

MINUTES

REGULAR MEETING OF APRIL 14, 2020 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 Chairman Tim Callicrate on Tuesday, April 14, 2020 at 6:01 p.m. This meeting was conducted virtually via Zoom.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

Chairman Callicrate welcomed everyone and thanked everyone for being present.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Peter Morris, Tim Callicrate, Sara Schmitz, Matthew Dent, and Kendra Wong.

Also present were District Staff Members Director of Public Works Joe Pomroy, General Manager Diamond Peak Ski Resort Mike Bandelin, and Director of Finance Paul Navazio.

No members of the public were present in accordance with State of Nevada, Executive Directive 006.

C. PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – Proposed schedule of services for Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and Proposed schedule of services for Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” and Proposed Fee Schedule

Trustee Morris made a motion to open the public hearing; Trustee Wong seconded the motion. Chairman Callicrate called the question and the motion was unanimously passed.

Chairman Callicrate asked the Director of Public Works if the District had complied with all the requirements to hold this public hearing; Director of Public Works Joe Pomroy confirmed that the District did comply with all the required noticing.

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Chairman Callicrate said we are going to break for five minutes to get everyone signed in; the Board meeting took a recess starting at 6:05 p.m. and the Board reconvened at 6:07 p.m.

Linda Newman said at a time when our health and safety are at risk and most economists are calling for a recession with deepening unemployment, she cannot support a 5.5% increase in our water and sewer rates. While the District claims to be laying off employees, she cannot abide this District providing labor increases that exceed labor union requirements or placing aggressive estimates on the costs of services and supplies. The rate study previously presented to the Board was not only filled with unreliable and factually incorrect information it also preceded the recognition of the emerging consequences of this pandemic. Now is not the time to burden our property owners, residents and local businesses with higher fees. Now is the time to reduce our costs to run our utilities efficiently and to hire an independent expert to do a professional utility rate study and capital reserve study. After years of raiding the money specifically collected for the replacement of 6 miles of our failing effluent pipeline, we must streamline our operations and find a way to build up our reserves to support our \$600 million water and sewer infrastructure and raise the necessary funds we need to remediate those 6 miles and line the emergency effluent pond. We can't do any of that until we have a professional who can provide us with accurate data and professional direction. You cannot approve this increase. But you can direct the General Manager to bring in an independent professional to professionally operate, budget, service our customers, maintain, repair and replace our aging water and sewer infrastructure.

Margaret Martini said are you really planning to raise our water and sewer rates by 5.5%? Did it ever occur to you that this is not the time to raise our fees? Do not approve these new Ordinances and Fee Schedules.

Mike Abel said that he would like to state his objection to the approximately 5.5% increase in our water sewer fee. With our facilities under lockdown, with tenant, landlord, and property owner's income and cash flow reduced, he thinks that it is outrageous that IVGID proposes this increase. By any standard this is unseemly. Inflation is nowhere near 5.5%. It is ridiculous to him that the Board was presented with no alternate plan except the 5.5% plan to increase rates. When is our Board going to develop some cajones and tell IVGID management to go back to the drawing board to tighten their belt and control their expenses. (Opposed)

Cliff Dobler said, referencing agenda packets page 34 – 36, that the memorandum on agenda packet page 34 talks about a Strategic Plan. It is expired and the plan for 2022 was whacked from the agenda. Mr. Dobler then called to the Board's

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attention the word “ensure” [or “insure”] and stated that he looked up the definition in Webster’s and then he read that definition. All of the Board members know that there has not been any effective management of the funds. On agenda packet page 35, top of the page, the rate study includes a five year look ahead with an eye out for large projects, you all should read these pages as they have no bearing at all.

Aaron Katz said he has demonstrated that Staff’s rate study is flawed as they lead to preferential and discriminating rates to the detriment of residential customers. Only have two classes and there is a need to spread the costs equitable. He argued that we need a specialist. He asked to examine a line item budget and the Interim District General Manager declined. He asked for administrative fees documents and Staff said there are none. IVGID has not opened its books therefore IVGID has lost any right to increase in rates. He has warned the Board that take away the money and fund balances and there will be retaliation. Please vote no on any rate increase. (Opposed)

Judith Miller said she is going to pass at this time.

Paul Smith said that three quarters of the capital improvement charges are just under fifty dollars and that he would like to remind the Trustees that condo associations are charged that capital improvement fee by each unit and that this is true for all condo units. His association maintains their own water and sewer lines and they pay the normal rates however they should not pay the normal development costs. We should get some discount or recognition for that and that he would suggest a twenty five percent discount for developments over one hundred units.

Craig Winguard said that he will pass for now.

