MINUTES

REGULAR MEETING OF MAY 1, 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 Wednesday, May 1, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

RECOGNITION OF INCLINE HIGH SCHOOL BASKETBALL TEAMS (BOYS AND GIRLS) AND THEIR COACHES

Chairwoman Wong thanked all the basketball players for all their involvement in a variety of programs and thanked them for being such great athletes. Coach Indra Winquest then brought up the Girls’ Basketball Team followed by Coach Tim Kelly who brought up the Boys’ Basketball Team. The audience showed their appreciation to each team with a thunderous round of applause.

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 Tim Callicrate, Matthew Dent, Phil Horan, Peter Morris, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick, Director of Public Works Joe Pomroy, Director of Human Resources Dee Carey, and Director of Parks and Recreation Indra Winquest.

Members of the public present were Pete Todoroff, Wayne Ford, Steve Dolan, Kaye Shackford, Mike Menath, Lisa Menath, Aaron Katz, Judith Miller, Denise Davis, Mike Abel, Lynette Cardinale, Tom Cardinale, Sara Schmitz, and others.

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

C. PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – Medium-Term Installment Purchase plans for fairway mower for the Championship Golf Course ($92,000), golf carts for the Mountain Golf Course
($288,000), and snow cat for Diamond Peak Ski Resort ($390,000) and general contingency of $30,000 in the total amount of $800,000

Trustee Horan made a motion to open the public hearing. Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.

Chairwoman Wong asked Staff if the District had complied with the public notice; Director of Finance Eick confirmed compliance with public noticing.

Director of Finance Eick gave an overview of the subject matter and submitted five written comments to be attached to the minutes.

Chairwoman Wong reminded the public that the comments should be related to the topic of the public hearing and that the public comment rules apply to this hearing.

Aaron Katz said that he opposes this proposal as the District has thirteen million dollars in the fund balance so the cash is there. The District doesn’t need to buy this equipment as the plow is one hundred thousand dollars less without GPS and we can’t afford the one hundred thousand dollars for the GPS. The costs to maintain are going to be miniscule so we can afford to keep it for another five years. All the capital projects total between one hundred and one hundred and ten thousand dollars and then there is the undisclosed Staff costs. Go to the property owners and ask them what they think. Next, and this is specifically to Trustee Morris, you said we need to increase the Recreation Fee by ninety five dollars; so increase the Recreation Fee and do so by two hundred and fifty dollars to three hundred dollars as there is no way we can afford this without that raise and do so if you want to hear the outcry. He truly hopes that two Board members vote no because then you have a choice either raise the Recreation Fee or go home; he has a written statement.

Judith Miller said in the March 18, 2019 Board packet, Staff explained how we have been accumulating millions of dollars over and above what is required of a minimum fund balance to be used for legacy projects yet this 5-year capital plan includes millions for the Diamond Peak Master Plan which is yet unapproved for expenditures. From time to time or from the time the Board first accepted the Diamond Peak Master Plan the concept was that Phases 1 and 1B were to be funded by bonds not by smoothing so there is no reason to borrow or lease in the coming fiscal year. We have more than enough resources to pay for all of the capital projects in the 2019/2020 budget. Furthermore, we have not yet even
begun the task of prioritizing the myriad of projects and plans. Now that we have this huge array of projects before us, with the combined price tag in excess of one hundred million dollars it is ridiculous to worry about spending eight hundred thousand dollars in fund balance. There needs to be a very organized and informed approach to prioritization since IVGID now consumes most of the Rec Fee on increased operational costs and repair/replacement of existing assets and we recognize that any new amenity or expansion of an existing amenity will likely result in an increase in the Recreation Fee. Although tourists have an interest in which projects are selected, the ultimate decision should rest entirely with the property owners who pay the fee. Recreation Fee payers as the renters realize that any increase in the Rec Fees will have to be passed along to them in the form of higher rents. Interest in this proposed items is a waste of our money and she objects. Also, since she has a little time, she is so looking forward to the opening of the Championship Golf Course and she wishes that the basketball team had been next week as she is beginning to understand why so many people will come in here with drinks. Staff presentations are so filled with propaganda about how wonderful their venues are doing and how happy we ought to be that the Rec Fee doesn’t go up yet or down ever; it is enough to drive one to drink. And let’s make sure we bring lots of salty snacks such as the popcorn and the chips so we sell plenty of booze and cut our losses on catering but seriously you don’t have to wait for a new IVGID Code to prohibit alcohol at IVGID Board meetings. These are supposed to be business meetings not cocktail parties. IVGID is a government agency and not a homeowners association. If you want to create a respectful environment start by banning alcohol at this meeting. Please ask the sign shop to make a sign – no alcoholic beverages during Board meetings as it really wouldn’t cost a lot and she thinks it would go a long ways to improving the perception of meetings.

Mike Abel read from a prepared statement which is attached hereto.

Tony Lillos thanked the Board for the opportunity to make public comment and thanked the Board for its service. We live in an incredible place and thank you for your dedication. Your service is evidenced by the conversation on complex topics. If I took a survey, everyone carries some level of debt. We have a variety of people and all have some level of debt thus this is the right thing to do. Unhealthy debt is wrong but to have no debt is going the other way. Why burn short term cash when you can finance over the long term. It is irresponsible to use cash this way. Why are we suffocating IVGID? Don’t lose sight of the place that we live in. He loves Incline and thanks the Board for handling this; this one isn’t complex – do responsible debt.
Sara Schmitz said that she just wanted to read a letter that was sent to each of the Trustees and that was signed by eighteen individuals; she will provide a copy of this letter. On a similar note, some of you know that she has tried to obtain information about investment accounts. They are supposed to be reviewed openly at a quarterly meeting and she has never seen them at this meeting as they are marked confidential and privileged. Her question is are they performing at a higher rate than this is. Please look at the rate of return on your investments as she is not sure any of the Board have an idea what our rates of return is.

Hearing no further public comments, Chairwoman Wong asked for a motion to close the public hearing. Trustee Horan made a motion to close the public hearing. Trustee Morris seconded the motion. Chairwoman Wong called the question – the motion was passed unanimously.

D. PUBLIC COMMENTS

Lynette Cardinale thanked the Board and then read to them from the McClatchy report which was about Kings Beach and its susceptibility to wildfires. Ms. Cardinale said that she is bringing this to the Board’s attention because we are right next door and we are a very heavily visited place even though it has been said that we are not a destination place, we are. This is a very serious issue and there was a unanimous vote on signage that said “no smoking” on our beaches and if we don’t respect ourselves then no one else will. There is so much trash and cigarette butts; the community has voted but it hasn’t been applied and it needs to be done. If you can do no dogs, you can do no cigarettes. To say thank you for not smoking is like telling someone they are a little bit pregnant. There is no teeth in what we currently have so she is imploring this Board to think about this and the area that is right next door.

Judith Miller read from a submitted written statement which is attached hereto.

Aaron Katz said he wanted to speak about the Community Services Master Plan. It is an absolute waste to go down this road as the District can’t afford any of this. You have spent $425,000 when you include everything and the Staff time has cost us a fortune. This shows two hundred million dollars over five, seven or ten years – where is that money going to come from as you can’t do it without increasing the Recreation Fee. Surveys – do you want this bright new Jaguar in your driveway? They are done all in a vacuum and never, never, never do you ask people that this is going to result in an increase in the Recreation Fee of X. You never do that because you are afraid of the results and you are afraid of the truth. You shouldn’t
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be here if you are not for the truth. He is requesting that this Board not receive this plan as it is a precursor to adoption and once that happen, when you accept it, Staff will do the pre-design and you will be in for another $250,000 so you will have put in $1.25 million dollars and you can't waste that so you will move forward. He knows the MO of Staff to kill it now. Mr. Katz concluded by stating he has a written statement to submit.

Mike Abel said there are red flags all over - major turnover in the IVGID senior staff. When Pinkerton arrived in 2014, IVGID had 14 senior staff positions. The outside attorney reported to the Board of Trustees and the organization chart had been constant for many years. So as all thing go, when your Board of Trustees are out to lunch, senior staff positions began to grow, with 20 positions in 2016, then 23 positions in 2017, and currently 25 positions effective July 1, 2019. At the same time the outside attorney no longer reports to the Board of Trustees and in fact all senior staff positions now report to the outside attorney. Over the past year, the Director of Asset Management, the Director of Community Services, the Director of Golf, the Principal Engineer, the Communications Coordinator, the head of Caterings and the Mountain Course Golf pro have all abandoned the ship. Pinkerton decided he needs an assistant manager and got one. The new Director of Golf is now in charge of IVGID’s entire marketing and food and beverage operations. He came from Florida with a stopover in Houston. The majority of marketing is for Diamond Peak so it is only “natural” to have a golf pro be in charge. Information Technology, which was a senior position, now reports to the Director of Human Resources. So what’s going on? Do not know for sure, but turnover in high salaried jobs should be a cause of concern. After all, who likes working for an attorney?

Pete Todoroff said that today is a special day as he has been here for thirty nine years. Washoe County’s Eric Young contacted him about the Community Area Plan and he would like to know where we are as he has no idea where we are. He has heard that TRPA rejected it in its entirety so he would like to know that information. The community is having a parking problem without the bike trail and he would like to know what Washoe County is doing. The residents in Mill Creek and at the end of Lakeshore have a problem; he would like to get the answers to these questions.

E. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for any changes to the agenda. Trustee Callicratke asked that the Consent Calendar item be moved to the first item of General Business.
Chairwoman Wong asked for any further changes; hearing none, approved the agenda as amended.

**F. REPORTS TO THE BOARD OF TRUSTEES***

**F.1. Washoe County Update from Washoe County’s Assistant County Manager Dave Solaro**

Washoe County Assistant County Manager Dave Solaro said that he appreciates the ability to speak. The Community Area Plan was presented to the Citizen Advisory Board and a resolution was adopted to move forward to initiate the area plan process. It has to be brought back within one hundred and eighty days and Washoe County has hired a consultant to do the environmental work. There will be an opportunity, beginning on May 3, for the public to review and noted that it has taken awhile to get to here. TRPA does want it done a certain way and Washoe County is working hand in hand with TRPA. Once the environmental review has been finalized, it will go back to the Citizen Advisory Board and then Washoe County will want to get on this Board’s agenda followed by TRPA Staff review. Refinement will occur with final editing thereafter. There is then a period of public review, then it goes to the Planning Commission, then to the Washoe County Commissioners, and finally to TRPA; Washoe County is targeting the July 2 Planning Commission meeting for presentation.

Trustee Morris said with all the work that has to be done do you think that schedule will happen. Mr. Solaro said it does have to have two hearings at the Washoe County Commission and then get into TRPA’s hand in September. It is fairly aggressive but he has two full time Staff members working on it and now we understand the format and graphics. Our GIS Department is working on new maps and we hope to have it on the website by the end of this week. Trustee Morris said so it sounds like it is late Fall when it will go to TRPA who has to bless it; is that the final step and when do you realistically think the plan will be adopted. Mr. Solaro said that is up to TRPA and that he doesn’t know what their time frame is. He has been working with TRPA to get a favorable review.

Chairwoman Wong asked if, after July 2, will community members have a chance to provide comment. Mr. Solaro said on July 2 it will go to the Planning Commission and at every public meeting, community members have the ability to weigh in. On May 3, the public review and comments will go to the Planning Commission.
Trustee Horan said when it comes back to the Citizen Advisory Board will the focus be on public comment. Mr. Solaro said yes as it goes back to the Citizen Advisory Board before it goes to the Planning Commission and then Washoe County will give a presentation to the IVGID Board; the next Citizen Advisory Board meeting is May 6.

Mr. Solaro said that the Staff from IVGID has been great to work with in permitting the fireworks show. Red, White and Tahoe Blue is not hosting the community events this year and all the permits are in place. Some will go before the Board of Adjustments on June 6 to finalize the larger events. On May 28, there will be a public hearing for the fireworks show and everything is on track with all the pieces being in place to not have any of the drama that we experienced last year.

Mr. Solaro said that the Incline Community Center has been received very well and stated that it is open Monday, Wednesday, and Friday with limited hours and that volunteers are manning the facility. The facility sees between fifteen and twenty people with a variety of use. Later this summer, it will be used for immunization and a blood pressure clinic. Chairwoman Wong asked if this was a partnership with the local hospital. Mr. Solaro said yes that he believes so.

Trustee Horan asked who was doing the programming. Mr. Solaro said that Washoe County’s Human Services along with the library in a partnership. Trustee Horan asked if it was being coordinated with Senior Services. Mr. Solaro said yes and that he would look into the coordination with IVGID’s Senior Services.

Mr. Solaro said that he had a chance to speak with the Sheriff and we have Commander Barboza in Incline Village and that the best way to get ahold of her is via e-mail – sbarboza@washoeCounty.us. Trustee Horan asked if the Nevada Highway Patrol still had someone up here; Mr. Solaro said yes, they do.

Mr. Solaro said that Washoe County is working on post winter clean up and that the sign crews are busy working through the re-manufacturing of street signs and getting ready for the spring run-up. We do ask for citizens’ help and they can report matters to the Longley office. Mr. Solaro then gave a shout out to the Washoe County Roads Crew who, especially in January, did a very good job of keeping up with snow removal. Their main focus is on
the traveling public and thanked the citizenry for their patience and noted that Washoe County does have a priority system which he verbally reviewed.

Trustee Morris asked what the plan was for fixing all the winter damage i.e. potholes, etc. Mr. Solaro said that cold patches are being applied to Washoe County roads and noted that the State has a real issue on Mt. Rose and State Route 28 but that hasn’t spoken with them but does understand there is a concern. He will try and get a plan from the Nevada Department of Transportation and get that sent up through the District General Manager. Trustee Morris said that he appreciates that information and that coupled with that, there has been quite a bit of damage by the snowplows to the road curbs, etc. and is wondering if that will be taken care at the same time. Mr. Solaro said yes, it will be done at the same time. Trustee Morris said he has noticed some new yellow striping and asked about the white striping. Mr. Solaro said that will be taken care of and that Washoe County Staff is assessing it right now and then will get ready to fulfill those work orders.

Mr. Solaro said that the Washoe County Commissioners has given Staff the authority to work on short term rentals (STRs) and Staff is trying to understand the best practices and will be kicking that off shortly and working full steam ahead. Washoe County is working on a consultant agreement to identify the quantity in this area and then will be working through that process and reaching out to stakeholders. We need to identify the long term problems as in an earlier meeting today, which was about trash, etc., it is about changing behavior so we are going to work through that process as we are hoping to work on an ordinance that will work for all.

Mr. Solaro said that Washoe County is very concerned with what is going to occur with the opening of the bike path because we have an issue with parking. There are ninety spaces associated with the first piece and that one of the issues we face with Washoe County is the right of way and that this is how we deal with some of the parking is to use that right of way. It is a big issue up here and the reality, up here, is that street parking is what we have. Washoe County is working with the Tahoe Transportation District to try and identify a long term, sustainable parking solution. Parking is just an issue up here and Staff is reviewing best practices for parking ordinances and are trying to keep it specific to Incline Village. There is a fear but we need the data and that this first summer use will be used as a testing time and he knows that there will be problems in some of the neighborhoods. Staff wants to make thoughtful decisions especially up here. We are also looking at boat
parking and working through that as that requires a change to the Washoe County code. He knows that this is not what the Board and community wanted to hear but Washoe County doesn’t have enough data to make good decisions and we would hate to go too far and cause a different problem therefore we are asking for patience.

