially in the p.m.,
 13 there's a large discussion about marketing those
 14 rates because I had a lot of pushback that it was
 15 going to be too high to get a lot of our locals in
 16 to afford that price.
 17 And so this would be an example of we
 18 talked about the fee, we raised them, and now here's
 19 a way we can recruit some of those people in.
 20 TRUSTEE TULLOCH: Let's ask people to put
 21 their money where their mouth is. If the venue
 22 managers believe that raising this from 270k can
 23 increase revenue, let's make sure that they mark up
 24 the revenue accordingly to make up that difference
 25 between the 512 and the 270. I mean, if people want

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1 the marketing, let's put the money challenge to
 2 actually raise that additional revenue.
 3 CHAIR SCHMITZ: I agree with Trustee
 4 Tulloch here, that if we're saying that increasing
 5 the budget should increase the revenue, well, then
 6 our revenue budgets should be increased if we go and
 7 increase this over the 270, because you have to have
 8 something.
 9 And we just heard that weddings are now
 10 booking, so I don't know, I don't see any
 11 justification to almost double a budget. I can see
 12 that there could be an increase, but to go from to
 13 270 to 512 without saying here's all this additional
 14 revenue that we're going to put on our blue sheets,
 15 it's tough to justify.
 16 TRUSTEE DENT: Fair. And I would agree
 17 with that statement. It is tough to justify.
 18 For many years, I've asked to help me
 19 understand, and I believe there was a huge cut a
 20 couple years ago to the marketing budget, and we did
 21 not see a decrease in the revenues. I don't hear
 22 anyone saying otherwise, so I'm going to say that's
 23 true, until Facebook corrects me.
 24 At this time, given all the challenges and
 25 the unexpected increases across the board -- across

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1 the District that this board is facing, I feel like
 2 increasing this is just spend that we can't justify
 3 given all the increases that we're being hit with
 4 this year.
 5 Do you need further direction?
 6 MR. MAGEE: Yes, please. I'm not sure
 7 what number to put into these spreadsheets.
 8 TRUSTEE DENT: The budget should be 270.
 9 MR. MAGEE: 270. Understood. Thank you.
 10 CHAIR SCHMITZ: I just wanted to point out
 11 I think we should also go out and solicit some RFPs
 12 or something for marketing because, perhaps, other
 13 marketing firms would be able to give us more data
 14 to justify the return on investment.
 15 TRUSTEE DENT: I would agree with that.
 16 Anyone else want to weigh in on this item?
 17 Next item, General Manager?
 18 MR. MAGEE: Moving on to the more
 19 difficult one, the facility fee and the beach fee.
 20 What this has been recommended is a
 21 combined fee of \$780, as we have mentioned a couple
 22 of times, for the recreation fee, operating at 210,
 23 capital projects at 240, for a total rec facility
 24 fee of 450. The beach fee, operating 182, capital
 25 188, for a total beach fee of \$330.

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1 And as I mentioned at the start of the
2 meeting, the finance staff stayed quite late and got
3 the -- my understanding is is they sent the
4 spreadsheet for community services over to
5 Mr. Cripps. Do we have that ready to go?
6 Okay. So I'm going to ask him to bring
7 that up and walk the Board through the community
8 services roll-up sheet at a high level for total
9 expenses, budgeting expenses and revenues at this
10 time.
11 And then we'll like to receive some
12 direction from the Board.
13 TRUSTEE TULLOCH: Can we get copies of the
14 sheets this time? Is it possible to take two
15 minutes to print off some copies of them?
16 TRUSTEE DENT: Let's do that. We're going
17 to take a two-minute break while -- we'll take a
18 short break while staff prints off a copies so we
19 have it here in the room, and then we will resume
20 the meeting.
21 (Recess at 9:26 p.m. 9:32 p.m.)
22 TRUSTEE DENT: We're going to resume the
23 meeting. We were able to get a printout that is
24 going to be able to be shown on the screen, and
25 there are copies in the room. I believe staff is

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1 facility fee -- okay. Sorry.
2 You have the facility fee line. Is that
3 saying that we would get three -- with the facility
4 fee, this line, do we get 3.7 million?
5 MR. CRIPPS: At the current amount, yes.
6 Cumulative total.
7 TRUSTEE TONKING: That's what our fund
8 balance would be without a facility fee?
9 MR. CRIPPS: You would be reduced by that
10 much. I'm trying to help understand -- maybe if --
11 TRUSTEE TONKING: Okay. Here: What is
12 the fund balance if we have facility fee? It is
13 5.6, 5.5 roughly; right?
14 MR. CRIPPS: Correct.
15 TRUSTEE TONKING: Without a facility fee,
16 it is?
17 MR. CRIPPS: Okay. Yeah. Understanding
18 that that would be a demonstration that we did have,
19 like on the beach one how we're trying that?
20 TRUSTEE TONKING: Yeah.
21 MR. CRIPPS: It's a component on this
22 sheet that we're trying to also, but the formula,
23 again, we're trying to get that cleaned up.
24 TRUSTEE TONKING: Okay. So would it be a
25 deduction of -- is it a deduction of 3 million, 3.6

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1 going to be putting that up on the web. I believe
2 we will be compliant with that, so we will go ahead
3 and resume the meeting.
4 MR. CRIPPS: What we have presented here
5 right now is a very similar sheet to what the beach
6 fund was showing. What this is doing is this is
7 going to demonstrate, of course, what the original
8 proposed budget was, what the updates that we have
9 made to date that General Manager Magee has
10 identified. Those are all in the roll up. This is
11 identified as the fund level, so this is a component
12 of, of course, golf, ski, recreation center, so it
13 is at the fund level.
14 What we have is, again, a breakdown of the
15 total revenues, and then below that we have the
16 subtotal for operations. We have then included a
17 total for capital improvements. Taking us down to
18 the bottom to where we can identify what our net to
19 the two of them are, and then below that adding a
20 facility fee, what that does to the net again, and
21 then going down below that, what that does to the
22 fund balance.
23 TRUSTEE TONKING: Since I am just looking
24 at this sheet for the very first time, this could be
25 a very stupid question. But if I didn't have any

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1 million then -- right? -- so it would be 2 million
2 left roughly.
3 MR. CRIPPS: With that math, yes. Like
4 with what the numbers that are showing there, yes.
5 TRUSTEE TONKING: Would that be the right
6 math?
7 MR. CRIPPS: Yes.
8 TRUSTEE TONKING: I'm understanding these
9 components?
10 MR. CRIPPS: Yes.
11 TRUSTEE TONKING: Okay. And can you
12 remind me again what rate you used in here, 450?
13 MR. CRIPPS: This was at 450.
14 TRUSTEE TONKING: Really my questions are
15 helping me understanding the spreadsheet.
16 TRUSTEE TULLOCH: Updated here on revenues
17 of 22 million, we're projecting to lose 7.8 million,
18 so a operating loss of about 35 percent of revenues,
19 and even with a \$450 per parcel facility fee, we're
20 still losing 4 million. Sorry. What are we running
21 here, a charity?
22 CHAIR SCHMITZ: Adam, is there any way you
23 can just make this screen a little bit bigger so
24 that, for me, I can see all of it as if it's a sheet
25 of paper. You can make it small for me if they all

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1 have printouts. I'm trying to see the sheet of
 2 paper. There we go.
 3 We're talking about -- I just want to
 4 understand -- in community services, having
 5 22,700,000 in revenues with of 24.5 million
 6 expenses. And I think, past years, we've covered
 7 our expenses, haven't we? I mean, I've seen the
 8 sheets that go back long term, so this is a huge
 9 change of trend, I guess.
 10 I just want to make sure I'm understanding
 11 it correctly.
 12 MR. MAGEE: If I may, on the facility fee
 13 allocation per parcel, we've got the historical data
 14 there. And so on the operating side, you'll see
 15 that some numbers have been added in every year,
 16 except for '23/'24, and that data goes all the way
 17 back to 2011, '12.
 18 CHAIR SCHMITZ: Yeah, we were
 19 over-collecting, that's why we built up that fund
 20 balance. That's the whole problem is that we
 21 actually didn't need it, but I understand what
 22 you're saying.
 23 And then to get to the 3699 that was of
 24 450, is that what I heard you explaining to Trustee
 25 Tonking? \$450 recreation fee, is that what is