Frank Wright said he is a candidate for the Board. He has some serious complaints and concerns regarding the rate increase. The issues that he is going to identify, if any are true, then they are not fit. Staff has committed maleficence by entering into the Clear Creek agreement and setting those rates; misappropriation of public funds with the pond liner at seven hundred and fifty thousand dollars because of this behavior, taking that money and using it for something else, we have to pay twice as much; sole source contracting - every contract that this Staff member puts out is sole source; and entering into contracts without the Board of Trustees approval. That alone would take out any Director and is grounds for termination. Giving false information in the rate study should also take this Staff member out. Every year we get another rate increase. Why are we always adding money? Look

at what needs to be fixed and you will see that everything is over the top. The Board of Trustees needs to have oversight and this Staff member shouldn't be working here. Set aside this rate increase, look at what is going on, and get an expert to look at all of this.

Chairman Callicrate asked everyone to please stay focused on this topic and that there will be another opportunity to make comments on other items.

Chairman Callicrate said, as an overview of the subject matter of tonight, that we, as a Board, are fully aware that this was agendized before all heck broke loose. We had to go ahead and have this public hearing tonight. We, as a Board, will have an opportunity to discuss this in our general meeting. Chairman Callicrate asked Staff if they had anything to add.

Director of Public Works Pomroy said that the Board has the memorandum in its packet and there was one written comment received which was included in the Board packet. Notice was advertised in the *Tahoe Daily Tribune*. Staff understands that conditions are changing and we can discuss it later in the meeting.

Trustee Wong made a motion to close the public hearing; Trustee Dent seconded the motion. Chairman Callicrate called the question and the motion was unanimously passed.

District General Counsel Alex Veltro asked for clarification on who was the seconder on the motion; Chairman Callicrate said it was Trustee Dent.

Chairman Callicrate called for a break at 6:32 p.m.; the Board reconvened at 6:35 p.m.

Chairman Callicrate announced that public comment will be taken on Item H.4.

D. PUBLIC COMMENTS

District Clerk Susan Herron said that two written comments were received; one was from Dick Warren and the other one was from Alexandra Profant and both will be attached to the minutes of this meeting.

Aaron Katz said that he objects to not having public comment on every General Business item and that there is not enough time. This Board does not have to obligate the public to seventy two thousand dollars to Hutchison & Steffen and to not pay the fees as they aren't going to sue the District. The tentative budget is

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phony so don't submit it. He would rather submit everything that Staff has prepared and remove the Recreation Fee as that will be as phony. There is nothing in the Nevada Revised Statutes that says that we can't have an unbalance budget. Then, in the workshop, move to a zero based budget. The Recreation Fee he objects to as there are no facilities that are available for us. Further, in the past, we have a payoff for bonds which has now become a slush fund. He doesn't believe the new Director of Finance because we now have \$11.5 million and where did it come from. Look at Diamond Peak, it throws off cash. All the facilities need to operate on a cash flow basis and Staff has done nothing. Any talk about reducing costs is immaterial if it doesn't result in a cut in the Recreation Fee. For all of these reasons, this report should not be approved and they should sink or swim because it is not fair that we subsidize them.

Judith Miller said that she listened to the meeting of the Board of County Commissioners this morning and that she learned about an unfunded mandate, part of the Family First Corona Virus Response Act to pay nearly full salaries plus benefits for most public employees for the next three months because they can't work for a variety of COVID-19 related reasons, she is not sure if that applies to IVGID but it certainly sounds like it does so with no golf, no Recreation Center, no organized sports, catering, events at any of our facilities, do we know how many employees the District might have to pay just to stay home? Washoe County is moving quickly on hiring freeze, curbing expenses, etc. because they are aware that revenues are dropping quickly especially, for them, the c-tax, which is not such a big part of our budget but still it is substantial but given that we are not going to be having any revenues from the venues we really need to put things on hold. She was also struck by County's staff's statement that government is not in the business of taking risk. Unfortunately, that is often ignored around here. Instead of encouraging private businesses to assume our risky ventures, IVGID has sought to add even more - golf, catering, ski area lessons etc. are very risky businesses. Please scale back on these and you will scale back on the risk. Maybe this sobering experience of the COVID-19 virus will allow IVGID to focus on its original mission providing public recreation for the local inhabitants funded by our property taxes and reasonable user fees and not on money making tourist attractions subsidized by our rec and beach fees.