Trustee Horan said that it is an interesting problem and it sounds like, given the pace, that we will not be seeing anything change this summer as we are already in May. Mr. Solaro said that Washoe County may be able to change a few things and that they are working with the Sheriff about illegal parking and how we are going to get through this summer. Trustee Horan said it would be helpful if Washoe County would come forward with a statement by June and what can be done and enforced so that we can tell people what has been done to help. Mr. Solaro said absolutely and that he is looking forward to developing a handout that can be distributed.

Trustee Morris asked if roadway parking will be prohibited from Tunnel Creek to well past Sand Harbor. Mr. Solaro said that he thought there were a couple of pull outs and noted that it is more restrictive. Trustee Morris asked if it was well signed; Mr. Solaro said yes.

Chairwoman Wong asked about the status of the Incline Way footpath. Mr. Solaro said he is trying to get information on that project as they are down Staff and a lot of his resources have gone to Swan Lake. While it is on his task list, it is not the most pressing item but he will commit to getting the information to the District General Manager.

Chairwoman Wong asked the proposed cellular tower and what other avenues our community members have to voice their opinions or is it done. Mr. Solaro said that there are two proposed cellular towers and that one has gone through the Board of Adjustments and it was appealed. Staff is still trying to determine which meeting it will go before the Washoe County Commissioners which is an opportunity to speak. There is a Federal guideline and Washoe County requires a special use permit however there is a question about the legality of doing that so Staff is working through that issue. There will be one more opportunity that will be noticed and he thinks that is for May 28; the other cellular tower is at Tunnel Creek.

Trustee Horan said that the noticing requirements have been criticized and he knows that they are set by regulation to go out so many feet and asked when it goes out a little further and if there was no ability to adapt and get
public comment as Washoe County ought to take a look at that as it has been a challenge all along. Mr. Solaro said that Staff follows the law on noticing and that there are two schools of thought because when you try and expand the question becomes where do you stop. With the Citizen Advisory Board, it is another way to notice these items and noted that this debate has been going on for a long time. There are lots of different thoughts about noticing and that we must be mindful of appropriateness. Trustee Horan asked if the rules were Washoe County rules or others. Mr. Solaro said it is within State law and transferred to our development; we have to get at least thirty property owners.

Chairwoman Wong thanked Mr. Solaro for his time and his report and the Board and the community appreciates it.

At 7:20 p.m., Chairwoman Wong called for a break; at 7:35 p.m. the Board reconvened.


Marcus Faust recognized and thanked Olivia Sanford for her work. Mr. Faust said that the Legislative process is torturous and in an election year, very little gets done. He understands the general frustration with the lack of speed that Congress does its work. Incline Village generally receives its funding through a two-step process - Congress authorizes funds and then, on an annual basis, there is an appropriation process to get Federal monies. Our efforts have been successful as the U.S. Army Corps of Engineers (USACE) has given us $15.5 million dollars for our export project. Congress is no longer able to earmark specific funding thus there is a new strategy and a new approach. IVGID did receive money, six million dollars, for environmental work which was matched by two million dollars from the State of Nevada. We stay in close contact with the USACE as well as Congressman Amodei who we hosted here at IVGID. IVGID has also received United States Forest Service (USFS) funding which comes from a variety of sources with most of it coming from the Lake Tahoe Restoration Act (LTRA) which is now expired and all funds have been expended. In the 115th Congress, we were able to resurrect this Act and we did it because we cooperated with the State of California. There is four hundred and fifteen million dollars that has been authorized for additional monies and one hundred and fifty million dollars is going to be spent on fire activities with some money going towards water systems for fire flows. Eighty million
dollars is for the environmental improvement program and one hundred and thirteen million dollars has been authorized for future storm water protection, etc. There have been two amendments for Section 595 Funding as Nevada ran out of its authorization but we requested that the USACE be able to move funding from other projects that have not performed and transfer those funds to other projects that are performing and authorized those funds be transferred to occur across State lines as we want to leverage the dollars that are appropriated to our projects that are ready to go. We are having those discussions with USACE and he helped organize a meeting of the representatives who come to the Lake Tahoe Summit as well as California and South Tahoe, etc. Looked at all the things the LTRA has going forward and sought to prioritize. We all agreed to submit unitedly the same request - #1 hazardous fuels and #2 water infrastructure for fire suppression in the Tahoe basin. For the Export Effluent Pipeline Project – there is a project within Nevada that the USACE went to that agency as their project is complete and asked them to certify and transfer that additional surplus to IVGID. This should result in a new project agreement which will provide $2.3 million dollars for the Export Effluent Pipeline Project. As a bonus, we are going to build in to the work plan an additional one million dollars for Phase II. Additionally, it has been identified that there is eight to ten million dollars of a project that has been completed and all we need is for the project sponsor to declare it complete. The agreement has been drafted and it is pending USACE review in Sacramento. He is very optimistic that we will have a Project Partnership Agreement for $2.3 million dollars for the Export Effluent Pipeline Project and then a smaller project and hopefully the reallocation of the others which will get us three fourths of the way through. Finally, he wants to mention another effort and that is on obtaining the USFS parcels. There are two parcels near the schools and the Northern Nevada delegation was briefed on these lands and they are in favor of this action and it is an ongoing priority for them. Mr. Faust closed by thanking the Board in recognition of the reality that this Board understands the twenty five percent local match and that it is important for them to stand behind that commitment. There have been others who have had some problems and the USACE knows that IVGID performs and performs well.

Trustee Callicrate thanked Mr. Faust for some potentially great news but the question is when – are we looking at six months, a year, etc. Mr. Faust said that six months to a year is reasonable. Trustee Callicrate said for the eight to ten million dollars. Mr. Faust said that he hopes to wrap it up by the end of this year but it is a complex project and not under the jurisdiction of the Sacramento but in Los Angeles so we have to involve the San Francisco
office and we working through all of that. On the third phase, Congressman Amodei has called the USACE for a report as he wants to know where all the 595 funding is outside of Nevada and he is looking for reallocation of that money which is a sensitive issue. To date, Congressman Amodei hasn’t received the response. Trustee Callicrate asked about the USFS lots and that time frame. Mr. Faust said that we are all familiar with the complexities of the lands bills and that it has a lot of attention. We have pursued the fast track process and there is a general commitment on the part of the Nevada delegation but we have no forecast of time. Trustee Callicrate asked about a special use permit in the meantime; Mr. Faust said that those take ten years and Congress is faster.

Trustee Morris said that you bring us exciting news even though nothing is certain. We appreciate you coming here and talking to us as the return on investment is incredible so thank you for making something happen. Mr. Faust said it is a great pleasure to represent IVGID.

Chairwoman Wong said that she too appreciates the time taken to come up here and thanked Mr. Faust and Ms. Sanford.

Trustee Horan said he is appreciative as well as our ability to deliver is a mainstay and it is a credit to our Staff that they can make it happen. There is a distinct value in going back to Washington D.C. and breaking break with the Nevada Delegation as well as having that breakfast here was really important and a credit to our Staff; thank you Mr. Faust and Ms. Sanford.

Trustee Morris thanked Trustee Horan for saying that and for reminding the Board of that and he would second what Trustee Horan said about our team as they have done and are doing an incredible job.

G. **CONSENT CALENDAR** *(for possible action)*

G.1. Review, discuss, and possibly authorize a three year contract for Federal Legislative Advocacy Services with Marcus G. Faust, P.C. in the amount of $65,000 per year for three years for a grand total of $195,000 *(moved to General Business H.0.)*

H. **GENERAL BUSINESS** *(for possible action)*

H.0. Review, discuss, and possibly authorize a three year contract for Federal Legislative Advocacy Services with Marcus G. Faust,
P.C. in the amount of $65,000 per year for three years for a grand total of $195,000 (was Consent Calendar Item G.1.)

District General Manager Pinkerton gave a brief overview of the submitted material.

Trustee Callicrate said that the question he has, and he has asked for it in the past, is to have last year’s contract in our materials. This was his concern as he thought our representation was on a year to year basis so he would appreciate an explanation on that and seeing the memorandum of understanding from last year. District General Manager Pinkerton apologized for not putting that with the submitted materials and noted that we have done a variety of time frames. Trustee Morris suggested looking at agenda packet page 10.

Trustee Morris made a motion to authorize a three year contract with Marcus G. Faust P.C. in the amount of $65,000 per year for three years for a grand total of $195,000 for Federal Legislative Advocacy Services and authorize Staff to execute the necessary contract documents. Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was passed unanimously.

H.1. Review, discuss, and possibly provide input and guidance on legislative matters for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s)

Victor Salcido gave an overview of the report in the packet.

Trustee Horan said, regarding Senate Bill 279, that he has become aware that there is also a possibility of making a statement about a fiscal impact as there could be some unintended consequences in the disposal of a parcel and the potential to cost us. He is not opposing the bill but rather would like to suggest that there is a potential fiscal impact to the District and that he didn’t know if it was too late to add something to that bill about the fiscal impact and whether or not the other Board members had any interest in doing so.
Mr. Salcido said that yes, we can attach fiscal notes to bills and that it goes through its applicable divisions. Local governments have the opportunity to analyze the bill and then identify possible fiscal impacts. The key part is that this is a mechanism of providing the full picture of what they are voting on. There was a solicitation for fiscal impact and most responded no impact. Lincoln County submitted a fiscal note which Mr. Salcido read aloud. The timing is to provide input ten days after the solicitation however this is also a mechanism for a late fiscal note and that would be forwarded to the Chair, Mr. Edgar Flores, in the Assembly and the Fiscal Division of the Legislative Counsel Bureau.

Chairwoman Wong said that it sounds reasonable and does apply to our general improvement district. Mr. Salcido said that Tri-Strategies has presented IVGID as neutral and that IVGID can provide a fiscal note.

Trustee Horan asked the District General Manager to weigh in a little bit on the potential problems. District General Manager Pinkerton said that we have a risky/in-depth entitlement process and the value is with negotiation versus auction because of entitlements. It is highly likely we will need to replace the Administration Building and repurpose that land. If you have land that is not deed restricted, it is easier to sell and build new on deed restricted land. If the sale were to go through a negotiated process, the buyer will pay more. It could have disastrous consequences and looking into the future, two years from now, we would probably need to get this legislation modified. Staff has no problem with it except for the selling of land in Lake Tahoe as we don’t see a lot of auctions up here.

Trustee Horan said it is his feeling that it is worth noting.

Trustee Morris agreed that it is important to note that because number 1 it is not going to be free and number 2 we know we are going to have do something about the Administration Building and to be able to realize the true value, whilst he doesn’t know the details, it concerns him greatly and believes we should submit a note similar to Lincoln County and add something about a negotiated sale.

District General Manager Pinkerton said that he concurs with Lincoln County and is concerned about not having the ability to make a sale, without entitlements, that could cost the District anywhere from one to two million dollars on a specific property.
Trustee Callicrate said that he doesn’t have the same concerns that others have that we aren’t going to be able to dispose of our land because it is a finite resource that is zoned and not deed restricted and that as long as they follow all the rules, we will get top dollar. He doesn’t see a need to add a fiscal note as the pluses outweigh the negatives because all the general improvements district are the same but that is his own personal feeling.

Trustee Dent said he doesn’t see a cost concern and doesn’t see a need for a fiscal note.

District General Manager Pinkerton said that the property is zoned commercial and not residential.

Chairwoman Wong said if there is no concern with adding a fiscal note then we don’t want to be short sided and miss the boat and have to address this in another legislative session. She doesn’t see the harm in it and kudos to Lincoln County.

Trustee Morris made a motion to have IVGID do a fiscal note of our own that supports Lincoln County and incorporates those comments made by District General Manager Pinkerton tonight. Trustee Horan seconded the motion. Chairwoman Wong called for comments.

Trustee Horan said that he recognizes the comments made by everyone and while it may be marginal there is no risk so why not do it; he will support the motion.

Hearing no further comments, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed and Trustees Horan, Morris and Wong voted in favor; the motion passed.

Trustee Horan asked the fiscal note be provided to the Trustees; District General Manager said he will work with Mr. Salcido and provide as requested.

H.2. Review, discuss, and possibly receive the Final Draft 2019 Community Services Master Plan as developed by Design Workshop and included in this May 1, 2019 Board meeting packet and direct Staff to bring back the Community Services Master Plan for adoption on July 17, 2019 which will be included in the July 17,
2019 Board meeting packet (Requesting Staff Member: Director of Parks and Recreation Indra Winquest)

Director of Parks and Recreation Indra Winquest gave an overview of the submitted materials.

Chairman Wong asked what has changed between the plan we saw last year and this one presented today. Director of Parks and Recreation Winquest said that we got a lot of comment cards, e-mails, phone calls, etc. and had a couple of days at the beaches and got some really great input such as the one about aquacise using a warm water pool. We asked the consultants to add the piece about Boulder Bay as well as snow play and the ice skating rink and that the final plan will include the conceptual information about the ice skating rink. In conclusion, there are not that many significant changes since the last plan.

Trustee Callicrate said you mentioned a high return on investment and/or maximizes public records. Other than Ski, most of our facilities are operating below breakeven and require subsidies from the Recreation Fee. We are built out and the only growth we are going to get is tourism and increasing tourism was at the bottom. A lot of work has gone into this document. Setting priorities should have come in a lot sooner. We need to sit down, as a Board, and do what we haven’t done yet. We have plans in the amount of $2.5 million dollars that we don’t know if the community wants. He is a huge supporter of Parks and Recreation but we have done somewhat of a disservice by not having the priorities done first. The return on investment will be pretty difficult to assess if we need to have more tourists.

Trustee Morris said that he couldn’t disagree more with what Trustee Callicrate just said. Until we know what they need how do we prioritize? We all knew it was a long range plan and that the growth may come with more families moving back into the District with potentially more to come. Our duty, as a Board of Trustees, is to look at the assets and provide recreation for that community and then figure out how we do that and then it is the Board of Trustees job to prioritize. We don’t know who might come forward as a donor so he thinks we are doing very well on this and have absolutely done the right thing in this process even though he would have liked to have it sooner.

Chairwoman Wong said she is not sure it is up to us to set the priorities because with all those items they are all of the touch points where you had
community input and this is the community telling us what they want and need. When you start reading the demographics that we interviewed, etc., those are our parcel owners and the ones we are serving and they are telling us what we want. We are starting the vetting process and starting the priority setting as a community for another round. The next step is to look at the dollars and if correct, start setting priorities. Some of the numbers are high, such as the parking lot, in her gut and they need proving. The next step is that we have the project, what do they cost and what can we get accomplished.

Trustee Callicrate said that there is a lot of information in here and we did a survey which was the first scientific survey and most are willing to go with a one hundred dollar increase in the Recreation Fee. We need to look at this in its entirety of twenty to twenty five million dollars. We need a dog park and we have someone that wants to fund it. The Mountain Golf Course Clubhouse – he disagrees with his colleagues. He didn’t see the Beach Master Plan not the Ski or Golf Master Plans being referred to so this Master Plan needs to be comprehensive. There is a lot of money in here, the community has spoken, and the setting of priorities should have come in earlier thus we got the steps reversed.

Director of Parks and Recreation Winquest said that this is all great feedback and that he did speak to the consultants working on this project and that the setting of priorities does come in afterwards. He has been here multiple times and he was hoping to get discussion but you can’t force discussions. While it is hard not to get hung up on the numbers, he needs to remind everyone that the feedback was from our residents not tourists. Their primary concern was to take care of existing infrastructure and that will be our primary focus as this plan is focused on existing infrastructure. We have a lack of rectangular fields and as you go through the process, everything needs to be vetted. This is the communities’ master plan and we do need to work together. We should take a deep breath, understand where we are, and know that we can push it out. This is the opportunity to have a robust discussion about this timing as it is a very important thing for the District.

District General Manager Pinkerton said that Staff will continue with the best practices on this process and we have looked at all our facilities with the other master plans incorporated and this is the catch all that ties all of them together as we now have an inventory for everything we do in the District. We now have the ability to get this entire menu and now have an intelligent discussion about weighing one project against the other project. We had a
robust discussion with the community and there is a less than zero chance that we will do all of this work however there are opportunities for others to participate and to pull their checkbooks out as that is the reason that this plan is so heavy with graphics, etc. The first check that will come in will far outweigh the cost of this process. Now, we have something to have a robust discussion and we wouldn’t have done it any other way but now we are in a great position and the difficult part is how we incorporate it into our financial plan. This plan doesn’t solve that question but it is the end of the beginning of the process and something we can refer to over the next decade.

Trustee Morris said he commends the entire team and as it is a fabulous plan to really get an idea. He does ask the community and the Board of Trustees to read the entire plan as it is an easy and enlightening read. It will give us, in conjunction with the other plans, the opportunity to now do our job and make decisions which he is ready to accept; a fabulous job has been done.

Trustee Horan said this is the process that you have to go through. You get the input and we talked a lot about this at our meeting and he thinks that several of us have already prioritized, as part of this, the pool, beach house, dog park, etc. and the need to keep our venues fresh. This document gives us a map to say this is out there and help us do it. He thinks this plan is good and there are limits on what we can do and it is a good base to work off of; the projects are pretty easy to prioritize.

Trustee Callicrate said that some of the concerns that he has, and this is a thorough and in depth document, is that perhaps an addendum can be provided, is the need for a projected timeline of some sort and integration from what is in here to what that original survey indicated as this is more like the master wish list. Some of these projects need to be broken out in a little clearer manner in terms of cost. What are we trying to tell the community and this is the potential for public/private partnerships, an increase in the Recreation Fee, etc. sort of the if thens and what have yous – we need to have a couple of those bullet points. He knows that we can’t do all of this but we have addressed it and will have brought it down to the basic with some possibilities. Chairwoman Wong said that the Board will be addressing a lot of that in the last agenda item as that is on us. Trustee Callicrate said right and that he wanted to have that tied into this. Chairwoman Wong said that is correct as we are going to set that.
Director of Parks and Recreation Winquest said that is a valid request on the survey and exactly the kind of feedback Staff wants to get. With the Recreation Center, in particular, there are modular opportunities and maybe some of it never gets done. Staff thinks it is a good idea because we interact with the community and we know what we hear. Staff understands we need to listen and notes that feedback does come from a small group and that maybe this needs to be tagged for a possible public/private partnership opportunity. We do have an opportunity to make changes and can go back to the consultant with that request. Staff did ask the consultant, Design Workshop, what percentage gets accomplished and it is somewhere between fifty percent and sixty five percent; every community member deserves to be heard.

Trustee Morris said that he loves the idea of getting the community priorities as well as those scales with X people being in favor of Y project and to understand that scale; that would be excellent if Staff could get that. On agenda packet page 212, your pyramid is called out and that it where can we deliver the greatest good for the community and where we should look to the private partnership; just another lens to look through.

District General Manager Pinkerton said that the survey is just one data point and that Staff has others. There is clearly a consensus on some items and it is ultimately the Board’s decision. The Board has to take in all the information and weigh it along with our resources and that it is ultimately up to the Board to come up with the mix and blend of the opportunities we offer.

Trustee Dent asked if the Board could get the top five priorities and get the starting list. Chairwoman Wong said that she thinks that is the Board job to go through the plan. Trustee Dent said can the Board do that before acceptance. Chairwoman Wong said yes and that is the last agenda item. Director of Parks and Recreation Winquest added that this will be on every agenda before July. Trustee Dent said so the Board can change it if we want to. Trustee Horan said we need to start with a timeline and get our finances; he is glad we are doing this and getting something done.

Director of Parks and Recreation Winquest said that we have said that we would wait until the CSMP is done as it is something that is extremely important to work on and hopefully we will get the parcel that is across the street from the high school. The perception is that we are all trying to be patient but at some point in time it is time to move on this stuff. A big part of this process is knowing what the top three to five items/projects are that
through this process we should absolutely know. We do have to get focused on this and get moving. When looking back at the old plan, we were able to get about sixty percent of that one done. If it doesn’t make sense, we don’t move forward. We need to listen to the community to make an educated decision.

District General Manager Pinkerton said it is Staff job to make sure that there is no more inventory to be included and that really it is just semantics at this point so we need to get this adopted and then start implementation. Staff is ready for the Board to set priorities and that this is the necessary one last look by the Board and that the community can comment at any of these meetings.

Chairwoman Wong said that we have a request for public comment; is that acceptable to the Board? The Board approved the request. Chairwoman Wong called upon Steve Dolan.

Steve Dolan said that the priorities are already set as 81% of the people want a bike path which is almost done. The number two project is a dog park and Design Workshop isn’t listening to the community. He has seen what they showed up and it is the upper ball field while ignoring the use by the high school of any sort. Their concept of a dog park in the most sensitive area is where there is a creek. Everybody is outraged and right now you have the greatest consequences for this project. Don’t start spreading it out, just do it. If you delay it, everything changes. The private community is willing to fund it and our Washoe County Commissioner offered to help. So two more seeds for your consideration – direct the District General Manager to go after these lands with Washoe County Commissioner Berkbigrer and put the dog park project up first.

Trustee Morris made a motion to receive the Final Draft 2019 Community Services Master Plan as developed by Design Workshop and included in this May 1, 2019 Board Meeting packet and direct Staff to bring back the Community Services Master Plan for adoption on July 17, 2019 which will be included in the July 17, 2019 Board Meeting packet. Trustee Horan seconded. Chairwoman Wong asked for comments.

Trustee Horan suggested that the requests made today be included; Trustee Dent suggested that the required revisions made today be included in the motion.
Trustee Morris amended his motion to receive the Final Draft 2019 Community Services Master Plan as developed by Design Workshop and included in this May 1, 2019 Board Meeting packet and direct Staff to bring back the Community Services Master Plan for adoption on July 17, 2019 which will be included in the July 17, 2019 Board Meeting packet and includes the direction given to Staff at this meeting. Trustee Horan seconded the amended motion. Chairwoman Wong asked for further comments; no comments were received. Chairwoman Wong called the question and the motion was passed unanimously.

Chairwoman Wong called for a break at 9:25 p.m., the Board reconvened at 9:39 p.m.

H.3. Review, discuss, and possibly approve Resolution No. 1869 for a Medium-Term Installment Purchase plans for fairway mower for the Championship Golf Course ($92,000), golf carts for the Mountain Golf Course ($288,000), and snow cat for Diamond Peak Ski Resort ($390,000) and general contingency of $30,000 in the total amount of $800,000 (Requesting Staff Member: Director of Finance Gerry Eick)

Director of Finance Eick gave an overview of the submitted memorandum.

Trustee Morris said, referencing agenda packet page 233, if we buy the equipment outright we would pay $288,000 today and if we do the operating lease it would be $5,000 cheaper over five years; that’s awesome. Director of Finance Eick said for a number of years, we did lease our golf carts. Trustee Morris said that it is costing us less money is fabulous. Director of Finance Eick said that for the mower it is very likely that we may make the residual payment and keep it. The turnover on the snow cats is eight to ten years and when they are closing in on six thousand hours which is the sweet spot for this process.

Director of Finance Eick returned to his presentation.

Chairwoman Wong said except for the golf carts, which have a less of a life of the five years, what would be the replacement strategy. Director of Finance Eick said one month of the five years before the residual payment is due. Chairwoman Wong asked if it was the same for the others. Director
of Finance Eick said that we are stating it as such and in talking to the lease providers, they prefer a master lease. The State of Nevada is most comfortable with a Master Lease and they asked why weren’t having a multi-year agreement. We have talked to venue managers who know about the golf carts and we have had conversations with Kassbohrer about the snow cats and they want to go with five year leases and they will give us a guaranteed trade in value. The fairway mower is speculative but Staff is confident with the five year plan.

Chairwoman Wong asked, under the accounting standards, when are we subject to the new leasing standards. Director of Finance Eick said GASB 87 goes into effect in 2020 but in anticipation of that most are following after December 2018. It is account for it as a purchase without caring about how it is paid for.

Trustee Callicrate said, referencing agenda packet page 235, it shows the projected Community Services Fund balance at twelve million dollars and if you take out the amount for reserves as stated in the Board policy then it gives us eight million dollars in projected excesses. Director of Finance said that is correct and that this is before taking into account the things we are talking about in 2019. Trustee Callicrate said if we lease the golf carts, we are talking about $95,000 in interest. What are the costs to administer the loan and residual payment and does that put it over. Director of Finance Eick said he doesn’t have a document fee yet but it is his recollection that it would be somewhere between three and four hundred dollars times three sets for one thousand dollars.

Trustee Dent said, referencing agenda packet page 235, for the comparison between the two – what is the reason why for all the CSMP design money and not in the top one. Director of Finance Eick said during the April 18 meeting, he mentioned that one of his concerns was that he didn’t know the consequences. We are not budgeting anything in 2019/2020 for the CSMP. Based on the Board saying looking ahead, if you start to look at what some of those items might be, this is eight percent and is a discussion point for pre-design. Until the Board says you want a project, Staff doesn’t know about pre-design. Pre-design is hard to fund by a donor or partner and that timing is just setting an example. All Staff knows is that the dog park is going to make the top two projects and pre-design would be $272,000 for that project so for discussion purposes, you have to consider it. Staff wants to totally acknowledge the Board is doing a budget for one year and that we do
planning within the context of five years. Think about the other possibilities and again it is the Board’s choice about how we use those resources.

Chairwoman Wong said that she wants to make sure she understand this – just based on a few projects, this is the targeted fund balance while the actual fund balance will decrease and if we do any major projects it will cause it to go down. Director of Finance Eick said that is correct and he has left in the assumption that we would still characterize the Ski project as a bond; Staff has found a way to do the current plan within the resources we have.

Chairwoman Wong said that this leasing option is a fair cost to have the options for the future and make decisions related to all of these master plans.

Trustee Callicrate said that he semi-agrees with what Chairwoman Wong has said. We need $4.5 million dollars in reserves and taking that out of the projected balance leaves $8.5 million dollars which leaves us $7.3 million dollars and that is just sitting there. To him, this is an alarming situation with the accrual of all of this money and while it is not to the point of in excess, collecting this money and putting it toward something and keep on collecting it in the hopes of putting it aside well the optics just don’t look right. While that isn’t the point, we should have specific earmarked projects to spend the money on. He is shocked to see this amount of money and he thinks we need to be drawing down reserves towards specific projects and down the road do a bond; this is not the right way to move forward.

Chairwoman Wong said that she partially agrees but that the fund balance is available for things like the dog park which is a perfect way to use that fund balance to further that project. The concern she has is that the dog park is not revenue generating thus it is exactly what we are saving for. She is concerned about the Beach Fund. Right now, we have an ability to really accomplish some of these projects that we are about to start prioritizing and if we draw this down it will potentially not be there in the future.

Trustee Morris asked Trustee Callicrate if his overall goal is to reduce the fund balance so we can’t do anything.

Trustee Callicrate said absolutely not. That we have accrued without prioritization in mind is what was shocking to him and he is shocked that we have this much money. To spend one hundred thousand dollars on leasing when we could save that and buy the products we need with a small draw
down in that amount should force us to prioritize that money. We will still have money coming in from the Recreation Fee and we won't be drawing it down to a dangerous level and then by extending the life of these products, we will only be using them for half of their life. It doesn't make sense to him in the collecting in and then putting it into a slush fund.

Trustee Morris said he is surprised about Trustee Callicrante's reaction to the numbers as it is not a surprise to him and he is concerned about him not being able to track those numbers. During public comments, Mr. Abel talked about direct leasing from the manufacturer and saving one hundred thousand dollars; reference in agenda packet page 233. Is doing an operating lease less expensive than going through the manufacturer?

Director of Finance Eick said looking at agenda packet page 233, it is about twelve percent on the total of eight hundred thousand dollars and he believes that is where that is coming from. Staff met with the manufacturers and they offered their leasing options at the commercial leasing rate which is prime plus and that by going with the recommended leasing option, it is less than prime and actually about 4.5% in interest. The commercial lease is going to be 6.5% or 7%. Similar to what is offered on cars because they want to move cars. Kassbohrer and Toro asked us to get our own leases and Textron is in the business of doing financing.

Chairwoman Wong said by putting the numbers in context, our District budget is around $40 million dollars, we are talking about $100,000 over five years so that is $20,000 each year which is .05% of the District's budget. In the context of the overall operations of IVGID, it is minuscule. District General Manager Pinkerton said that what Staff likes about a lease is that it puts them in the operations budget and that with this residual opportunity, you have the option because with the golf cars, we have disposed them and then we have done the numbers and not disposed of them thus it gives Staff the flexibility to go either way.

Trustee Dent said, referencing agenda packet page 233, if these are sold when we are done we will be at $230,000 and if we pay cash. Director of Finance Eick said it isn't about costs rather it is about matching the flows and matching to what comes in and what goes back. Trustee Dent asked if the 2% interest rate was fixed. Director of Finance Eick said no, it is a floating rate and tied to agenda packet page 229. It has bounced around from 227 to 232 so it could go up and thus the rate would go up. The rate he used was 4.5% in March and it is fixed once the transaction is done. Trustee Dent
asked about insurance costs. Director of Finance said no as it is automatically covered under the POOL. Trustee Dent said there is one schedule for the golf carts and one for the mower and then one for the snow cat. Director of Finance Eick said no, only making one example as they are all relative. District General Manager Pinkerton added that start at the beginning of the fiscal year so they are a little different. Director of Finance Eick noted that they were done on a monthly basis so we pay less interest.

Trustee Morris asked how we got the interest calculations; Director of Finance Eick explained agenda packet page 230. Chairwoman Wong recapped the total annual cost.

Trustee Morris made a motion to adopt Resolution 1869 authorizing a Medium-Term Installment Purchase Agreement with a principal amount not to exceed $800,000.00, with an annual interest rate not to exceed an adjustable interest rate formulated at 220 basis points plus an index tied to the Federal Reserve Statistical Release H - 15 and repaid over five years, for the acquisition of three individual equipment items, with each having its own payment scheduled based on date of delivery, with the final purchase option or residual value paid at the conclusion of the five year period for each equipment item and authorize Staff to execute all documents based on a review by General Counsel and Staff, and after determining compliance with the State of Nevada Department of Taxation Guidance Letter 16-004 relative to leasing and installment purchase agreements. Trustee Horan seconded the motion.