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1 today did to that because I feel like some of these
 2 should be -- seems like we've given a lot of
 3 feedback, but I don't see any changes, at least to
 4 capital, and other areas. I'm just curious what
 5 this projection is based off of. So then I can say,
 6 okay, well, we know we're not doing these projects,
 7 we're not doing that. And then all of a sudden, you
 8 know, a few million dollars comes off of this, well,
 9 then you don't need to be collecting a \$450 rec fee,
 10 potentially.
 11 TRUSTEE TULLOCH: A couple of things that
 12 jump out.
 13 We're showing the revenues, very little
 14 increase, but it's showing costs of goods and
 15 services sold going on up half a million bucks.
 16 We're showing central services costs jumping 600,000
 17 from last year's budget and actual. I mean, there's
 18 over a million-plus already. Yeah. It's a million.
 19 You can go through line by line to see the
 20 discrepancies. You can't hide the bottom line.
 21 We're losing almost 8 million on 22 million of
 22 revenue.
 23 And the major business, 12 million-plus of
 24 that -- 12, 13 million of that is coming from ski,
 25 which is actually making a profit. So basically

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1 getting you to the 3.699?
 2 MR. CRIPPS: Yes, that's correct.
 3 CHAIR SCHMITZ: Okay. Thank you.
 4 TRUSTEE DENT: With what we -- I got two
 5 things.
 6 The last five years, I'd like to see what
 7 our -- and this information shouldn't take very long
 8 to capture. I'd like to see what with our budgeted
 9 CIP budgets were versus our actual. I would just
 10 like to know, because when I look back at the last
 11 two years, I see '22/'23, we budgeted 7 million, we
 12 spent 3.7. This year -- and this can't be right.
 13 This year, we budgeted 2.5 million and we're
 14 spending 2.6? Something doesn't seem right with
 15 those numbers. The 2.681, capital improvements,
 16 '23/'24 actual, something seems off with that
 17 number or with the budgeted number.
 18 We've had a history of overbudgeting in
 19 our expenses and our capital projects. History of
 20 that. And we've collected -- over-collected, and
 21 that's where the fund balance has come from.
 22 Of the 6.297 million that is currently --
 23 I say 6 million that's being the updated budget,
 24 what -- tonight, we cut out 300 grand or is that
 25 from Thursday? And then curious what our decisions

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1 we're losing -- it's just breaking even. This
 2 doesn't include depreciation either.
 3 So if I strip out, say 13 million for ski
 4 with Mr. Bandelin's new revenues, that's means we're
 5 losing almost \$8 million on 9 million in business.
 6 CHAIR SCHMITZ: These numbers don't take
 7 into account any of the decisions that we made this
 8 evening; correct? So we removed things from capital
 9 projects. We -- I don't know, I didn't keep a list,
 10 but there were additional changes that were made
 11 based on decisions tonight; correct?
 12 MR. CRIPPS: There are some additional
 13 changes to this based off tonight, yes.
 14 CHAIR SCHMITZ: Are they significant
 15 numbers? I can't really even remember whether they
 16 were large numbers or just incremental.
 17 But bottom line here is that for some
 18 reason, our costs have gone up by over \$5 million.
 19 I can't wrap my head around that. And our revenues
 20 are basically -- well, they've gone up by like --
 21 they have increased almost 2 million, but we've got
 22 \$5 million of increase, and then we've got another
 23 \$6 million in capital improvements.
 24 These numbers are just huge of a swing.
 25 I'm -- it seems like we've talked all evening long

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1 about how we, as a board, do not understand what has
2 so dramatically changed, and we're not really
3 getting answers other than there's contractual
4 obligations and we have some additional deferred
5 maintenance that we've put into the budget.
6 But these are just really significant --
7 it's a significant change compared to our past
8 history. And we're not clearly, as a board,
9 understanding the reasons behind it. And we're a
10 day away from our budget. Am I representing what
11 the Board has said tonight, or am I wrong?
12 TRUSTEE DENT: I believe you're on the
13 right track, Chair. Did you have anything further
14 to add for that?
15 CHAIR SCHMITZ: No. I don't know what we
16 do other than say, look, this has got to be these
17 expenses. You need to take out \$4 million of
18 expenses somewhere.
19 TRUSTEE DENT: Um-hum. Understood.
20 TRUSTEE TONKING: I agree with Trustee
21 Schmitz. I am a little bit baffled, and I'm usually
22 pretty okay with the budget.
23 My first issue is, okay, I can explain
24 away roughly 1 million, 1.2 million we'll say, which
25 was wages and benefits, which is the contractual

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1 we have two -- yeah, two choices. We cut a bunch of
2 spending in central services in our central office,
3 or we have to raise the rec fee to cover our
4 overhead costs, because there's no other revenue
5 source that exists there. It is solely to described
6 by our government taxes, that's it.
7 And so that one just stands out to me as
8 very alarming. And I think what's frustrating is
9 we -- this board and past boards have complained
10 about budgets a lot in the past, but at least our
11 budgets were manageable. This is not sustainable.
12 We would be out of business.
13 And I'm like, even after all of these
14 days, I still feel this way.
15 MR. MAGEE: A couple of things that I will
16 point out here.
17 If you look at the historical, for
18 example, services and supplies in '22/'23, it was
19 6.3 million, and and then this year's proposed
20 budget is 5.9 million. The actuals have actually
21 gone down a little bit. I have no idea why the
22 figure was reduced by a full million dollars in the
23 '23/'24 budget and we came in under that.
24 Obviously, I wasn't here for that one.
25 I think that for the budget team, when we

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1 increases you've all spoken to, and we can say,
2 okay, that's fair.
3 By then -- and I'm using the budget to
4 actual column because I think that's a good
5 comparison in my head, people may use something
6 else, but just so everyone knows that I'm looking
7 at. Then I'm looking services and supplies, that's
8 another \$1.7 million I'm seeing, and that was a cut
9 of 200,000, but that's a lot of money.
10 Then -- and I understand the idea, I was
11 originally told, okay, well, a lot of that was
12 coming from items that had been part of the CIP that
13 now need to be expensed. Great. I am not seeing a
14 deduction of 1 million in my capital, so that -- I
15 know they're not going to be apples to apples, but
16 I'm not seeing reductions anywhere.
17 Then I get down to the central services
18 cost. And this is the thing that I have harped on
19 now for a year: Our general fund is unwell.
20 And can see this because that's another
21 \$1 million that just got allocated to our District
22 in that I would call "overhead." So we are overly
23 inflated in our -- and I do believe we're inflated.
24 I believe we're spending way too much money in
25 there. And so really what happens when you do that

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1 look at items like this, we would look at historical
2 data and see that is not an item that jumps out at
3 us, but I certainly understand the comments.
4 And then, secondarily, on the central
5 services costs, I think a huge driver of why you're
6 seeing such a large increase there is the direction
7 the Board provided to us to include the information
8 technology department in the central services costs,
9 where previously it has been completely borne by the
10 general fund. And then we also included the general
11 manager's salary in that plan. That's a large part
12 of what you're seeing there.
13 TRUSTEE TONKING: So I can actually speak
14 to, and I think everyone of us can speak to what
15 happened in '23/'24. The board had a very similar
16 dialogue about this starting in January, and pushed
17 really hard to department heads and to our directors
18 and to director Navazio at the time and GM Winquest
19 to really get those costs down because they kept
20 inflating.
21 They did a lot of work do that, and I
22 think that's how we ended up where we were. And
23 now, we're reinfated. That was what we spent
24 three months doing, I feel like, was digging into
25 that line item.

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1 And I think if you want to look at those
 2 budget workshops at some point, obviously not before
 3 we pass this budget, that would be a helpful place
 4 to really start to see how they started to build
 5 those cuts in.

6 Then the other thing is I understand what
 7 you're saying about allocating the money to the
 8 general fund, but we had to do that. That was one
 9 of the fixes to help fund our general fund. Our
 10 general fund wasn't doing well, so without that
 11 fix -- if I put both of these funds next to each
 12 other, you would have to do some sort of fix.

13 I'm not really saying that's, yes, that's
 14 why the increase is there, but it was a have-to
 15 increase, and it's a have-to increase because our
 16 general fund is so expensive.

17 MR. MAGEE: Yes.

18 TRUSTEE TULLOCH: I think I'd echo Trustee
 19 Tonking's point made. We're throwing these costs
 20 across the wall, rather than just addressing the
 21 actual costs. General fund's perfect because we're
 22 just going to collect it from everyone. I mean,
 23 we're not doing a root cause analysis here.

24 Still when I go through this, if I strip
 25 out ski, if I strip out 13 million in expenses and

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1 is your budget for going forward this year. 4.253,
 2 that's what you needed last year, unless you want to
 3 add a 10 percent inflation figure to that, but to
 4 increase it up to 5.7, so that's my feeling on that.

5 As it relates to capital improvements, I
 6 don't see how in the world, because a lot of these
 7 projects are not very large projects, so it's not as
 8 if you're going to knock off a \$3-million project,
 9 you're not. And the capital improvements, we can
 10 see there's no way that we will get that much done.
 11 We'll get half of that done, if we're lucky.

12 To me, these budgets are overinflated for
 13 what can be done, and it reversed what we were
 14 trying to do. I am a supporter of truly charging
 15 out internal services that are shared across the
 16 venues, IT being a perfect example. It is -- even
 17 Moss Adams when they did our analysis back in 2020,
 18 they pointed out that our central services cost
 19 allocation model needed to be changed. I agree with
 20 it. But we also, then, should be looking very
 21 closely and making sure that, for instance, is the
 22 assistant general manager still in the general fund
 23 budget? I don't know. And if it is, in my opinion,
 24 it should be removed. I think there's some things
 25 that we understand about what is and isn't any

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1 13 million in revenue, for every dollar we're taking
 2 in, we're spending \$2. That's, quite simply, not
 3 sustainable under any circumstances.

4 We've added 3.7 million in facility fee,
 5 which is 450 bucks per parcel basically, and we're
 6 still losing another 4 million on top of that.

7 In what world is going from an 800,000
 8 loss this year, which is partially explained because
 9 we know payroll has been overinflated, and then
 10 we're going from that to 9.5 million -- sorry -- 7.8
 11 million on the revised.

12 It's just -- I mean, I think I've got to
 13 agree on Mr. Katz, maybe it's just time we handed it
 14 back Washoe County on this basis. This is just not
 15 sustainable.

16 CHAIR SCHMITZ: I agree with the comments
 17 from Trustee Tonking about we worked really hard
 18 last year to have realistic budgets and stop
 19 overbudgeting our expenses. And so look what
 20 happened with services and supplies, we did bring it
 21 down, and we worked very diligently to accomplish
 22 that. And I agree, it appears as through we're just
 23 going right back to where we used to be.

24 I almost feel like we need to say, look,
 25 you've got your actual services and supplies, that

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1 longer in the general fund.

2 But when comes to the services and
 3 supplies and the capital improvements, the numbers
 4 just don't even seem realistic to me. And they
 5 aren't sustainable.

6 TRUSTEE DENT: I agree with Chair Schmitz
 7 and Trustee Tonking's analysis of this.

8 The one thing that, I guess, based on our
 9 discussion tonight, we're showing that we're going
 10 to be -- or before tonight, we're \$1.7 million over
 11 on the central services from where we are before.
 12 Right? But then we've also talked about putting a
 13 three-year plan together to address some of the
 14 repairs and maintenance -- the deferred repairs and
 15 maintenance that possibly should have been done
 16 before, years ago, that just came to light
 17 this year.

18 Let's just say that number decreases half
 19 a million bucks, I don't know, maybe that's too
 20 optimistic. But there's a half-million-dollar
 21 savings there. And then if we look at what we
 22 achieved, 3.7 million in 2022, and it's 2.7
 23 this year in actual CIP projects, you can almost cut
 24 your CIP budget by 3 million bucks and right there,
 25 there's \$3.5 million out of this which equates to

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1 about \$400, 350, \$400 of our rec fee. You don't
 2 need to over-collect because things we're not doing.
 3 I just feel like, once again, we've
 4 inflated our expenditures above and beyond where we
 5 were a couple years ago, and it's tough, it's
 6 unfortunate.
 7 I'll allow one of my other colleagues to
 8 weigh in, but I don't know what the right answer is,
 9 but I just know it needs to look a lot different
 10 than that it looks like tonight.
 11 TRUSTEE TULLOCH: I think as my colleagues
 12 have stressed, we spent a lot of time and effort
 13 last year getting realistic costs.
 14 We're told this year we're doing
 15 zero-based budgeting. Unfortunately, it seems that
 16 the zero-base was last year's expenditures and
 17 everything else was additive to that. This is by no
 18 stretch of the imagination a zero-based budget.
 19 Having done them several times and been on the
 20 receiving end of them, this is in no way a
 21 zero-based budget. This is: Let's assume we can
 22 jack the rec fee back up to where it was and let's
 23 work backwards, and let's just add in all the wish
 24 list as well.
 25 This is totally unsustainable. We're

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1 being presented with this, it's the first time we've
 2 actually seen this level of detail, the night before
 3 Christmas, and we're effectively supposed do it.
 4 I'm more inclined just to vote no on any of the
 5 proposals on this basis.
 6 CHAIR SCHMITZ: I just -- I don't know
 7 where we go from here because, I mean, we've all
 8 been saying services and supplies has just
 9 ballooned, we've been saying it for weeks, and the
 10 numbers come down a little bit. I don't really know
 11 whether we just say, look, here's the deal, and this
 12 is what the budget is, figure it out.
 13 I don't know. I'd like to know what our
 14 General Manager suggests for tomorrow.
 15 MR. MAGEE: The numbers reflected that you
 16 see in this spreadsheet are the recommendation of
 17 each of the venue managers, and this is the
 18 compilation of that sheet.
 19 Now, if the Board wishes to reject that
 20 recommendation, you can certainly do that. That's
 21 why we're here tonight. And if you give us a figure
 22 and say live within that figure and figure it out,
 23 then that's exactly what we'll do. And that is the
 24 direction that we're looking for from the Board.
 25 But you do have the staff's recommendation.

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1 TRUSTEE DENT: Chair?
 2 CHAIR SCHMITZ: So, you don't see the
 3 concerns that we have as the general manager to go
 4 back to your staff and say here are the concerns,
 5 here are the issues? You're just saying this is
 6 staff's recommendation, and going to put it back in
 7 the Board to basically dictate a budget, is that the
 8 path we're on?
 9 MR. MAGEE: We've asked the department
 10 heads multiple times to go back and look at their
 11 budgets and tighten them up anywhere that they felt
 12 was appropriate, that they could still run their
 13 operations, this is what they believe is best.
 14 And so from my chair, I'm hearing it --
 15 both sides of the story, obviously, because I'm in
 16 daily contact with the directors, and this is the
 17 number that they need to run their operations.
 18 Now, I understand what the Board is saying
 19 as well, and if the Board directs a lower number or
 20 even a lower percentage, we will make that happen by
 21 tomorrow.
 22 CHAIR SCHMITZ: And for the services and
 23 supplies actual is coming in at 4.2 million, and
 24 venue managers are stating that to continue the
 25 status quo with no new services, it requires

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1 \$5.7 million?
 2 MR. MAGEE: That is what their
 3 recommendation is, yes.
 4 CHAIR SCHMITZ: Can you explain to me why
 5 that is? Explain that to me. Why is it that
 6 this year it's able to be delivered at 4.2 million,
 7 but this next coming year, it's requiring
 8 \$5.7 million? Why?
 9 MR. MAGEE: I think I would have to ask
 10 each one of the directors to come on up to the
 11 podium and explain that.
 12 TRUSTEE DENT: I'm going to pass the floor
 13 to Trustee Tonking and then Trustee Tulloch.
 14 TRUSTEE TONKING: I understand some of it
 15 is from the CIP, the capital, so that is going to be
 16 some of that expense.
 17 But I just -- I just feel like we've
 18 become very unsustainable right now, and even coming
 19 up with Trustee Dent's savings that he came up, you
 20 don't have to charge a facility fee, we'd still lose
 21 the 4 million. I'm concerned that we're losing an
 22 additional 4 million with the \$3.7 million facility
 23 fee.
 24 I'm not saying that we need to be breaking
 25 even, that's by no means what I'm saying in the case

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1 of without a facility fee. But I do think -- and
 2 that's probably a very subjective view on this board
 3 and that's totally fine. What I do think is losing,
 4 without a facility fee, almost \$8 million is scary,
 5 when in prior years we lost 4.2, I guess, in
 6 '22/'23, then 2 last year, yeah. It just seems a
 7 lot.

8 I don't know what the answer is, but I
 9 also don't -- I think this is the same conversation
 10 that Trustee Noble and I had when we talked about
 11 the golf fees. We came up with ideas, but we were
 12 told that staff needed to analyze and decide, and so
 13 I can't throw out a number without hearing, okay,
 14 well, then what does staff think of that number?

15 I don't want to hamstring staff to
 16 something, but I would love to understand that. And
 17 I also really think we need to look at the general
 18 fund. I've said it thousand times. The general
 19 fund, that is a million dollars being allocating,
 20 which I know it hasn't happened before in comparison
 21 to -- but it's still a million dollars there that we
 22 could think about where all these costs are coming
 23 from.

24 I know that -- yeah. Sorry. I don't know
 25 what the answer is and it's a little bit frustrating

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1 basically from board members. I think -- I'm not
 2 willing to speak for my colleagues, but I think in
 3 most cases, most of them have been echoing similar
 4 sentiments to myself, perhaps not so loudly, but I
 5 think I've been pointing out very vehemently that
 6 we're proposing raising 6.2 million in rec fees to
 7 cover 5 million in new salaries across this.
 8 Bearing in mind, we're only looking here at part of
 9 the District, and we're losing 9 million bucks here.
 10 And we're seeing the same trends across all the
 11 other departments not included in this, so this is
 12 just a part of it.

13 We're not a business, but we're pretending
 14 like we're running businesses that need external
 15 areas. This is not California where we've never
 16 seen a tax we wanted to pass. This is absolutely
 17 crazy. Even at this, you're losing 4 million bucks
 18 just in community services alone. You're proposing
 19 a 780 facility fee, which is 65 bucks a month, and
 20 we hear the community complaining about the cost of
 21 rent is going up everywhere, it's impossible to find
 22 affordable rents. That may be fine for people that
 23 are making 2-, 300,000 bucks a year in government
 24 jobs and things, but there's a lot of people here, a
 25 lot of residents that are working two to three jobs

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1 that we are at night three.

2 TRUSTEE TULLOCH: Having been on both ends
 3 of these discussion in real-life businesses, not
 4 just pretending that we're businesses while we get
 5 bailed out, as a manager and an executive, I've
 6 never submitted a budget that didn't have some money
 7 stashed away. And equally when I've been reviewing
 8 budgets coming in, I've gone through it and picked
 9 out.

10 And just to ask staff what they want in
 11 zero-based budgeting and put in everything you want
 12 there, yes, no surprise, there's been no zero base
 13 here. It's just been we've taken the staffing
 14 levels as a given. We've assumed we can add in
 15 everything. There's been no direction.

16 General Manager Magee, while you may say,
 17 well, this is what the venue managers have given me,
 18 part of your role is to manage these venues. In
 19 fact, that's really your primary role, to manage
 20 these staff and make sure these things are
 21 realistic.

22 There's been nowhere during the so-called
 23 "ZBB process" that anyone's given a serious
 24 challenge to any of these numbers. The only
 25 challenges have come in the last week, ten days

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1 to survive, and we're just slapping them in the face
 2 here saying, oh, it's okay, it's only 5 million in
 3 new salaries.

4 I don't see how you sustain this. I mean,
 5 we're showing a loss here of 9 million just on
 6 18 million of expenses. This is -- yeah, I give up.
 7 This is pointless.

8 CHAIR SCHMITZ: I agree we need to
 9 understand what these costs are in the general fund
 10 that are being allocated. Again, I will say it's
 11 the right thing to do to allocate shared resources
 12 across the venues. But we need to understand
 13 clearly what is in that general fund that's being
 14 allocated out, and I don't think we've seen that
 15 detail.

16 And I, too, find it a bit offensive to be
 17 being asked as a board member to say, well, if you
 18 don't like these numbers, give us a number. I just
 19 really find that problematic. I find it as it's not
 20 working together to find a solution because we do
 21 need staff's input, we do need staff's expertise to
 22 put the Board in the position to say, well, tell us
 23 what number is going to work. I just -- I find that
 24 very problematic.

25 And find I find it problematic to say that

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1 \$4.2 million was sufficient this year, but, gosh
 2 darn, we got nowhere to go but up another million
 3 seven. I don't know how we're going to work
 4 together and work collaboratively to fix this so
 5 that it is a budget that is sustainable, because I
 6 agree, it is not.
 7 And if we look down in capital
 8 improvements, I think in years past we've
 9 actually -- it probably was in the '22/'23 budget,
 10 perhaps, that we did the locker room project and the
 11 tennis courts, which were two, sort of bigger-ticket
 12 projects, a million bucks each. But I don't see any
 13 of those, per se. And to try to think that we're
 14 going to get \$6 million-worth of capital
 15 improvements projects done this year, in addition to
 16 the carryover, because this isn't carryover, this is
 17 new, this is new if I'm correct, and there's just --
 18 it's not realistic.
 19 And I'd like to see a realistic budget
 20 that we all can be proud of and say next year, we're
 21 going to accomplish every project that we put on the
 22 books and carried over, because we have to finish
 23 the carryover projects. We have to finish the
 24 carryover projects and take on \$6 million of
 25 additional projects, it's not realistic.

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1 So, I don't know how we get to tomorrow
 2 night if it's just going to be dumped back to the
 3 Board saying tell us what you want us to do. I
 4 don't know how we get there because I don't think
 5 any of us want to be dictating to staff, but we're
 6 sitting here as a board saying: These do not look
 7 accurate nor sustainable.
 8 TRUSTEE TONKING: I saw the agenda for
 9 tomorrow, and it says that it can go over three days
 10 or something like that. I think we all saw this,
 11 that it goes three days, starts at 6:00 each day.
 12 Are we allowed -- and I don't know if this
 13 is something anyone would want to do, but it seems
 14 like you guys need more time. It's 10:00 tonight
 15 and we're supposed to do this tomorrow. Can we do
 16 it -- just do a hearing tomorrow and then actually
 17 you can present something? Are we allowed to delay
 18 it a day or no?
 19 I just don't know how they're going to get
 20 everything done in a way that this doesn't feel like
 21 it does right now.
 22 MR. RUDIN: The meeting is noticed as a
 23 multi-day meeting on the assumption that it may take
 24 multiple days. You will need to open the meeting
 25 tomorrow, have the public hearing, but you can

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1 continue the public hearing for multiple days if
 2 it's not done.
 3 TRUSTEE TONKING: Could open the meeting
 4 and close the meeting?
 5 MR. RUDIN: I mean, you have to still take
 6 public comment, obviously. I think --
 7 TRUSTEE DENT: You're saying give staff
 8 more time. Give staff more time but not the
 9 pressure to present the changes, because it sounds
 10 like it may need a little bit more time.
 11 MR. RUDIN: Yeah, I mean, it's up to the
 12 Board as to whether or not it wants to continue the
 13 meeting after you open the public hearing, take
 14 however much staff presentation the staff would like
 15 to give.
 16 But, ultimately, it's up to you guys
 17 whether you want to deliberate or request additional
 18 information from staff at that point.
 19 TRUSTEE DENT: Okay. Fair.
 20 TRUSTEE TULLOCH: Given that it's noticed
 21 as a three-day meeting, wouldn't we have to open it
 22 and then just basically suspend it? We couldn't
 23 close it. We'd have to suspend it.
 24 MR. RUDIN: Correct.
 25 TRUSTEE TONKING: So you'd have public

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1 comments at the start of the meeting, you'd have
 2 public comments that start and end of the public
 3 hearing, and then public comments at the end of the
 4 meeting, possibly over three days?
 5 MR. RUDIN: Yes. For purposes of OML,
 6 each day of the meeting is considered it's own
 7 separate meeting, so you have to take the public
 8 comment period at the end and at the beginning.
 9 TRUSTEE TULLOCH: So we would have to take
 10 public comment each of the days as well, that
 11 doesn't make sense if it's one meeting.
 12 MR. RUDIN: That is the guidance that the
 13 Attorney General's Office has given, and I would
 14 recommend you follow it.
 15 TRUSTEE TONKING: We take the beginning of
 16 the public comment, the one that we have every time
 17 we have a meeting. Then we could decide not to open
 18 to hearing; right?
 19 MR. RUDIN: Given that it's been noticed
 20 --
 21 TRUSTEE TONKING: So we have to open both
 22 hearings, listen to both public comments there, and
 23 then closing public comments as well?
 24 MR. RUDIN: Yes.
 25 TRUSTEE TONKING: So every day will have

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1 four public comment sections.
2 CHAIR SCHMITZ: We had two public comments
3 today, so far, there may be a whole slew.
4 TRUSTEE TONKING: I wasn't concerned about
5 that. I was just -- yeah. So we could open a
6 hearing, listen to public comment, close the
7 hearing, open the next hearing, listen to public
8 comment, close the hearing, and then suspend it. Is
9 that correct?
10 MR. RUDIN: Yes.
11 CHAIR SCHMITZ: Thanks for the questions.
12 Those were informative.
13 We do have other things on the agenda
14 tomorrow night other than just the budget meeting.
15 I think there's one PO and meeting minutes and
16 things, but it's not substantial. But we need to
17 get that business concluded.
18 So I would ask General Manager Magee how
19 he would like to move forward with the timing of
20 this, given that it's now 10:15 your time.
21 MR. MAGEE: Look, the bottom line is I
22 hear what the Board is communicating to me, and
23 tomorrow morning, I'm going to call a director's
24 meeting immediately, first thing in the morning, and
25 it will be all hands on deck. I would recommend

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1 TRUSTEE DENT: Anyone else?
2 All right. General Manager?
3 MR. MAGEE: What I heard the Board direct
4 us to do is to cut out the 1.4 million, that's what
5 we'll come back with tomorrow.
6 TRUSTEE DENT: 4.2.
7 MR. MAGEE: Oh, 4.2. Okay. I'm looking
8 at the number here, I think it says 4.124.
9 TRUSTEE DENT: That's correct.
10 MR. MAGEE: That's what I thought.
11 TRUSTEE DENT: All right. Does anybody
12 have the agenda? That closes out item E 1, general
13 business. Moving on to item F.
14 F. FINAL PUBLIC COMMENT
15 TRUSTEE DENT: Any final public comment
16 the room?
17 Seeing none, can we go to Zoom, please.
18 MR. KATZ: Good evening. This is Aaron
19 Katz. I've listened to the whole meeting.
20 Congratulations, you're finally getting
21 it. We're unsustainable. Absolutely. You want to
22 give up, it's time to give up.
23 What can you do for tomorrow? Here's my
24 recommendation: Central services transfers, they're
25 phony as hell. Give me more than 3 minutes and I'll

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1 that we do everything we can to try to bring this
2 back to the Board in a more acceptable fashion to
3 the Board by tomorrow night.
4 We're going to do everything we can to get
5 it as rapidly as we can.
6 TRUSTEE TULLOCH: I'm going to make a
7 suggestion here since everyone's beating about the
8 bush, and it's not the role of the Board to
9 micromanage you to do these things. I'm going to
10 give a suggestion. You want a target? You get rid
11 of that 4.124 million loss. There's a target for
12 you.
13 And I'm sure I'll get criticism from both
14 sides and I'll also get praise from all sides,
15 because I know the input I've had from the
16 community, and believe me you don't want me to
17 repeat some of these, one of them was about spending
18 more time -- some of you spending more time with
19 your families and things. But I never received so
20 much comment and so much just sheer anger in the
21 community about what's happening here, especially
22 asking for 6.2 million in facility fees to fund 5
23 million in increased wages, when people are
24 suffering inflation all over the place.
25 Yeah, I'm almost speechless.

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1 prove it to you. Zero. Rec fee, phony as hell.
2 Give me more than three minutes, I'll prove it.
3 Zero. Internal services, that's outrageous,
4 33 percent increase in one year. That's phony as
5 hell too. The idea of internal services is we're
6 supposed to be able to do these things in house for
7 cheaper than it's going to cost us in the private
8 sector, and that's not what is happening. We're
9 paying way more, every CIP you have has internal
10 services wasting the fee.
11 And then I was shocked to hear this from
12 GM Magee. You've stolen our rec fee for things like
13 the dog park. You came to us and you told us you
14 need a million bucks for the dog park, you then put
15 a rec fee for that, you then charged it, we then
16 paid it, and now a year later we hear, well, you
17 know, it kind of dropped off of the list. And once
18 it drops off the list, it goes into fund balance so
19 we can spend it on new employee's wages. This is
20 outrageous.
21 You need do to an accounting of everything
22 you have in carryforward and give us back the money
23 if you're not going to spend it. I'll talk more
24 about it tomorrow, but this is idea of you have your
25 revenues, you have your expenses, you have the

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1 deficiency, where does the money come from? And all
 2 I hear from you is the rec fee. That makes it a
 3 tax. We have an attorney there, that is a tax, it's
 4 not a fee. And if you're going to buy into it being
 5 a fee, there's no limit on it. You want to cover --
 6 just raise it 2,500 or 3,500 because there's no drop
 7 on it. And I can talk about tomorrow too.
 8 Good luck. You know what's in front of
 9 you. You know what right thing is, please do it.
 10 Thank you.
 11 MR. DOBLER: This is Cliff Dobler.
 12 Listened to the whole meeting tonight.
 13 I personally think you should give up on
 14 Magee here. He obviously doesn't understand that
 15 you're just to make policy and provide long-term
 16 planning. And policy says you're supposed to have
 17 more or less a budget of -- a balanced budget. He's
 18 made no effort to do that.
 19 What he's trying to do is pin it on you
 20 for you to cut costs so he can escape into the dark
 21 and then talk bad about you because two of you are
 22 going to be gone next year. This guy's a fraud.
 23 Get rid of him. All right?
 24 Now, the idea is -- I've been around a
 25 long time. I was at Disney for five years when we

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1 Matt?
 2 MR. BELOTE: There is not.
 3 TRUSTEE DENT: That will close out item F,
 4 final public comment.
 5 G. ADJOURNMENT
 6 TRUSTEE DENT: It is 10:21. We are
 7 adjourned.
 8 (Meeting adjourned at 10:21 p.m.)
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1 were building Walt's new world, and I was actually
 2 in charge of what they called the "war room," which
 3 is all the budgets of all the projects. I guess
 4 there was close to 70 or 80 of them. I used to have
 5 to keep that war room up to speed once a month. You
 6 guys have been struggling with this budget -- I
 7 don't know -- a month here, and you're absolutely
 8 nowhere.
 9 But more importantly, it's apparent, and
 10 it is quite apparent that you are going to need
 11 50 million bucks to bring this recreational district
 12 into compliance with being proper buildings. You
 13 don't have the capacity to do it. And until you can
 14 start getting long-term contracts with contractors
 15 to start doing projects on an annual basis, you're
 16 going to go nowhere with this. I've seen it for
 17 five years now, and I can see this is just like a
 18 bunch of jugglers juggling one ball, they can't do
 19 two and certainly can't do three. This is nothing.
 20 It's nothing gained.
 21 Turn it over to the State, go to the
 22 State, be smart and say you need time to get a
 23 better budget, because this going nowhere.
 24 Thank you very much.
 25 TRUSTEE DENT: Any additional comments,

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1 STATE OF NEVADA)
 2 COUNTY OF WASHOE) ss.
 3
 4 I, BRANDI ANN VIANNEY SMITH, do hereby
 5 certify:
 6 That I was present on May 28, 2024, at the
 7 special meeting of the Board of Trustees public
 8 meeting, via Zoom, and took stenotype notes of the
 9 proceedings entitled herein, and thereafter
 10 transcribed the same into typewriting as herein
 11 appears.
 12 That the foregoing transcript is a full,
 13 true, and correct transcription of my stenotype
 14 notes of said proceedings consisting of 180 pages,
 15 inclusive.
 16 DATED: At Reno, Nevada, this day of 8th
 17 day of June, 2024.
 18
 19 /s/ Brandi Ann Vianney Smith
 20
 21 BRANDI ANN VIANNEY SMITH
 22
 23
 24
 25

INVOICE

BAVS SM-LLC
brandiavsmith@gmail.com
United States

BILL TO
**Incline Village General Improvement
District**
Susan Herron / Heidi White

775-832-1218
AP@ivgid.org

Invoice Number: IVGID 41

Invoice Date: June 8, 2024

Payment Due: June 28, 2024

Amount Due (USD): \$1,430.00

Items	Quantity	Price	Amount
Base fee May 28, 2024, BOT special meeting	1	\$350.00	\$350.00
Per page fee May 28, 2024 BOT special meeting	180	\$6.00	\$1,080.00

Subtotal: \$1,430.00

Total: \$1,430.00

Amount Due (USD): \$1,430.00

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL MAY 28, 2024
REGULAR MEETING – AGENDA ITEM E(1) – APPROVING A FISCAL
YEAR 2024-25 BUDGET NOTWITHSTANDING STAFF REFUSES TO
SHARE THE DEPARTMENT OF TAXATION'S CERTIFICATE OF
COMPLIANCE OR NOTICE OF NON-COMPLIANCE**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff arrogance, deceit, concealment of public records, lack of professionalism, and the flagrant disregard for the financial sustainability of the District. This time it's staff's refusal to share the Department's Certificate of Compliance or Notice of Non-Compliance insofar as the District's proposed 2024-25 tentative budget is concerned. And that's the purpose of this written statement.

NRS 354.596(5): instructs that "the Department of Taxation shall examine the submitted documents (i.e., tentative budget) for compliance with law and with appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance." Notwithstanding staff submitted the District's 2024-25 tentative budget to the Department of Taxation on April 17, 2024, here they refuse to make that certificate of compliance or notice of non-compliance available for public examination. And the evening of a budget workshop no less. And the day before the published notice of public hearing to adopt a 2024-25 budget. No less!

My May 28, 2024 E-Mail to The Board²: On May 28, 2024 I sent the Board an e-mail wherein I discussed this agenda item, and staff's refusal to share the Department of Taxation certificate of compliance or notice of non-compliance insofar as the District's 2024-25 tentative budget is concerned. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

Conclusion: This behavior just keeps happening over and over and over again. Arrogant, deceitful, unethical and over compensated staff get replaced by even more unqualified, equally deceitful and arrogant, and more over compensated staff. And look at the results. As I've pointed out so many times before, these are all the red flags of a criminal syndicate³. And you wonder why your Recreation

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

² That e-mail is attached as Exhibit "A" to this written statement.

³ NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies? And they are as high as they are?

When is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees...district is not complying with the provisions of...any other law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court for the county in which the district is located for the appointment of a receiver for the district; or, (d) determine by resolution that management and organization of the district remain unchanged?" Don't you think the time has come to start becoming fiscally responsible?

Do not certify any budget staff present for your signature. Let the Department of Taxation step in and impose the statutory default provisions on the District's behalf.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

May 28, 2024 BOT Meeting - Agenda Item E(1) - Fiscal Year 2024-25 Budget Workshop - Fw: Public Records Request - Tentative Budget Certificate of Compliance

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <bma@ivgid.org>
Subject: May 28, 2024 BOT Meeting - Agenda Item E(1) - Fiscal Year 2024-25 Budget Workshop - Fw: Public Records Request - Tentative Budget Certificate of Compliance
Date: May 28, 2024 3:24 PM

Chairperson Schmitz and the Other Honorable Members of the IVGID Board -

So we have a 2024-25 budget workshop for this evening. Right? Because your wonderful staff have dragged their feet and when directed by board members to slash their proposed staffing and compensation levels, they have in essence thumbed their noses at you. Placing us in a Mexican standoff position with three (3) short days to go until the statutory [NRS 354.598(2)] cut off date for submitting a final judgment ("the final budget must be adopted on or before June 1 of each year") expires!

So you will recall that the Board never approved a tentative budget for 2024-25. Because staff didn't present it to the Board for approval. When queried as to why not, our wonderful staff again thumbed their noses at the Board asserting there was no requirement the Board approve a tentative budget. But since there is a statutory [NRS 354.596(2)] cut off date for submitting a tentative budget to the Dep't of Taxation ["on or before April 15, a copy of the tentative budget must be submitted: (a) To the Department of Taxation"], staff proceeded to unilaterally submit it. Except their submittal **was untimely!**

That's right. I did a public records request and staff revealed therein that the District's 2024-25 tentative budget was not delivered to the Dep't of Taxation until April 17, 2024.

Then you will recall that NRS 354.596(3) instructs that "at the time of filing the tentative budget, **the governing body shall give notice of the time and place of a public hearing on the tentative budget** and (that)...the tentative budget (is) on file (at the District's offices) and available for inspection." So I asked to examine the notice required by NRS 354.596(3) and was told "it doesn't exist."

I then I asked to examine the tentative budget which was supposedly available for public inspection at the District's administrative offices. And none was available.

When staff eventually got around to making a copy of the tentative budget available for public inspection, a number of residents objected to its content. I for one objected that the General Fund was out of balance [NRS 354.598(5) instructs that "no governing body may adopt any budget which appropriates for any fund any amount in excess of the budget resources of that fund0"]. And there was no indication where the revenue would come from to cover budgeted overspending. In other words, Schedule T. But the tentative budget has no schedule T.

And there would be a deficit General Fund balance contrary to NAC 354 and Board policies.

And although there was reference to added revenues coming from central services cost transfers, there was no central services allocated cost plan. Even though NAC 354.8668(7) instructs that "the central service cost allocation plan of a local government...**must** be updated annually before: (a) **The date on which the local government submits its tentative budget to the Department of Taxation.**" I've asked for this Plan and so far, none has been produced notwithstanding there's supposed to be a public hearing to approve the same TOMORROW!

And although there was reference to Facility Fee revenues, the District had done nothing to fix Recreation ("RFF") and Beach ("BFF") Facility fees (a pre-requisite to ordering their collection on the tax roll), let alone notice a public hearing [pursuant to NRS 318.199(2) and (5)] whereat they might do so. And although the notice for that hearing references a report and a Resolution 1909, none has been produced notwithstanding there's supposed to be a public hearing to approve the same TOMORROW!

For all of these reasons, I and others expected the Department of Taxation has not issued a certificate of compliance necessary for all local government tentative budgets. After all, NRS 354.596(5) instructs that "the Department of Taxation **shall** examine the submitted documents for compliance with law and with appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance." And if "when...the governing body receives from the Department of Taxation a notice of lack of compliance, the governing body **shall** forthwith proceed to amend the tentative budget to effect compliance with the law and with the appropriate regulation." Is the reason staff is dragging its feet is notice of non-compliance?

So last Saturday I sent the Board's Clerk an e-mail (see below) letting her know I wanted to examine the Department of Taxation's certificate of compliance or notice of non-compliance this morning. The day before tomorrow's public hearing on the budget! And when I had heard nothing, I followed up this afternoon (see below). And so far, again, **NOTHING!**

Doesn't NRS 239.010(1) instructs that "all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person?" Isn't the Department of Taxation's certificate or notice of non-compliance a public book and record? So why is it acceptable for staff to be concealing the same? So why is staff hiding this public record?

If we're going to have a budget workshop hearing this evening, don't you think it's important we have that certificate or notice of non-compliance? Have you Board members received the same? Do you even know what it says? And staff's behavior is supposed to be acceptable?

Don't you think this arrogance, disdain and non-compliance with the NRS need to end? So what are you doing about it?

Amongst other things, I ask Board members **NOT** place their signatures to any budget presented for 2024-25. Since NRS 354.598(3) instructs that "the final budget must be certified by a majority of all members of the governing body"), let the Department of Taxation do it on our behaves by default as NRS 354.598(2) instructs ["should the governing body fail to adopt a final budget that complies with the requirements of law and the regulations of the Committee on Local Government Finance on or before the required date, the budget adopted and used for certification of the combined ad valorem tax rate by the Department of Taxation for the current year (i.e., the tentative budget), adjusted as to content and rate in such a manner as the Department of Taxation may consider necessary, automatically becomes the budget for the ensuing fiscal year"].

We've discussed this before. If you as a Board are not properly managing the District, and the District is not complying with the provisions of this chapter or with any other law [see NRS 318.515(1)], it's time to close up shop! Because NRS 354.626(1) instructs that "any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment."

Put your foot down or CLOSE SHOP!

Respectfully, Aaron Katz

-----Forwarded Message-----

From: <s4s@ix.netcom.com>

Sent: May 28, 2024 12:47 PM

To: White Heidi <hhw@ivgid.org>
Subject: Re: Public Records Request - Tentative Budget Certificate of Compliance

Hello Heidi -

Is my certificate of compliance/written notice of lack of compliance available for me to examine at your offices? Or can you send it to me as an e-mail attachment.

For the record, NRS 354.596(5) instructs that "The Department of Taxation shall examine the submitted documents (i.e., tentative budget) for compliance with law and with appropriate regulations and shall **submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance.**" So please don't tell me staff doesn't have the same.

Thank you for your cooperation. Aaron Katz

-----Original Message-----

From: <s4s@ix.netcom.com>
Sent: May 26, 2024 1:14 PM
To: White Heidi <hhw@ivgid.org>
Subject: Public Records Request - Tentative Budget Certificate of Compliance

Hi Heidi -

Just want you to understand there is a public records request towards the bottom portion of this e-mail.

