MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Review, discuss and possibly set direction for Capital Improvement Project Budget affecting fiscal year 2019-2020 and eventually the Five Year Capital Plan Summary to be adopted in July 2019 as part of the District's Indebtedness Report

DATE: March 12, 2019

I. RECOMMENDATION

Staff requests direction by the Board of Trustees to validate proposed project expenditures and methods of funding including the allocation of the Facility Fee for Capital Maintenance for the 2019-20 Budget.

II. BACKGROUND

Staff has approached the planning for capital improvements for the entire Five Year Capital Improvement Plan Summary by following existing plans and assumptions. This planning process considers care and condition of District assets, service levels, and the ability to accommodate projects within operating schedules, funding, and availability in the marketplace.

We schedule expenditures over a five year period to facilitate required reporting to the State of Nevada each July. We have also made a projection for funding. For nine plus years, this funding has included no change to the total Facility Fee of $830 across the District. An ancillary objective has been to apply the similar amounts annually, first to scheduled debt service, and then a resource for capital improvement to result in comparable allocations year to year. The intent is to avoid swings in the totals based on expenditures plans year on year. With the retirement of bond issues, this allocated more funding to pay as you go capital projects without increasing the total.

A. The District's Strategic Plan calls for a five year projection of financial results for capital improvement and debt service. Since 2011, the District has planned and coordinated the timing of certain capital projects within Community Services and Beach Funds to allow resources once used for debt service to be applied to capital improvements. For a number of years the District also sought to accumulate additional resources/reserves knowing several "legacy" projects needed attention in the coming years. These legacy projects include the District Administration Building, Mountain Golf Course Buildings, Diamond Peak Culvert, and Ski Way. Other venues have aging facilities including the Tennis Center, Incline Beach Building and the Burnt Cedar Pool. The action for the Diamond Peak Culvert was completed in 2018.

The consideration of the 2019-20 Capital Improvement Project Budget includes a review of the funding for project in that year and those to follow. There are clear indications that funding through some form of time payments will be necessary to acquire facilities and equipment. What started out as a five year plan for the facility fee has been accomplished for nine years. However, increasing costs simply do not allow everything to fit into pay as you go from resources generated by the facility fee and operations alone.

B. Consideration of capital improvement is split into two perspectives. We start with building a Five Year Capital Improvement Plan Summary which facilitates an analysis of sustainability and becomes part of the reporting document for the State of Nevada Indebtedness Report due each July. However, the authority to expend is only for one year; that makes years two through five of that summary just a plan. The focus of budgeting for 2019-2020 is on the year one listing from the Five Year Capital Improvement Plan Summary. The Board's review process results in the 2019-2020 Capital Improvement Project Budget.

C. The Board of Trustees will be conducting their CIP Tour prior to the March 18 meeting. The lone stop will Burnt Cedar Beach to discuss the current and future projects at that location.

During the meeting on March 18, management will be present commentary about a few of the most important projects. The Board will be able to ask each department about projects of interest and their timing.

D. The General Manager and the Director of Finance will lead a discussion with the Board about the Five Year Projection for Asset Replacement Funding. The Projection is based on the Five Year Capital Improvement Project Summary. A review of the assumed patterns for funding and the possible variations that might be considered will be discussed under Board Practice 14.2.1 on Debt Issuance. The 2019-2020 budget and the five year summary have scheduled items using leasing over outright purchase. These will be discussed in detail. The other planned expenditures generally contemplate completion in a single construction season.

Without any other known funding source, the construction of Ski Way during calendar 2022 results in a deficit position. Therefore, the alternate portion of the project for roundabouts has been separated into a second line item.

III. FINANCIAL IMPACT AND BUDGET

The results of the discussion will be used to formulate the 2019-20 Operating Budget and Capital Improvement Project Budget adopted in May, as well as the Five Year Capital Improvement Plan Summary for filing of the District's Indebtedness Reports in July.

The consequences of capital carryover projects is not part of this discussion because the District has those resources in hand. They will be identified for the Tentative and Final Budget actions.

The Facility Fee total allocated to debt service and capital maintenance is not projected to be increased within the five year projection, as long as funding for expenditures can include using some form of time payments (leasing or bonding) and limited use of fund balance.

IV. ALTERNATIVES

Alternatives for the scope, priorities or funding of projects can be discussed by the Board of Trustees.

V. COMMENTS

Background for the District's asset replacement funding has been presented to understand measurements and indicators being used by Staff to monitor and plan for these transactions. It is not intended to be acted upon by the Board of Trustees.

IVGID 2019-2020 District Budget Calendar

May 9, 2018	Strategic Plan for 2018-2020 approved by Board
October 3, 2018	Staff Budget kickoff
October 2018 to January 2019	Staff prepares draft operating budget
October 2018 to February 2019	Staff prepares updated capital plan
December 14, 2018	Cutoff for identifying new CIP or Personnel Requests to the GM
January 29, 2019	Administrative Team previews Long Term Capital Funding
January 23, 2019	Utility Rate Study & Trustees 2019 Work Plan
February 6, 2019	Trustees set Budget and Rec Roll Hearing date as May 22, 2019
February 27, 2019	Board Review of Community Programming (Cost Recovery Pyramid, Service Levels, & Programs Provided)
February 27, 2019	Overall Budget Preview and Strategy Introduction
March 8, 2019	2019-20 preliminary operating information released on OpenGov.com
March 13, 2019	Board overview of Operating Budget including Fixed & Scalability and Sources & Uses
March 15, 2019	Release CIP 5 Year Summary Online
March 18, 2019	***Capital Improvement Projects Tour***
March 18, 2019	***Board review of 2019-2020 Capital Improvement Proposed Budget & Funding***
April 10, 2019	Consider and Approve "Tentative" Budget Filing and Preliminary Rec Roll
April 10, 2019	Utility Rates (Ordinances 2 and 4) Public Hearing and Approval of Revised Ordinances
May 22, 2019	Public Hearing on final proposed Rec Roll and 2019-2020 Fiscal Year Budget
June 1, 2019	File Final Budget Form 4404LGF with State of NV
June 30, 2019	Distribute Operating and CIP Budget Books
July 24, 2019	Review and Approve District Indebtedness Report including the Five Year Capital Project Summary

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

2019/2020 Capital Improvement Project Budget - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2019 - 2020
General Fund				
Accounting/Information Systems	1213CE1101	IT Master Plan - IT Security Devices	IT Manager	15,000
	1213CE1701	District Communication Radios	Network Administrator	6,000
	1213CO1505	IT Infrastructure	IT Manager	132,800
	1213CO1703	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	IT Technician	95,000
	1213CO1802	Microsoft Exchange Server	Director of IT	28,600
	1213CO1803	Microsoft Office Licenses	Director of IT	9,045
	1213CO1804	Windows Server Operating System	Director of IT	14,000
				300,445
	1099LI1705	Pavement Maintenance - Administration Building	Senior Engineer	5,000
	1315CO1801	Human Resource Management and Payroll Processing Software	Director of Human Resources	180,000
				185,000
		Total General Fund		**485,445**
Utilities				
Public Works Shared	2097BD1802	Household Hazardous Waste Building Improvements	Principal Engineer	15,000
	2097DI1401	Adjust Utility Facilities in NDOT/Washoe County Right of Way	Senior Engineer	60,000
	2097HV1754	1996 Peterbilt Dump Truck #299	Fleet Superintendent	75,000
	2097LE1723	2004 9' Western Snow Plow #542A	Fleet Superintendent	9,000
	2097LE1724	2015 Sander/Spreader #710	Fleet Superintendent	20,000
	2097LI1401	Pavement Maintenance, Utility Facilities	Senior Engineer	45,000
	2097LV1746	2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	Fleet Superintendent	48,000
	2097LV1747	2008 Chevrolet Service Truck #609 Meter Truck	Fleet Superintendent	36,000
				308,000
Water	2299DI1102	Water Pumping Station Improvements	Principal Engineer	45,000
	2299DI1103	Replace Commercial Water Meters, Vaults and Lids	Collection/Distribution Supervisor	20,000
	2299DI1204	Water Reservoir Coatings and Site Improvements	Utility Maintenance Specialist	85,000
	2299DI1401	Burnt Cedar Water Disinfection Plant Improvements	Engineering Manager	50,000
	2299DI1701	Water Reservoir Safety and Security Improvements	Engineering Manager	10,000
	2299DI1707	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	Engineering Manager	200,000
	2299WS1704	Watermain Replacement - Martis Peak Road	Senior Engineer	50,000
				460,000

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2019/2020 Capital Improvement Project Budget - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2019 - 2020
Sewer	2524SS1010	Effluent Export Project - Phase II	Engineering Manager	2,000,000
	2599BD1105	Building Upgrades Water Resource Recovery Facility	Water/Wastewater Supervisor	10,000
	2599DI1104	Sewer Pumping Station Improvements	Engineering Manager	15,000
	2599DI1703	Sewer Pump Station #1 Improvements	Principal Engineer	250,000
	2599SS1102	Water Resource Recovery Facility Improvements	Water/Wastewater Supervisor	100,000
	2599SS1103	Wetlands Effluent Disposal Facility Improvements	Utility Maintenance Specialist	10,000
	2599SS1203	Replace & Reline Sewer Mains, Manholes and Appurtenances	Senior Engineer	10,000
	2599SS1707	WRRF Aeration System Improvements	Engineering Manager	1,200,000
				3,595,000
		Total Utilities		**4,363,000**
Community Services				
Championship Golf	3141BD1706	Venue Signage Enhancement	Director of Golf	40,000
	3141FF1903	Championship Golf Course Bear Boxes	Grounds Superintendent Golf Courses	7,000
	3141GC1103	Irrigation Improvements	Grounds Superintendent Golf Courses	30,000
	3141GC1501	Maintenance Building Drainage, Washpad and Pavement improvements	Principal Engineer	30,000
	3141GC1802	Championship Course Greens and Surrounds	Grounds Superintendent Golf Courses	15,000
	3141GC1803	Championship Course Tees	Grounds Superintendent Golf Courses	15,000
	3141LI1201	Pavement Maintenance of Parking Lots - Champ Course & Chateau	Senior Engineer	17,500
	3141LI1202	Pavement Maintenance of Cart Paths - Champ Course	Senior Engineer	60,000
	3142LE1733	2005 Carryall Club Car #564	Fleet Superintendent	11,000
	3142LE1734	2005 Carryall Club Car #565	Fleet Superintendent	11,000
	3142LE1735	2005 Carryall Club Car #566	Fleet Superintendent	11,000
	3142LE1736	2005 Carryall Club Car #567	Fleet Superintendent	11,000
	3142LE1760	2010 John Deere 8500 #641	Fleet Superintendent	20,582
	3143GC1202	Driving Range Improvements	Grounds Superintendent Golf Courses	31,000
	3153FF1204	Champ Grille Kitchen Equipment	Food and Beverage Director	46,200
	3197HV1749	1997 1-Ton Dump Truck #419	Fleet Superintendent	5,000
	3197LE1732	2015 John Deere 1500 Fairway Aerator #716	Fleet Superintendent	27,000
	3197LE1740	2005 John Deere Pro Gator #569	Fleet Superintendent	34,500
	3197LE1741	2015 Greens Roller #715	Fleet Superintendent	17,000