Mike Abel said that he is a full time resident of Incline Village and that he has two points to address this evening – his first point this evening related to the so-called recreation facility fee that is proposed at \$830. Dick Warren, in his email to all Trustees today, eloquently states his views on this matter. The big lie is that this is a fee for the use of our recreation facilities. In fact, this fee is not used for the benefit of the residents and ratepayers but is used to make up for IVGID's negative

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cash flow in their pork filled budget. What facilities are currently available to IVGID taxpayers and residents? None. So, what is the reason for the fee? Interim District General Manager Winquest said recently that 500 IVGID staff have been laid off. Naturally, with Diamond Peak closed, our staff is very reduced. But when asked about layoffs of full-time employees, he was evasive. Again, when is our Board going to show some leadership and tell IVGID staff to go back to the drawing board and tighten their belt to control expenses. His second point this evening is regarding the Hutchinson/Guinasso contract. He says fire these reprehensible creatures. After entering into the non-standard sweetheart contract signed and arranged by Trustee Wong and former District General Manager Pinkerton, Hutchinson Co. has pushed IVGID's legal fees (to their financial benefit) while giving our Board self-serving crap advice. Guinasso's dishonest bully tactics have cost IVGID well over \$100,000 beyond their monthly retainer fee. It is not time to "notice them" of our intention to terminate their contract. It is time to fire them. How stupid is it to reward their company \$72,000 for the next six months for the crappy job that they have done? He says not one more penny to these dishonest rogues stealing from our coffers.

Craig Winguard said that he is speaking on General Business Item H.2. and that in his twenty seven years with the brand, that being a part of a closed bidding process does reflect on the resort and the District. Vogel is made in Germany and that he is impressed with how close they were able to get in this competition. He recalls back about ten years ago when Carl Hill was the Ski School Director and the major determining factor was about the guest and the guest experience. The greatest overall advancements in the skis and bindings is grip lock which is a rubberized rocked bottom sole that provides the guest with an almost out of body experience. The rubber is so impressive as it helps to prevent slips and falls in various locations around the resort. Grip lock is a financial option that we have offered at no additional cost, a \$20,000 value, and many have recognized that value and gone with their company. While we may not be the low bidder, we hope you will consider the amazing quality of this product.

Cliff Dobler said here tonight to talk about the Recreation Center. The Recreation Center, excluding community programming, is a recreational venue that requires the largest facility fee subsidy of all venues and has been completely ignored by this Board of Trustees for several years. The continual story line has been that some community programming which are included as part of the Recreation Center causes the large subsidy. In order to understand how the Recreation Center is performing on its own, community programming provided to all venues should be addressed separately as one department so the citizens can clearly see the total subsidy offered on the various programs. Each year the Board of Trustees

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at a public meeting is provided a detailed analysis of the user rates for the two golf courses and the Diamond Peak ski resort. The analysis provides information on the results of the rates for residents, guests and non-residents for several previous years and includes a request for approval of rates for the subsequent year. Nothing is presented for the Recreation Center. Based on the 2/21 tentative budget, on March 11, 2020 and again tonight, the Recreation Center, excluding the community programming, the user fees charged will only recover 48.6% of its operating and capital costs. Revenues are budgeted at \$1.208 million and operating expenses and capital costs are budgeted at \$2.488 million resulting in a facility fee subsidy of \$1.278 million. Little effort has been made to at least keep revenues increases consistent with the increases in costs. In other words, for every dollar we receive from users, citizens are required to pony up an additional one dollar and six cents. The community program which is only for some programs which is included in the Recreation Center has \$572,000 in expenses and requires a facility fee subsidy of \$400,000. Only 30.3% percent of the costs are recovered from user fees. According to the draft executive summary for 2021 budget, there are ninety programs however only sixty seven programs are listed in the back as detail. Last year's 2020 budget stated one hundred and ten programs. More disturbing is the confusion and not to be believed visits at the Rec Center. From 2015, annual visits started at 256,000 escalated to 445,000 and now settled back to 421,000 however there has been no appreciable increases in revenues. He respectfully asks this Board that in the next month, an appropriate presentation be made on the Rec Center by itself and community programming by itself.

Linda Newman said we are all painfully aware that the pandemic is wreaking havoc on everyone. Until there are therapeutic solutions and a vaccine we are in for a long and slow recovery. No one knows when it will be safe to go back to work, or if they will have work, or return to school, to recreate, to travel. Uncertainty is all we know and not preparing for the best and worst case scenarios is not an option. With that in mind, I must object to the District's proposed collection of \$830 for Beach and Recreation Standby and Services Charges. As stated in the Resolution it is assessed for the availability of use of our recreation and beach facilities and privileges described in Ordinance 7. At this time, those activities are not available for our use and you cannot guarantee that they will be on July 1st. So, can you legally determine to collect those fees for that purpose when you cannot guarantee that you can actually provide all those privileges? This Resolution should be tabled and while you figure out the legalities, you should direct Staff to provide you with a line item budget for each of the venues and an accurate accounting of what it actually costs to operate each of the facilities, activities and programs. Secondly, the approval to authorize the filing of the Tentative Budget to meet State Requirements is being requested by new Director of Finance Navazio.

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Unfortunately, this Budget may meet the deadline to submit it, but the accounting and reporting for the Beach and Community Services Funds violate Generally Accepted Accounting Principles which is a violation of Nevada law. