

MINUTES

REGULAR MEETING OF MARCH 18, 2019 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Monday, March 18, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Peter Morris, Tim Callicrate (on the telephone), Phil Horan, and Kendra Wong. Trustee Dent was absent.

Also present were District Staff Members Director of Finance Gerry Eick, Director of Parks and Recreation Indra Winqwest, Director of Public Works Joe Pomroy, Director of Human Resources Dee Carey, Diamond Peak Ski Resort General Manager Mike Bandelin, Principal Engineer Charley Miller, and Communications Coordinator Misty Moga.

Members of the public present were Aaron Katz, Judith Miller, Linda Newman, Margaret Martini, and others.

(26 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

C. PUBLIC COMMENTS*

Aaron Katz said that Trustee Morris continues to complain about those who are critical about IVGID never having the facts. Mr. Katz continued that for the Burnt Cedar pool budget; let's spend \$500,000 next year for repairs and then the year after spend two million dollars to replace it. Let's do the Mountain Golf Course Club House; for months, we have been asking for the insurance settlement. We learned it's a \$300,000 settlement but we will spend \$860,000 in rehabilitation - is that responsible? Let's talk Tennis - where are the project summaries that discuss what these renovations are. Ninety two percent of occupants of Incline Village never ever go to that facility and it runs at a \$156,000 loss annually but we are going to put \$700,000 into tennis renovations. Let's talk about bonding - Staff says if you

don't let us get \$7 million of bonds, we will have to increase your Recreation Fee – that's not responsible. These people are out of control. It goes on year after year. You people don't understand the budget. You don't put your foot down. Make the money you have work. You just rubber stamp. We have personnel costs to go with CIP things. If you don't get into the weeds to get the facts, then the Board doesn't care and the community should understand you don't care. Mr. Katz submitted a written statement.

Judy Miller said it's a glorious day with sunshine. Sunshine week just ended last week. She said she has been an advocate of sunshine in government. Tonight is an example that there isn't sunshine in this room tonight. We are hearing about the capital budget but it is not tied to performance to District venues. She asked how we could tell if the expenditures make sense. Tennis has one hundred memberships with a community of 8,000; does it make sense to make a \$700,000 investment and a half million dollars in repairs for the pool. She asked where are the budget sheets that are part of the discussion. It's not spelled out. You aren't getting the complete information for you to make a decision. She said she hopes for sunshine being forthcoming.

Linda Newman read from a prepared statement which was submitted.

Margaret Martini read from a prepared statement which was submitted.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for changes to the agenda; receiving none, Chairwoman Wong approved the agenda as submitted.

E. REPORTS TO THE BOARD OF TRUSTEES*

There were no reports to the Board of Trustees for this meeting.

F. CONSENT CALENDAR (for possible action)

F.1. Amend the existing approved amended Grant Agreement between IVGID and the Incline Tahoe Foundation and amend the existing data sheet to reflect the changes in the scope of work as well as the increased overall amount of the Grant from \$1,208,071 to \$1,409,201. (an increase of \$201,130.00) for the Incline Park Facility Renovations Project (Requesting Staff Member: Director of Parks and Recreation Indra Winquest)

F.2. Award Multiple Contracts for the Incline Park Facility Renovations Project – 2018/2019 CIP Project: Fund: Community Services; Division: Parks; 4378LI1803; Vendors: Rapid Construction, Inc. in the amount of \$1,298,341 and Lloyd Engineering in the amount of \$22,500. (Requesting Staff Member: Engineering Manager Charley Miller and Director of Parks and Recreation Indra Winquest)

Trustee Tim Callicrate made a motion to approve the Consent Calendar. Trustee Phil Horan seconded the motion. Chairwoman Wong asked if there were any comments, receiving none, she called the question and the motion was passed unanimously.

Trustee Callicrate said that Trustee Dent had a medical emergency and was unable to be here tonight.

G. GENERAL BUSINESS (for possible action)

G.1. 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 (Requesting Staff Member: District General Manager Steve Pinkerton)

General Manager Steve Pinkerton provided an update regarding the Capital Improvement Project Budget process.

Trustee Callicrate requested to put something on the agenda for March 28 as an opportunity to discuss the potential for other types of revenue and asset management.

Diamond Peak Ski Resort General Manager Mike Bandelin provided a verbal presentation regarding the ski resorts Capital Improvement Projects.

Chairwoman Wong asked for clarification about replacing some skis that we purchased this year in two years. Diamond Peak Ski Resort General Manager Bandelin said the Board approved replacement last June for Child Ski equipment. He said this part of the carry over plan was for a 5-year cycle

for child ski; we will go into competitive bid for entire rental fleet (1,300 pairs of skis and some boots) with delivery next November.

Trustee Morris asked about the replacement of entire stock - will that be a rolling change over basis for that stock. He asked if it will be an entire or a gradual replacement. Diamond Peak Ski Resort General Manager Bandelin spoke about the sequencing of replacement. He said stock will be delivered in November 2020 for a 4-year cycle; then he will be back before the Board in March 2023 for November 2024 replacement. Entire stock will be purchased every 4 years. We have to replace child ski, adult ski, and snowboard equipment with ski and snowboards stocks being replaced in different years of each other. These have been part of the plan for some time now. These are replacement items.

Diamond Peak Ski Resort General Manager Bandelin discussed two additional snow making fan guns. He spoke about updating the snowmaking air compressor units control panels; the existing control panels are no longer being supported by the manufacture. Trustee Horan asked about backup equipment. Diamond Peak Ski Resort General Manager Bandelin said if the equipment is not being supported by the manufacture, so we could be down until we got replacements, installed and tested.

Diamond Peak Ski Resort General Manager Bandelin spoke about a new software system. District General Manager Pinkerton said if customers cannot purchase a ticket on their phone, they will go elsewhere, thus this is a necessity and it will help us sell other merchandise online; it's a critical expense. It will reduce labor over time with less transactions happening at the ticket window. The information captured will help us with marketing.

Trustee Morris said we need to sell tickets online. He asked if this will allow us to conduct all transactions online including lessons. Diamond Peak Ski Resort General Manager Bandelin confirmed all products offered could be sold online. Trustee Morris asked if this software could be used at other venues. District General Manager Pinkerton said yes, this one-time cost is critical for ski, but will benefit other venues as well.

Trustee Horan asked if this will help control inventory. Diamond Peak Ski Resort General Manager Bandelin said we will use the data collected. Other resorts use these types of e-commerce and it better supports the customer. He said they are currently returning hundreds of telephone calls and

messages about ski lessons. This will move Diamond Peak and the District into a different direction where other resorts are right now.

Trustee Morris asked if the Ski Way re-construction and culvert replacement are separate projects. District General Manager Pinkerton said we updated the pavement at that time but this is actually addressing the throughway. We've parsed this project out with cash flow. We added in additional line item with circulation options. Trustee Callicrate asked if this is part of the larger situation with re-alignment and noted that the Board hasn't yet decided the options yet so is this the stopgap to get us to that point. District General Manager Pinkerton said yes.

Interim Director of Golf Kyle Thornburg and Grounds Superintendent Jeff Clothier provided a verbal presentation regarding the Golf Courses Capital Improvement Projects.

District General Manager Pinkerton said we are looking to replace the Mountain Course golf carts next year and the Championship Golf Course golf carts the following year. We are discussing it since it would be in this year's budget. We will ditch gas golf carts at the Mountain Golf Course which has positive benefits. We need to do the due diligence this summer. There have been advancements with the ion batteries. This is your first preview discussion of purchase and lease.

Trustee Morris said if they are battery and not mechanical, it will reduce maintenance required and reduce FTE expense to replace them. Interim Director of Golf Thornburg said yes, the battery carts have little to no maintenance through the lifespan of the carts.

Chairwoman Wong asked if we purchased the golf carts at the Mountain Golf Course last year. District General Manager Pinkerton said yes and they will last two more years. Previous generation batteries did not last as long; gas last longer, but now the new generation battery seems to be better. District General Manager Pinkerton said he wanted to give you a heads up about the new technology. The Mountain Golf Course cart replacement would be in this fiscal year for 2021.

Grounds Superintendent Jeff Clouthier provided a verbal update.

Trustee Callicrate said the Mountain Golf course fuel storage facility is going to cost \$200,000 but it was originally going to cost a lot less. Engineering

Manager Charley Miller said that new regulations require us to remove underground tanks to put them above ground. We did this at the Public Works building and will do it at Burnt Cedar facility. This will increase cost because we have to remove the old tank unless we have a reason to leave it in place. Trustee Callicrate said he didn't realize the regulation change.

Trustee Callicrate asked about the life span of the water service line to clubhouse and maintenance building. Engineering Manager Miller said the water line has had issues for a while and that it will be re-routed into the building. District General Manager Pinkerton said we need a fuel storage tank for maintenance vehicles. Chairwoman Wong asked if it's smaller; District General Manager Pinkerton said yes, if we go away from gas carts, the storage tank doesn't have to be as big.

Trustee Morris asked about Mountain Golf Course Clubhouse. District General Manager Pinkerton said we are now getting a bid from insurance of \$350,000 but hope to get more as it is a challenging bid environment. The cost was two million dollars when we discussed this a few years ago. The Administration Building replacement had nearly doubled in cost in only a few years. We are proposing a ten year or so fix for significantly less than full replacement. We are shooting for paint and carpet this season. We will come back in May with bids; there is \$861,000 and insurance proceeds.

Trustee Morris said this is for what we had discussed and not just paint. Engineering Manager Miller explained the different features including switching the pro office, pro shop, and ADA ramp. Trustee Morris said this is good; if we can do ten-year fix that is supplemented by insurance that seems like a good deal. District General Manager Pinkerton said we are meeting with core golfers to give them an update. We wanted to do a long term fix but after talking to the groups over the years, they expressed they don't want a large restaurant. By changing to ion battery golf carts, this will extend the life of the cart barn. We've done updates to make it safe and sanitary. We can conduct good, ongoing maintenance and make it consistent with activity and revenue up there.

Trustee Callicrate said he has expressed this concern before - we go into one of the oldest buildings in the District and put \$600,000 to \$800,000 into the building while the architect said \$1.2 to \$1.3 million dollars. We should discuss a new facility up there with a cart barn on March 28 as we need to open that facility up to additional activity. District General Manager Pinkerton replied that it would be a better time to discuss it when we receive the bids

back and can review the numbers. Trustee Callicrate said it's an opportunity to discuss the bigger picture with financing.

Director of Parks & Recreation Indra Winquest and Engineering Manager Charley Miller provided a verbal presentation regarding Burnt Cedar pool maintenance.

District General Manager Pinkerton said we have to provide the Board with the worst case scenario and be cautious. Trustee Morris thanked them for the CIP tour. He said he learned that if we don't have this first part, we won't have a pool this summer, and that we aren't throwing good money after bad. It's carefully planned out by the engineers. You are doing the right thing to give life to the pool and then to make a decision for years to come.

Trustee Callicrate apologized for not making the tour today. He said 25 years ago, Burnt Cedar pool was discussed. He said with funding opportunities, we should look at this hard and fast. We have the money now and we should go for it.

Trustee Horan asked if TRPA had any issues with leaking. Engineering Manager Miller said the leak amount is insignificant and it has no impact with TRPA. District General Manager Pinkerton said our Director of Public Works would be concerned since it's by our intake and he isn't concerned.

Director of Parks and Recreation Winquest reviewed the ballfield project. He addressed contingency, overrun, and overall costs. Agenda packet pages 16 and 41 include memorandums that indicate a ten percent contingency amount that would be covered by the Dave and Cheryl Duffield Foundation. It's highly unlikely that it will go past that mark but you never know in construction.

Chairwoman Wong asked if the ballfields were not in this CIP plan. Director of Parks and Recreation Winquest said it's in the current year plan but not next year.

Trustee Morris asked about competitive bidding. Engineering Manager Miller said it went out for competitive bid twice. It was difficult to get bids during the summer so the second time we went out in the fall. We got one bid with a good contractor and we did a change order; it's still top notch.

Chairwoman Wong thanked the Duffield Foundation for working with Staff on a regular basis and being open to this project.

Director of Parks and Recreation Winquest reviewed the Tennis Center renovation project. In 2016, the tennis feasibility study was approved and we began planning for this project to renovate the restrooms, pro shop upgrade, replace failing deck, and upgrade the kitchen. We are removing the hitting wall behind pro shop and installing two bocce ball courts; this is in our draft Community Services Master Plan. Tennis utilization has been stagnant but pickleball has grown like crazy. Engineering Manager Miller spoke about the design process and project completion this fall.

Trustee Horan said this would create synergy with bocce and pickleball. Trustee Callicrate agreed. Engineering Manager Miller said anytime you can capitalize on restrooms and refreshments, it's a good idea. This project will begin in the fall and it will have little impact on operation. There will also be ADA access improvements. Director of Parks and Recreation Winquest said we are moving the hitting wall and a back board hitting wall will be installed on the upper courts. We have 110 season passholders, a tremendous amount of kids who take lessons, and non-resident play. He said peak summer mornings are busy.

Trustee Morris said this is a tennis center primarily thus he assumes there isn't impact on disc golf but asked if there was an opportunity to make this an overall center. He asked if the disc golfers use this center; it's an opportunity for more synergy. Director of Parks and Recreation Winquest said they use the restroom and buy refreshments. We sell disc golf merchandise at the Recreation Center. The entire Incline Park has synergy and is a tremendous recreation package for our community.

Trustee Callicrate said it's great to finally see money put into tennis facility and expand bocce; this is 25 years overdue.

Director of Public Works Joe Pomroy provided a verbal presentation highlighting Capital Improvement Projects involving Public Works.

Trustee Morris asked for clarification about aeration project being on track. Trustee Callicrate asked about the pond lining. Director of Public Works Pomroy said we submitted to the U.S. Army Corp of Engineers (USACE) for funding but there is no update from the USACE at this time.

Trustee Callicrate said he was concerned with nomenclature as we cannot hold anything in that pond. Director of Public Works Pomroy said it's not a permitted structure without violating NDEP. The pond is back-up. Currently, we 24, 36, and 48 hours of effluent storage. Trustee Callicrate said we need to be cognizant of that as it can jump from its original estimate. He said he wants to make sure the information we are submitting to the USACE and the community is copacetic because there are concerns. We collect two million dollars per year for the pipeline. Now, we are looking at \$22 to \$25 million dollars that we are requesting from the USACE. We need to nail down cold, hard numbers because this allows people who look for issues to find an issue. He said he appreciates the work Staff does but we need to drill down on the numbers. He said he doesn't want issues with the USACE or the community. Trustee Callicrate finished by saying he wants to discuss funding for these projects on March 28.

Director of Human Resources Dee Carey provided a verbal presentation highlighting Capital Improvement projects for Human Resources/Payroll. Chairwoman Wong asked if it would integrate with our accounting system. Trustee Horan had a clarifying question about on-boarding and off-boarding employees. Director of Human Resources Carey said part of the nature of our business is seasonality – rotating employees in and out of seasonal jobs. District Staff process 982 W2s. In one year, one employee may have multiple touch points with processing their W2 due to different seasonal jobs. It is complex since each venue has different rates of pay and cost centers.

Trustee Callicrate said we do \$15 million in payroll. He asked if it is common for other mountain communities to have in-house HR/Accounting instead of outsource and said that it is an opportunity to utilize an outside vendor. Director of Finance Gerry Eick said he went through the evaluation of providers the last time we purchased a system. The reality is, when we speak with a service bureau and tell them the number of employees and the amount of processing with our employees, they are amazed with what we can do with the amount of Staff we have. Director of Human Resources Carey said there isn't assurance from the outside company to deliver paper checks – mountain roads and snow storms could be challenging for delivery. We want to do things on the cloud but there is connectivity issue in the mountains and we have to assure payday on every other Friday thus we need in-house processing. We achieve it in-house without any outside agency being able to match it.

Trustee Callicrate said if we look at other resort towns, with electronic processing, there would be an opportunity to see what is being utilized. He said it's been asked of him to inquire about this opportunity. It's easy to pick out one piece of the process, but have to post jobs, onboard employees, customer service training, and other HR aspects. We look at it as comprehensive solutions with number of solutions within our control. It appears there are opportunities for electronic record keeping, but reality is pure volume and institutional knowledge and being hands on is beneficial to the process. Director of Human Resources Carey said one things she found is that if you do something with a SASS type of agency, they charge you per paycheck check and it's not a cheap. We would be limited to when and if those checks are processed to have them ready for the end of employment.

Trustee Horan said he didn't want to imply he wanted to seek an alternative rather he was just surprised with the complexity.

Trustee Morris said he understands outsourcing and that systems could be up to \$300,000, but our Capital budget says \$180,000. Director of Human Resources Carey said in the CIP Budget for 2018/2019 there was \$120,000, but diving deeper with research of these software, it would be more like \$180,000 with contingency. The \$120,000 is the carryover.

Trustee Callicrate asked how many people are currently involved with payroll in-house processing. Ms. Carey said there are six people in the HR Department total with one person in payroll. Accounting is completely separately. Chairwoman Wong said managers and employees are doing timecards so it's all encompassing. Trustee Morris asked about the current timecard method. Director of Human Resources Carey said its electronic timekeeping.

At 7:57 p.m. Chairwoman Wong called for a brief recess, the Board reconvened at 8:07 p.m.

Director of Finance Eick provided a verbal presentation of the 5-year summary of the Capital Improvement Project budget beginning on agenda packet page 58 and discussion on agenda packet pages 65 and 66.

Trustee Callicrate said if we had the golf carts for six years, we would be ahead of the game. Director of Finance Eick said if we kept them for additional time, it would be similar to if we had a finance lease; they would be fully amortized. If we want to own them after year 5, we have to pay the

residual of twenty percent or about another \$56,000. That is what happened with the current fleet at the Mountain Golf Course. We paid the residual and got to use them for a couple more years. The beauty is spreading out the time payments, but it does have a cost, but it's a better matching of payments of how the carts are being used. Interim Director of Golf Thornberg alluded to once we get in the process with ion battery carts, we could look at a six-year cycle on them because one of the manufacturers has a seven year warranty. We need to look at time payments when they are related to golf carts but not necessarily all rolling stock. Golf carts clearly have residual value with a predictable life and fit into our cycles thus we should consider it. For 2019/2020, that is how he proposed how we should deal with Mountain Golf carts. He put in the finance lease option, but was hoping the Board would gravitate towards the operating lease for the final budget.