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GENERAL IMPROVEMENT DISTRICT
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2019/2020 Capital Improvement Project Budget - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2019 - 2020
	3197LE1742	2014 Vibratory Greens Roller #696	Fleet Superintendent	17,000
	3197LE1746	2004 John Deere 4410 Tractor #548	Fleet Superintendent	40,000
	3197ME1710	Maintenance Shop Crane and Equipment Lift	Fleet Superintendent	30,000
	3199OE1501	Championship Golf Printer Copier Replacement 955 Fairway	Senior Golf Head Professional	10,000
				536,782
Mountain Golf	3241BD1503	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	Principal Engineer	60,000
	3241GC1101	Mountain Course Greens, Tees and Bunkers	Grounds Superintendent Golf Courses	43,000
	3241GC1404	Irrigation Improvements	Grounds Superintendent Golf Courses	39,000
	3241GC1802	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	Senior Engineer	65,000
	3241LI1704	Mountain Golf Course Cart Path Retaining Walls	Senior Engineer	17,500
	3241LV1899	Mountain Course 58 Cart Fleet		10,738
	3241ME1804	Mountain Golf Fuel Storage Facility	Fleet Superintendent	200,000
	3242LE1725	2005 Carryall Club Car #568	Fleet Superintendent	11,000
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf Course	Senior Engineer	22,500
	3242LI1205	Pavement Maintenance of Cart Paths - Mountain Golf Course	Senior Engineer	40,000
	3299BD1702	Replace Roof - Mountain Golf Clubhouse	Buildings Superintendent	25,000
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	Buildings Superintendent	41,500
	3299BD1902	Mountain Clubhouse Fire Rebuild and Rehab	Engineering Staff	861,800
				1,437,038
Facilities	3350BD1103	Chateau - Replace Carpet	Buildings Superintendent	62,000
	3350BD1804	Replace Hallway Tile at Chateau	Buildings Superintendent	65,000
	3350BD1805	Repair and Refinish Wood Walls Upstairs at Chateau	Buildings Superintendent	10,000
	3350FF1204	Catering Kitchen Equipment	Food and Beverage Director	18,900
	3351LI1807	Replacement Sod at Aspen Grove	Sales and Events Coordinator	18,000
				173,900
Ski	3453BD1806	Base Lodge Walk In Cooler and Food Prep Reconfiguration	Engineering Manager	25,000
	3453FF1706	Replace Main Lodge/Snowflake Lodge Dinning Furniture and Fixtures	Food and Beverage Director	38,000
	3462HE1702	Lakeview Ski Lift Maintenance and Improvements	Ski Resort General Manager	250,000
	3462HE1712	Red Fox Ski Lift Maintenance and Improvements	Ski Resort General Manager	30,000
	3463HV1727	Replace 2008 Grooming vehicle # 628	Fleet Superintendent	58,166
	3464BD1403	Resurface Main Lodge Decks	Buildings Superintendent	75,200
	3464HE1902	Replace Snowmaking Air Compressor Microprocessor Control Units	Mountain Operations Manager	100,000

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
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2019/2020 Capital Improvement Project Budget - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2019 - 2020
	3464LE1601	Ski Resort Snowmobile Fleet Replacement	Fleet Superintendent	15,500
	3464LV1731	2012 Yamaha ATV #683	Fleet Superintendent	18,000
	3464ME1907	Diesel Exhaust Fluid Storage/Dispenser	Fleet Superintendent	20,000
	3464SI1002	Fan Guns Purchase and Refurbishment	Mountain Operations Manager	130,000
	3468RE0002	Replace Ski Rental Equipment	Director of Skier Services	200,000
	3469LI1105	Pavement Maintenance, Diamond Peak and Ski Way	Senior Engineer	55,000
	3469LI1805	Ski Way and Diamond Peak Parking Lot Reconstruction	Engineering Manager	225,000
	3499BD1710	Diamond Peak Facilities Flooring Material Replacement	Mountain Operations Manager	43,000
	3499BD1904	Ski Rental Shop Doors	Assistant Buildings Superintendent	13,000
	3499BD1905	HVAC Control Changeout	Assistant Buildings Superintendent	21,000
	3499CE1909	Ecommerce / Middleware Software	IT Analyst	202,000
	3499FF1607	Skier Services Building Customer Service Counter	Principal Engineer	12,000
	3499OE1502	Skier Services Administration Printer Copier Replacement 1210 Ski Way	Director of IT	10,000
				1,540,866
Parks	4378BD1605	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000
	4378BD1705	Rosewood Creek Foot Bridges	Parks Superintendent	8,000
	4378BD1901	Village Green Restroom drainage improvements	Senior Engineer	25,000
	4378DI1702	Incline Park Backflow Device Replacement	Director of Asset Management	32,000
	4378LE1724	2005 Shattertine Aerifier	Fleet Superintendent	8,100
	4378LE1730	2008 JD Pro-Gator #623	Fleet Superintendent	35,000
	4378LE1736	2003 1-Ton Service Truck #520	Fleet Superintendent	43,000
	4378LE1739	2013 Ball Field Groomer #681	Fleet Superintendent	17,100
	4378LE1740	2013 Ball Field Mower / Toro 3500D Groundsmaster #682	Fleet Superintendent	35,400
	4378LI1303	Pavement Maintenance, Village Green Parking	Senior Engineer	5,000
	4378LI1403	Pavement Maintenance, Preston Field	Senior Engineer	5,000
	4378LI1602	Pavement Maintenance, Overflow Parking Lot	Senior Engineer	5,000
	4378LI1802	Pavement Maintenance - Incline Park	Senior Engineer	7,500
				281,100
Tennis	4588BD1604	Tennis Center Renovation	Engineering Manager	700,000
	4588LI1201	Pavement Maintenance, Tennis Facility	Senior Engineer	23,500
	4588RS1501	Resurface Tennis Courts 1 and 2	Director of Parks and Recreation	47,000
				770,500

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
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2019/2020 Capital Improvement Project Budget - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2019 - 2020
Recreation Center	4884BD1601	Recreation Center Natatorium Mezzanine Safety Enhancements	Buildings Superintendent	90,000
	4884BD1703	Replace Walkway Bollard Lights	Buildings Superintendent	55,000
	4884CE1903	External Surveillance Security Cameras for Recreation Center	Director of Parks and Recreation	15,000
	4884FF1502	Repair Deck Stairs and Powder Coat All Patio Deck Railings	Buildings Superintendent	20,000
	4884LI1102	Pavement Maintenance, Recreation Center Area	Senior Engineer	57,500
	4885BD1606	Pool Facility Deck/Floor Re-coat	Recreation Center Manager	34,000
	4886LE0001	Fitness Equipment	Recreation Center Manager	44,200
	4899BD1305	Paint Interior of Recreation Center	Buildings Superintendent	15,500
	4899BD1801	Paver install Front Walkway at Recreation Center	Buildings Superintendent	82,500
				413,700
		Total Community Services		**5,153,886**
Beaches				
	3970BD2601	Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	Engineering Manager	500,000
	3972BD1301	Pavement Maintenance, Ski Beach	Senior Engineer	11,000
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000
	3972BD1707	Burnt Cedar Dumpster enclosure	Senior Engineer	10,000
	3972LI1202	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	6,000
	3999LI1902	Burnt Cedar Beach Eastern Stormwater Improvements	Senior Engineer	189,200
				771,200
TOTAL				**10,773,531**

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
General Fund									
Accounting/Information Systems	1213CE1101	IT Master Plan - IT Security Devices	IT Manager	15,000	15,000	-	-	-	30,000
	1213CE1501	District Wi-fi Installation Update	IT Manager	-	60,000	-	-	-	60,000
	1213CE1701	District Communication Radios	Network Administrator	6,000	6,000	10,000	-	-	22,000
	1213CE1901	District Wide Update to Voice Over IPhone System	IT Analyst	-	60,000	66,000	-	-	126,000
	1213CO1505	IT Infrastructure	IT Manager	132,800	91,800	92,000	-	-	316,600
	1213CO1703	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	IT Technician	95,000	97,050	100,000	102,950	105,900	500,900
	1213CO1802	Microsoft Exchange Server	Director of IT	28,600	-	-	-	-	28,600
	1213CO1803	Microsoft Office Licenses	Director of IT	9,045	9,300	9,600	-	-	27,945
	1213CO1804	Windows Server Operating System	Director of IT	14,000	14,000	-	-	-	28,000
	1213LV1721	IS&T Pick-up Truck and Cargo Unit	Fleet Superintendent	-	-	-	12,000	-	12,000
				300,445	353,150	277,600	114,950	105,900	1,152,045
General	1099BD1501	Admin Roof Replacement	Buildings Superintendent	-	85,000	-	-	-	85,000
	1099BD1502	Upgrade Public Bathrooms at Administration for ADA Compliance	Buildings Superintendent	-	-	75,000	-	-	75,000
	1099BD1701	Administration Services Building	Engineering Manager	-	-	-	150,000	3,200,000	3,350,000
	1099LI1705	Pavement Maintenance - Administration Building	Senior Engineer	5,000	5,000	5,000	5,000	5,000	25,000
	1099OE1401	Admin Printer Copier Replacement - 893 Southwood Administration Building	District Clerk	-	-	32,500	-	-	32,500
	1315CO1801	Human Resource Management and Payroll Processing Software	Director of Human Resources	180,000	-	-	-	-	180,000
				185,000	90,000	112,500	155,000	3,205,000	3,747,500
		Total General Fund		**485,445**	**443,150**	**390,100**	**269,950**	**3,310,900**	**4,899,545**
Utilities									
Public Works Shared	2097BD1202	Paint Interior Building #A	Buildings Superintendent	-	-	-	49,000	-	49,000
	2097BD1204	New Carpet Building #A	Buildings Superintendent	-	47,000	-	-	-	47,000
	2097BD1704	Replace Roof Public Works #B	Buildings Superintendent	-	-	105,000	-	-	105,000
	2097BD1802	Household Hazardous Waste Building Improvements	Principal Engineer	15,000	150,000	-	-	-	165,000
	2097CO2101	Public Works Billing Software Replacement	Public Works Administrative Manager	-	10,000	100,000	100,000	50,000	260,000
	2097DI1401	Adjust Utility Facilities in NDOT/Washoe County Right of Way	Senior Engineer	60,000	60,000	60,000	60,000	60,000	300,000
	2097HE1725	Loader Tire Chains	Fleet Superintendent	-	-	9,900	9,900	-	19,800
	2097HE1729	2002 Caterpillar 950G Loader #523	Fleet Superintendent	-	-	265,000	-	-	265,000
	2097HE1730	2002 Caterpillar 950G Loader #525	Fleet Superintendent	-	-	-	265,000	-	265,000
	2097HE1751	2013 Trackless Snowblower #687	Fleet Superintendent	-	-	-	165,000	-	165,000
	2097HE1752	2001 105KW Mobile Generator #313	Fleet Superintendent	-	-	-	50,000	-	50,000
	2097HV1754	1996 Peterbilt Dump Truck #299	Fleet Superintendent	75,000	-	-	-	-	75,000
	2097HV1755	2001 Peterbilt Bin Truck #468	Fleet Superintendent	-	-	190,000	-	-	190,000
	2097LE1720	Snowplow #300A	Fleet Superintendent	-	-	18,000	-	-	18,000
	2097LE1721	Snowplow #307A	Fleet Superintendent	-	-	-	18,000	-	18,000
	2097LE1722	Slurry Liquidator #326	Fleet Superintendent	-	-	41,000	-	-	41,000
	2097LE1723	2004 9' Western Snow Plow #542A	Fleet Superintendent	9,000	-	-	-	-	9,000
	2097LE1724	2015 Sander/Spreader #710	Fleet Superintendent	20,000	-	-	-	-	20,000
	2097LI1401	Pavement Maintenance, Utility Facilities	Senior Engineer	45,000	299,000	12,500	12,500	12,500	381,500
	2097LI1701	Pavement Maintenance, Reservoir 3-1 WPS 4-2/5-1	Senior Engineer	-	10,000	165,000	-	-	175,000
	2097LV1710	2013 Chevy Equinox	Fleet Superintendent	-	-	-	-	37,000	37,000
	2097LV1734	2013 1/2 Ton Pick-Up #677 Treatment	Fleet Superintendent	-	-	-	-	37,000	37,000
	2097LV1738	2009 Chevrolet 1/2 Ton Pick-up Truck #631	Fleet Superintendent	-	-	30,000	-	-	30,000
	2097LV1739	2009 Chevrolet 1/2 Ton Pick-up Truck #632 Engineering Dept.	Fleet Superintendent	-	-	32,000	-	-	32,000
	2097LV1740	2012 Extend-A-Cab Pick-up #678 Pipeline Dept.	Fleet Superintendent	-	-	-	32,000	-	32,000
	2097LV1743	2013 1-Ton Flatbed #679 Pipeline Dept.	Fleet Superintendent	-	-	-	-	44,000	44,000
	2097LV1744	2012 1-Ton Service Truck w/ Liftgate #668 Treatment	Fleet Superintendent	-	-	-	43,000	-	43,000
	2097LV1745	2013 1-Ton Service Truck #680 Utilities Electrician	Fleet Superintendent	-	-	-	-	44,000	44,000
	2097LV1746	2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	Fleet Superintendent	48,000	-	-	-	-	48,000
	2097LV1747	2008 Chevrolet Service Truck #609 Meter Truck	Fleet Superintendent	36,000	-	-	-	-	36,000
	2097LV1749	2011 Chevrolet Service Truck #647 Treatment	Fleet Superintendent	-	45,000	-	-	-	45,000
	2097LV1750	1997 Forklift #315	Fleet Superintendent	-	-	-	-	36,000	36,000
	2097OE1205	Large Format Printer Replacement	Public Works Contract Administrator	-	-	-	-	29,000	29,000
				308,000	621,000	1,028,400	804,400	349,500	3,111,300
Water	2299DI1102	Water Pumping Station Improvements	Principal Engineer	45,000	50,000	50,000	50,000	50,000	245,000
	2299DI1103	Replace Commercial Water Meters, Vaults and Lids	Collection/Distribution Supervisor	20,000	40,000	40,000	40,000	40,000	180,000
	2299DI1204	Water Reservoir Coatings and Site Improvements	Utility Maintenance Specialist	85,000	85,000	85,000	60,000	80,000	395,000
	2299DI1401	Burnt Cedar Water Disinfection Plant Improvements	Engineering Manager	50,000	55,000	25,000	25,000	25,000	180,000