And here I have another request.

The Dep't of Taxation was supposed to have issued us a certificate of compliance or non-compliance for the tentative budget Mr. Cripps submitted on April 17, 2024. Three days before our May 29, 2024 public hearing date. I would like to examine the same. Tuesday morning if possible given the public hearing is set for May 29, 2024.

Remember NRS 239.010(1) instructs that "all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person."

Thank you for your cooperation. Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL MAY 28, 2024
MEETING – AGENDA ITEM C – PUBLIC COMMENT – STAFF'S
UNDERHANDED INCLUSION OF \$500,000 OF APPROPRIATIONS FOR THE SKATEBOARD PARK ENHANCEMENT
PROJECT**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff arrogance, deceit, incompetence, a lack of professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's staff's underhanded inclusion of \$500,000 of CIP appropriations, in the current 2023-24 budget, for skateboard park enhancements. And that's the purpose of this written statement.

My May 26, 2024 E-Mail to The Board²: On May 26, 2024 I sent the Board an e-mail wherein I laid out the suspected wrongdoing of staff in including \$500,000 of appropriations for the skateboard park enhancement project, after staff had made this very request of the Board, and it was denied by the Board. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "E."

Conclusion: This behavior just keeps happening over and over and over again. Arrogant, deceitful, incompetent, unethical and over compensated staff get replaced by even more unqualified, more incompetent and more over compensated staff. And look at the results. As I've pointed out so many times before, these are all the red flags of a criminal syndicate³. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and they are as high as they are?

When is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees...district is not complying with the provisions of...any other law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or

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² That e-mail is attached as Exhibit "E" to this written statement.

³ NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

dissolution of the district...(c) file a petition in the district court for the county in which the district is located for the appointment of a receiver for the district; or, (d) determine by resolution that management and organization of the district will remain unchanged?" Don't you think the time has come to become fiscally responsible?

Investigate as to whether my allegations are true. And if they are, start terminating the employ of each and every staff person who display the arrogance and refusal to carry out Board direction described herein.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

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Project Title	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Resurface Patio Deck Replace Railings Replace Deck		27,500				27,500
Chateau Community Room Ceiling and Beam Refinishing		25,000				25,000
Upgrade Chateau Community Room Lighting Control			25,000			25,000
Reinforce Bars		18,375				18,375
Cabinetry Community Chairs			16,000			16,000
Replace Banquet Serviceware	75,000				72,000	147,000
Banquet Tables		10,000		25,000		45,000
Carpet Replacement of the Chateau					62,000	62,000
Paint Exterior Chateau				14,800		14,800
Furniture for Chateau	6,300					6,300
Aspen Grove Outdoor Seating BBQ and	22,300					22,300
Paint Exterior of Chateau	Completed					
Paint Interior of Chateau						
Landscape Improvements of Aspen Grove				18,800		18,800
Total Facilities	20,300	75,000	10,375	41,800	132,200	487,235

Project Title	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Rolling Stock						
Post Rating Stock	775,000					775,000
Stk Way and Diamond Peak Parking Lot Reconstruction			480,000	6,200,000		6,780,000
Stk Lodge Facilities - Install Kitchen Grease Interceptor		300,000				300,000
Replace Stk Lodge Facility Equipment- Electrical Entrance	175,000					175,000
Base Lodge Walk in Cooler and Food Prep (Kitchen Renovation)	Complete					0
Diamond Peak Fuel Storage Facility		750,000				750,000
Stk Lodge Facilities - Resurface Concrete Deck						0
Replace Main Lodge-Bronze/White Lodge Dining Furniture and Fixtures		54,000				54,000
Replacement of Bath and Shower/Lodge Kitchen		20,000				20,000
Capital Expense Stk Ltr Maintenance and Improvements			250,000		800,000	750,000
Pavement Maintenance Diamond Peak and Stk Way	65,040					65,040
Diamond Peak Facilities Floor Material	17,885					17,885
Lathe/Stk Ltr Maintenance and Improvements				210,000		210,000
Landscape Stk Ltr Maintenance and			130,000		300,000	350,000
Rest Fee Stk Ltr Maintenance and Improvements	63,441	75,000				78,000
Snowmaking Infrastructure Replacement	375,189	100,000		200,000		300,000
Replace Stk Rental Equipment	118,100	200,000		180,000		210,000
Replace 1988 Snowflake Lodge	250,000					6,000,000
Total Stk	682,130	1,425,000	1,274,000	1,290,000	12,310,000	17,306,000

Project Title	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Rolling Stock						
Replace Playground - Ridgepole Park	25,000	40,000	161,100	122,000	108,000	456,100
Aspen Grove Fencing and Retaining Wall Enhancement and Replacement		250,000				250,000
Storage Containers and Skidding replacement			20,000			20,000
Puyton Field Retaining Wall Replacement			800,000			800,000
Ridgepole fields at Incline Park bleacher			75,000			75,000
State Park Enhancements	476,871					
Central Irrigation Controller Upgrade	40,000					40,000

tools



EXHIBIT "B"



Project Summary

Project Number:	4378BD2202
Title:	Skate Park Enhancement
Project Type:	D - Capital Improvement - Existing Facilities
Division:	78 - Parks Services
Budget Year:	2023
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description
Conduct an evaluation on the kind of improvements that enhance the skate park.

Project Internal Staff
Parks Superintendent, Engineering

Project Justification
The skate park was constructed in 2001 and the sport has evolved tremendously since then. Hire a skate park consultant designer to evaluate the current skate park and make recommend for future improvements. We currently have only three street elements which are not user friendly beginner leveler features. We look to determine the opportunities to use a flat area (5638 square footage) with features that provide additional skate area and beginner elements to better suit the growing number of users the park has. The current skate park design has skaters using much of the flat areas to flow into or out of the bowls, which is in conflict with younger skaters and overall traffic flow. Of the nine surrounding skate parks in the area, Incline Village's is the smallest. Spreading the skaters out will reduce the likelihood of injuries and provide to skaters with a state-of-the-art facility that addresses all ages and skill levels which would also provide for a less congested skating area.

Forecast	
Budget Year	Total Expense Total Revenue Difference
2023	
Consultant, Design	10,000 0 10,000
Year Total	10,000 0 10,000
2024	
5600 Sq. Feet Concrete Pad	150,000 0 150,000
Year Total	150,000 0 150,000
2025	
Bolt-in skate features	20,000 0 20,000
Year Total	20,000 0 20,000
2026	
Site Furnishing (6 Picnic tables, benches, bear boxes, trash/recycle	10,000 0 10,000
Year Total	10,000 0 10,000
	190,000 0 190,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2022	Sep 1, 2022	Oct 31, 2026	Parks Superintendent	

EXHIBIT "C"

PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/24	
	ACTUAL PRIOR YEAR ENDING 6/30/2022	ESTIMATED CURRENT YEAR ENDING 6/30/2023	Tentative	FINAL APPROVED
OPERATING REVENUE				
Charges for Services	18,590,272	20,498,091	22,012,400	22,129,162
Recreation Facility Fee	830,977	3,696,462	-	-
Operating Grants/Intergovernmental Revenue	17,000	139,909	116,984	14,985
Interfund Services	149,813	131,153	14,985	-
Misc Revenue		5,000		116,984
Total Operating Revenue	19,588,062	24,470,615	22,144,369	22,261,131
OPERATING EXPENSE				
Salaries & Benefits	9,037,152	10,420,594	10,906,559	10,793,059
Cost of Goods Sold	1,305,464	1,367,643	1,162,500	1,162,500
Services & Supplies	4,941,072	4,781,699	5,072,159	4,995,064
Utilities	1,125,484	1,548,672	1,692,125	1,692,125
Insurance	442,932	427,200	485,900	485,900
Legal & Audit / Professional Services	26,690	31,384	40,255	40,255
Central Services Cost	999,759	1,161,310	1,202,232	1,188,682
Fuels Management	77,970	100,000	100,000	100,000
Depreciation/Amortization	2,960,293	2,711,592	2,445,100	2,445,101
Total Operating Expense	20,916,816	22,550,094	23,106,830	22,902,686
Operating Income or (Loss)	(1,328,754)	1,920,521	(962,461)	(641,555)
NONOPERATING REVENUES				
Interest Earned	(17,441)	124,442	407,900	407,900
Non Operating Leases	131,523	140,379	128,950	128,950
Capital Grants		1,139,422		
Gain on sale of assets	47,927	11,855		
Insurance Proceeds	97,894			
Misc Revenue	328,456			
Total Nonoperating Revenues	588,359	1,416,098	536,850	536,850
NONOPERATING EXPENSES				
Interest Expense	12,501	6,157		
Total Nonoperating Expenses	12,501	6,157	-	-
Net Income before Operating Transfers	(752,896)	3,330,462	(425,611)	(104,705)
Transfers (Schedule T)				
In				
Out				
Net Operating Transfers				
CHANGE IN NET POSITION	(752,896)	3,330,462	(425,611)	(104,705)

Incline Village General Improvement District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

Community Services Fund

EXHIBIT "D"



Multi-Year Capital Improvement Project Summary Report

Run Date 3/29/23

Department Description	Project #	Project Title	Updated FY 2024	Updated FY 2025	Updated FY 2026	Update FY 2027	Updated FY 2028	Updated 5-Yr Total
	3462HE1712	Red Fox Ski Lift Maintenance and Improvements	64,000					64,000
	Rolling Stock	Fleet / Vehicle Replacement - Ski	641,000	920,000	184,400	320,000	737,900	2,803,300
	3453FF1706	Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures						-
	3453FF1707	Replacement of Main and Snowflake Lodge Kitchen Equipment						-
	3464SI1002	Snowmaking Infrastructure Replacement	504,000	100,000	600,000	260,000		1,464,000
	3468RE0002	Replace Ski Rental Equipment		300,000		160,000		460,000
	3468RE1609	Replace Ski Rental Machinery		40,000				40,000
	34BD2101	Replace Ski Lodge Facility Equipment		145,000				145,000
	3499CE2201	Installation RFID - Software and Gantries						-
	3499OE1502	Skier Services Administration Printer Copier Replacement 1210 Ski Way						-
	Total		1,530,443	2,285,000	1,564,400	1,265,000	947,900	7,592,743
Ski Master Plan	3653BD1502	2015 Ski Area Master Plan Implementation - Phase 2 Snowflake Lodge and Activities	250,000	4,500,000	4,500,000			9,250,000
	3653BD1503	2015 Ski Area Master Plan Implementation - Phase 3 Mountain Trail and Lift Improvements					19,500	19,500
	3653BD1504	2015 Ski Area Master Plan Implementation - Phase 4 Mountain Lift Improvements						-
	Total		250,000	4,500,000	4,500,000	-	19,500	9,289,500
Parks	4378LI2104	IVGID Community Dog Park	1,000,000					1,000,000
	4378RS1501	Replace Playground - Incline Park		20,000		150,000		170,000
	4378BD1605	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement			250,000			250,000
	4378BD1701	Dumpster enclosure - Incline Park		45,000				45,000
	4378BD1710	Storage Container replacement				20,000		20,000
	4378BD1801	Preston Field Retaining Wall Replacement		500,000				500,000
	4378BD2102	Batting cage - Incline Park						-
	4378BD2201	Incline Park 2 bleacher replacement				75,000		75,000
	★ 4378BD2202	Skate Park Enhancement	500,000					500,000

EXHIBIT "E"

Do You Realize That Staff Snuck in \$500K of Appropriations For The Skateboard Park Enhancement Project in The Current 2023-24 Budget After The Board Expressly Refused to Approve This Level of Appropriations? So What Do You Intend to Do About It? And Do You Really Think This Type of Staff Wrongdoing is Limited to The Skateboard Park Enhancement Project?

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <bma@ivgid.org>, White Heidi <hwh@ivgid.org>
Subject: Do You Realize That Staff Snuck in \$500K of Appropriations For The Skateboard Park Enhancement Project in The Current 2023-24 Budget After The Board Expressly Refused to Approve This Level of Appropriations? So What Do You Intend to Do About It? And Do You Really Think This Type of Staff Wrongdoing is Limited to The Skateboard Park Enhancement Project?
Date: May 26, 2024 1:02 PM

Chairperson Schmitz and the Other Honorable Members of the IVGID Board -

You know, the more one studies what our wonderful staff have done on our behaves, the more arrogance and wrongdoing is revealed. And here I will speak about one small example which I am certain is emblematic of far more wrongdoing!

It's the skateboard park enhancement project #4378BD2202. In the current budget materials, staff tell us this is a carry forward project and a remaining \$476,971 of approved carry forward funds exist (a copy of the same will be attached as Exhibit "A" to the written statement I intend to submit for inclusion in the minutes of the Board's May 28, 2024 meeting).

Wait a minute. Where did \$476,971 of prior appropriations come from?

This project was approved as part of the 2022-23 budget. However, only \$10,000 was appropriated. And staff estimated that the total cost of improvements over a five year period would be \$190,000. I have downloaded the project summary sheet for this project (a copy will be attached as Exhibit "B" to the written statement I intend to submit for inclusion in the minutes of the Board's May 28, 2024 meeting), and this is exactly what it says!

Then for 2023-24, Indra told us we had qualified for a \$250,000 grant from the county, specifically for skateboard park improvements. Even though that grant does not appear in the 2023-24 budget [look at page 12, Schedule F-1, filed with the Dep't of Taxation (a copy will be attached as Exhibit "C" to the written statement I intend to submit for inclusion in the minutes of the Board's May 28, 2024 meeting)].

Then on May 25, 2023 Brie Waters came to the Board and asked that appropriations for this project increase to \$500,000. And the Board did **not** give Ms. Waters what she had requested. I was there. And I've read the minutes of that meeting just to make sure, and I am right.

So dummy me thought we were back to an estimated \$190,000 budget for the skateboard park enhancement project. Boy was I wrong.

Only because of the current reference to \$476,971 of skateboard enhancement carry forward monies in the the proposed budgetary materials, I went researching.

And what I discovered was that the 2023-24 included \$500,000 for this skateboard project [it appears in the Multi-Year Capital Improvement Project Summary Report I have downloaded (a copy will be attached as Exhibit "D" to the written statement I intend to submit for inclusion in the minutes of the Board's May 28, 2024 meeting)]. In other words staff came to the Board to secure approval for this

enhanced project, they didn't get it, and then staff ignored the Board's refusal and deceitfully snuck it in anyway. In other words. Indra.

Am I right about this Kate Nelson? How about it Brie Waters? How about it Bobby Magee? How about it Adam Cripps? Did the Board unknowingly budget \$500,000 in the current budget for skateboard park enhancements?

If the answer is yes, then heads need to roll board members. All staff members in any way, shape or form involved in securing \$500,000 approval for the skateboard park enhancement project need to be terminated! And the \$500,000 staff deceitfully stole from the Community Services fund balance, needs to be returned.

This brings me back to the reference to \$476,971 of carry forward monies for this project in the current budgetary materials. Does this mean that out of a combined \$510,000 which has been appropriated for this project, \$33,029 has been spent? And if so, what has it been spent on?

And if you think this wrongdoing is limited to the skateboard project, you're crazy. What we really need to do is investigate EVERYTHING in the detail I have investigated this episode, so that we learn the full truth. Because you can't trust these people.

Just like you can't trust them to come forward with a budget along the lines suggested by a majority of the Board which incorporates massive cost reductions.

One final thing. I am making a public records request for records which evidence every expenditure on project #4378BD2202 to date. I want to know when the expenditure was incurred, what it was for, how much was paid and when, and who approved payment. That's why I am sending a copy of this e-mail to our GM and Board Clerk Heidi White.

Thank you for your cooperation. Aaron Katz

From: J
To: [Heidi White](#)
Subject: YOU HAVE NOT RESPONDED - Fwd: Protest of the Change to the RFF/BFF
Date: Wednesday, May 29, 2024 7:39:44 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

YOU HAVE NOT RESPONDED - This is NOT "excellent customer service," Which IVGID includes as a requirement in its job description.

----- Forwarded message -----

From: J <j.gumz1@gmail.com>
Date: Tue, May 28, 2024 at 8:26 AM
Subject: Protest of the Change to the RFF/BFF
To: Ray Tulloch <tulloch_trustee@ivgid.org>, Sara Schmitz <trustee_schmitz@ivgid.org>, Matthew Dent <dent_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>
Cc: Heidi White <hwh@ivgid.org>

Trustees:

I formally protest the adoption of the RFF/BFF, which is a CHANGE from the amount in the prior year.

Please include this as a public comment in the meeting of May 29, 2024.

Please acknowledge receipt of this message.

J. Gumz