Chairwoman Wong said she feels like we are comparing apples to oranges because an operating lease assumes we give the golf carts back whereas the other option we would sell them back. She said there is a piece missing of analysis as far as resale value. Director of Finance Eick said we found in the past, we had the attention of manufacturer to give us a competitive price on that residual, but if we dispose of them on open market, we don't have as good of outcome. He said the Chairwoman raises an excellent point; there is value to buy or finance at the end, but it's not as predictable. He said in regards to the snowcat, the manufacturer would give us a guaranteed trade-in value but no guarantee on residual value. District General Manager Pinkerton added to remain at the current Recreation Fee allocation, it requires leases for golf carts and snowcat in order to not impact fund balance more; we need to do those leases.

Trustee Callicrate thanked the Director of Finance for the presentation. He said he brought up the opportunity for funding at the last couple of meetings. We have \$5.9 to \$6 million dollars in our reserves. District General Manager Pinkerton referenced agenda packet page 66 – fund balance, Community Services, Beaches, and projected Fiscal Year and operating for budget year. For the Community Services fund, we are looking at a ten million dollar fund balance so let's bring it down to five million dollars. Trustee Callicrate continued that if put the Diamond Peak Master Plan in the background, we have six million dollars in reserves and we would have an opportunity at the Mountain Golf Course. We could reallocate beach fees up to \$200 and cut down the amount to general services. We have an opportunity to do what we have been talking about and that is what the community has prioritized.

We have public/private opportunities for a dog park and Mountain Golf Course clubhouse. We could have future collection of beach fees if they bump it up to \$200 and lower general service since we have surplus. We would have enough for operations and we aren't conflating the funds. We could attack the pool at Burnt Cedar and beach house at Incline Beach. He said we have an opportunity to drill down at the March 28 meeting. It allows an opportunity for the District to attack what we have to do at Burnt Cedar, Mountain Golf course, and the facility at Incline Beach. We tackle issues at Diamond Peak Master Plan as a separate entity and then bond for redoing Ski Way and the roundabout. It would be opportunity for the community to weigh in while still giving us a cushion. It allows us draw down Community Services fund without depleting it completely. We have looked at this in the past. It's a valid argument that we should discuss. He said he would like to see this discussed on March 28. Chairwoman Wong said now is the time to discuss it. Trustee Callicrate said we could discuss it when we discuss strategy. Director of Finance Eick emphasized, on agenda packet page 65; we have no project in the five year plan for the Community Services Master Plan because it's not adopted. Beach is its own stand-alone fund; it's a different constituency. We cannot use Community Services or General Fund at the beach. It needs to come from its own fund. We wanted to put the worst scenario on paper. If the right thing happens, you will have plenty of years to plan – more time to move the fee around. District General Manager Pinkerton added that Trustee Callicrate is right - if we draw down the fund balance and reallocate, you could do that. It wouldn't have an impact on year one as it would in years two or three. As we talk about re-prioritizing, you want to allocate for design. The big impact would come in years two and three. We need year one for design.

Trustee Morris said we are still working on the Community Services Master Plan. The fundamental question is what is responsible funding. If it's going to last several years such as a golf cart, pool, or the road on Ski Way, trying to pay for those from operating dollars is grossly inappropriate for an organization to fund. Bonding as we have done in the past and as other entities do happens all the time. It's a simple decision to make to maintain the Recreation Fee and bond for it. We could get a lot done for the community. It's the fiscally responsible thing to do. What do those who don't want to bond want to achieve? Is it to run down the funds?

Trustee Callicrate said he isn't against bonding. Use the money we have now and Ski Way paving and roundabouts could be bonded. Trustee Callicrate said in regards to Diamond Peak summer expansion, we don't know the

opportunities yet because of United States Forestry restrictions. We need to have that conversation. He said he is not against bonding. It's what we bond and how we bond, so we can maximize. We are more on the right side together than against it.

Chairwoman Wong said the current allocation of the Recreation Fee, our Community Services venues including beaches, on an operating level will break even according to what we heard last week. Currently, we have enough to cover operations for Community Services. Nothing in operating will go into funding capital or debt service. Currently, we have nothing in our capital plan related to the Community Services Master Plan. In order to meet our needs for all capital planning proposed and current debt service, regardless which way you cut it, we need to bond.

Director of Finance Eick said the way we laid it out for Community Services is there are timed payments over a five year time period of time to stay as close to the \$405 dollar amount and planning to use a bond for Ski Way activities. Chairwoman Wong said that means we draw down on fund balance to fund projects now and still require bonding in the future. Current year, some projects proposed bonding would be prudent be able to meet this capital project plan. Director of Finance Eick said yes and that Staff is suggesting bonding for Ski Way; there are timed payments built-in for golf carts and snowcats, and the single biggest draw after projects for 2019/2020 is dealing with the Championship Golf Course maintenance building and Diamond Peak Master Plan Phases 1a & b.

Chairwoman Wong said she is ignoring Diamond Peak Master Plan for right now because we don't know where we stand. We are expecting to draw down about \$6.5 million in fund balance related to capital projects. Director of Finance Eick said not that much, if we don't include Diamond Peak Master Plan phase 1 and 2. Chairwoman Wong referenced agenda packet page 66. Director of Finance Eick said we have held out the Diamond Peak Master Plan. It's closer to \$1.2 million in the current year. District General Manager Pinkerton said what we are financing is \$390,000 for snowcat and \$288,000 for golf carts of that \$100,000 expended in the first year. If you turned them back to purchase, we would draw down \$2 million of fund balances versus \$1.15 million. Chairwoman Wong said she follows Trustee Callicrate's logic. Bonding is responsible to finance long term assets. Because we don't have Community Services Master Plan in this capital budget, we need to have a conversation with the community related to the Community Services Master Plan and how we are going to prioritize those projects. She said she is

hesitant on the reallocation of current Recreation Fee, but we need to closely monitor it, considering how close we are to breaking even on operating budgets at our venues. There could be change in cost of personnel and services which would impact our operating budgets. We have heard the community say they want us to take care of what we currently have before investing in new things therefore she is hesitant to change Recreation Fee allocations right now. This will be a great conversation next year as we are going to start prioritizing. We are missing a big piece as far as it relates to the Community Services Master Plan.

Trustee Callicrate said he is excited for the opportunity with Community Service operations. We bring in \$6.1 to \$6.2 million dollars a year in Recreation and Beach Fees. If we took out three million dollars, we could take some of that to complete these projects and keep it within the Community Services Master Plan. We could do a onetime situation with reserves for operations without burdening or cutting services to community. They want what we currently have or better. We have a great opportunity with general services and reserves. We could reallocate the beach fee and accomplish what we have been talking about and have seed money with private donor for a dog park. If we get the opportunity with Diamond Peak expansion, we can look at it at that time. We can't miss this opportunity to utilize all funding mechanisms and do what community wants us to do.

Chairwoman Wong said she wants to look at the numbers with Trustee Callicrate to see where he is getting his numbers. She said she reviewed the operating budgets for next year; our net sources and uses is \$5.48 million. Of that, utility fund is \$4.99 million. That puts us at \$47,000 which is essentially break even in operating. The Facility fee has \$2.7 million dollars allocated to operations; operations will break even because \$2.7 million is allocated to operations. She said she isn't confident in re-allocating between operations to capital or community services to beach. District General Manager Pinkerton said he doesn't believe Trustee Callicrate is talking about taking from operations. Right now, in the Community Services portion of the Recreation Fee there is \$405 dedicated or \$3.3 million dollars each year is dedicated towards ongoing asset replacement. What Trustee Callicrate is suggesting is that we reduce this number by \$250 so it would drop \$1 million coming into Community Services and you would add \$2 million into beaches. District General Manager Pinkerton said Community Services would bond or draw from the capital amount on agenda packet page 66. Essentially, reduce reserve in Community Services and shift the portion of the Recreation Fee to the Beach Fee to pay for improvements at

beaches. It's a bigger picture question of what we do with fund balance and whether we do reserves and fund balance. This Board needs four votes to lease or bond to continue to meet the needs. We only have so many projects we can do in a single year and we have a robust work plan for this year. Design doesn't take as much time but priority timing of existing projects and potential plans from Community Services Master Plan does require our capacity. It's a discussion for us to have and we have to look at and we have to make sure we have Staff capacity.

Trustee Morris said he wanted to clarify - he doesn't see, other than pool, no money for the beach facility. Director of Finance Eick said there is nothing in here from the beach study except for the Burnt Cedar pool. Trustee Morris said to Trustee Callicrate's comments, that's over and above what we are looking at now. District General Manager Pinkerton said we are looking at assets that need replacement. Trustee Morris said we don't know what will happen with interest rates and economy. The longer the wait, the situation could get worse. For 2019/2020, and in preparing this budget, you already prepared the budget assuming the Board would lease two different items – snowcat and golf carts. Director of Finance Eick said there is a \$92,000 mower that needs to be leased too. If we had to purchase them, the rough numbers would be \$800,000. If we weren't able to get four votes to lease the items, we have to purchase. We need to discuss long term payments on capital items now as we risk going into negative. If we don't bond and we still want to do something for the community, we will have to raise the Recreation and Beach Fee considerably. We are here to look after the assets for our community. Director of Finance Eick continued that a key to the 2019/2020 budget is using time payments for leasing equipment, and maintaining that concept going forward for golf carts and snowcat in the next five years. The only way to deal with Ski Way is to bond. As you pointed out, in the five year picture, in terms what's available long term in fund balance to support projects, there is the question of how will it be applied to Diamond Peak Master Plan. You might want to drop it out and something else might become a hot item from Community Services Master Plan.

Trustee Morris said those numbers don't include doing a new Mountain Club house, they don't include a beach house, or include the Community Services Master Plan. Director of Finance Eick said we have overkilled the beach by putting the pool in with back-to-back repairs. If there is commitment to leasing, we can establish a budget for 2019/2020 that accommodates our plan with pivot points for future. The Board will go through the important items on your Board work plan, accept the Community Services Master

Plan, and decide on priorities while layering in the beach study. This next round of funding and planning could bring it into focus. We don't have these down on paper to make them an instant project anyway. It's nice to signal which one is the next project for year two so that the efforts from Finance and Engineering could focus on that. The requirements for the State is to adopt the operating, capital, and indebtedness budgets authorized in July in order to borrow in year one. If Ski Way was in year three, we could show our commitment. If we lease in year one, we have to know what we are going to do. Staff is setting up the Board to be confident in year one and leaving something undecided. There are competing factors we don't know enough about yet. District General Manager Pinkerton added that given the volume of the Community Services Master Plan, we couldn't finish in January and put it into the five year CIP. We hope to have priorities in master plan within the next two months. If by July and August, we have time to implement the budget for 2019/2020. If you identify a donor, we could move those projects up. We have the U.S. Forest Service to still deal with. If we owned it, we could move quickly. At this point, this year, there is a lot going on in years three, four, and five if you assume that \$4 million is going to get us somewhere, while maintaining existing assets and not doing anything for the Diamond Peak Master Plan, it's still prudent to lease. We need a commitment before budget adoption. It gives you flexibility with fund balance. It's equal or better than cash purchase. Long term, we have scheduled bigger picture items.

Trustee Morris said it's about this coming year's budget. It's wrong of us not to look at longer term and provide guidance to Staff and yes, it is worthy of discussion. There are key decisions to be made such as timed payment leases.

Trustee Callicrate said it's a great discussion and that he appreciates input from everyone. We are going in the right direction. We have the opportunity to make sure capital improvement earmarks with excess and not impact operations; he doesn't want to cut operations. We need to maintain or improve our level of service. We could do or try to get further along with some main items and tweak allocations of Beach Fee for the pool, improving Tennis complex, and seek private/public partnerships for the dog park. He said we need to fix the nightmare at Ski Way with a bond once and for all. If we can get the U.S. Forest Service on board, we can do Diamond Peak improvements. Let's look at all of this. He said appreciates Staff's work.

Chairwoman Wong said we need to have a conversation about smaller leasing item. We have discussed and have consensus about larger bonding. Our Staff will bring four projects to us, as a Board, to propose leasing; it's a crux for this budget to work.

Trustee Callicrate said he prefers outright purchase but won't stand in the way of consensus. He said we are getting closer to coming together as a Board which is cool. Trustee Horan said he is in agreement with most things. We need to make a commitment because we are getting close. He said he isn't sure of spending the money for the beach house and pool now. In regards to Diamond Peak Master Plan, we don't know where the U.S. Forest Service stands and what the community wants in regard to that plan. We need to take the first step of committing to leasing; we can look at the option of Recreation Fee allocation in the future. Chairwoman Wong said she agreed and said let's see where we end up with Burnt Cedar pool. We will have more data in the coming months than we have right now. It's a good conversation to have to evaluate allocation of Recreation Fee and can we fund it without issuing a bond. One of the policies or themes we could talk about is setting policy where bonding would be related to Community Services instead of Beach. Trustee Callicrate said it's an opportunity to make it known loud and clear that we want to make improvements at the beaches as they have been neglected. He said he is for raising the Beach Fee and keeping Crystal Bay's fee flat.

Chairwoman Wong said we are directing Staff to pursue with current leasing proposals. Trustee Callicrate said there is an opportunity if worked out the right way. Chairwoman Wong said next year, how we can incorporate Community Services Master Plan into the budget, and determine if we have the right allocation of Recreation Fee in regards to capital budget. Director of Finance Eick said it's fair. He said we started the Strategic Plan to give a five year look at these projects. It's a two to five year true planning processes versus projects that we have to. Trustee Morris said we need discuss sources of budget sooner but the Community Services Master Plan needs to be completed. We need to discuss the principle. District General Manager Pinkerton said we will discuss it in May. Chairwoman Wong said at the tail end of this year, we can discuss the projects. We need to get feedback from community in the summer. Chairwoman Wong requested the five year capital plan portion that we intend to lease be bracketed to clearly see they were slated during this process.

H. DISTRICT STAFF UPDATE *(for possible action)*

H.1. General Manager Steve Pinkerton – verbal update

District General Manager Pinkerton gave a brief verbal update.

I. REPORTS TO THE IVGID BOARD OF TRUSTEES*

I.1. District General Counsel Jason Guinasso

District General Counsel Guinasso said he had no report.

J. BOARD OF TRUSTEES UPDATE *(NO DISCUSSION OR ACTION)* ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

Trustee Callicrate said he looks forward to being back on March 28.

K. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

There were no public comments made at this time.

L. ADJOURNMENT *(for possible action)*

The meeting was adjourned at 9:26 p.m.

Respectfully submitted,

Misty A. Moga
Acting District Clerk

Attachments*:

**In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.*

Submitted by Margaret Martini (1 page): IVGID March 18, 2019 Board of Trustees Meeting Public Comment by Margaret Martini – To be included with the Minutes of the Meeting

Submitted by Linda Newman (2 pages): March 18, 2019 IVGID BOT Meeting Public Comments By: Linda Newman – to be included with the Minutes of the Meeting

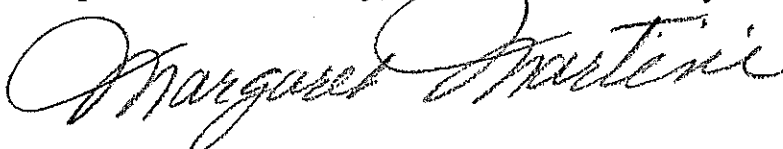
Submitted by Aaron Katz (15 pages): Written Statement to be included in the written minutes of this March 18, 2019 regular IVGID Board Meeting – Agenda Item G(1) – Setting direction for the District’s Capital Improvement Project (“CIP”) budget for the next five years

IVGID March 18, 2019 Board of Trustees Meeting
Public Comment by Margaret Martini – To be included with the Minutes of the Meeting

On the Consent Calendar you have two items. As there will be no discussion, you should have the answers to my questions readily available. First, on the amended MOU who will be responsible for the cost overruns that exceed the Duffield Family's \$1,409,201 Grant? And where are the financial statements demonstrating the financial condition of this responsible party? What are all the additional annual expenses for our tax and ratepayers to operate and maintain the expanded Park facilities? As these facilities will be used by residents and non-residents, will there be an endowment fund set up for the wear and tear on these expanded facilities? Additionally, where are the contracts for Rapid Construction and Lloyd Engineering? What is the insurance bonding and construction project rating for Rapid Construction that demonstrates their ability to execute this project? As only one bid was received on the original scope, do you have a waiver from ITF and/or the Duffield Foundation to proceed without putting this changed project out for competitive bidding?

As for the Stress Test, why has the \$700,000 for the Championship Maintenance Building improvements been omitted? And can you tell me why the Diamond Peak Master Plan Phase 1A and 1B are included when they are years away from actually receiving entitlements and permits? After all, the Community does not support the Mountain Coaster, Zip lines and other amusements nor has the US Forest Service agreed to allow their land to be leased to accommodate these activities.

And one final comment. This District hired two consultants for the Mountain Golf Course. Based upon their work it was determined that a new Clubhouse should be built and an optimum design costing approximately \$2.3 million would best address the Clubhouse and Maintenance Building. A survey of our citizens also reflected their choice for a new Clubhouse. The District also determined that we would convert the gas carts to electric. Yet, despite this, the General Manager, without Board discussion and approval has determined that he will ignore the work of our paid consultants and the wishes of our citizens and will spend our money rehabilitating the Clubhouse. And he also understated the ACTUAL Cost. He has also bought out the lease on the gas carts and will purchase new gas carts instead of electric ones and he will spend \$200,000 to replace the fuel tank –instead of shutting it down. Apparently, our experts, our Board and our citizens are completely irrelevant when it comes to the General Manager's decisions and how he spends, or shall I say, WASTES our money.



March 18, 2019 IVGID BOT Meeting Public Comments

By: Linda Newman – to be included with the Minutes of the Meeting

I have a number of questions and I am requesting a written response.

Less than a year ago, Chair Wong referred to former Director of Asset Management Brad Johnson as the District's walking encyclopedia on all of the District's current and future capital projects. 8 months after Mr. Johnson left, we learned at last week's meeting that his position would not be filled. With tens of millions of dollars slated for capital asset replacement projects why aren't we replacing our Asset Manager?

The District's irresponsible "running our facilities, equipment and vital infrastructure to failure" is endangering our health and safety, the pristine condition of our lake and our financial well-being. After ignoring the urgency of replacing the Diamond Peak Culvert until it failed and FEMA demanded we take action, the 6 miles of our 50 year old effluent pipeline scheduled for replacement has been in limbo. This delay has caused environmental spills and cost us millions of dollars for investigations and emergency repairs. The emergency effluent storage pond which was decommissioned by the Nevada EPA more than 6 years ago still has not been lined and cannot currently be used to store the effluent in the event of an inevitable future breakdown of our aging pipeline. Burnt Cedar pool has been leaking and the GM wants us to spend \$500,000 to repair it and then pay \$2 million a year or so later to replace it and issue bonds with \$600,000 of interest payments to finance it –so that we can pay \$3.1 million for a \$2 million pool. Other citizens have raised the District's endangering the health of our children and the pollution of our streams by allowing the Dog Park to remain at its current location. The Bike Pump track's negligent environmental protective measures are also threatening to pollute our lake. This is not professional management and I want to know what action you as a Board will take to ensure that we follow Best Management Practices to remedy what is clearly gross negligence.

As for the CIP Budget, why will the Mountain Golf Course underground fuel tank now cost \$200,000 to replace when it was budgeted at \$50,000 last year? This is a 400% increase that requires an explanation.

The new 5 year plan shows that we will spend \$10 million for Phase II of the Effluent Pipeline –this is in addition to the \$10 million we have already collected – for a total of \$20 million of spending. The application you submitted to the US Army Corps of Engineers states that we will spend a total of \$25 million for this

project over the same period. Why is there a difference between what you are reporting to our citizens and what you are reporting to the Federal Government?

22 of the 26 capital projects and purchases identified in the Utility Rate Study have been changed in either the proposed 2020 capital project budget or the 5 year plan. How could this happen?

Why is the WRRF Aeration system budgeted last year at \$350,000 now budgeted to cost \$1.2 million?

Why has the Watermain replacement for Alder been pushed out to 2024?

Why is the Tennis Facility budgeted at \$390,000 in last year's 5 –year CIP now budgeted at \$700,000?

When did the Board approve \$3,350,000 for a new Administration Building and how will the General Fund finance it?

Please advise when I can expect your response.

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MARCH 18, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM G(1)
– SETTING DIRECTION FOR THE DISTRICT’S CAPITAL IMPROVEMENT
PROJECT (“CIP”) BUDGET FOR THE NEXT FIVE YEARS**

Introduction: Here staff seeks direction with respect to their proposed CIP budget. The purpose of this written statement is to share my objections to that budget.

\$700K in Improvements to the Tennis Center Notwithstanding Staff Estimates a Paltry \$156,100 in Annual Gross Revenues: That’s right. Putting aside CIPs, staff estimates the Tennis Center will lose at least \$114,842 this upcoming fiscal year in operational costs, and these losses will be subsidized by local parcel/ dwelling unit owners’ Recreation Facility Fee¹ (“RFF”). And the \$700K figure appears at page 62 of the packet of materials prepared by staff in anticipation of this evening’s meeting².

If the Tennis Center Cannot Break Even or Earn a Profit, it Does Not Deserve to be Subsidized by the Overwhelming Majority of Local Parcel/Dwelling Unit Owners Who Never Set Foot on its Grounds! For this reason I urge the IVGID Board (“Board”) vote no!

More Recreational Bonds to Unnecessarily Keep the District in Debt: Page 65 of the 3/18/2019 Board packet includes a summary of projected (according to staff) CIP expenditures³. Note where I have placed asterisks next to three sets of recreation bonds over the next three years totaling a whopping \$6.85 Million! And this is despite the fact staff tout the millions of dollars we have in our community services fund balance because of years of “smoothing” and \$5 Million or more of profit generated by Diamond Peak over the last three years as a result of unusually high snowfall.

And if the Board Doesn’t Agree to More Bonding, Staff Threatens to Increase the RFF: Listen to page 51 of the 3/18/2019 Board packet:

“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...leasing or bonding and (only) limited use of (our) fund balance.”⁴

¹ See page 161 of the packet of materials prepared by staff in anticipation of the Board’s March 13, 2019 meeting [“the 3/13/2019 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-13-19.pdf)]. A copy of this page is attached as Exhibit “A” to this written statement.

² Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-18-19.pdf (“the 3/18/2019 Board packet”). A copy of this page with an asterisk next to the \$700K number is attached as Exhibit “B” to this written statement. *Where is the project summary for this proposed project which explains what this \$700K number will be spent on?*

³ A copy of this page with asterisks next to all the bonding staff projects is attached as Exhibit “C” to this written statement.

And Staff Intends Those Parcel/Dwelling Unit Owners Without Beach Access to Allow Their Ad Valorem Taxes and Other Obligations to be Pledged as Security For Burnt Cedar CIP Bonding: That's because IVGID's bonding is "general obligation" and general obligation bonds are secured by the full faith and credit of the issuing agency⁵.

\$868,100 in "Fire Rebuild and Rehab" Improvements to the Mountain Golf Clubhouse Notwithstanding Only \$300,000 in Insurance Proceeds, and Staff Estimates \$328,120 in Annual Operational Losses: That's right. Putting aside CIPs, staff estimates Mountain Golf will lose at least \$328,120 this upcoming fiscal year in operational costs, and these losses will be subsidized by local parcel/dwelling unit owners' RFF⁶. The \$868,100 "rebuild and rehab" figure appears at page 61 of the 3/18/2019 Board packet⁷. And the \$300K Mountain Clubhouse insurance proceeds figure appears in Exhibit "C" (I have placed an asterisk next to it).

Why Are We Spending \$868,100 on a Project For Which There Are Only \$300K of Insurance Proceeds?

If Mountain Golf Cannot Break Even or Earn a Profit, it Does Not Deserve to be Subsidized by the Overwhelming Majority of Local Parcel/Dwelling Unit Owners Who Never Set Foot on its Grounds! For this reason I urge the Board vote no!

Conclusion: If the Board doesn't take charge and put its foot down insofar as the irregularities I have pointed it to, all its members will be doing is giving GM Pinkerton more money to waste on the garbage he has been wasting it on ever since he came to Incline Village⁸. The Board needs to tell staff

⁴ This page along with an asterisk next to the quoted language is attached as Exhibit "D" to this written statement.

⁵ See NRS 350.0045 which states "general obligation debt means debt that is legally payable from general revenues, as a primary or secondary source of repayment, *and is backed by the full faith and credit of a governmental entity.*"

⁶ See page 12 of the 3/13/2019 Board packet. A copy of this page is attached as Exhibit "E" to this written statement. I have placed an asterisk next to the RFF revenue entry which the reader can see is necessary to ensure that this sub-fund is balanced. Stated differently, without this subsidy Mountain Golf is budgeted to lose \$328,120 for 2019-20.

⁷ A copy of this page with an asterisk next to the \$868,100 number is attached as Exhibit "F" to this written statement. *Where is the project summary for this proposed project which explains what this \$868,100 number will be spent on?*

⁸ Let me provide one example of that garbage. Take another look at Exhibit "C." Staff propose we spend \$500,000 in 2019-20 resurfacing the Burnt Cedar Pool and upgrading its mechanicals, and then another \$2M the following year *replacing* the Burnt Cedar Pool. Talk about a waste...

nearly \$7M *less* is available for their wasteful spending ways⁹, and let them figure out what to remove from their wasteful proposed budget.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

⁹ The amount of our RFF/Beach Facility Fee (“BFF”).

EXHIBIT "A"

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
TENNIS
PROPOSED OPERATING SOURCES AND USES
FOR THE FISCAL YEAR ENDING JUNE 30, 2020

	Actual FYE - 17	Actual FYE - 18	Estimated Actual FYE- 19	Approved Budget FYE - 19	Proposed Budget FYE - 20
Sources:					
Ad Valorem Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated Taxes	-	-	-	-	-
Charges for Services	166,577	145,196	159,000	159,700	156,100
Facility Fee	106,400	114,581	114,940	114,940	114,842
Investment income	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interfund	-	-	-	-	-
Central Services	-	-	-	-	-
Total Sources	<u>272,977</u>	<u>259,777</u>	<u>273,940</u>	<u>274,640</u>	<u>270,942</u>
Uses:					
Salaries & Wages	142,399	120,151	139,000	136,102	139,281
Employee Benefits	24,178	19,854	27,500	27,535	29,131
Total Personnel	<u>166,577</u>	<u>140,005</u>	<u>166,500</u>	<u>163,637</u>	<u>168,412</u>
Professional Services	525	540	500	555	570
Services & Supplies	54,002	53,919	63,000	63,532	61,986
Insurance	2,458	2,289	2,500	2,211	3,120
Utilities	7,204	7,547	7,400	7,435	8,135
Cost of Goods Sold	19,303	13,731	15,000	15,500	15,500
Central Services	12,300	10,500	10,800	10,800	12,700
Defensible Space	-	-	-	-	-
Total Services & Supplies	<u>95,792</u>	<u>88,526</u>	<u>99,200</u>	<u>100,033</u>	<u>102,011</u>
General Fund Cap. Exp.	-	-	-	-	-
Total Uses	<u>262,369</u>	<u>228,531</u>	<u>265,700</u>	<u>263,670</u>	<u>270,423</u>
Net Sources (Uses)	<u>\$ 10,608</u>	<u>\$ 31,246</u>	<u>\$ 8,240</u>	<u>\$ 10,970</u>	<u>\$ 519</u>

\$ 270,942
 < 114,842 > - RFF

 \$ 156,100

EXHIBIT "B"



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	3,673,857	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
	4378BD1702	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 Shatterline 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 Groundskeeper #682	Fleet Superintendent	35,400	-	-	-	-	35,400
	4378LE1742	2015 Ball Field Groomer #706	Fleet Superintendent	-	17,500	-	20,000	-	37,500
	4378L1207	Pavement Maintenance, East & West End Parks	Senior Engineer	-	-	-	17,500	37,500	55,000
	4378L1303	Pavement Maintenance, Village Green Parking	Senior Engineer	5,000	12,500	5,000	22,500	-	45,000
	4378L1403	Pavement Maintenance, Preston Field	Senior Engineer	5,000	5,000	27,500	6,000	6,000	49,500
	4378L1602	Pavement Maintenance, Overflow Parking Lot	Senior Engineer	5,000	5,000	5,000	27,500	5,000	47,500
	4378L1802	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
				281,500	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
	4588L1201	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 Bullard 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

EXHIBIT "C"

		IVGID					
		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							
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							
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							
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)

EXHIBIT "D"

Report 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. -3-

March 12, 2019

- 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.

EXHIBIT "E"

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
MOUNTAIN GOLF
PROPOSED OPERATING SOURCES AND USES
FOR THE FISCAL YEAR ENDING JUNE 30, 2020

	Actual FYE - 17	Actual FYE - 18	Estimated Actual FYE- 19	Approved Budget FYE - 19	Proposed Budget FYE - 20
Sources:					
Ad Valorem Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated Taxes	-	-	-	-	-
Charges for Services	627,986	629,122	700,000	690,926	678,573
Facility Fee	270,092	327,375	328,400	328,400	328,120 *
Investment income	-	-	-	-	-
Miscellaneous Revenues	46,511	59,215	47,000	34,963	38,932
Intergovernmental	-	-	-	-	-
Interfund	-	-	-	-	-
Central Services	-	-	-	-	-
Total Sources	944,589	1,015,712	1,075,400	1,054,289	1,045,625
Uses:					
Salaries & Wages	370,994	327,821	380,000	382,111	372,113
Employee Benefits	101,500	88,958	110,000	115,490	115,629
Total Personnel	472,494	416,779	490,000	497,601	487,742
Professional Services	1,793	3,828	2,000	2,910	4,140
Services & Supplies	321,251	327,292	305,000	315,104	316,432
Insurance	13,482	18,355	15,000	14,520	18,000
Utilities	89,213	82,546	90,000	88,050	88,840
Cost of Goods Sold	63,677	76,071	51,000	53,968	59,423
Central Services	55,300	47,300	47,800	47,800	55,100
Defensible Space	-	-	-	-	-
Total Services & Supplies	544,716	555,392	510,800	522,352	541,935
General Fund Cap. Exp.	-	-	-	-	-
Total Uses	1,017,210	972,171	1,000,800	1,019,953	1,029,677
Net Sources (Uses)	\$ (72,621)	\$ 43,541	\$ 74,600	\$ 34,336	\$ 15,948

EXHIBIT "F"

5 Year Capital Improvement Plan Summary - As of 3.12.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total	
Facilities	3242L1205	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	369,828	766,428	2,971,650	
		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	
	3351L11807	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	388,000	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 Dining 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	-	-	-	-	-	50,000	
	3462HE1903	Ridge Ski Lift Maintenance and Improvements	Mountain Operations Manager	30,000	20,000	-	-	-	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	
	3463LV1727	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	