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
	2299DI1701	Water Reservoir Safety and Security Improvements	Engineering Manager	10,000	250,000	-	-	-	260,000
	2299DI1702	Water Pump Station 2-1 Improvements	Engineering Manager	-	-	-	300,000	-	300,000
	2299DI1707	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	Engineering Manager	200,000	-	-	-	-	200,000
	2299DI2603	Residential meter and electronics replacement	Collection/Distribution Supervisor	-	-	-	-	150,000	150,000
	2299LV1720	2013 Mid Size Truck #675 Compliance	Fleet Superintendent	-	-	31,000	-	-	31,000
	2299WS1704	Watermain Replacement - Martis Peak Road	Senior Engineer	50,000	625,000	-	-	-	675,000
	2299WS1705	Watermain Replacement - Crystal Peak Road	Senior Engineer	-	-	50,000	845,000	-	895,000
	2299WS1706	Watermain Replacement - Rifle Pk Ct, Slott Pk Ct	Senior Engineer	-	50,000	325,000	-	-	375,000
	2299WS1802	Watermain Replacement - Alder Avenue	Senior Engineer	-	-	-	-	535,000	535,000
	2299WS1803	Watermain Replacement - Future	Senior Engineer	-	-	-	-	50,000	50,000
	2299WS1804	R6-1 Tank Road Construction	Senior Engineer	-	15,000	110,000	-	-	125,000
				460,000	1,170,000	716,000	1,320,000	930,000	4,596,000
Sewer	2523HE1721	2006 Kenworth T800 Bin truck #587	Fleet Superintendent	-	-	197,200	-	-	197,200
	2523HE1723	2001 Sellick Forklift #499	Fleet Superintendent	-	-	-	-	65,000	65,000
	2524LE1725	2008 Chevrolet Camera Truck #615	Fleet Superintendent	-	-	-	-	85,000	85,000
	2524SS1010	Effluent Export Project - Phase II	Engineering Manager	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
	2599BD1105	Building Upgrades Water Resource Recovery Facility	Water/Wastewater Supervisor	10,000	80,000	40,000	30,000	50,000	210,000
	2599DI1104	Sewer Pumping Station Improvements	Engineering Manager	15,000	60,000	30,000	30,000	50,000	185,000
	2599DI1701	Sewer Pumping Station 14 Improvements	Engineering Manager	-	-	-	-	30,000	30,000
	2599DI1703	Sewer Pump Station #1 Improvements	Principal Engineer	250,000	-	-	-	-	250,000
	2599SS1102	Water Resource Recovery Facility Improvements	Water/Wastewater Supervisor	100,000	75,000	75,000	100,000	175,000	525,000
	2599SS1103	Wetlands Effluent Disposal Facility Improvements	Utility Maintenance Specialist	10,000	75,000	100,000	100,000	100,000	385,000
	2599SS1203	Replace & Reline Sewer Mains, Manholes and Appurtenances	Senior Engineer	10,000	55,000	110,000	55,000	105,000	335,000
	2599SS1702	WRRF Biosolids Bins	Utility Superintendent	-	-	-	-	45,000	45,000
	2599SS1707	WRRF Aeration System Improvements	Engineering Manager	1,200,000	-	-	-	-	1,200,000
	2599SS1901	Wastewater Resource Recovery Facility (WRRF) Drainage Improvements	Senior Engineer	-	12,500	-	-	-	12,500
	2599SS2107	Update Camera Equipment	Collection/Distribution Supervisor	-	60,000	-	-	-	60,000
				3,595,000	2,417,500	2,552,200	2,315,000	2,705,000	13,584,700
		Total Utilities		**4,363,000**	**4,208,500**	**4,296,600**	**4,439,400**	**3,984,500**	**21,292,000**
Internal Service									
Fleet	5190ME1201	Replacement Shop Tools and Equipment	Fleet Superintendent	-	-	-	16,000	-	16,000
	5197CO1801	Fleet Software upgrade - manages rolling stock/equip	Fleet Superintendent	-	14,000	-	-	-	14,000
	5197LE1720	Replace 2007 Vehicle/Equipment Trailer	Fleet Superintendent	-	-	-	-	10,850	10,850
				-	14,000	-	16,000	10,850	40,850
Buildings	5394LE1723	2003 Genie Scissor Lift	Fleet Superintendent	-	-	16,000	-	-	16,000
	5394LE1724	2004 Equipment Trailer (Tilt)	Fleet Superintendent	-	-	5,200	-	-	5,200
	5394LV1720	Replace 2005 Service Truck 4X4 (1-ton) #555	Fleet Superintendent	-	-	43,600	-	-	43,600
	5394LV1722	Replace 2004 Pick-up Truck 4X4 (1/2-ton) #540	Fleet Superintendent	-	5,000	-	-	-	5,000
				-	5,000	64,800	-	-	69,800
		Total Internal Service		**-**	**19,000**	**64,800**	**16,000**	**10,850**	**110,650**
Community Services									
Championship Golf	3141BD1706	Venue Signage Enhancement	Director of Golf	40,000	-	-	-	-	40,000
	3141FF1804	Champ Golf Exterior Icemaker Replacement	Buildings Superintendent	-	10,500	-	-	-	10,500
	3141FF1903	Championship Golf Course Bear Boxes	Grounds Superintendent Golf Courses	7,000	6,000	-	-	-	13,000
	3141GC1103	Irrigation Improvements	Grounds Superintendent Golf Courses	30,000	15,000	26,000	15,000	15,000	101,000
	3141GC1501	Maintenance Building Drainage, Washpad and Pavement improvements	Principal Engineer	30,000	700,000	-	-	-	730,000
	3141GC1802	Championship Course Greens and Surrounds	Grounds Superintendent Golf Courses	15,000	-	-	-	-	15,000
	3141GC1803	Championship Course Tees	Grounds Superintendent Golf Courses	15,000	-	-	-	45,000	60,000
	3141LI1201	Pavement Maintenance of Parking Lots - Champ Course & Chateau	Senior Engineer	17,500	52,500	45,000	10,000	515,000	640,000
	3141LI1202	Pavement Maintenance of Cart Paths - Champ Course	Senior Engineer	60,000	62,500	55,000	55,000	55,000	287,500
	3141LV1898	Championship Golf Course Electric Cart Fleet and GPS	Director of Golf	-	14,094	84,565	84,565	84,565	267,789
	3142LE1722	2001 Shattertine Aerifier #500	Fleet Superintendent	-	-	-	-	8,000	8,000
	3142LE1733	2005 Carryall Club Car #564	Fleet Superintendent	11,000	-	-	-	-	11,000
	3142LE1734	2005 Carryall Club Car #565	Fleet Superintendent	11,000	-	-	-	-	11,000
	3142LE1735	2005 Carryall Club Car #566	Fleet Superintendent	11,000	-	-	-	-	11,000

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
	3142LE1736	2005 Carryall Club Car #567	Fleet Superintendent	11,000	-	-	-	-	11,000
	3142LE1737	2006 Carryall Club Car #589	Fleet Superintendent	-	12,000	-	-	-	12,000
	3142LE1738	2006 Carryall Club Car #590	Fleet Superintendent	-	12,000	-	-	-	12,000
	3142LE1739	2006 Carryall Club Car #591	Fleet Superintendent	-	12,000	-	-	-	12,000
	3142LE1741	2016 Bar Cart #724	Fleet Superintendent	-	29,000	-	-	-	29,000
	3142LE1742	2016 Bar Cart #725	Fleet Superintendent	-	29,000	-	-	-	29,000
	3142LE1743	2017 Toro Sand Pro 3020 #744	Fleet Superintendent	-	-	-	-	22,000	22,000
	3142LE1745	2011 Toro 3500D Mower #649	Fleet Superintendent	-	-	-	-	43,500	43,500
	3142LE1746	2012 JD 8500 Fairway Mower #670	Fleet Superintendent	-	92,000	-	-	-	92,000
	3142LE1747	2011 Toro Groundsmaster 4000D #650	Fleet Superintendent	-	50,000	-	-	-	50,000
	3142LE1748	2015 Toro Greensmaster 1600 #711	Fleet Superintendent	-	-	-	10,000	11,300	21,300
	3142LE1749	2015 Toro Greensmaster 1600 #712	Fleet Superintendent	-	-	-	10,000	11,300	21,300
	3142LE1750	2013 JD 3235 Fairway Mower #685	Fleet Superintendent	-	-	92,000	-	-	92,000
	3142LE1751	2004 Toro Greensmaster 1600 #549	Fleet Superintendent	-	-	-	-	11,300	11,300
	3142LE1752	2005 Toro Greensmaster 1600 #574	Fleet Superintendent	-	-	-	-	11,300	11,300
	3142LE1753	2011 Toro Greensmaster 1000 #652	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1754	2011 Toro Greensmaster 1000 #653	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1755	2011 Toro Greensmaster 1000 #654	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1756	2011 Toro Greensmaster 1000 #655	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1757	2011 Toro Greensmaster 1000 #656	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1758	2011 Toro Greensmaster 1000 #657	Fleet Superintendent	-	-	-	-	10,400	10,400
	3142LE1759	2014 3500D Toro Rotary Mower #693	Fleet Superintendent	-	-	38,000	-	-	38,000
	3142LE1760	2010 John Deere 8500 #641	Fleet Superintendent	20,582	20,582	20,582	20,582	20,582	102,910
	3143GC1202	Driving Range Improvements	Grounds Superintendent Golf Courses	31,000	-	-	-	34,000	65,000
	3144FF1702	Replace Icemaker Championship Golf Course Cart Barn	Buildings Superintendent	-	-	10,980	-	-	10,980
	3153BD2001	Recoat Chateau F&B Grill and Catering Kitchen Floors	Buildings Superintendent	-	-	37,200	-	-	37,200
	3153FF1204	Champ Grille Kitchen Equipment	Food and Beverage Director	46,200	-	-	-	-	46,200
	3197HV1749	1997 1-Ton Dump Truck #419	Fleet Superintendent	5,000	-	-	-	44,000	49,000
	3197LE1724	2000 Toro Spreader #462	Fleet Superintendent	-	-	-	13,700	-	13,700
	3197LE1726	2001 Spiker/Seeder #477	Fleet Superintendent	-	-	-	12,000	-	12,000
	3197LE1728	2013 Toro Top Dresser #686	Fleet Superintendent	-	-	13,000	-	-	13,000
	3197LE1729	2006 Toro 1250 Spray Rig #586	Fleet Superintendent	-	-	-	-	35,000	35,000
	3197LE1731	2008 Planetair HD50 #616	Fleet Superintendent	-	35,000	-	-	35,000	70,000
	3197LE1732	2015 John Deere 1500 Fairway Aerator #716	Fleet Superintendent	27,000	-	-	-	-	27,000
	3197LE1733	2008 JD TC125 Core Harvester #621	Fleet Superintendent	-	-	12,400	-	-	12,400
	3197LE1734	2008 Bandit Brush Chipper #625	Fleet Superintendent	-	-	42,000	-	-	42,000
	3197LE1735	2017 TORO PROCORE 864 AERATOR #747	Fleet Superintendent	-	-	-	15,400	-	15,400
	3197LE1740	2005 John Deere Pro Gator #569	Fleet Superintendent	34,500	-	-	-	-	34,500
	3197LE1741	2015 Greens Roller #715	Fleet Superintendent	17,000	-	-	-	-	17,000
	3197LE1742	2014 Vibratory Greens Roller #696	Fleet Superintendent	17,000	-	-	-	-	17,000
	3197LE1746	2004 John Deere 4410 Tractor #548	Fleet Superintendent	40,000	-	-	-	-	40,000
	3197LE1748	Replace Blade Grinding Equipment	Fleet Superintendent	-	41,200	-	-	-	41,200
	3197LE1902	Graden Sand Injection Verticutter	Fleet Superintendent	-	18,500	-	-	-	18,500
	3197ME1710	Maintenance Shop Crane and Equipment Lift	Fleet Superintendent	30,000	-	-	-	-	30,000
	3199OE1501	Championship Golf Printer Copier Replacement 955 Fairway	Senior Golf Head Professional	10,000	-	-	-	-	10,000
				536,782	1,211,876	476,727	246,247	1,064,247	3,535,879
Mountain Golf	3241BD1503	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	Principal Engineer	60,000	-	-	-	-	60,000
	3241GC1101	Mountain Course Greens, Tees and Bunkers	Grounds Superintendent Golf Courses	43,000	18,000	-	-	-	61,000
	3241GC1404	Irrigation Improvements	Grounds Superintendent Golf Courses	39,000	-	-	30,000	-	69,000
	3241GC1502	Wash Pad Improvements	Principal Engineer	-	-	70,000	-	-	70,000
	3241GC1802	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	Senior Engineer	65,000	-	-	-	-	65,000
	3241LI1704	Mountain Golf Course Cart Path Retaining Walls	Senior Engineer	17,500	37,500	12,500	12,500	10,000	90,000
	3241LV1899	Mountain Course 58 Cart Fleet		10,738	64,428	64,428	64,428	64,428	268,450
	3241ME1804	Mountain Golf Fuel Storage Facility	Fleet Superintendent	200,000	-	-	-	-	200,000
	3242LE1725	2005 Carryall Club Car #568	Fleet Superintendent	11,000	-	-	-	-	11,000
	3242LE1726	2016 Bar Cart #726	Fleet Superintendent	-	29,000	-	-	-	29,000
	3242LE1728	2015 Toro 4000D Rough Mower #709	Fleet Superintendent	-	-	-	61,000	-	61,000
	3242LE1731	2017 Toro Sand Pro #745	Fleet Superintendent	-	-	-	-	22,000	22,000
	3242LE1732	2016 Toro Tri-Plex Mower #614	Fleet Superintendent	-	-	-	43,400	-	43,400
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf Course	Senior Engineer	22,500	6,000	12,500	12,500	25,000	78,500

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
	3242LI1205	Pavement Maintenance of Cart Paths - Mountain Golf Course	Senior Engineer	40,000	45,000	45,000	45,000	45,000	220,000
	3299BD1403	Mountain Course Clubhouse and Maintenance Building Renovation and ADA Upgrades	Engineering Manager	-	-	-	95,000	600,000	695,000
	3299BD1702	Replace Roof - Mountain Golf Clubhouse	Buildings Superintendent	25,000	-	-	-	-	25,000
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	Buildings Superintendent	41,500	-	-	-	-	41,500
	3299BD1902	Mountain Clubhouse Fire Rebuild and Rehab	Engineering Staff	861,800	-	-	-	-	861,800
				1,437,038	199,928	204,428	363,828	766,428	2,971,650
Facilities	3350BD1103	Chateau - Replace Carpet	Buildings Superintendent	62,000	-	-	49,500	68,000	179,500
	3350BD1302	Resurface Patio Deck - Chateau	Buildings Superintendent	-	36,000	-	-	-	36,000
	3350BD1505	Paint Interior of Chateau	Buildings Superintendent	-	-	-	-	40,500	40,500
	3350BD1506	Paint Exterior of Chateau	Buildings Superintendent	-	-	47,000	-	-	47,000
	3350BD1704	Replace Air Walls Chateau	Buildings Superintendent	-	31,360	-	-	-	31,360
	3350BD1804	Replace Hallway Tile at Chateau	Buildings Superintendent	65,000	-	-	-	-	65,000
	3350BD1805	Repair and Refinish Wood Walls Upstairs at Chateau	Buildings Superintendent	10,000	-	-	-	-	10,000
	3350BD1808	Chateau Community Room Ceiling and Beam Refurbishing	Buildings Superintendent	-	-	-	-	25,000	25,000
	3350FF1204	Catering Kitchen Equipment	Food and Beverage Director	18,900	-	-	-	-	18,900
	3350FF1601	Enclose Chateau Exterior Storage Area	Engineering Technician	-	85,000	-	-	-	85,000
	3351BD1501	Aspen Grove - Replace Carpet	Buildings Superintendent	-	-	11,000	-	-	11,000
	3351BD1703	Aspen Grove Outdoor Seating BBQ and Landscaping	Parks Superintendent	-	-	41,400	10,000	-	51,400
	3351BD2101	Dumpster enclosure – Village Green/Aspen Grove	Parks Superintendent	-	-	45,000	-	-	45,000
	3351LI1807	Replacement Sod at Aspen Grove	Sales and Events Coordinator	18,000	-	-	-	-	18,000
	3352FF1104	Replace Banquet Serviceware	Sales and Events Coordinator	-	-	-	-	11,000	11,000
	3352LV1720	Replace 2013 Cargo Truck #690	Fleet Superintendent	-	-	-	38,500	-	38,500
				173,900	152,360	144,400	98,000	144,500	713,160
Ski	3453BD1806	Base Lodge Walk In Cooler and Food Prep Reconfiguration	Engineering Manager	25,000	150,000	-	-	-	175,000
	3453FF1706	Replace Main Lodge/Snowflake Lodge Dinning Furniture and Fixtures	Food and Beverage Director	38,000	52,000	-	-	-	90,000
	3453FF1707	Replacement of Main and Snowflake Lodge Kitchen Equipment	Food and Beverage Director	-	53,000	-	-	-	53,000
	3462CE1902	Diamond Peak Fiber Network to Lifts	IT Analyst	-	-	-	68,000	-	68,000
	3462HE1502	Crystal Express Ski Lift Maintenance and Improvements	Ski Resort General Manager	-	55,000	25,000	345,000	-	425,000
	3462HE1702	Lakeview Ski Lift Maintenance and Improvements	Ski Resort General Manager	250,000	30,000	192,000	-	-	472,000
	3462HE1711	Lodgepole Ski Lift Maintenance and Improvements	Ski Resort General Manager	-	-	60,000	-	320,000	380,000
	3462HE1712	Red Fox Ski Lift Maintenance and Improvements	Ski Resort General Manager	30,000	20,000	-	-	-	50,000
	3462HE1903	Ridge Ski Lift Maintenance and Improvements	Mountain Operations Manager	-	62,000	-	-	-	62,000
	3462LE1720	2016 POlaris Ranger Crew #728	Fleet Superintendent	-	-	-	-	19,000	19,000
	3463HE1721	2013 Snow blower #689	Fleet Superintendent	-	-	-	-	165,900	165,900
	3463HE1722	Loader Tire Chains (1-Set)	Fleet Superintendent	-	-	9,750	-	-	9,750
	3463HE1723	2002 Caterpillar 950G Loader #524	Fleet Superintendent	-	-	265,000	-	-	265,000
	3463HE1728	Replace 2011 Grooming Vehicle # 645	Fleet Superintendent	-	-	59,658	89,286	89,286	238,230
	3463HV1727	Replace 2008 Grooming vehicle # 628	Fleet Superintendent	58,166	87,249	87,249	87,249	87,249	407,162
	3464BD1403	Resurface Main Lodge Decks	Buildings Superintendent	75,200	-	-	-	-	75,200
	3464HE1902	Replace Snowmaking Air Compressor Microprocessor Control Units	Mountain Operations Manager	100,000	-	-	-	-	100,000
	3464HE1908	1983 CASE 855C TRACK BACKHOE # 348	Fleet Superintendent	-	-	-	250,000	-	250,000
	3464LE1601	Ski Resort Snowmobile Fleet Replacement	Fleet Superintendent	15,500	16,000	16,500	17,000	17,000	82,000
	3464LE1729	Snowplow #304A	Fleet Superintendent	-	-	19,000	-	-	19,000
	3464LE1734	2016 Polaris Ranger Crew #723	Fleet Superintendent	-	-	-	19,000	-	19,000
	3464LV1730	2014 Yamaha ATV #695	Fleet Superintendent	-	-	19,000	-	-	19,000
	3464LV1731	2012 Yamaha ATV #683	Fleet Superintendent	18,000	-	-	-	-	18,000
	3464LV1732	2013 Yamaha Rhino (ATV) #674	Fleet Superintendent	-	21,000	-	-	-	21,000
	3464ME1802	Diamond Peak Fuel Storage Facility	Fleet Superintendent	-	20,000	-	400,000	-	420,000
	3464ME1907	Diesel Exhaust Fluid Storage/Dispenser	Fleet Superintendent	20,000	-	-	-	-	20,000
	3464SI1002	Fan Guns Purchase and Refurbishment	Mountain Operations Manager	130,000	-	-	-	-	130,000
	3467LE1703	Child Ski Center Surface Lift	Ski Resort General Manager	-	-	65,000	-	-	65,000
	3468RE0002	Replace Ski Rental Equipment	Director of Skier Services	200,000	185,000	-	150,000	-	535,000
	3468RE1609	Replace Ski Rental Machinery	Director of Skier Services	-	-	36,000	-	-	36,000
	3469HE1739	Replace 2010 Shuttle Bus #635	Fleet Superintendent	-	130,000	-	-	-	130,000
	3469HE1740	Replace 2010 Shuttle Bus #636	Fleet Superintendent	-	130,000	-	-	-	130,000
	3469LI1105	Pavement Maintenance, Diamond Peak and Ski Way	Senior Engineer	55,000	220,000	105,000	105,000	100,000	585,000
	3469LI1805	Ski Way and Diamond Peak Parking Lot Reconstruction	Engineering Manager	225,000	300,000	2,750,000	-	-	3,275,000
	3469LI1805B	Roundabout Alternative for Ski Way Timing to be coordinated with summer operations	Engineering Manager	-	-	-	2,100,000	-	2,100,000
	3469LV1735	2007 Chevy 1-Ton Pick-Up #596	Fleet Superintendent	-	-	40,000	-	-	40,000
	3469LV1736	2007 Chevy 1-Ton Pick-Up #597	Fleet Superintendent	-	-	40,000	-	-	40,000
	3469LV1737	1991 Ski Passenger Tram #267	Fleet Superintendent	-	-	22,700	-	-	22,700
	3469LV1738	1993 Ski Passenger Tram #283	Fleet Superintendent	-	-	-	23,400	-	23,400

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
	3499BD1710	Diamond Peak Facilities Flooring Material Replacement	Mountain Operations Manager	43,000	40,000	62,000	-	-	145,000
	3499BD1904	Ski Rental Shop Doors	Assistant Buildings Superintendent	13,000	-	-	-	-	13,000
	3499BD1905	HVAC Control Changeout	Assistant Buildings Superintendent	21,000	-	-	-	-	21,000
	3499CE1909	Ecommerce / Middleware Software	IT Analyst	202,000	-	-	-	-	202,000
	3499FF1607	Skier Services Building Customer Service Counter	Principal Engineer	12,000	-	-	-	-	12,000
	3499OE1205	Replace Staff Uniforms	Ski Resort General Manager	-	130,000	-	-	-	130,000
	3499OE1502	Skier Services Administration Printer Copier Replacement 1210 Ski Way	Director of IT	10,000	-	-	-	-	10,000
				1,540,866	1,701,249	3,873,857	3,653,935	798,435	11,568,342
Ski Master Plan Implementation	3653BD1501	2015 Ski Area Master Plan Implementation - Entitlements and Pre-Design	Engineering Manager	-	-	160,000	-	-	160,000
	3653BD1501A	2015 Ski Area Master Plan Implementation - Phase 1 A Listed Activities	Engineering Manager	-	-	1,103,000	1,103,000	-	2,206,000
	3653BD1501B	2015 Ski Area Master Plan Implementation - Phase 1 B Activities - Alpine Coaster	Engineering Manager	-	-	-	-	878,887	878,887
				-	-	1,263,000	1,103,000	878,887	3,244,887
Parks	4378BD1603	Resurface and Coat Incline Park Bathroom Floors	Buildings Superintendent	-	13,940	-	-	-	13,940
	4378BD1604	Resurface and Coat Preston Park Bathroom, Mechanical Room, and Bleacher Floors	Buildings Superintendent	-	-	53,200	-	-	53,200
	4378BD1605	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	-	-	145,000	105,000	305,000
	4378BD1701	Dumpster enclosure – Incline Park	Parks Superintendent	-	-	45,000	-	-	45,000
	4378BD1705	Rosewood Creek Foot Bridges	Parks Superintendent	8,000	8,000	-	-	-	16,000
	4378BD1801	Preston Field Retaining Wall Replacement	Principal Engineer	-	64,750	225,000	-	-	289,750
	4378BD1901	Village Green Restroom drainage improvements	Senior Engineer	25,000	-	-	-	-	25,000
	4378DI1702	Incline Park Backflow Device Replacement	Director of Asset Management	32,000	-	-	-	-	32,000
	4378LE1720	2013 Surf Rake #684	Fleet Superintendent	-	-	-	-	26,500	26,500
	4378LE1724	2005 Shattertine Aerifier	Fleet Superintendent	8,100	-	-	-	-	8,100
	4378LE1725	2008 Landpride Overseeder #622	Fleet Superintendent	-	17,000	-	-	-	17,000
	4378LE1730	2008 JD Pro-Gator #623	Fleet Superintendent	35,000	-	-	-	-	35,000
	4378LE1731	2008 JD Pro-Gator #624	Fleet Superintendent	-	36,000	-	-	-	36,000
	4378LE1736	2003 1-Ton Service Truck #520	Fleet Superintendent	43,000	-	-	-	-	43,000
	4378LE1739	2013 Ball Field Groomer #681	Fleet Superintendent	17,100	-	-	-	-	17,100
	4378LE1740	2013 Ball Field Mower / Toro 3500D Groundsmaster #682	Fleet Superintendent	35,400	-	-	-	-	35,400
	4378LE1742	2015 Ball Field Groomer #706	Fleet Superintendent	-	17,500	-	20,000	-	37,500
	4378LI1207	Pavement Maintenance, East & West End Parks	Senior Engineer	-	-	-	17,500	37,500	55,000
	4378LI1303	Pavement Maintenance, Village Green Parking	Senior Engineer	5,000	12,500	5,000	22,500	-	45,000
	4378LI1403	Pavement Maintenance, Preston Field	Senior Engineer	5,000	5,000	27,500	6,000	6,000	49,500
	4378LI1602	Pavement Maintenance, Overflow Parking Lot	Senior Engineer	5,000	5,000	5,000	27,500	5,000	47,500
	4378LI1802	Pavement Maintenance - Incline Park	Senior Engineer	7,500	3,500	7,500	3,500	-	22,000
	4378LV1734	2011 Pick-Up with Lift gate (1-ton) #646	Fleet Superintendent	-	-	-	42,500	-	42,500
	4378LV1735	2005 Pick-up Truck 4x4 (1-Ton) #554	Fleet Superintendent	-	-	43,000	-	-	43,000
	4378LV1737	2004 Pick-up Truck 4x4 (1-Ton) #541	Fleet Superintendent	-	43,000	-	-	-	43,000
	4378RS1501	Replace Previous Incline Park Playground	Principal Engineer	-	-	20,000	100,000	-	120,000
	4378RS1601	Replace Preston Park Playgrounds	Principal Engineer	-	15,000	100,000	-	-	115,000
				281,100	241,190	531,200	384,500	180,000	1,617,990
Tennis	4588BD1602	Paint All Court Fences and Light Poles, Replace Wind Screens	Buildings Superintendent	-	51,000	-	-	-	51,000
	4588BD1604	Tennis Center Renovation	Engineering Manager	700,000	-	-	-	-	700,000
	4588LI1201	Pavement Maintenance, Tennis Facility	Senior Engineer	23,500	5,000	5,000	5,000	10,000	48,500
	4588RS1401	Resurface Tennis Courts 8-9-10-11	Director of Parks and Recreation	-	17,600	-	-	-	17,600
	4588RS1402	Resurface Tennis Courts 3 thru 7	Director of Parks and Recreation	-	-	-	-	23,000	23,000
	4588RS1501	Resurface Tennis Courts 1 and 2	Director of Parks and Recreation	47,000	-	-	-	-	47,000
				770,500	73,600	5,000	5,000	33,000	887,100
Recreation Center	4884BD1601	Recreation Center Natatorium Mezzanine Safety Enhancements	Buildings Superintendent	90,000	-	-	-	-	90,000
	4884BD1702	Replace Bird Netting	Buildings Superintendent	-	-	-	-	17,720	17,720
	4884BD1703	Replace Walkway Bollard Lights	Buildings Superintendent	55,000	-	-	-	-	55,000
	4884BD1705	Upgrade Lights for I.P. Pathway	Buildings Superintendent	-	-	27,000	-	-	27,000
	4884BD1804	Chemtrol System for Recreation Center Pool	Director of Parks and Recreation	-	-	22,000	-	-	22,000
	4884BD1902	Recreation Center Upstairs Lobby Restrooms Remodel	Recreation Center Manager	-	31,504	-	-	-	31,504
	4884CE1903	External Surveillance Security Cameras for Recreation Center	Director of Parks and Recreation	15,000	-	-	-	-	15,000

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT — ONE TEAM

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
	4884FF1501	Resurface Recreation Center Patio Deck	Buildings Superintendent	-	-	-	-	28,620	28,620
	4884FF1502	Repair Deck Stairs and Powder Coat All Patio Deck Railings	Buildings Superintendent	20,000	-	-	-	-	20,000
	4884LI1102	Pavement Maintenance, Recreation Center Area	Senior Engineer	57,500	62,500	5,000	357,500	307,500	790,000
	4884RS1503	Replaster Recreation Center Pool	Buildings Superintendent	-	-	200,000	-	-	200,000
	4885BD1606	Pool Facility Deck/Floor Re-coat	Recreation Center Manager	34,000	-	-	-	35,500	69,500
	4886LE0001	Fitness Equipment	Recreation Center Manager	44,200	45,000	47,250	49,000	-	185,450
	4899BD1305	Paint Interior of Recreation Center	Buildings Superintendent	15,500	-	15,500	-	15,500	46,500
	4899BD1801	Paver install Front Walkway at Recreation Center	Buildings Superintendent	82,500	-	-	-	-	82,500
	4899LV1721	2012 15-Passenger Van #667	Fleet Superintendent	-	-	45,800	-	-	45,800
	4899OE1607	Recreation Center Printer Copier Replacement 980 Incline Way	IT Analyst	-	20,000	-	-	-	20,000
				413,700	159,004	362,550	406,500	404,840	1,746,594
Community Services Shared	4999OE1399	Web Site Redesign and Upgrade	Marketing Manager	-	80,000	-	-	-	80,000
				-	80,000	-	-	-	80,000
		Total Community Services Less Master Plan Implementation		**5,153,886**	**3,819,207**	**5,598,162**	**5,158,010**	**3,391,450**	**23,120,715**
		Total Community Services With Master Plan Implementation		**5,153,886**	**3,819,207**	**6,861,162**	**6,261,010**	**4,270,337**	**26,365,602**
Beaches									
	3970BD1901	Burnt Cedar Pool Replacement Timing to be Determined	Director of Parks and Recreation	-	2,000,000	-	-	-	2,000,000
	3970BD2601	Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	Engineering Manager	500,000	-	-	-	-	500,000
	3972BD1301	Pavement Maintenance, Ski Beach	Senior Engineer	11,000	6,000	8,500	15,000	256,000	296,500
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	55,000	55,000	55,000	55,000	275,000
	3972BD1707	Burnt Cedar Dumpster enclosure	Senior Engineer	10,000	35,000	-	-	-	45,000
	3972FF1704	Beach Furnishings	Parks Superintendent	-	7,000	21,000	-	-	28,000
	3972LI1201	Pavement Maintenance, Incline Beach	Senior Engineer	-	6,500	5,000	7,500	16,500	35,500
	3972LI1202	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	6,000	6,000	17,500	7,500	310,000	347,000
	3972RS1701	Replace Playgrounds	Principal Engineer	-	30,000	100,000	100,000	-	230,000
	3973FF1204	Incline Beach Kitchen	Food and Beverage Director	-	-	7,260	-	-	7,260
	3974FF1101	Burnt Cedar Beach Kitchen	Food and Beverage Director	-	-	6,800	-	-	6,800
	3999BD1702	Resurface Burnt Cedar Pool Patio Deck	Buildings Superintendent	-	29,100	-	-	-	29,100
	3999BD1703	Replace Ski Beach Entrance Gate	Buildings Superintendent	-	-	-	-	19,500	19,500
	3999BD1708	Ski Beach Bridge Replacement	Senior Engineer	-	-	-	120,000	-	120,000
	3999DI1706	Burnt Cedar Beach Backflow Device Replacement	Engineering Manager	-	-	-	45,000	-	45,000
	3999LI1902	Burnt Cedar Beach Eastern Stormwater Improvements	Senior Engineer	189,200	-	-	-	-	189,200
				771,200	2,174,600	221,060	350,000	657,000	4,173,860
Total w/o DP Master Plan				**10,773,531**	**10,664,457**	**10,570,722**	**10,233,360**	**11,354,700**	**53,596,770**
Total w/ DP Master Plan				**10,773,531**	**10,664,457**	**11,833,722**	**11,336,360**	**12,233,587**	**56,841,657**

Performance Management Cycles:

Service Delivery Operating Cycles

- Single transaction
- Hour
- Shift
- Day
- Week
- Pay Period
- Month
- Quarter
- Year

Capital Maintenance Cycles for Care & Condition

- Repairs & Maintenance
- Useful Lives of :
    - 3 Years
    - 5 Years
    - 7 Years
    - 8 Years
    - 10 Years
    - 15 Years
    - 20 Years
    - 25+ Years

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Five Year Projection Asset Replacement Sources and Uses						
	Budget	Projected				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Community Services Capital Improvements:						
Planned Facility Fees - Capital Maintenance						
Total Per Parcel	$ 440	$ 405	$ 405	$ 405	$ 405	$ 405
Total Community Services	$ 3,612,400	$ 3,322,215	$ 3,322,215	$ 3,322,215	$ 3,322,215	$ 3,322,215
Planned Other Sources & Adjustments:						
CS Fund Balance for Champ. Maint.			700,000			
Mountain Clubhouse Insurance		300,000				
General Fund Balance for Clubhouse		561,800				
CS Fund Balance for Mtn. Fuel Stor.		200,000				
CS Fund Balance for Lakeview Lift		250,000				
Bonding for Ski Way				2,750,000		
Debt Service on Bond					(342,007)	(342,007)
Bonding for Ski Way Roundabouts					2,100,000	
Debt Service on Bonds						(261,169)
CS Fund Balance for Culvert	1,625,000					
CS Fund Balance for DP Master Plan				1,263,000	1,103,000	878,887
Creek Restoration Grant	186,000					
ITF Incline Park Grant	1,208,071					
Pump Track Grant	300,000					
CS Fund Balance for Tennis Facility		700,000				
Total Community Service Sources	$ 6,931,471	$ 5,334,015	$ 4,022,215	$ 7,335,215	$ 6,183,208	$ 3,597,926
Scheduled Capital Expenditures	$ 7,084,971	$ 5,153,886	$ 3,819,207	$ 6,861,162	$ 6,261,010	$ 4,270,337
Championship Ongoing	492,400	536,782	511,876	476,727	246,247	549,247
Champ. Maintenance Bldg.	-	-	700,000	-	-	-
Chateau Pavement Replacement					-	515,000
Mountain Ongoing	150,300	375,238	199,928	204,428	363,828	166,428
Mountain Clubhouse	-	861,800				
Gas System and Maintenance Bldg.	-	200,000	-	-	-	-
Mountain Course Maintenance Bldg.					-	600,000
Facilities Ongoing	43,000	173,900	152,360	144,400	98,000	144,500
Ski Resort Ongoing	452,000	1,315,866	1,401,249	1,123,857	1,553,935	798,435
Ski Culvert	3,785,000	-	-	-	-	-
K Rail and Ski Way	50,000	225,000	300,000	2,750,000	-	-
Ski Way Roundabouts					2,100,000	
Ski Master Plan	-	-	-	1,263,000	1,103,000	878,887
Community Programming Ongoing	166,500	413,700	159,004	362,550	406,500	404,840
Community Services Admin Ongoing	27,500	-	80,000	-	-	-
Parks Ongoing	126,200	281,100	241,190	531,200	384,500	180,000
Parks Improvements from Grants	1,694,071	-	-	-	-	-
Tennis Ongoing	98,000	70,500	73,600	5,000	5,000	33,000
Tennis Facility	-	700,000	-	-	-	-
Community Services Cumulative						
Sources versus Uses	*$ (153,500)*	*$ 26,629*	*$ 229,637*	*$ 703,690*	*$ 625,888*	*$ (46,523)*
Beach Capital Improvements:						
Planned Facility Fees - Capital Maintenance						
Per Parcel	$ 39	$ 39	$ 39	$ 74	$ 74	$ 74
Total Beach	$ 302,484	$ 302,211	$ 302,211	$ 573,426	$ 573,426	$ 573,426
Planned Other Sources & Adjustments:						
Fund Balance for BC Pool		252,000				
Bond for BC Pool			2,000,000			
Debt Service on Bond				(248,732)	(248,732)	(248,732)
Fund Balance for Storm water Impr.		39,200				
Capital Grant for Storm water Impr.		150,000				
Total Beach Sources	$ 302,484	$ 743,411	$ 2,302,211	$ 324,694	$ 324,694	$ 324,694
Scheduled Capital Expenditures	$ 372,900	$ 771,200	$ 2,174,600	$ 221,060	$ 350,000	$ 657,000
Beach Ongoing	372,900	271,200	174,600	221,060	350,000	657,000
BC Pool Resurface and Mechanical		500,000				
BC Pool Replacement			2,000,000			
Beach Cumulative Sources vs Uses	*$ (70,416)*	*$ (98,205)*	*$ 29,406*	*$ 133,040*	*$ 107,734*	*$ (224,572)*

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Executive Summary

Special Revenue Fund Balance Stress Test

Audited Fund Balance versus Planned Capital Project Transfers

Presented to Board of Trustees March 18, 2019

	Community Services Spec. Rev. Fund	Beach Spec. Rev. Fund
Audited Fund Balance June 30, 2018	$ 10,645,469	$ 1,413,091
Projected Operating Sources FYE 6/30/19	18,797,530	2,122,760
Projected Operating Uses FYE 6/30/19	(16,858,100)	(1,899,600)
Transfer of Work Comp residual	241,875	13,125
Transfer for CIP carryover	(228,675)	(3,844)
Transfer for Diamond Peak Culvert current & carryover	(2,229,600)	-
Projected Fund Balance June 30, 2019	10,368,499	1,645,532
Budgeted Operating Sources FYE 6/30/20	17,943,215	2,169,965
Budgeted Operating Uses FYE 6/30/20	(17,966,365)	(2,115,102)
Projected Fund Balance June 30, 2020	10,345,349	1,700,395
Planned to meet Asset Replacement Funding:		
3970BD2601 BC Pool Resurface & Mechanical	-	(252,000)
3241ME1804 Mountain Golf Fuel Storage Facility	(200,000)	-
3462HE1702 Lakeview Lift Maintenance & Improvements	(250,000)	-
4588BD1604 Tennis Center Renovation	(700,000)	-
3653BD1501 DP Master Plan Entitlements & Permits	(150,000)	-
3653BD1501A DP Master Plan Phase 1A Activities	(2,206,000)	-
3653BD1501B DP Master Plan Phase 1 B Activities	(1,757,774)	-
Fund Balance less planned items	$ 5,081,575	$ 1,448,395
Current Target by Policy	$ 4,480,000	$ 479,000
Remainder	$ 601,575	$ 969,395

Discussion:

Community Services Special Revenue Fund has resources to meet the planned completion of the Mountain Course Fuel Storage Facility, Lakeview Lift, and the Tennis Center Renovation. Planned uses 2021 and after are for the resources in hand to meet the Phase 1 scope of the Diamond Peak Master Plan.

Beach Special Revenue Fund does not have sufficient resources to proceed with support for the planned pool renovation at Burnt Cedar Beach. It does not have sufficient resources for the Incline Beach building renovation as of this measurement date.

Incline Village General Improvement District
Asset Replacement Planning Indicaotrs

	2018	2017	2016	2015	2010	2005	2000	1995
General Fund								
Accumulated Depreciation to Depreciable Asset Cost	72.50%	65.71%	67.98%	65.29%	79.10%	83.92%	Not available	
Utility Fund								
Accumulated Depreciation to Depreciable Asset Cost	54.02%	54.90%	53.79%	51.26%	49.12%	52.22%	48.61%	44.07%
Bond Liability to Total Capital Asset Cost	3.87%	4.42%	4.91%	5.28%	6.61%	8.62%	8.22%	12.31%
Community Services Funds								
Golf								
Accumulated Depreciation to Depreciable Asset Cost	50.87%	51.98%	53.21%	52.40%	39.60%	25.16%	52.22%	45.94%
Bond Liability to Total Capital Asset Cost	4.52%	5.60%	6.61%	7.61%	22.83%	47.04%	20.23%	29.02%
Facilities								
Accumulated Depreciation to Depreciable Asset Cost	36.68%	34.94%	35.33%	33.52%	24.15%	12.83%	72.94%	53.30%
Bond Liability to Total Capital Asset Cost	17.56%	21.81%	24.77%	28.79%	48.53%	36.35%	26.00%	0.00%
Ski								
Accumulated Depreciation to Depreciable Asset Cost	48.38%	46.62%	45.05%	42.46%	42.81%	50.73%	47.16%	44.05%
Bond Liability to Total Capital Asset Cost	0.29%	3.06%	5.75%	8.45%	31.31%	15.74%	21.22%	22.01%
Recreation Center								
Accumulated Depreciation to Depreciable Asset Cost	67.77%	64.45%	65.46%	63.31%	58.31%	45.50%	28.68%	10.33%
Bond Liability to Total Capital Asset Cost	0.12%	0.15%	0.18%	0.20%	1.28%	3.06%	3.37%	0.00%
Parks								
Accumulated Depreciation to Depreciable Asset Cost	25.82%	25.49%	25.40%	25.55%	46.49%	48.72%	29.73%	28.23%
Bond Liability to Total Capital Asset Cost	0.09%	0.11%	0.13%	0.16%	2.12%	9.64%	17.53%	38.89%
Tennis								
Accumulated Depreciation to Depreciable Asset Cost	87.95%	85.03%	84.82%	82.18%	73.91%	57.67%	54.78%	43.20%
Bond Liability to Total Capital Asset Cost	0.37%	0.44%	0.53%	0.59%	12.23%	33.82%	34.97%	27.44%
Beach								
Accumulated Depreciation to Depreciable Asset Cost	57.93%	55.69%	54.01%	54.03%	63.92%	56.95%	76.13%	84.75%
Bond Liability to Total Capital Asset Cost	0.39%	0.47%	0.55%	0.62%	16.17%	31.69%	23.25%	18.86%
Internal Services								
Accumulated Depreciation to Depreciable Asset Cost	66.10%	70.39%	65.57%	65.61%	70.12%	65.24%	63.94%	67.48%

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Comparison of Cash Flows for Buy versus Lease

Example; Mountain 58 Golf Cart Fleet - Cost to Buy $288,000
Lease for 5 years with 4.5% interest factor

Expended:		Buy	Finance Lease	Operating Lease 20% Residual
Year	1	$ 288,000	$ 64,428	$ 54,136
	2		$ 64,428	$ 54,136
	3		$ 64,428	$ 54,136
	4		$ 64,428	$ 54,136
	5		$ 64,428	$ 54,136
	Total	$ 288,000	$ 322,140	$ 270,680
% of Cost to Buy		100%	112%	94%

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT – ONE TEAM

Debt Management
Debt Issuance Limitations
Practice 14.2.1

RELEVANT POLICIES: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits

To ensure that debt, through the issuance of bonds or other long term indebtedness, is limited to appropriate levels, the District will manage outstanding bonds and installment purchase obligations through a measure of affordability as follows:

1.0 The District will ensure that all bonded indebtedness is analyzed and validated by comparing the consequences of the debt issuance against the District's Debt Coverage Ratio. Debt issued for non-utility purposes must remain within a Debt Coverage Ratio of at least 1.5 times. Debt issued for utility purposes must remain within a Debt Coverage Ratio of 1.75 times.

Under this Practice, "utility" purposes are those related to only water and sewer functions. The Debt Service Coverage Ratio will be determined by dividing the operating or other available revenues less operating expenses other than depreciation and interest by the annual principal and interest payments. The ratio will be stated in the number of times the net revenue covers the annual debt service. The process of analysis and validation will consider the projected amounts for each year the issue will be outstanding. An acceptable result will include meeting the standard on average over the life of the issue in question. However, the coverage ratio in any one year cannot go below 1.0.

2.0 The District will consider issuing a bond for any non-"utility" project or group of projects, when that totals more than $2,500,000 and can be repaid within 10 years of issuance. The District will consider issuing a bond for a period longer than 10 years when it is necessary for the economic feasibility of the project.

3.0 The District will consider issuing a bond for any "utility" project or group of projects, when that totals more than $2,500,000 and can be repaid within 20 years of the completion of the project acquisition or construction. The additional time allowed is in recognition of that

maturity under the Nevada State Revolving Fund Loan Program. Shorter maturities are preferred whenever feasible.

4.0 The effective limitation on the total of bonds outstanding at a given point of time is expected to be a function of the feasibility in the marketplace for a proposed issue, combined with the District existing Bond Rating, the financial projections of the District and the ability to sell bonds within the projected parameters.

5.0 Consideration of the use of installment purchase obligations will be conducted according to Nevada Revised Statutes. This form of financing is also referred to as municipal leasing, can be considered for a project or group of projects when that totals more than $250,000 and can be repaid within 10 years of issuance (in effect requiring the obligation to comply with Medium Term Financing guidelines).

6.0 This Practice is expected to be reviewed and updated from time to time to validate the coverage ratio and the dollar and maturity limits used to establish acceptance for issuance of bonded indebtedness. That review should occur in conjunction with the adoption of the Debt Management Policy.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Community Services and Beach Fund Net Pledged Revenues
Last Ten Fiscal Years (unaudited)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2018	$ 22,730,797	$ 17,757,174	$ 71,591	$ 5,045,214	$ 1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92
2009	18,888,595	14,521,532	145,785	4,512,848	2,680,590	1.68

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issues were used by both funds.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues
Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2018	$ 11,925,557	$ 7,139,740	$ 127,300	$ 4,913,117	$ 643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53
2009	8,182,416	5,633,932	(4,226)	2,544,258	1,023,052	2.49

Debt service represents all outstanding debt of the Utility departments.

NEVADA DEPARTMENT OF TAXATION
Division of Local Government Services

MEDIUM TERM OBLIGATIONS

GUIDELINES AND REFERENCES

MEDIUM-TERM OBLIGATIONS

DEFINITIONS

1. **GENERAL OBLIGATION** is any debt legally payable from general revenues as a primary or secondary source of repayment and is backed by the full faith and credit of a government entity (NRS 350.011). Any obligation, which is backed by the full faith and credit of an entity, and if the entity is authorized to levy property taxes, backed by a property tax to repay the debt if other general or specific revenues are not adequate to meet the debt service. General obligations are counted against the governmental entity's statutory debt limit. Examples of general obligation debt would include, but are not limited to: long term obligations represented by notes, warrants, debentures, bonds; medium term obligations represented by notes, warrants, debentures or bonds. Examples of debt which are not counted against debt limit and are not considered general obligations are: any short term debt which is budgeted to be discharged in full in the fiscal year the transaction occurs; any obligation by its terms which is extinguished by failure of the governing body to appropriate money for the ensuing fiscal year for payment of amounts then due (a non-funding clause) (NRS 350.800); special obligations such as revenue bonds, which do not include the backing of the full faith & credit of the entity, and special assessment bonds.

2. **LONG TERM OBLIGATION** includes debt having a term that exceeds 10 years but also may include debt with a shorter term. Long term debt that is a general obligation requires approval through a vote of the people with certain exceptions outlined in NRS 350.020, or as provided for by specific legislation. The entity's governing body must approve long-term special obligations.

3. **G. O. REVENUE** is "general obligation" debt secured by a pledge of specific revenues and is backed by the full faith and credit of the government entity. GO revenue debt is counted against the entity's statutory debt limit. GO revenue debt typically does not require a vote of the people (NRS 350.020).

4. **MEDIUM TERM OBLIGATION** is debt that is a general obligation of the government entity and must be counted against the debt limit. A medium term obligation may not have a maximum term longer than five years, unless the estimated useful life of the asset to be purchased is greater than five years. If the estimated useful life of the asset is greater than five years, the maximum term may be that useful life, however never longer than ten years. Medium term obligations may be represented by notes, warrants, debentures or bonds. Medium term obligations do not require a vote of the people (NRS 350.020), but do require approval by the executive director of the Department of Taxation (NRS 350.089).

5. **INSTALLMENT PURCHASE AGREEMENT** is an agreement for the purchase of real or personal property by installment or lease or another transaction. An installment purchase agreement is not an agreement to pay rent pursuant to a lease that contains no option or right to purchase. An installment purchase agreement is debt that must be counted against the debt limit unless the obligation by its terms is extinguished by a failure of the governing body to appropriate money for the ensuing fiscal year for payment of the amounts then due (a "non-funding clause") (NRS 350.800).

   If a non-funding clause exists, the installment purchase agreement must receive approvals similar to that required for medium term financing if the amount of the obligation exceeds $100,000 in a county whose population exceeds 100,000 or more or the obligation exceeds $50,000 in a county whose population is less than 100,000. A lease or installment purchase agreement may not have a maximum term longer than five years, unless the estimated useful life of the asset to be financed is greater than five years. If the estimated useful life of the asset is greater than five years, the maximum term may be that useful life, however never longer than thirty years. Installment purchase agreements, with a term (including renewal options) that exceed 10 years, need approval of the debt management commission.

6. **SPECIAL OBLIGATION** is debt legally payable from specific pledged revenue sources (not including property tax) and is not backed by the full faith and credit of the government entity (NRS 350.582). Special obligations are not counted against an entity's statutory debt limit. Examples of special obligation debt would include revenue bonds or special assessment bonds that have long, medium or short terms. Special obligations do not require a vote of the people (NRS 350.020).

7. **REVENUE OBLIGATION** is debt that pledges specific revenues for the repayment of the obligation. These revenues are the sole source of repayment and the obligation does not include the full faith and credit of the government entity. A revenue obligation is a special obligation and does not count against the entity's statutory debt limit.

8. **SPECIAL ASSESSMENT OBLIGATION** is debt that pledges specific revenues of the special assessment as the primary source of repayment of the obligation and does not include the full faith and credit of the government entity. A special assessment obligation is a special obligation and does not count against the entity's statutory debt limit.

9. **SHORT TERM OBLIGATION** is debt budgeted to be discharged in full in the fiscal year in which the debt is incurred. Any debt that extends into the next fiscal year following the fiscal year in which the transaction occurs becomes a medium term obligation. Short-term obligations are not considered general obligation debt and are not counted against the statutory debt limit of the entity. Short-term obligations do not require a vote of the people or the approval of the Department of Taxation.

10. **LENDING PROJECTS** are financing tools that allow a county to act as a bond bank. It allows the county to arrange for general obligation indebtedness in its name for other local government entities in the county. This may allow the entity to receive a better rate and reduce borrowing costs by combining several smaller projects.

11. **CAPITAL OUTLAYS** are expenditures for assets that will be used for more than one fiscal year and meet the minimum level of expenditure as outlined by the local government entity for classification in a capitalized asset category. Capital outlay is a line-item category in budgets for all local government entities except school districts. School district's capital outlay is defined by account category 4000.

12. **CAPITAL PROJECT** is the construction or acquisition of designated fixed assets. These projects are large-scale endeavors in cost, size and benefit to the community and meet the minimum level of expenditure as outlined by the government entity for classification as a capital project. A capital project results in a long-term addition to the entity's assets, typically 15 years or more.

13. **CAPITAL IMPROVEMENT PLAN** is defined by the Government Finance Officers Association as a "Capital Program". A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs. It sets forth each capital project or other contemplated expenditure in which the government is to have a part and specifies the resources estimated to be available to finance the projected expenditures.

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Guidance Letter 16-004

Date: September 27, 2016

To: Local Government Finance Officers; Local Government Auditing Firms

From: Terry E. Rubald, Deputy Executive Director, Department of Taxation
Co-authored by Kelly Langley, Supervisor, Local Government Finance, Division of Local Government Services

cc: Committee on Local Government Finance, Marvin Leavitt, Chairman
Deonne Contine, Executive Director, Department of Taxation

Subject: Review of Current and Pending GASB standards on Lease Accounting; Requirements for Reporting Installment-purchase Agreements; and Types of Installment-purchase Agreements and Medium Term Obligations Subject to Approval by the Department of Taxation

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SUMMARY

Local governments regularly enter into leases for various reasons. Leasing provides alternative financing solutions allowing government to have the benefit of necessary items such as vehicles, heavy equipment, and buildings without having to purchase them outright. Leasing may be the solution which allows local governments to preserve capital dollars for other projects for which leasing is not an option; enables improvement of cash flow; and incorporates flexible structuring to meet budget needs.

The purpose of this Guidance Letter is to clarify the types of installment purchase and medium-term obligation financing transactions subject to approval by the Department of Taxation pursuant to NRS 350.089. In addition, this Guidance Letter reviews the existing Governmental Accounting Standards Board ("GASB") standard on leases as well as the latest GASB exposure draft on lease accounting to assist the reader in understanding how to treat and report various financial lease arrangements pursuant to Nevada law. Finally, the Guidance Letter makes recommendations for reporting to the Department and on local government financial statements consistent with generally accepted accounting principles and Nevada law.

AUTHORITY FOR THIS LETTER

NRS 354.472(1)(d): One of the purposes of the Local Government Budget and Finance Act is to provide for the control of revenues, expenditures and expenses in order to promote prudence and efficiency in the expenditure of public money. NRS 354.612(2) requires fund financial

statements and other schedules to be prepared in accordance with generally accepted accounting principles.

Guidance Letter 16-004 was approved by the Committee on Local Government Finance on September 26, 2016.

DISCUSSION

Statutory and Regulatory Framework

NRS 350.089 provides that medium-term obligations and installment-purchase agreements adopted by a local government must be approved by the Executive Director of the Department of Taxation ("Department"). A medium-term obligation is defined in NRS 350.007 as an obligation to repay borrowed money evidenced by a note or bond and having a term of 10 years or less, except for terms of less than 1 year which are payable in full from money appropriated for the same fiscal year that the obligation is incurred.

An installment-purchase agreement is specifically defined in NRS 350.0055 as the purchase of real or personal property by installment, lease, or other transaction types described in NRS 350.800 and which will be discussed in more detail below. Historically the Department has treated most capital leases as a type of installment purchase agreement subject to approval pursuant to NRS 350.089. Under NRS 350.089, however, installment-purchase agreements do not include obligations to pay rent pursuant to a lease which contains no option or right to purchase or which contain only an option or right to purchase the property without any credit towards the purchase price for lease or rental payments. With the advent of more creative leasing arrangements in recent times, it becomes important to understand the characteristics of leases in order to determine whether the lease is subject to Department approval.

NRS 350.013 requires the annual submission to the Department of Taxation and to the appropriate Debt Management Commission, of a report of the outstanding general obligation debt, other general obligations or special obligations, or levies of any special elective tax. In counties whose population is 100,000 or more, the statements may be updated more often than once a year to include items related to installment purchases that do not count against a debt limit.

NAC 350.010 describes the information which must be included in the Annual Statement and Report by municipalities required by NRS 350.013. In addition to various schedules concerning general obligation debt, the report must also include the amount of any other debts, such as mortgages or capital leases, which the governing body contemplates incurring before the end of the fiscal year following the date of the schedule.

NRS 350.014(1) requires the submission of proposed installment-purchase agreements with a term of more than 10 years to be approved by the appropriate debt management commission.

Governmental Accounting Standards Board Statements

The Department finds that Governmental Accounting Standards Board ("GASB") Statements, including but not limited to, No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements and No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments are appropriate standards for the preparation of financial statements for all funds and comply with the requirements of NRS 354.612(2) as generally accepted accounting

principles. In particular, Statement No. 34 establishes the components of basic financial statements for general purpose governments. Statement No. 62 provides lease accounting standards for reporting leases in local government financial statements, including criteria for determining whether a lease is a capital or operating lease. GASB 62 criteria are useful in classifying leases subject to reporting and/or approval by the Department.

In addition, the Department recognizes GASB is in the process of adopting an Exposure Draft regarding financial reporting for leases by state and local governments. The GASB Exposure Draft coordinates with the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ACU") on leases. The Department anticipates that when the updated GASB standard becomes effective on December 15, 2018, it will also comply with NRS 354.612(2).[1] The updated GASB standard will establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under both the updated GASB and FASB standards, a lessee will be required to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources."[2] The goal of the revised ASU is to provide guidance in how to uniformly reflect actual lease liabilities in financial statements.

Lease Accounting

Under GASB 62, a lease is defined as an agreement conveying the right to use capital assets (land and/or depreciable assets) but does not include agreements that are contracts for services that do not transfer the right to use capital assets from one contracting party to the other.[3]

GASB Statement No. 62 at paragraph 212 classifies leases into capital leases and operating leases from the standpoint of the lessee. From the standpoint of the lessor, leases may be classified as sales-type leases, direct financing leases, leveraged leases, or operating leases.

Criteria for Classifying Leases:

GASB 62, Paragraph 213 provides the criteria by which a lease may be classified as a capital or operating lease by the lessee. The criteria are summarized below.

Capital Leases

If at inception a lease meets *at least one* of the criteria outlined in paragraph 213 of GASB 62, the lease should be classified as a capital lease by the lessee. Otherwise, it should be classified as an operating lease. Capital leases are essentially treated as a loan for book accounting purposes. The four criteria are:

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[1] Effective date is stated in the Exposure Draft, paragraph B129, page 49.

[2] GASB Exposure Draft, January 25, 2016 "Leases", pg iv. In addition, the 2016 GAAP Guide Volume II notes that the Financial Accounting Standards Board, ("FASB") has also released an Exposure Draft of an Accounting Standards Update ("ASU") on Leases that may have an important impact on the preparation of financial statements in the future. This proposed ASU is part of a joint project with the International Accounting Standards Board ("IASB") to develop a new approach to lease accounting that will ensure that assets and liabilities arising from lease agreements are reflected on an entity's statement of financial position. *See* Wolters Kluwer *2016 GAAP Guide Volume II* Restatement and Analysis of Current FASB. Standards, Chapter 54 ASC 840, pg. 54,053

[3] GASB Statement 62, Paragraph 211, p. 87.

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option (i.e., less than the fair market value)
- The lease term is greater than 75% of estimated economic life of the equipment
- The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90% of leased property's fair market value.[4]

A capital lease is treated by the lessee as both the borrowing of funds and the acquisition of an asset to be depreciated; thus the lease is recorded on the lessee's balance sheet as an asset and corresponding liability (lease payable). Periodic lessee expenses consist of interest on the debt and depreciation of the asset.[5]

Operating Leases

Operating leases are all leases that cannot otherwise be classified as capital leases.[6] In general, an operating lease must have *all* of the following characteristics:

- The lease term is less than 75% of the estimated economic life of the equipment
- The present value of the lease payments is less than 90% of the leased property's fair market value
- The lease cannot contain a bargain purchase option (i.e., less than fair market value)
- Ownership is retained by the lessor during and after the lease term
- An operating lease is accounted for by the lessee without showing an asset (for the equipment) or a liability (for the lease payment obligations) on its balance sheet. Periodic payments are accounted for by the lessee as operating expenses for the period)

In addition, if none of the criteria for a capital lease are present and both the collectability of the minimum lease payments is reasonably predictable and no important uncertainties surround the amount of un-reimbursable costs yet to be incurred by the lessor under the lease, the lease is classified as an operating lease.

Paragraph 222 of GASB 62 notes that normally, rental on an operating lease should be charged to expense/expenditure over the lease term as it becomes payable. If rental payments are not made on a straight-line basis, rental expense/expenditure nevertheless should be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis should be used.

***Lease / Installment-purchase Agreements*[7]:**

An Installment-purchase Agreement is defined as an agreement for the purchase of real or personal property by installment or lease. In addition, an installment-purchase agreement includes other transactions in which a municipality acquires real or personal property and another person acquires or retains a security interest in that or other property. A security

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[4] GASB 62, Paragraph 213 contains an exception to the minimum lease payment criterion. If the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease. A lessor should compute the present value ("PV") of the minimum lease payment using the interest rate implicit in the lease. A lessee should compute the PV using its incremental borrowing rate, with additional caveats.

[5] GASB 62, Paragraph 216, p. 91; Paragraph 218, p. 92.