Trustee Horan said philosophically he understands the discussion points about paying cash instead of leasing. These items are more in line with being the type of thing you should finance and that twelve months from now, he could have a different take but that right now there are too many unknowns so he would like to reserve our cash thus he is in support of this motion.

Trustee Callicrate said that this is a philosophical item. The Board has procedures and policies that we follow sometimes and sometimes we don’t. We need to follow baseline issues. He has been aware of how much we have been taking in but he wasn’t paying as close of attention which is incumbent upon him to do that. Having such a tremendous amount of money and because it doesn’t comply means we have a lot of flexibility with prioritization so this should be an outright purchase therefore he will be voting against this motion.
Trustee Horan asked what policies the Board are violating. Trustee Callicrate said by having excess monies in our reserves over the $4.5 million dollars that we are supposed to have and he can’t remember what it is for utilities. We have $12.1 million dollars and take out the $4.5 million dollars and we still have $8 million dollars. Trustee Horan said while he understands Trustee Callicrate’s concern, to say it is a violation of the policy when it is a minimum and not a maximum. Trustee Callicrate said what we have to have as a minimum is what we should have and not have it unearmarked. To just have it there isn’t great as folks have been asking him what do our Recreation Fees go for and it is sending the wrong message to the community. Trustee Horan said he isn’t disagreeing rather just asking where the violation of the policy is. Trustee Callicrate said in having $8.1 million dollars more. Trustee Horan said the policy sets a minimum therefore he doesn’t think it is a violation. Trustee Callicrate said we are borrowing money and asked why we are borrowing more money.

Trustee Morris said that he agrees with Trustee Horan as he too is failing to see a violation of the policy. A vote against this motion is a vote against doing too much for the community. The reason for the balance is because we knew all about these plans (golf, beach, etc.) and now we need to know what you want. We could have spent it so he doesn’t think it is irresponsible rather it is absolutely judicious as we now have all the plans and that based upon what we have such as doing a public/private partnership, etc. here is what this Board is going to do. To not do the leasing means we can’t do a major project. We all have to vote our conscience and his is a fiscally responsible way to move forward. He is sure that other entities would have had this lengthy discussion.

Trustee Dent said going back to the public interest and how does it benefit the public, there is thirty thousand dollars included for contingency and that moving forward with saying no to leasing and purchasing is out well there are plenty of ways to finance projects as we can adjust the Recreation Fee to put monies towards the beach, pool, etc. therefore he sees this leasing as a waste of money.

Trustee Morris said he wants to understand what he is hearing from Trustee Dent and that is to pay cash for everything and if not then it is a waste of money – he thinks that is the wrong thing to do.
Trustee Callicrate said that the Board has funded targeted balances and that anything about that should be earmarked. We are collecting it year and year and we have excess monies. We are collecting money for sunsetting bonds and he doesn’t think that is fiscally prudent. We have a fundamental difference. He is not against doing anything for the community because since being elected he has been talking about doing things and he is moving forward. To Trustee Dent, spending $100,000 is small so purchase it outright and move forward and then start being more diligent about how we prioritize things. He respects his colleagues and how they are going to vote. We are going to disagree and that it just how it is going to be.

Chairwoman Wong said that the policy states a minimum fund balance and doesn’t talk about earmarks. We have a project either the beach house or the dog park. Trustee Callicrate said we collect $830 and $705 and we can bump up how much we allocate to the beaches and reduce the other part. We have the flexibility with the $8.5 million dollars and we are going to have a public/private partnership on the dog park so he is not against service. Chairwoman Wong said that suppose the Board does make that shift then that is going to draw down the Community Services Fund balance because it is already at breakeven so it will draw it down to the minimum then how are we doing to pay for the dog park, etc. if there is no fund balance. Trustee Callicrate said there will be monies. Chairwoman Wong said no there won’t if you want to shift the Recreation Fee and allocate most of it to the beaches. Trustee Callicrate suggested four hundred dollars going to the beaches with the balance going to Community Services. Chairwoman Wong said that the balance is to pay for operations so when you draw down that fund balance it will go a lot quicker and we will be at our minimum. Trustee Callicrate said we should still build those projects. Chairwoman Wong said we won’t because it has to go to operations. Trustee Callicrate said $6.5 million dollars goes to operations. Chairwoman Wong said it will go really quickly and probably go within two years so this is spending the money twice. Trustee Callicrate said no. Chairwoman Wong said we will be drawing it down to it minimum level and we will be in trouble. Trustee Callicrate said if we are spending $8.1 million dollars in operations we have a serious problem. Trustee Morris said that is not what he is hearing from the Chair rather that if we spend $7 million dollars, we have got to maintain a minimum of $4.5 million dollars with money coming in next year.

District General Manager Pinkerton said there is not enough for maintenance and to pay off the bonds if we shifted that money to capital. The whole goal is to continue to have an $830 Recreation Fee so we would
have the dollars today. Staff has spent the last eight years getting to now and at some point in the future there will be a more restrictive cash flow which will make it harder to keep the Recreation Fee at $830 so this leasing lets you have steady, predictable payments. This is all this goal has been and Design Workshop has been getting to more and more realistic costs. Construction is a very tight market and the way to keep a steady and predictable Recreation Fee is do this leasing. It is a philosophical decision by the Board but the Board should keep in mind that we could have two bad winter years therefore Staff is just trying to keep all the options open to do what you want to do.

Trustee Callicrate said we get $6.7 million dollars in Recreation Fees. District General Manager Pinkerton said $335 in beaches and recreation and $50 in debt. Trustee Callicrate said we have plenty of money to do put into our projects and still have the money left over to do the legacy projects while bonding for Ski Way and then for some of the larger items to do a long term bond. District General Manager Pinkerton said we need four out of five Board members to vote in favor of doing that and Staff can’t predict that outcome. Staff is attempting to follow our policies and for the large ticket items to do a bond and to pay for our operations while leasing others to put the least pressure on the Recreation Fee.

Hearing no further comments, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed and Trustees Horan, Morris and Wong voted in favor. The motion did not pass.

Director of Finance Eick said to be clear, on the May 22 meeting, Staff will put these items in the budget as paying for cash.

H.4. Board Work Plan – Ordinance 7 – Follow up review, discussion and possible direction to Staff (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong said we have on our calendar, for July 24, a community forum. She would like the Board to take our top items and then group them and ask our community to give us feedback; Chairwoman Wong then asked each Trustee for their three items.

Trustee Morris – top two – split Ordinance 7 between beach and everything else and cleanup of the administrative challenges.
Trustee Horan said that he agrees on splitting of the ordinance and cleanup of the administrative issues and he would like to add review of the utilization of the punch cards to create more value through expansion or not and regarding beach access, without jeopardizing the status quo, look at nannies, etc. without changing the family tree.

Trustee Callicrate said he concurs with his two colleagues about split out and punch cards and would add guest tickets and tightening that up while giving our Staff the best tools. Trustee Callicrate thanked the folks who work the beaches and the counters as we have a great team.

Trustee Dent said he has the same items – modernizing the family tree, splitting up the ordinance, and making sure we are creating value with the punch cards.

Trustee Horan said that he knows that there is a lot of angst over the access to the beaches and those that live here feel better and those that don’t, don’t so anything we do there has to be equal to the property owners.

Chairwoman Wong said that she agrees with what has been mentioned – modern family tree, etc. One of the ideas that really stuck with her was the concept of a permanent guest card that kind of stemmed from parcel owners that she sees as an inner circle – picture pass holders, then guest. With a guest of a guest – how do you manage to keep it to those two circles and not the third?

Trustee Morris said that there is angst about the beaches and that he was surprised to see the number that the District General Manager analyzed hence we get a lot of California license plates and then the suggestion that they don’t have equal rights. He wants to build upon Trustee Dent’s comment and that is delivering value – what is the value of the pass and/or punch card and that he sees that as developing a nice list of the benefits.

At 10:51 p.m. Trustee Callicrate departed the meeting.

Chairwoman Wong said that if the Senior Staff have any ideas to please add them to that list and then we will discuss this list at the next Board meeting. District General Manager Pinkerton said would it be acceptable to that at the June 19 Board meeting. Chairwoman Wong said sure.
Chairwoman Wong asked if all the Board members were fine with the July 24 Board meeting; all were fine with that scheduling.

H.5. Board Work Plan – Master Plan/Capital Plan – Review, discuss, and possibly provide direction on an outline a schedule for workshops, public meetings, communications, etc. (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong said that she would like a one page, high level summary of all the components of all the plans that says here are the costs with a range being acceptable and then show the projects that have been completed and/or include a project status. Sitting behind that any key survey results for any of those master plans so that this can be used to help us prioritize.

District General Manager Pinkerton said that Staff can do that as long as we can use both sides of the piece of paper.

Trustee Morris said that he agrees with bullet points and that basically it will be a spreadsheet of what we have done and that he likes the laundry list as well. Regarding the CSMP, Staff has got that coming back to finalize it in July. After July, then the Board will have the meaty prioritization discussions we need to have. District General Manager Pinkerton said Staff will bring it back in June.

Chairwoman Wong said, referencing the schedule on agenda packet page 235, mock that schedule up with the $830 Beach and Recreation Fee and increase the Beach Fee while decreasing the Recreation Fee and she wants everyone to see when we run out of fund balance and that it would only be for discussion. District General Manager Pinkerton said assuming no financing whatsoever; Chairwoman Wong said yes. Trustee Dent said would it show bonding for Ski Way. District General Manager Pinkerton said that the roundabout has no financing. Chairwoman Wong said yes, let’s see what it looks like with one with bonding for Ski Way and one without bonding for Ski Way. Trustee Dent asked if we could add in the beach house to the beach portion. District General Manager Pinkerton said we can adjust it to make the beach house work with the project spread out over the next three years; Chairwoman Wong said that was okay. Chairwoman Wong said please set goals and timelines and noted that it would have been great to have had Trustee Callicrate here so let’s hold it over to the next meeting.
District General Manager Pinkerton said Staff can give the Board the proposals.

I. DISTRICT STAFF UPDATE (for possible action)

I.1. General Manager Steve Pinkerton

District General Manager Pinkerton said he had nothing to add to his submitted report and asked if there were any questions. Trustee Dent said we heard earlier, from Mr. Faust, about potentially acquiring the land across from the high school so can the District General Manager move forward with reaching out to Washoe County Commissioner Berkbigler, in our best interest, and try and work that. District General Manager Pinkerton said that the direction is very clear and we will start that clock today. Trustee Horan said that the politics of that are the politics of that and that whatever we can do to fast track it, he agrees we should go down that road. District General Manager Pinkerton said no stone will be left unturned.

J. APPROVAL OF MINUTES (for possible action)

J.1. Regular Meeting of March 28, 2019

Chairwoman Wong asked for any changes, no changes were requested therefore the minutes were approved as submitted.

K. REPORTS TO THE IVGID BOARD OF TRUSTEES*

K.1. District General Counsel Jason Guinasso

District General Counsel Guinasso said that Litigation Counsel let us know they have filed their answering brief, brief exceeds the page limits required by Nevada Supreme Court, asked for relief to those page counts, and that appeal is percolating through the process. Once determined, Mr. Katz will have thirty days to reply. All of this might necessity some oral arguments in July with decision in fourth quarter of this year.

L. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*
L.1. Follow up on the IVGID Code – Check in with the Trustees to see how well they are working with their binders, etc. by Chairwoman Kendra Wong

Trustee Dent said that he picked up his binder on Monday and that he has not opened it. Trustee Horan said he is waiting for Staff. Trustee Morris said he is fine with what he has.

M. PUBLIC COMMENTS*

Steve Dolan thanked Trustees Dent and Horan and District General Manager Pinkerton for expediting the efforts on the land. He has been on the board for non-profits and having too much money in reserve can jeopardize the non-profits status and while he doesn’t know how that applies here, he thinks it has potential. He completely agrees with Chairwoman Wong on the price of $3.4 million dollars for a dog park; he doesn’t get it. When Preston Field was going to be renovated at a cost of nine hundred thousand dollars, he helped the District save twenty percent. If you want him to help with saving the money on the dog park, he would do so for ten percent of the savings. Some people think you have to have a toilet, well, just have a one holer. While there is some infrastructure, he just doesn’t see it so he is more than happy to help save the money as he has done it before. Thank you for all the work and appreciate all you are doing.

N. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)

District General Manager Pinkerton went over the calendar and add an item for the June 18 meeting for Ordinance 7.

Trustee Dent said that he has a conflict with the meeting scheduled for October 9.

Trustee Dent asked to add to the long range calendar consideration of hiring a consultant to look at the Utility Fund and to do a rate study. Trustee Morris said he was not in favor of that addition. Chairwoman Wong said no. Trustee Dent said he had already made the request and asked what the Board policy is. District General Counsel Guinasso said that a Trustee can make a request and then the Chair and the District General Manager will determine when that request comes on and that the requesting Board member helps to prepare the material and then when the agenda comes forward, the Board can determine, during the agenda vote, if they want that item or not. District General Manager Pinkerton asked that Trustee Dent give him a summary of what he wants included on the agenda.
O. **ADJOURNMENT (for possible action)**

The meeting was adjourned at 11:14 p.m.

Respectfully submitted,

Susan A. Herron
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 Director of Finance Eick (5 pages)

Submitted by Mike Abel (1 page): Bonds and Borrowing

Submitted by Tony Lillios (2 pages)

Submitted by Aaron Katz (11 pages): Written statement to be included in the written minutes of this May 1, 2019 regular IVGID Board meeting – Agenda Items C & H(3) – Purchase of personal property on an installment basis rather than for cash on hand

Submitted by Judith Miller (1 page): Public Comment IVGID Board of Trustees Meeting 5/1/2019

Submitted by Aaron Katz (16 pages): Written statement to be included in the written minutes of this May 1, 2019 regular IVGID Board meeting – Agenda Item H(2) – Review and receive the preferred Community Services Master Plan Final Draft 2019 ("The CSMP")
From: Kirk Hardie <krhardie@yahoo.com>
Date: May 1, 2019 at 1:09:18 PM PDT
To: horan_trustee@ivgid.org, wong_trustee@ivgid.org, callcrate_trustee@ivgid.org, morris_trustee@ivgid.org, dent_trustee@ivgid.org
Cc: "Herron, Susan" <Susan_Herron@ivgid.org>
Subject: Comment re: May 1st Regular Meeting, Agenda item C

Dear Trustees,

I strongly recommend and encourage you to approve the proposed leases for golf carts, mowers and a grooming machine. Especially with such a low interest rate available to IVGID, it is prudent and financially responsible to spread the cost of these assets over their service life. Thanks to the IVGID staff for managing our money well enough to have one of the best credit ratings in NV. The lease vs. buy decision has been a staple of business leaders forever; and overwhelmingly businesses decide to lease. The golf and ski operations are more similar to business than to government. Unless you are aware of specific facts unique to IVGID, it would be foolish and irresponsible to purchase instead of lease.

Additionally, reducing our cash has a cost: it limits our ability to do additional work. For example, the community has voiced strong opinions about making improvements to Incline Village, both rehabbing existing assets, and developing new services. In order to make sound decisions about any improvements, assessments are required (e.g., architectural work, design analysis, etc. necessary to develop a real cost estimate). That takes cash. By voting against the leases you are essentially saying "I don't want to make improvements." If you vote no, please be up front and tell the residents who you represent and that you are not interested in moving Incline Village forward.

Thank you for being open to input and listening,

Kirk Hardie

“Not everything that counts can be counted, and not everything that can be counted counts.”

-Sign hanging in Einstein's office at Princeton
Begin forwarded message:

From: Lindsay Fletcher Hardie <lindsaybfletcher@gmail.com>
Date: May 1, 2019 at 8:55:41 AM PDT
To: horan_trustee@ivgid.org, wong_trustee@ivgid.org, callicate_trustee@ivgid.org, morris_trustee@ivgid.org, dent_trustee@ivgid.org
Cc: "Herron, Susan" <Susan_Herron@ivgid.org>
Subject: Comment re: May 1st Regular Meeting, Agenda item C

Dear Trustees:

I strongly recommend and encourage you to approve the proposed leases for golf carts, mowers and a grooming machine. Especially with such a low interest rate available to IVGID, it is prudent and financially responsible to spread the cost of these assets over their service life. Thanks to the IVGID staff for managing our money well enough to have one of the best credit ratings in NV. The lease vs. buy decision has been a staple of business leaders forever; and overwhelmingly businesses decide to lease. The golf and ski operations are more similar to business than to government. Unless you are aware of specific facts unique to IVGID, it would be foolish and irresponsible to purchase instead of lease.

Additionally, reducing our cash has a cost: it limits our ability to do additional work. For example, the community has voiced strong opinions about making improvements to Incline Village, both rehabbing existing assets, and developing new services. In order to make sound decisions about any improvements, assessments are required (e.g., architectural work, design analysis, etc. necessary to develop a real cost estimate). That takes cash. By voting against the leases you are essentially saying “I don’t want to make improvements.” If you vote no, please be up front and tell the residents who you represent and that you are not interested in moving Incline Village forward.

Thank you for being open to input and listening.
Begin forwarded message:

From: cfdoblcr@aol.com
Date: April 30, 2019 at 8:50:29 PM PDT
To: linda@marknewman.net, wong_trustee@ivgid.org, horan_trustee@ivgid.org, callicrate_trustee@ivgid.org, dent_trustee@ivgid.org, Peter_Morris@ivgid.org
Cc: Susan_Herron@ivgid.org
Subject: Re: Objection to the District’s Issuance of an $800,000 Medium-Term Installment Purchase Plan and Proposed Resolution 1869

While I oppose borrowing any money to purchase operating equipment, it should be noted that on page 235 of the Board Packet for tomorrow’s meeting, the Community Services Fund balance at the end of this fiscal year is expected to be $12,692,482. Subtracting the targeted fund balance of $4,493,000 there is $8,199,482 in excess fund balance which is far in excess of the $6,000,000 you indicated in the e-mail below. Also according to page 235 at the end of fiscal year 2023/2024 the excess funds over the targeted fund balance would be over $4,000,000. To compare an apple with an apple and see actual consequences I have excluded $2,279,800 which Staff, being disingenuous, added expenditures for design of Community Services projects to the "ALTERNATIVE - NO LEASING scenario but did not include them in the LEASING scenario. Therefore the IVGID staff apparently cannot even find a need to borrow money over the next five years. Borrowing should only be required if no money is available.

The reality is that assuming this Board approves the borrowing they do not want to comply with their own Board Policy for an appropriate level of fund balance and want to waste money on interest. Does this in anyway seem APPROPRIATE.

Thanks for sending me this e-mail

Clifford F. Dobler
April 30, 2019

Dear Trustees Wong, Horan, Callicrate, Dent and Morris;

We oppose the District’s issuance of an $800,000 Medium-Term Installment Purchase Plan for the mower, Mountain Course Golf Carts and Snow Cat.

As the Community Services Fund has a surplus of $6 million over and above the $4.7 million targeted fund balance, there is more than adequate cash available to fund these purchases. It is a waste of our taxpayer money to incur $30,000 for contingencies above the $770,000 needed for this purchase and imprudent to unnecessarily pay close to $100,000 of interest expense.

We request that you vote against Resolution 1869 and exercise proper financial management of our public money by paying cash for these purchases.

Very Truly Yours,

Mark and Carolyn Alexander
Jack Dalton
Cliff and Iljosa Dobler
Wayne Ford
Mike Hess
Karen Hovorka
Gail Krolick
Sara and Leonard Lafrance
Thomas M. Lahey
David and Margaret Martini
Linda and L. Mark Newman
Sara Schmitz
Dick Warren
Dear Trustees:

I strongly recommend and encourage you to approve the proposed leases for golf carts, mowers and a grooming machine. Especially with such a low interest rate available to IVGID, it is prudent and financially responsible to spread the cost of these assets over their service life. Thanks to the IVGID staff for managing our money well enough to have one of the best credit ratings in NV. The lease vs. buy decision has been a staple of business leaders forever; and overwhelmingly businesses decide to lease. The golf and ski operations are more similar to business than to government. Unless you are aware of specific facts unique to IVGID, it would be foolish and irresponsible to purchase instead of lease.

Additionally, reducing our cash has a cost: it limits our ability to do additional work. For example, the community has voiced strong opinions about making improvements to our existing assets. In order to make sound decisions about any improvements, assessments are required (e.g., architectural work, design
Bonds and Borrowing

Since Mr. Pinkerton’s arrival in 2014, IVGID’s finances have been massaged, manipulated and obscured from the clear public view.

About 30 years ago when the Exxon Valdez oil spill occurred, Exxon ramped up a giant Public Relations advertising campaign to tell the public what a kind and environmentally gentile company it was. Like Exxon the IVGID PR machine continually tells us how great it is and how transparent its finances are, when like crude oil on the beaches of Alaska – the ugly mess of IVGID’s finances are obvious to those who actually look closely.

Tonight’s proposal is just that more crude oil in the faces of IVGID area residents. While I do not have an inside track on the critical need or lack thereof to procure the new Golf Carts, the snow cat and the Groomer. Let me assume that more intelligent minds than mine say that we critically need these things – and NOW.

Although the Community Services Fund has more than $6 million of surplus funds over and above the $4.7 million targeted fund balance and can easily pay cash for these purchases, Staff and three Trustees want us to incur about $100,000 of unnecessary interest expense, plus borrowing and an extra $30K for our GM’s slush fund. Then, Wong and Morris hold a hammer over the head of the taxpayers and two trustees by saying that we will have to raise the Recee by $95 if they do not buy into this lease agreement. As they say on the street WTF?

Let us assume that I am a financial idiot, my numbers are wrong, and IVGID needs a few extra dollars to procure this equipment. I find it extremely difficult to believe that IVGID cannot find convenient factory financing on most if not all of these purchases. Most manufacturers of almost any product nowadays have a finance unit to arrange convenient financing and purchase options. Why did our staff and trustees not look in that direction? Is it laziness, stupidity, or maybe California First National is providing some kinds of inducements to our esteemed staff not mentioned at this hearing. Furthermore, the lease instrument in the Board packet has a cryptic reference to a 4.52% interest rate and another cryptic reference in section 23 to an “initial administrative fee” which is again not shown in the associated material. Nowhere do I see this information clearly stated in the packet or contract. In other words, the real costs and fees are unknown.

I urge our two non-kool-aid-drinking trustees to quash this foolish waste of taxpayers money by denying chair the 2/3 necessary vote on this matter.
Tony Lillios  
930 Tahoe Blvd.  
802-511  

Trustees and IVGID staff I want to thank you for the opportunity to make a public comment. I first wanted to thank you all for the incredible service you all provide to the community individually and collectively. We live in an incredible place that most of us have chosen to live here on purpose and I want to thank for your dedication to keeping what we love here thriving and continuously improving the district.

Your service is evidenced by the thoughtful and thorough discussions on the complex and widely varied topics that are brought forth.

My comment today is regarding a topic that is not complex and it is in regards to basic financial practices.

If I took a survey of the room here, I am certain that nearly everyone here carries some level of financing. Most commonly we take out mortgages to live in our homes and spread the cost over the long term. In this room we have a wide variety of folks that go from living on fixed incomes to those with two commas in their bank accounts. And despite that spread, most every single person carries some level of debt. It’s because it is the right thing to do. Do some people have unhealthy levels of debt? Absolutely. I would firmly say that no debt is at other end of the spectrum and is unhealthy as well.

Our Community Services and Beach Fund are nearly debt free.

We are looking at several capital equipment purchases including golf carts, a mower and a snow cat. There is a plan to purchase these items in CASH over the next few years! For $800,000! That comes out to $95 per parcel.

Why would you burn our short-term cash for something that you can finance over much longer terms over useful life over these items? Or even lease them.

It is irresponsible to use free cash this way. This approach moves us closer to a situation of where we may either unnecessarily and prematurely raise our rec fees or that future planned programs, like items in the Master Plan, go unfunded. In the worst case, our existing facilities, teams and infrastructure get starved for the cash that they need to operate. Free cash is the oxygen that allows an entity to breathe. Why are we suffocating IVGID?

I know sometimes issues here are discussed with such passion you would think we are talking about lead in our water or horrific crime rates. I hope we don’t lose sight what an amazing place it is and how well run it is. A place that we chose to come to. A place that we choose to stay.
I love Incline like so many of us do. I want to thank you for handling incredibly complex decisions week over week. This isn't complex.

You absolutely need to start issuing responsible debt to move us back on track.

Thank you for your time and for your service.

-Tony Lillios
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MAY 1, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C & H(3) – PURCHASE OF PERSONAL PROPERTY ON AN INSTALLMENT BASIS RATHER THAN FOR CASH ON HAND

Introduction: Here staff propose having the Board enter into a creatively financed purchase agreement for nearly $800,000 of wasteful and unnecessary personal property (a $92,000 mower for the Championship Golf Course, a $390,000 snow grooming machine for Diamond Peak, and $288,000 for 58 golf carts for the Mountain Golf Course). The financing vehicle staff proposes the Board implement is identified as a five year “Master Equipment Lease/Purchase Agreement” with California First National Bank. Although staff admit “there (will be) an interest cost,” they never share exactly what that cost will be. And notwithstanding, they unbelievably assert that “overall the (cost) savings (will) cover it” (from where will these cost “savings” come?).

Although the District has nearly $12,700,000 in reserves, it would rather retain them for a slew of new capital expenditures associated with Community Services (“CSMP”) and Diamond Peak (“DPMP”) Master Plans (neither of which has been approved), and a Beach Recreation Enhancement Plan which does nothing more than “guide...possible major capital improvements...at the beach properties over the next 10 to 15 years,” that propose shackling local property owners with an unbelievable possible $81.5 million or more in new indebtedness (and this assumes staff’s estimates

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3 See page 219 of the 5/1/2019 Board packet.


5 Go to [https://www.diamondpeak.com/uploads/pages/Diamond_Peak_Master_Plan_August2015_reduced_1.pdf].


are accurate which rarely turn out to be true). As a consequence, staff wants the District to pay many
tens of thousands of unnecessary public funds in interest costs now which sets the stage for its real
agenda coming to a theater near you.

Although there can be “smart” borrowing, this isn’t an example of the principle. And for these
reasons, I and others I know are AGAINST subjecting the public to this unnecessary indebtedness. And
that’s the purpose of this written statement.

The Subject Proposed Financing Vehicle Represents an Installment Purchase Agreement: NRS
350.0055 defines an “installment purchase agreement” as “an agreement for the purchase of real or
personal property by installment or lease.” Take a look at the proposed “Master Equipment
Lease/Purchase Agreement². It fits the definition to a “T.”

This Hearing is Not a True Public Hearing Because Members of the Public Have Not Been
Given a Reasonable Opportunity to Submit Data, Views or Arguments Against Entrance Into This
Agreement: Although NAC 350.110(1) instructs that a public hearing shall take place before a
resolution which approves entry into an installment purchase agreement is “voted on by (a) governing
body,” nowhere does it instruct exactly what represents a “public hearing,” nor how it is to be
conducted. Given NRS 318.199(4) instructs “that...at the place, date and time specified in the notice
(proposing increases in water or sewer rates)...all users of the service or product (proposed to be
increased) shall be afforded a reasonable opportunity to submit data, views or arguments orally or in
writing,” I submit same reasonable opportunity requirement is applicable to the subject public hearing.

Look at the 22 pages of material staff have placed into the Board packet for this meeting which
argues the case for entry into the subject agreement⁹. Look at the amount of time (nearly 15 minutes)
given to Mr. Eick and GM Pinkerton to make their case for entry into the subject proposed
agreement¹⁰. And at this meeting on May 1, 2019, look at the additional time which will be afforded to
Mr. Eick to “provide an overview, which may include a PowerPoint presentation, (in support of the
proposed installation purchase plans”¹¹ (i.e., the agreement). Yet here I predict the Board’s
chairperson will determine that members of the public will be afforded a scant three minutes to
submit their data, views or arguments¹². Does this represent “a reasonable opportunity” for the
public to submit their data, views or argument? Or is this evidence of doing nothing more than “going
through the motions?”

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¹⁰ See 2:19:30-2:34:09 of the livestream of the Board’s March 18, 2019 meeting ("the 3/18/2019
livestream" [https://livestream.com/IVGID/events/8606692/videos/188880510]).

¹¹ See ¶5 at page 5 of the 5/1/2019 Board packet.

¹² ¶6 at page 5 of the 5/1/2019 Board packet states “Chairwoman Wong will state (that) the
comments made during the public hearing (will be)...governed by the Chair and Chairwoman Wong
(will) state the rules she wants to use.” When it comes to the time afforded to members of the public,
I predict she will state “3 minutes.”
This Hearing is Not a True Public Hearing Because the Outcome Has Been Pre-Ordained: So again, what constitutes a “public hearing” for NAC 350.110(1) purposes? Let’s start with staff’s notice\textsuperscript{13}. Let’s look at the title: “Notice of intention to Authorize a Medium-Term Installment Purchase Agreement.” Look at page 219 of the 5/1/2019 Board packet: “during that meeting it was agreed to consider the use of time payments for three items scheduled for that fiscal year.” If the outcome of this public hearing has already been determined, is the purpose anything more than “going through the motions?” If so, so much for public hearings

Notwithstanding, the Subject Proposed Financing Vehicle Requires an Affirmative Vote From Four Trustees: Look at NRS 350.087(1): “If the public interest requires a medium-term obligation or installment-purchase agreement, the governing body of any local government...may authorize a medium-term obligation or installment-purchase agreement...by a resolution adopted by two-thirds of its members.” For the reasons herein, hopefully at least two of our trustees will vote NO.

Our Cash Position: On April 10, 2019 the District’s Finance Director, Gerry Eick, submitted staff’s tentative 2019-20 budget. In a cover letter to “the Board of Trustees and Citizens of Incline Village and Crystal Bay,” Mr. Eick represented that as of June 30, 2019 the District will have a Fund balance in the Community Services (recreation) Fund of $12,692,482\textsuperscript{14}. Actually I and others I know expect the number to be quite a bit higher given Diamond Peak realized considerably more revenue than budgeted, and in fact, the highest revenue in its history! Even if we maintain $4.3 million in Community Services reserves as a “base” as the Board has determined it wants to maintain\textsuperscript{15}, we still have an additional $ million in reserves.

And for those of you who don’t know what “Fund Balance” means, NRS 354.533 instructs: the “excess of assets over liabilities in a governmental fund.” Or as IVGID staff represented to the IVGID Board at its February 6, 2019 meeting\textsuperscript{16}, the term is synonymous with unrestricted “reserves.”

Therefore if the Expenditure of $800,000 is warranted for the Personal Property the Subject of This Agenda We Can Readily Afford to Pay Cash Rather Than Finance:

\textsuperscript{13} See page 6 of the 5/1/2019 Board packet.

\textsuperscript{14} See page 308 of the packet of materials prepared by staff in anticipation of the Board’s April 10, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet-Regular-4-10-19.pdf (“the 4/10/2019 Board packet“)]. That page with an asterisk next to this representation is attached as Exhibit “A.”

\textsuperscript{15} See 4:14:47-51 of the 4/10/2019 livestream.

\textsuperscript{16} The Board livestreams its meetings (see https://livestream.com/accounts/3411104). The livestream of the Board’s February 6, 2019 meeting can be viewed at: https://livestream.com/IVGID/events/8554858/videos/186962551 (“the 2/6/2019 livestream”). For evidence of Mr. Eick’s representation to the Board, go to 1:05:29-1:08:16 of the 2/6/2019 livestream.
But Staff Doesn’t Want to Draw Down Community Services Reserves: Because it wants to use those reserves to spend more “for a broader schedule of (new) purchases.”17 What purchases? For starters, they’re set forth at pages 235-236 of the 5/1/2019 Board packet and not only include millions of dollars of wasteful spending on new projects (which expand IVGID’s footprint rather than maintaining and improving our existing footprint18), but $4.85 million of new bonds to boot!

Moreover, staff admit it doesn’t want to use reserves to balance the proposed 2019-20 budget so they are available to be used “once the Community Services Master Plan is adopted” so these monies can be used for “pre-design or design work ahead of any actions for (actual) implementation.”17

Yet When the Board Began Assessing Local Parcel/Dwelling Unit Owners a RFF/BFF Totaling More Than the Amounts Actually Necessary to Subsidize Staff’s Overspending Assigned to Recreation/the Beaches (i.e., “Smoothing”), Didn’t it Tell the Public That the Reason Was to Build Reserves So That When Major Capital Expenditures Were Required, as They Are Supposedly Now Required, We Wouldn’t Have to Incur General Obligations Such as the Subject Proposed Installment Purchase Agreement? Why then isn’t staff proposing that we spend down reserves rather than finance the acquisition of this $800,000 of personal property? And if we’re not going to do what the Board told the public it would do because of smoothing, for what purpose is smoothing?

If the Public Will Actually Realize Cost Savings by Financing Rather Than Outright Purchasing This Equipment, Why Not Reduce Everyone’s Recreation Facility Fee (“RFF”)?

In Fact, Since the District Has Accumulated Nearly $13 Million in Community Services Reserves, Why Isn’t There a Reduction or Elimination of the RFF?

What’s the Real Cost of This Proposed Financing? Mr. Eick really doesn’t tell us. At page 219 of the 5/1/2019 Board packet he admits “there is an interest cost” and that “overall, the savings can cover it,” but he never tells us what that cost actually is.

1. Interest Costs: Take a look at ¶9 of the proposed lease agreement19. It states that “lessee shall...pay Rental payments as described in Exhibit A-1 to each lease.” But no exhibits are attached to the proffered lease, and in particular, Exhibit A-1 is not attached. Which means there’s no way for the Board and the public to know the true cost of this alternative financing arrangement. Was this omission an oversight Mr. Eick? Or was it intentional? So what’s the interest cost Mr. Eick? Why is Exhibit A-1 missing? And why haven’t you shared the true interest cost with the Board and the public?

17 See page 220 of the 5/1/2019 Board packet.

18 Didn’t the Board survey local parcel/dwelling unit owners to learn whether they were in favor of growing bigger and bigger, or staying where we are? And didn’t 2/3rds of those who responded vote that they did not want IVGID to grow bigger and bigger? Given the CSMP and the DPMP propose tens of millions of dollars in new, bigger footprint capital projects, why do you refuse to listen to your constituents?

19 See page 224 of the 5/1/2019 Board packet.
2. **Adjustments to the Interest Cost**: Since Mr. Eick has omitted exhibits and schedules to the proposed lease agreement, but for his buried “statement in passing,” the Board and the public do not realize that the interest rate is *variable*. This means that although the *initial* rate may be “220 basis points plus an index tied to the Federal Reserve Statistical Release H-15” or 4.52% (assuming this lease were executed in April of 2019 as opposed to May of 2019 or later), what is it going to be a year from now? Or three years? Or four years? Because you don’t know, there’s no way for the Board and the public to know the true cost of this alternative financing arrangement.

3. **Administrative Fees**: Take a look at ¶23 of the proposed lease agreement. It states that “upon lessee’s execution of the (proposed lease agreement,) lessee shall pay to lessor ‘an initial administrative fee” in the amount set forth in the related schedule.” But this “schedule” is not attached to the proffered lease. Which again means there’s no way for the Board and the public to know the true cost of this alternative financing arrangement. Was this omission an oversight by Mr. Eick? Or was it intentional? So what’s the administrative fee Mr. Eick? Why is this schedule missing? And why haven’t you shared this “add on” cost with the Board and the public?

4. **Applicable Purchase Price**: Although the proposed lease agreement gives IVGID an option to purchase the equipment the subject thereof, nowhere does Mr. Eick share the option price. Take a look at ¶22 of the proposed lease agreement. It states that “lessee shall have the option to purchase lessor’s interest in all of the equipment listed in any lease...(however,) upon payment in full of the rental payments then due...plus the then applicable purchase price as referenced in Exhibit A-1.” Again, why is this exhibit not attached to the proffered lease? Was this omission an oversight Mr. Eick? Or was it intentional? So what’s the price Mr. Eick? And why haven’t you shared this “add on” cost with the Board and the public? The answers to these questions mean there’s no way for the Board and the public to know the true cost of this alternative financing arrangement.

5. **Pre-Payment Penalties**: Although the applicable purchase price is contingent “upon payment in full of the rental payments then due,” Mr. Eick doesn’t tell us whether a pre-payment penalty applies should there be pre-payment before the five year term of the proposed lease agreement matures. Which again means there’s no way for the Board and the public to know the true cost of this alternative financing arrangement.

6. **Summary**: Although Mr. Eick has done a cash flow comparison for the purchase versus lease of 58 golf carts, these carts only represent 37% of the total nearly $800,000 equipment cost. If the financing costs for only 37% of the proposed equipment cost = $34,309 or $38,926 with a residual, the financing costs for 100% of the proposed equipment cost must total in excess of

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20 See ¶1.1 on page 218 of the 5/1/2019 Board packet under “Recommendation” where Mr. Eick tells us the applicable interest rate (whatever it will be) shall “not...exceed an adjustable interest rate.”


22 See page 226 of the 5/1/2019 Board packet.

23 See page 233 of the 5/1/2019 Board packet.
$110,000 PLUS applicable administrative fees and any increased cost as a result of interest rate adjustments and pre-payment penalties. But this is just an educated guess. The more pertinent question is that if the Board and the public do not know the true cost of this alternative financing arrangement, how can any member intelligently decide whether to enter into it? And why believe the recommendations of a staff who go out of their way to deceive (once a deceiver, always a deceiver)?

**Red Flags:** Mr. Eick tells us that there is no requirement the District go out to public bid for this alternative financing arrangement\(^1\). He also tells us “the District has previously worked with California First National Bank” (the lessor under the proposed lease agreement)\(^2\). Notwithstanding, he tells us “staff did contact four entities who have previously indicated (an interest in leasing, however,) only California First National Bank is” allegedly qualified\(^3\). These are all “red flags.”

**California First National Bank is Eager to Provide Alternative Means of Financing For IVGID’s Future Equipment Purchases:** At page 220 of the 5/1/2019 Board packet Mr. Eick tells us that California First National Bank is “willing to consider (the financing of) additional (equipment) purchases in future years, however, staff is reluctant” at the present time\(^4\). This is another “red flag” because what is to stop IVGID in the future? After all, a close inspection of the proposed lease agreement\(^5\) reveals it is open-ended. In other words, there’s nothing to stop staff from adding new equipment purchases to new schedules attached to the subject agreement. This sets a very dangerous precedent.

**Regardless of the Alternative Financing Costs, We Don’t Need a New State of the Art $400,000 Snow Plow:** Does the Board realize that the snowplow for Diamond Peak staff is proposing costs $100,000 LESS without the GPS option? So why are we spending the additional $100,000? Is it because of the belief we always have to spend the most because we’re Incline Village and we deserve it? We’re NOT Squaw Valley, Northstar nor Heavenly. Since we don’t have nearly the revenue nor skier visits that these ski areas do, it makes no financial sense to spend this kind of money on snowplows.

Moreover, what’s wrong with the current snowplow staff proposes replacing? Why can’t we extend its useful life? And assuming we can’t, why not purchase used snowplows from Squaw Valley, Northstar, Heavenly or whomever? If you’re looking to save money here’s a simple way to save several hundred thousand dollars or more.

**And We Don’t Need 58 New Golf Carts for the Mountain Course:** Since we use our carts one-third as much most year round golf courses, their remaining useful life is *many years*. Why the need to recycle our fleet every five years?\(^2\) And by-the-way, $288,000 for 58 carts = nearly $5,000/cart. And remember, these aren’t the “super-duper” GPS enabled carts that are used at the Championship Course. They’re basic “entry level.”

Moreover, what’s wrong with our current carts staff proposes replacing? Why can’t we extend their useful lives? Even if we’re looking at increased maintenance costs, we need to incur nearly $300,000 of those costs before we reach the cost staff now proposes. If you’re looking to save money here’s a simple way to save nearly one hundred thousand dollars.
And We Don’t Need Another Nearly $100,000 Lawn Mower: Are you out of your mind? For a lawn mower? What’s wrong with our current mower which staff has earmarked for replacement? If you’re looking to save money here’s a simple way to save several hundred thousand dollars or more.

Doesn’t the Board Recall Trustee Morris’ Announcement at the Board’s March 18, 2019 Meeting That We’re at a Crossroads and Either We Finance Capital Improvement Recreation Projects, We Massively Increase the RFF, or We All Go Home? Well it’s time for you to go home Trustee Morris. If this initiative fails, I DARE YOU AND YOUR TWO RUBBER STAMPS (Trustees Horan and Chairperson Wong) to increase the RFF by the approximate $95/parcel/dwelling unit staff estimates will be required “to provide resources for the outright purchase of these three items.”

It’s Time to Massively Increase the RFF/BFF Because There’s No Way We Can Afford the Massive New Spending Required for the Diamond Peak and Community Services Master Plans, the Plan For Enhancement of Beach Facilities, and the $27.3M Staff Projects Spending on its Other Capital Improvement Projects? Listen to staff’s proposed spending:

1. Diamond Peak Master Plan: Notwithstanding this “Plan” has never been adopted (it was only “accepted”), its cost in 2015 dollars is a whopping $16,408,462;

2. IVGID Beaches Recreation Enhancement Opportunities Plan: This “Plan,” which was approved on February 24, 2016, proposes spending anywhere from $6.13 - $7.330 million or possibly more, in 2016 dollars;

3. Community Services (Recreation) Master Plan: Although this “Plan” has not yet been approved, Design Workshop (the District’s consultant) has submitted a “Final Draft 2019” of the Plan. On July 24, 2018 I submitted a written statement to the Board which summarized in some

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24 See page 310 of the 5/1/2019 Board packet.
28 I say “possibly more” because at this stage we don’t know whether repairs to the Burnt Cedar Pool are going to total $500,000 or $2,000,000.
29 The final draft is scheduled to be “received” by the Board at this May 1, 2019 meeting [see agenda item H(2)], and formally approved on July 17, 2019 (see page 29 of the 5/1/2019 Board packet).
detail the proposed Plan’s estimated costs as determined by its consultant, Design Workshop\textsuperscript{31}. That summary concluded that its cost, \textit{in 2018 dollars}, would total anywhere from $48.85 - $57.75 million\textsuperscript{32}. Although it is difficult to compare these costs in the Final Draft 2019 Plan, they appear to be fairly consistent\textsuperscript{33}.

4. \textbf{Five Year Capital Improvement Plan}: Although the Board has not yet approved an updated five year capital plan, at its March 18, 2019 meeting it tentatively approved a plan which calls for $23,120,715 of Community Services (recreation) capital expenditures, and $4,173,860 of Beach capital expenditures\textsuperscript{34}. That’s a total of $27,294,575 of short term future capital expenditures.

5. \textbf{Allocated Staff Time}: GM Pinkerton has told us that for every capital project, allocated staff costs are assigned because if we didn’t have to pay our staff, we’d have to pay someone else to assist/administer these projects, and allegedly at a higher cost. So what are the additional costs Mr. Pinkerton?

6. \textbf{Summary}: All told, that’s between roughly between $99 - $109 million of capital expenditures three members of the Board have signed onto. From where exactly do these Board members propose this money come from? There’s only one source. Massive increases to the RFF/BFF.

And if You the Reader Were Surveyed as to Your Support For Any of This, if You Had to Massively Increase the RFF/BFF Your Parcel/Dwelling Unit is Assessed, How Exactly Would You Respond? Given none of us has been asked the question, whatever local property owner support the District claims for any aspect of the CSMP is flawed.


\textsuperscript{32} According to Phase III, Task \textsection 3.3(b) of the Design Workshop’s scope of work states that “cost estimating at the master plan level can be inaccurate due to the limited amount of detail of material quantities and future material costs” (see page 79 of the 5/1/2019 Board packet). For this reason, I have every reason to believe that these estimated numbers are woefully inaccurate.

\textsuperscript{33} Upper High School Athletic Field Needs of $350,000 - $1.7 million (page 164 of the 5/1/2019 Board packet); Old Elementary School Needs of $7.25 - $7.6 million (page 180 of the 5/1/2019 Board packet); U.S. Forest Service Property Needs of $2 million (page 167 of the 5/1/2019 Board packet); Incline Park & Field Needs of $15.9 - $16.6 million (page 184 of the 5/1/2019 Board packet); Sierra Park (Crystal Bay) Needs of $260,000 (page 182 of 5/1/2019 Board packet); Recreation Center Expansion/ Renovation Needs of $19.625 million (page 205 of the 5/1/2019 Board packet); and, Spring Structure/ Fieldhouse Needs of $2.25 million (page 203 of the 5/1/2019 Board packet).

Conclusion: The Board needs to learn to live within its financial means. We don’t need to purchase top of the line, we don’t need to purchase new, and we don’t need to systematically refresh our fleet of “whatever” every five years, when there’s nothing wrong with the fleet. If the Board disagrees, it needs to learn to not spend more than the sources it actually has available for those purposes. But here staff have come up with a creative financing alternative which allows the Board to spend more than the estimated revenues available for this purpose. This sets a dangerous precedent, and opens the door to $100 million or more of new capital “pet” purchases the community has told the Board is not a priority. For these reasons I urge at least two trustees to vote “no” which effectively kills staff’s stupid initiative and sets the stage for the showdown Trustee Morris covets.

You Board members can stick your collective heads in the sand and pretend you don’t know what’s going on around you. But how about doing your jobs instead by praising staff for having proposed such an irresponsible agenda item which needlessly wastes public moneys when we already have nearly $13 million in reserves.

And to those who may be reading this written statement and asking where your RFF/BFF really go, do you now realize why they can never go down and under the tutelage of trustees Wong, Horan and Morris, are poised to massively increase? And why? Because they’re more committed to building Taj Mahals to attract the world’s tourists rather than advancing the interests of local property owners.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!
EXHIBIT "A"
The District is expected to adopt the updated Community Services Master Plan. Neither the operating nor capital budgets include any projects contemplated by this plan. Should any projects needs develop prior to June 30, 2020, they would have to follow the augmentation requirements to become authorized.

During the fiscal year 2016-2017 the District began the process of update and review of the Diamond Peak Master Plan by the Tahoe Regional Planning Agency (TRPA). This is a multi-year process that may not be completed until after June 30, 2020. A substantial portion of that capital project's budget will be carried over to 2019-20.

**Governmental Fund Balance**

The District Final Budget Summary reports the following select Fund Balances:

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<th>Fund</th>
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<th>Projected</th>
<th>Projected Fund</th>
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<td>6/30/19</td>
<td>by Board</td>
<td>6/30/20</td>
</tr>
<tr>
<td>General Fund</td>
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<tr>
<td>Beach Special Rev.</td>
<td>$1,729,521</td>
<td>$526,000</td>
<td>$1,388,643</td>
</tr>
</tbody>
</table>

**Comparison across Fiscal Years Presented in Form 4404LGF**

A fundamental aspect of the Form 4404LGF is comparison of information across the audited results of the fiscal year ending June 30, 2018, an estimated result for the year ending June 30, 2019, along with a presentation of the Tentative and Final budget for the year ending June 30, 2020. The form and content for those three periods utilizes the same accounting principles and methodologies. Comparisons can be made knowing that differences are the consequence of circumstances, not methodology.

One major variation year on year relates to the District’s use of Capital Projects and Debt Service Funds for the Community Services and Beach activities from July 1, 2015 through June 30, 2019. The objective for using these funds was the expectation of the need to demonstrate the sources and uses of the facility fee for capital expenditure and debt service. Our experience has been expenditures are the most sought after information. This can be demonstrated effectively within the functional expenditure reporting in Special Revenue funds. Therefore the Capital Projects and Debt Service funds will become inactive as of July 1, 2019 and used only in the event the District issues bonds for a specific construction project.

Another variation is in the level of activity for food and beverage operations. The fiscal year 2017-18 saw increased activity. However, the greatest jump for 2018-19 relates to the Beach Fund taking on delivering food and beverage services at the two beaches. For many years, this was a concessionaire service. The respective revenues and expenditures increase, as well as the bottom line results. This also resulted in increases to FTE’s with the addition of staff.
Although there are 336 pages in tonight’s packet, the information for this Board to make informed decisions is absent. There is a new three year contract for our Federal lobbyist without a copy of his previous contract, an independent analysis of his past performance and any standards by which to measure the expected return on our new investment of $195,000 for his services. Over the past 15 years, we have paid over three quarters of a million dollars—perhaps it has been money well spent. Yet, over the past three years, I am unaware of the District receiving any new Federal grants and haven’t heard the actual amount of funding available for our $23 million pipeline replacement or the $2 million lining for our emergency storage pond. Shouldn’t we all know what we are paying for?

The Draft Community Services Master Plan presents a similar problem. There is no sheet identifying the costs for the entire plan, how each of the projects will be financed and the cost to operate and maintain these new or expanded facilities. What is even worse, is the plan doesn’t reflect what our community wants and is willing to pay for. According to the District’s own surveys, about 2/3 of our citizens want to maintain and improve our current facilities and are only willing to pay a maximum of $100 more in Rec fees for NEW facilities. Despite the omissions and the disregard for our community’s priorities, you are being asked to fast-track acceptance and approve this plan in July. Why?

If you asked our citizens their priorities, they would point you to a number of issues that aren’t on tonight’s agenda or most other public meetings. We have a $1 billion infrastructure, NO Director of Asset Management or Chief Engineer and NO capital reserve plan that identifies the physical condition of all of our facilities and infrastructure. There is no time table for repair and replacement and the funds we will need to implement. Isn’t it time for you to address this, before you expend millions of dollars of design fees for $50 million or more for new projects—that is neither right sized for our community or within our personal budgets to finance?

Judith Miller
*To Be Included With the Minutes of the Meeting
INTRODUCTION: Here staff proposes reviewing and “receiving” the CSMP with the intent of formally adopting it on July 17, 2019. Since I don’t know any reason why the CSMP must be “received” prior to an up or down vote on “adoption,” and receipt sets the stage for over $100 million of capital improvement plan (“CIP”) expenditures over the next several to ten years (see discussion below) which force the Recreation (“RFF”) and Beach (“BFF”) Facility Fees to be their involuntary funding source, I am opposed and urge a resounding NO vote. And that’s the purpose of this written statement.

THE CSMP IS AN INCREDIBLE WASTE OF EFFORT GIVEN ITS CONCLUSIONS ARE FLAWED: Regardless of its stated purposes, the CSMP is nothing more than a staff pie-in-the-sky laundry/wish list of possible recreational facility renovations/improvements/additions intended to insure our over compensated, over benefited and overblown staff have jobs for the next 10 or more years. It needlessly assumes the building of facilities on lands I VGID does not own, and is likely never to own; assumes facilities which are not recreational can be constructed upon lands subject to use restrictions which mandate use for recreation purposes only; it fails to determine whether the construction/improvement of any of these facilities will be “economically sound and feasible” as NRS 318.055(4)(c)(2) mandates; and, it disregards the promises I VGID made to the County Board of Commissioners (“County Board”) and the public on October 25, 1965 which convinced the County Board to confer upon I VGID the basic power to furnish facilities for public recreation. Although the CSMP’s consultant, Design Workshop, surveyed a fraction of local property owners who will be involuntarily compelled to pay the Plan’s enormous costs, those surveys were artfully crafted by staff to skew the results and ensure staff’s pre-ordained answers. Design Workshop calls these surveys “statistically valid.” Although statistically that may be true, in the real world such surveys are fundamentally flawed. In other words, garbage-in, garbage-out.

For instance, although the CSMP surveys what types of facilities and improvements are important to survey takers, never does it ask the question whether responders are willing to pay the

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2 Because according to Director of Finance Gerry Eick, there is essentially no other “user fee process to generate a source” of revenue to provide goods, services or CIPs on a continuing basis.

3 See https://transparentnevada.com/salaries/2018/incline-village-general-improvement-district/ which lists an unbelievable 980 employees for 2018. Today’s number is likely 1,000 or more.

4 See pages 326-327 of the 5/1/2019 Board packet.

5 See ¶4 at page 31 of the 5/1/2019 Board packet.
costs associated with their acquisition/improvement/operation with a commensurate increase in the RFF/BFF by a specific disclosed amount. Without asking such questions, the survey’s results are worthless because without knowing whether local property owners are willing to pay, and if so how much, who does Design Workshop expect to pay for “pie-in-the-sky” facilities and improvements?

The CSMP is an INCREDIBLE FINANCIAL WASTE Given its Enormous Cost: Simply stated, in a perfect world, the CSMP addresses recreational facility upgrades/improvements which a group of concerned citizens could have come up at a community meeting lasting two hours or less. Yet the Board has commissioned a “consultant” at a minimum cost of close to if not in excess of $250,000⁶!

Moreover, what about the cost of the hundreds and hundreds if not thousands of hours of staff time? Don’t we remember how on December 12, 2018 GM Pinkerton told us that since staff “spend…the vast majority of its time working on CIP projects, our staffing costs are allocated to (CIP) projects based on the amount of time spent on…specific projects?”⁷ And that $272,500 of staff time had allegedly been advanced on $325,489 of engineering and other costs incurred with outside vendors associated with the alleged Effluent Pond Liner project⁸? In other words, for every $1 spent on direct costs with outside vendors, GM Pinkerton told the Board and the public that an additional $0.84 was spent on their own compensation and benefit costs. If this surcharge for staff time is emblematic of staff time typically spend on a CIP, then it means $197,433 in allocated staff time should be added to the $235,040 of consultant costs for the CSMP bringing the total cost up to a totally unacceptable $432,483! In fact, since staff time devoted to this project was considerably greater than what is typically advanced on your typical CIP, actual allocated staff time for this project should total considerably more than $197,433.

In fact just to get to the truth, on April 29, 2019 I made a public records request precisely to discover that cost⁹. Now what do you think is going to be IVGID’s Public Records Officer’s (“PRO’s”)

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⁶ See page 82 of the 5/1/2019 Board packet which documents a cost of nearly $250,000 broken down $215,835 for professional fees, $6,480 for reimbursable hard costs, and $12,725 for other reimbursable expenses.

⁷ I have attached pages 183-184 of the packet of materials prepared by staff in anticipation of the Board’s December 12, 2018 meeting [https://www.your tahoeplace.com/uploads/pdf-ivgid/BOT_Packet.Regular_12-12-18.pdf (“the 12/18/2018 Board packet”)] as Exhibit “A” to this written statement, where at page 184 GM Pinkerton made the quoted statement.

⁸ Although another $190,148 was paid towards Tahoe Transportation District’s Environmental Impact Statement (“EIS”), IVGID staff are not required to devote any management nor other costs to this expenditure. An outside firm is creating an EIS, and IVGID is paying its agreed upon portion pursuant to the Interlocal Agreement referenced above.

⁹ Evidence of my request is attached as Exhibit “B” to this written statement.
response? Given my experience with Ms. Herron\textsuperscript{10}, I predict it will be misleading, deceitful and in the end will not yield the truth\textsuperscript{11}. But let's see how she responds and I'll be sure to update the Board and the public with this eagerly awaited response.

**Now Are You Ready For the CSMP’s Estimated Cost?** On July 24, 2018 I submitted a written statement to the Board which summarized in some detail the proposed Plan’s estimated costs as determined by its consultant, Design Workshop\textsuperscript{12}. That summary concluded that the CSMP’s cost, in 2018 dollars, would total anywhere from $48.85 - $57.75 million\textsuperscript{13}. Although it is difficult to compare these costs to those in the Final Draft 2019 Plan, they appear to be fairly consistent\textsuperscript{14}.

**Let’s Put These Estimated Costs Into Perspective Insofar as Other Estimated CIP Costs Targeted to be Expended in the Immediate Future:** Consider,

1. **The Diamond Peak Master Plan ("DPMP"):** Notwithstanding this “Plan” has never been adopted (it was only “accepted”), its estimated cost in 2015 dollars is a whopping $16,408,462\textsuperscript{15};

2. **IVGID Beaches Recreation Enhancement Opportunities Plan:** This “Plan,” which was approved on February 24, 2016\textsuperscript{16}, proposes spending anywhere from $6.13 - $7.330 million\textsuperscript{17} or possibly more\textsuperscript{18}, in 2016 dollars;

\textsuperscript{10} I have attached the string of e-mails between Ms. Herron and me concerning allocated staff costs alleged to have been part of the effluent pond project as Exhibit “C” to this written statement.

\textsuperscript{11} I made a similar request to Ms. Herron insofar as the allocated staff costs expended on the sewer effluent pond liner project that we all recall was never a project because the pond liner was never lined. Ms. Herron never provided the records requested which I predict is going to happen here.


\textsuperscript{13} Moreover, according to Phase III, Task ¶3.3(b) of the Design Workshop’s scope of work, the “cost estimating at the master plan level can be inaccurate due to the limited amount of detail of material quantities and future material costs” (see page 79 of the 5/1/2019 Board packet). For this reason, I have every reason to believe that these estimated numbers are woefully inaccurate.

\textsuperscript{14} Upper High School Athletic Field Needs of $350,000 - $1.7 million (page 164 of the 5/1/2019 Board packet); Old Elementary School Needs of $7.25 - $7.6 million (page 180 of the 5/1/2019 Board packet); U.S. Forest Service Property Needs of $2 million (page 167 of the 5/1/2019 Board packet); Incline Park & Field Needs of $15.9 - $16.6 million (page 184 of the 5/1/2019 Board packet); Sierra Park (Crystal Bay) Needs of $260,000 (page 182 of 5/1/2019 Board packet); Recreation Center Expansion/ Renovation Needs of $19.625 million (page 205 of the 5/1/2019 Board packet); and, Spring Structure/ Fieldhouse Needs of $2.25 million (page 203 of the 5/1/2019 Board packet).

3. **IVGID’s Five Year Capital Improvement Plan:** Although the Board has not yet approved an updated five year capital plan, at its March 18, 2019 meeting it tentatively approved a plan which calls for $23,120,715 of Community Services (recreation) capital expenditures, and $4,173,860 of Beach capital expenditures\(^{19}\). That’s a total of $27,294,575 of short term future capital expenditures having nothing to do with the Beach Recreation Enhancement Opportunities, Tennis and Community Services Master Plans.

4. **Don’t Forget About Allocated Staff Time:** GM Pinkerton has told us that for every capital project, allocated staff costs are assigned because if we didn’t have to pay our staff, we’d have to pay someone else to assist/administer these projects (and allegedly at a higher cost none of us believe). Given IVGID staff “has been working with...the Design Workshop team...and the community to meet the goals and expectations as approved in the (CSMP’s) scope of services,”\(^{20}\) what are the additional costs for these four additional CIP Plans (expressly including the CSMP) Mr. Pinkerton? Using the 184% adjustment factor applied to the Effluent Pond Liner project (see discussion above), anywhere from $84 million - $92.4 million!

6. **Summary:** All told, that’s between roughly $183 million - $202.4 million of capital expenditures three members of the Board have signed onto. And from where exactly do these Board members propose this money come from? There’s only one source. Massive increases to the RFF/BFF.

So Now That You Know the Truth, When IVGID Asks You if You Are in Favor of New Recreational/Beach CIPs Together With Their Associated Many Millions of Dollars Cost, Which Translates to an $X.00 Increase in Your RFF/BFF, What Exactly is Going to be Your Answer\(^{21}\)? Is there really any doubt?

So Why Did Staff Ever Start Down This Road Knowing That at the End, Essentially None of the CSMP’s Proposed CIPs Would Ever be Prosecuted? Why don’t you ask past Board members Kendra Wong, Joe Wolfe, Bruce Simonian, Jim Hammerel and Bill Devine? They are ALL to blame! And why


\(^{18}\) I say “possibly more” because at this stage we don’t know whether repairs to the Burnt Cedar Pool are going to total $500,000 or $2,000,000.


\(^{20}\) See page 31 of the 5/1/2019 Board packet.

\(^{21}\) Does anyone really expect IVGID will ever ask such a question given its fear insofar as the results?
don’t you ask current Board members Kendra Wong, Phil Horan and Peter Morris given they share the views of past Board members?

Oh, But it Would be Such a Waste of Money to Not Move Forward After Having Spent the Hundreds of Thousands of Dollars in Consultant/Allocated Staff Costs: You’re wrong Mr. Pinkerton notwithstanding this was your observation at the Board’s March 18, 2018 meeting. I and others believe the opposite given the incredible waste of money!

And just so the reader knows of the amount of money we’re talking about, at the Board’s March 18, 2018 meeting GM Pinkerton stated that a combined $500,000 has already been spent on consultants just for the IVGID Beach Recreation Enhancement Opportunities, Tennis and Community Services Master Plans. Since I stopped counting on the cost of the DPMP after $225,000, this now takes us to over $725,000. And once we add in hidden allocated staff costs, we’re looking at well over $1.3 million! Who spends this kind of money on consultants and staff for pie-in-the-sky plans such as these? Who’s to blame? Since past Boards should have NEVER have gone down this road in the first place, it’s time to put a stop to the bleeding by “just saying no.”

This Analysis Reveals Staff’s Modus Operandi; Get So Deep Into an Irresponsible Project So Its Costs Become Impossible to Throw Away: Now you’re hopefully beginning to understand. First staff comes up with a “Plan.” Of course, we’re told the Board never has to go forward with it because all we’re doing is “planning.” Then staff comes to the Board seeking formal “receipt” (like now) and then “adoption” of the Plan. Again we’re told the Board never has to go forward with funding because all we’re doing is “adopting.” Then staff ask the Board for funding, but only for pre-design work they claim. And after spending hundreds and hundreds of thousands of dollars on pre-design and planning, we discover we’re so deep into the project to now cut our losses and put a halt to something we should have never initiated in the first place.

This is exactly what has taken place with the DPMP. Notwithstanding the Board told the public that financially, the DPMP would never be reliant upon the RFF, $800,000 of the RFF has already been appropriated for the Plan. And this number doesn’t include the hundreds and hundreds of dollars of staff time our PRO told us staff doesn’t keep track of. Staff has come to the Board seeking preliminary entitlement approval only, and after five years, we haven’t even gotten to the selection of another consultant phase to prepare an EIS. And although entitlements were originally estimated at $160,000, in addition to the $800,000 which has already been appropriated, according to Brad Johnson before he left his employ with IVGID, EIS preparation is going to cost at least another $700,000. Then the public will be into this project to the tune of $1.5 million or more and we won’t even have spent a penny on actual construction. In other words, it will be too late to simply turn our backs on the project. Ladies and gentlemen, don’t you see we’re on the same course here with the CSMP?

Conclusion: Again I ask if the reader is familiar with the Bugatti automobile? It is one of the most expensive automobiles in the world selling for several millions of dollars. If I asked you the prudence of purchasing a number of Bugatti automobiles pursuant to a comprehensive “Plan,” how would you respond? Probably that you knew you couldn’t afford a vehicle like this right from the beginning, so why undertake the effort or expense for a Plan which in the end suggested you
purchase multiple Bugattis? Here it's the same thing. Local property owners are not going to stand still for plans which call for the expenditure of roughly $183 million - $202.4 million or more in new CIPs\textsuperscript{22} over the next five to ten years. \textit{So why go down this road?} Why only ask the question where is the “existing funding source or potential identified funding sources” only after formal adoption of the CSMP?\textsuperscript{23} Why spend anything more on a plan that ultimately is going to go absolutely nowhere? Why vote to “receive” the current CSMP? Why schedule a hearing on July 17, 2019 to adopt the plan?

Again, the Board needs to learn to live within its financial means. You Board members can stick your collective heads in the sand and pretend you don’t know what’s going on around you. But how about doing your jobs instead by admonishing staff for having ever, ever proposed such an irresponsible project (the CSMP) which needlessly wastes public moneys? Had staff been more prudent, it wouldn’t be coming to the Board asking for permission to enter into an alternative financing arrangement for acquisition of three pieces of equipment rather than purchasing them outright for approximately $800,000\textsuperscript{24}. For these reasons I urge the Board to vote NO for receipt of the CSMP. After all, staff informs us that one of the alternatives before the Board is to “not receive” the CSMP\textsuperscript{25}.

And to those who may be reading this written statement and asking where their RFF/BFF really go, do you now realize why they can never go down and under the tutelage of trustees Wong, Horan and Morris, they are poised to massively increase. And why? Because three of our current Board members are more committed to building Taj Mahals to attract the world’s tourists rather than advancing the interests of local property owners.

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

\textsuperscript{22} Didn’t the CSMP reveal that 2/3 of local parcel owners were against spending the RFF/BFF on \textit{new} recreation/beach facilities?

\textsuperscript{23} At page 32 of the 5/1/2019 Board packet staff tells us that \textit{only} after “formally adopt(ing)...the CSMP...the next critical step will be to begin identifying...an existing funding source or potential identified funding sources.”

\textsuperscript{24} See agenda item H(3) at page 3 of the 5/1/2019 Board packet.

\textsuperscript{25} See 1 at page 33 of the 5/1/2019 Board packet.
EXHIBIT "A"
IV. COMMENT

Effluent Export Line – Phase II
There has been a great deal of interest in the expenditures for the Effluent Export Line – Phase II. This project has two lines in the Project Report. The 2017-18 $1,000,000 project was for the continuing pre-design, along with study of pond lining, and other improvements.

However, after the budget was adopted, the District had the opportunity to make Effluent Pipeline Repairs by joining a State Contract for work on State Route 28. The Board of Trustees approved a $1,152,000 contract and of that amount $955,028 was expended in 2017-2018 and applied to the multi-year carryover for the project.

The multi-year carryover arises from the Board of Trustees approved funding towards the eventual replacement project.

Of the $1,000,000 approved for 2017-18, $788,137 was expended. This number is higher than the $705,369 that was estimated to be expended when the District Budget was adopted in May. This type of variance is not unusual since estimated expenditures have to be done well advance of the end of the fiscal year.

The narrative for the line item which estimated the carryover referenced “Pond Lining”. This descriptor was not meant to indicate that the current year expenditures were focused on the pond lining element of the overall project. It was merely to note that pond lining is a component of the overall project.

The $788,137 in expenditures was focused in four key areas:

Costs incurred with outside vendors: .................................................. $244,028.
District staff has been leading small construction, repair and rehabilitation projects to the Effluent Export System from Incline Village to the disposal site at the Wetlands. The District has hired outside contractors, purchased pipe materials, vaults, air relief valves, pumps, rented equipment, and performed construction work to improve and replace aging infrastructure.

Reimbursements to Tahoe Transportation District (TTD): ............... $190,148.
As you are aware, IVGID is one of 13 project partners for the State Route 28 Shared Use Pathway. IVGID is providing $300,000 in funding, via a January 2013 Interlocal Agreement with TTD (amended October 2014), for the current Environmental Analysis which is on track to be completed this year.
Direct Charges by CIP Staff............................................................... $272,500
The District's CIP Staff spends the vast majority of its time working on CIP projects. Their staffing costs are allocated to projects based on the amount of time spent on the specific project.

Third Party Costs Associated with Repair Contract........................... $81,461.
Engineering, construction management, construction inspection and special inspection costs associated with the SR 28 repair contract.

V. CONCLUSION

The full year end Fiscal Year report is attached. It is also available on the District's website via the Capital Improvement Projects Section of the Financial Transparency page. Quarterly Reports are available for the three most recent fiscal years as are the annual reports for the past four years.
Hello Ms. Herron -

I would like to examine source records which evidence all IVGID staff costs allocated to the Community Services Master Plan, to date.

I want to examine records which:

1. Identify each IVGID employee who has devoted any time, effort or out of pocket cost associated with this plan;
2. The date(s) when each such effort(s) was advanced;
3. The time spent for each such effort(s) advanced;
4. The out of pocket cost for each such cost advanced.

I also want to examine records evidencing all payments to Design Workshop associated with the Community Services Master Plan. Invoices and evidences of payment would be sufficient.

I also want to examine food and beverage records or food and beverage reimbursement records which evidence all such costs expended since January 1, 2016 associated in any manner whatsoever with the Community Services Master Plan.

I also want to examine records which evidence all free or discounted user fees given at any IVGID owned recreational venue and/or the beach, associated in any manner whatsoever with the Community Services Master Plan. These records should:

1. Identify each non-IVGID employee who has been given free or discounted user fees;
2. The date(s) when each such free/discounted recreational venue access was advanced;
3. The retail value for each such free/discounted recreational venue access advanced.

Thank you for your cooperation. Aaron Katz
RE: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects

Dear Mr. Katz,

This e-mail is IVGID’s response to Item 4. of your December 11, 2018 records request which reads as follows:

4. Records which evidence each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the $272,500 represented.

Following is a table of the amounts charged to CIP Number 2524SS1010 for Staff:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2017</td>
<td>$25,000</td>
</tr>
<tr>
<td>August 2017</td>
<td>$15,000</td>
</tr>
<tr>
<td>September 2017</td>
<td>$20,000</td>
</tr>
<tr>
<td>October 2017</td>
<td>$30,000</td>
</tr>
<tr>
<td>November 2017</td>
<td>$45,000</td>
</tr>
<tr>
<td>December 2017</td>
<td>$25,000</td>
</tr>
<tr>
<td>January 2018</td>
<td>$25,000</td>
</tr>
<tr>
<td>February 2018</td>
<td>$25,000</td>
</tr>
<tr>
<td>March 2018</td>
<td>$27,500</td>
</tr>
<tr>
<td>April 2018</td>
<td>$25,000</td>
</tr>
<tr>
<td>May 2018</td>
<td>0</td>
</tr>
<tr>
<td>June 2018</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

This completes your records request in its entirety.

Susan A. Herron, CMC
Executive Assistant/District Clerk/Public Records Officer
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1207
F: 775-832-1122
M: 775-846-6158
sah@ivgid.org
http://ivgid.org

From: s4s@ix.netcom.com <s4s@ix.netcom.com>
Sent: Monday, January 14, 2019 2:58 PM
To: Herron, Susan <Susan_Herron@ivgid.org>
Cc: Wright Frank <alpinesportss@gmail.com>; Newman Linda <linda@marknewman.net>
Subject: RE: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects

Thank you Ms. Herron -

So we’re clear, staff has no records which evidence:

http://webmail.earthlink.net/warm/printable.jsp?msgid=27382&x=258988209
1. When this policy of allocating staffing costs was first implemented by staff to any CIP project;

2. The allocation of such costs for the first such CIP project where staffing costs were so allocated (which means up until now, they've never been assigned to a CIP);

3. The Board's approval of the policy identified in question 1 above.

Correct? If not correct, please advise where those records are because they haven't been provided nor made available for my examination.

Insofar as request 5 below, I would like to examine the project summary for that project; #2299WS1703. It's not part of the approved 2017-18 CIP budget. Please consider this a follow up records request.

Insofar as request 4 below, when are those records going to be made available for my examination? After all, GM Pinkerton reported that $272K of these staffing costs were allegedly assigned to the effluent pond liner project. How could he make the statement he did if he didn't have access to the precise allocated staff costs which were allegedly assigned? And how come it has already taken more than a month for those records to be made available for examination and still nothing.

Thank you for your cooperation. Aaron Katz

-----Original Message-----
> From: "Herron, Susan"
> Sent: Jan 14, 2019 1:40 PM
> To: "s48@ix.netcom.com"
> Cc: Wright Frank , Newman Linda
> Subject: RE: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects
>
> Dear Mr. Katz,
>
> This e-mail shall serve as IVGID's response to your records request of December 11, 2018 which reads as follows:
>
> On page 187 of the Board packet for tomorrow evening's Board meeting, Mr. Pinkerton states that "staffing costs are allocated to projects based on the amount of time spent on (a) specific project."
>
> I would like to examine records which evidence:
>
> 1. When this policy of allocating staffing costs was first implemented by staff to any CIP project because that did not used to be the case.
>
> 2. The allocation of such costs for the first such CIP project where staffing costs were allocated, by identifying the individuals whose costs were allocated, and their total allocated cost.
>
> 3. The Board's approval of the policy identified in question 1 above;
>
> 4. Records which evidence each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the $272,500 represented;
>
> 5. For 2017-18 the Board budgeted $1,222,000 for selective watermain replacement as a CIP. I would like to examine records for this specific project which evidence allocated staffing time to this project.
>
> For Item 5., here is the link to the item that came before the Board
>
>
> This completes this item with the only remaining item in your request being item 4, which Staff is working on.
>
> Susan A. Herron, CMC
> Executive Assistant/District Clerk/Public Records Officer
> Incline Village General Improvement District
> 893 Southwood Boulevard, Incline Village, NV 89451
> P: 775-832-1207
> F: 775-832-1122
> M: 775-846-6158

http://webmail.earthlink.net/wam/printable.iso?mscid=27382&x=258986209
RE: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects

> sah@lvgid.org
> http://lvgid.org
>
> -----Original Message-----
> From: Herron, Susan
> Sent: Tuesday, December 18, 2018 11:10 AM
> To: 's4s@ix.netcom.com'
> Cc: Wright Frank ; Newman Linda
> Subject: RE: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects
>
> Dear Mr. Katz,
>
> This e-mail shall serve as LVGID's response to your records request of December 11, 2018 which reads as follows:
>
> On page 187 of the Board packet for tomorrow evening's Board meeting, Mr. Pinkerton states that "staffing costs are allocated to projects based on the amount of time spent on (a) specific project."
>
> I would like to examine records which evidence:
>
> 1. When this policy of allocating staffing costs was first implemented by staff to any CIP project because that did not used to be the case.
>
> 2. The allocation of such costs for the first such CIP project where staffing costs were allocated, by identifying the individuals whose costs were allocated, and their total allocated cost.
>
> 3. The Board's approval of the policy identified in question 1 above;
>
> 4. Records which evidence each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the $272,500 represented;
>
> 5. For 2017-18 the Board budgeted $1,222,000 for selective watermain replacement as a CIP. I would like to examine records for this specific project which evidence allocated staffing time to this project.
>
> For items 1 - 3 - there is no public record responsive to your request and for items 4 and 5, Staff is working on these items and I anticipate providing them to you or an update thereto no later than Friday, January 11, 2019.
>
> Susan A. Herron, CMC
> Executive Assistant/District Clerk/Public Records Officer Incline Village General Improvement District
> 893 Southwood Boulevard, Incline Village, NV 89451
> P: 775-832-1207
> F: 775-832-1122
> M: 775-846-6158
> sah@lvgid.org
> http://lvgid.org

-----Original Message-----
From: s4s@ix.netcom.com
Sent: Tuesday, December 11, 2018 4:41 PM
To: Herron, Susan
Cc: Wright Frank ; Newman Linda
Subject: Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects

Hello Ms. Herron -

A records request.

On page 187 of the Board packet for tomorrow evening's Board meeting, Mr. Pinkerton states that "staffing costs are allocated to projects based on the amount of time spent on (a) specific project."

I would like to examine records which evidence:
> 1. When this policy of allocating staffing costs was first implemented by staff to any CIP project because that did not used to be the case.

> 2. The allocation of such costs for the first such CIP project where staffing costs were allocated, by identifying the individuals whose costs were allocated, and their total allocated cost.

> 3. The Board’s approval of the policy identified in question 1 above;

> 4. Records which evidence each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the $272,500 represented;

> 5. For 2017-18 the Board budgeted $1,222,000 for selective watermain replacement as a CIP. I would like to examine records for this specific project which evidence allocated staffing time to this project.

> Thank you for your cooperation. Aaron Katz