[6] GASB 62, Paragraph 212 (1)(2), p. 88

[7] Nevada Revised Statute (NRS) 350.0055

interest transaction must be counted against a municipality's debt limit, unless the obligation by its terms is extinguished by a failure of the governing body to appropriate money for the ensuing fiscal year for payment of the amounts then due (a "non-funding clause"); or the municipality's budget includes a provision for the discharge of the obligation in full in the same fiscal year as when the transaction occurs.[8]

Under NRS 350.089, an Installment-purchase Agreement also includes transactions not required to be counted against the municipality's debt limit if those transactions are (a) greater than $100,000 for local governments in a county whose population is 100,000 or more; or (b) greater than $50,000 for a local government in a county whose population is less than 100,000. However, if the Installment-purchase Agreement contains no option or right to purchase at the conclusion of the lease term; or if the lease contains an option or right to purchase the property but does not credit the lease payments towards the purchase price, then the lease is not considered an Installment-purchase Agreement for purposes of enforcement of NRS 350.089.

Application of GASB Standards

A local government which adopts a resolution authorizing a medium-term obligation or installment-purchase agreement whether or not subject to direct approval by the Department under NRS 350.089, however, is still obligated to prepare fund financial statements using generally accepted accounting principles pursuant to NRS 354.612(2). As stated above, GASB Statement No. 62, as well as the GASB and FASB Exposure Drafts soon to be finalized regarding the recognition and measurement of lease liabilities are viewed by the Department as generally accepted accounting principles. As such, local governments should recognize and measure lease liabilities pursuant to the model provided in the GASB and FASB Statements as of their effective dates.

The following discussion reviews GASB standards for lessees, however, the reader should be aware there are additional reporting requirements if the local government is the lessor.

For example, Paragraph 223 in GASB 62 requires disclosure of the following information with respect to leases in the notes to the lessee's financial statements:

a. For capital leases:
    1. The gross amount of assets recorded under capital leases as of the date of each set of financial statements presented by major classes according to nature or function. This information may be combined with the comparable information for owned assets.
    2. The total of minimum sublease rentals to be received in the future under noncancelable subleases as of the date of the latest financial statements presented.
    3. Total contingent rentals actually incurred for each period for which a cash flows statement is presented
    4. Assets recorded under capital leases and the accumulated amortization thereon. Unless the expense resulting from amortization of assets recorded under capital leases is included with depreciation expense and the fact that it is so included is disclosed, the amortization expense should be disclosed in the notes to the financial statements.

[8] NRS 350.800(1)(a-b)

b. For operating leases having initial or remaining non-cancelable lease terms in excess of one year, the total of minimum rentals to be received in the future under non-cancelable subleases as of the date of the latest financial statements presented.
c. For all operating leases, rental expense/expenditure for each period for which a cash flows statement is presented, with separate amounts for minimum rentals, contingent rentals, and sublease rentals, Rental payments under leases with terms of a month or less that were not renewed need not be included.
d. A general description of the lessee's leasing arrangements including, but not limited to the following:
    (1) The basis on which contingent rental payments are determined
    (2) The existence and terms of renewal or purchase options and escalation clauses
    (3) Restrictions imposed by lease agreements, such as those concerning additional debt and further leasing

Under GASB 62, Paragraph 234, leases involving land and building(s) should be accounted for by the lessee by separately capitalizing each asset if the lease contains a provision to transfer ownership by the end of the term of the lease or if the lease contains a bargain purchase option. "For this purpose, the present value of the minimum lease payments after deducting executory costs, including any gain thereon, should be allocated between the two elements in proportion to their fair values at the inception of the lease." The reader should review GASB 62 for other standards if the lease involves land only, if the lease involves equipment as well as real estate, or if the lease involves only part of a building.

GASB 62, Paragraphs 244-256 also establish standards of accounting and financial reporting by a seller-lessee for sale-leaseback transactions involving real estate. For example, Paragraph 245 states that sale-leaseback accounting should be used by a seller-lessee only if a sale-leaseback transaction includes a lessee-lessor relationship that involves the active use of the property by the seller-lessee in consideration for payment of rent; the payment terms and provisions adequately demonstrate the buyer-lessor's initial and continuing investment in the property; and the payment terms and provisions transfer all of the other risks and rewards of ownership as demonstrated by the absence of any other continuing involvement by the seller-lessee. Paragraph 255 indicates that the notes to financial statements of a seller-lessee should include a description of the terms of the sale-leaseback transaction, including future commitments, obligations, provisions, or circumstances that require or result in the seller-lessee's continuing involvement.

For the future, the GASB Exposure Draft concludes a lessee will recognize a lease liability and a lease asset at the beginning of a lease, and the lease liability will be measured at the present value of payments expected to be made for the lease term. The lease asset will be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs.[9]

Paragraph 29 of the GASB Exposure Draft indicates that if a lease agreement is expected to be financed from general government resources, the lease should be accounted for and reported on a basis consistent with governmental fund accounting principles. Paragraph 31 indicates that a lessee's accounting for lease liability would include a description of leasing arrangements; the amount of lease assets recognized; the amount of lease assets by major classes of underlying assets, to be disclosed separately from other capital assets; and a schedule of future lease payments to be made in the notes to financial statements.

[9] GASB Exposure Draft, 1-25-2016, p. iv

APPLICATION:

1. Until December 15, 2018, local governments should account for and report leases in the local government financial statements on a basis consistent with GASB 62. Thereafter, the local government may rely on the final adopted version of the proposed GASB statement, which is currently known as the GASB Exposure Draft dated January 25, 2016. If the local government is considering early implementation of the new standard, implementation will require recognition and measurement of any previously unrecorded leases (i.e., operating leases) on the local government's financial statements.

2. NRS 350.013(1) requires local governments to submit a complete statement of current general obligation debt and special elective taxes, and a report of current debt and special assessments and retirement schedules, in the detail and form established by the Committee on Local Government Finance, known informally as the Indebtedness Report. Local governments may anticipate revised forms to accommodate the inclusion and listing of those leases recorded on the financial statements consistent with the requirements of NRS 350.013(4), NRS 350.014(1), and NAC 350.010.

3. A lease reported as a capital lease in an agency's CAFR under GASB which does not otherwise meet the definition of a capital lease or installment purchase agreement under Nevada Revised Statutes must still be reported to the Department of Taxation under "Other" for purposes of the Indebtedness Report. For example, if the lease term is greater than 75% of the estimated economic life of the equipment; or the present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90% of the leased property's fair market value, but title does not transfer and there is no bargain purchase option, the lease meets GASB standards as a capital lease. If the resolution authorizing such a lease meets the conditions of NRS 350.087, the lease must also be approved by the Department pursuant to NRS 350.089.

4. Lease accounting as provided in GASB 62 should only be applied to the lease elements of a contract; other elements of a contract should be treated according to the GASB standard appropriate to the contract element.

5. Local governments should review the terms of the agreement and determine whether the agreement is a medium-term obligation or installment-purchase or lease agreement subject to review and approval by the Department. If the agreement meets the definition in NRS 350.007 for a medium-term obligation or the definition in NRS 350.0055 for an installment-purchase agreement, prepare the documentation necessary for review and approval by the Department.

6. Guidelines and references with regard to the procedures for procuring approval of medium-term obligations and installment-purchase agreements are available on the Department's website at
http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Local_Government_Finance_Documents/

7. Evaluate the lease agreement to determine whether there is an option or right to purchase. For example, determine whether there is a bargain purchase option as that term is defined in GASB 62, Paragraph 271 at page 119. A bargain purchase option is a provision allowing the lessee the option to purchase the leased property for a price that is sufficiently lower than the expected fair value of the property at the date the option becomes exercisable such that exercise of the option appears, at the inception of the lease, to be reasonably assured. If such a provision is present, and the terms of the agreement otherwise meet the definition of an

installment-purchase agreement, the lease agreement is subject to review and approval by the Department.

8. Evaluate the lease agreement to determine whether the lease or rental payments are credited towards the purchase price. If the title to the subject property and the buildings thereon vest in the local government at the expiration of the lease, either automatically or upon written notice or request by the local government with no further payment, the lease should be considered a capital lease requiring approval by the Department.

For example, consider a financing arrangement known as a "lease-leaseback project" in which property owned by a local government is leased to any person for a minimum amount, as long as such lease requires the other party to construct (or provide for the construction of) a building or buildings upon the subject property. The lease-leaseback approach is realized when a local government enters into two leases with a chosen design/build contractor or financing entity. One lease is a Site Lease and the other is a Facilities Lease. The Site Lease is the document in which the local government leases the real property to the builder or financing entity for a nominal amount (say, $1 per year). The Facilities Lease is the document the local government will utilize to lease back the real property and completed facilities. It is through the lease payments by the local government that the design/build contractor or financing entity will be paid. Because the local government may simply request title be transferred at the expiration of the Facilities Lease, the transaction may constitute an option to purchase in which the lease payments are considered credited towards the purchase price for purposes of NRS 350.0055.

In certain circumstances, the local government should consider whether the vesting of title at the end of the Site Lease has the same effect, i.e., where the effect of the expiration of the Site Lease is to provide the local government with the ownership of the Facilities that are leased under the Facilities Lease at a price which reflects crediting of the Facilities Lease payments towards the purchase price of the Facilities. In these situations, the transaction as a whole may be the equivalent of an installment purchase agreement under NRS 350.0055. For example if the Facilities Lease and Site Lease have identical terms and on expiration of the Site Lease, the local government will own the Facilities leased under the Facilities Lease without paying any additional consideration, the transaction as a whole appears to be one where the local government has paid the price of the Facilities leased under the facilities lease in installments during the term of the two leases, as it owns the Facilities at the end of that term, without paying any additional sum. In such a situation, the local government should follow the procedure in NRS for obtaining approval of an installment purchase agreement prior to entering into the two leases.[10]

9. The local government should consult with its auditors and the Department as to the proper classification of the type of transaction discussed above or other unusual transactions prior to completion of the obligation in order to (1) avoid any potential reporting violations and (2) properly reflect the transaction in the financial statements of the local government.

[10] This paragraph was added after approval by CLGF on 9-26-2016 in order to incorporate a suggestion from bond counsel; and will be presented to CLGF at its next meeting for ratification.

SELECTED REFERENCES

Nevada Revised Statutes, Chapters 350, 354, and 450:

NRS 350.0055 "Installment-purchase agreement" defined.

NRS 350.087 Resolution authorizing medium-term obligation or installment-purchase agreement: Adoption; contents; notice.

NRS 350.089 Approval of resolution for medium-term obligation or installment-purchase agreement by Executive Director of Department of Taxation; appeal to Nevada Tax Commission.

NRS 350.013 Municipalities to submit annually statement of current and contemplated general obligation debt and special elective taxes, statement of debt management policy, plan for capital improvement or alternate statement and certain information regarding chief financial officer; update of information; exceptions

NRS 350.014 Approval or notification of commission required for certain proposals.

NRS 350.0145 Notice and submission of statement of certain proposals to commission; procedure for approval or disapproval.

NRS 354.472 Purposes of Local Government Budget and Finance Act.

NRS 450.665 Powers of board of trustees: Borrowing of money and incurrence or assumption of indebtedness; limitations and conditions.

Nevada Administrative Code, Chapter 350

NAC 350.010 Annual statement and report by municipalities.

NAC 350.120 Forwarding of documents to Department of Taxation following authorization.

NAC 350.130 Authorization void after 18 months.

Governmental Accounting Standards Board

Exposure Draft on Leases (January 25, 2016, Project No. 3-24E), as retrieved from the internet on September 8, 2016 at
http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1175804830991

Governmental Accounting Standards Board Statement No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, as retrieved from the internet on September 8, 2016 at
http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176159967625

Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as retrieved from the internet on September 8, 2016 at
http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029121

Financial Accounting Standards Board

Financial Accounting Standards Board Statement 13, Accounting for Leases, as retrieved from the internet on September 8, 2016 at _http://www.fasb.org/pdf/fas13.pdf

Exposure Draft on Leases (Topic 842) dated May 16, 2013, as retrieved from the internet on September 8, 2016 at
http://www.fasb.org/cs/ContentServer?c=Document_C&pagename=FASB%2FDocument_C%2FDocumentPage&cid=1176162613656

National Council on Governmental Accounting (NCGA)

Statement 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments*

If you have any questions about this guidance letter, please call the
Local Government Finance Section of
the Division of Local Government Services, Department of Taxation at (775) 684-2100.

WEBSITE LOCATIONS:
Nevada Revised Statutes (NRS): http://www.leg.state.nv.us/NRS/
Nevada Administrative Code: http://www.leg.state.nv.us/NAC/CHAPTERS.html
Department of Taxation Guidance letters: http://tax.nv.gov/LocalGovt/PolicyPub/Guidance_Letters/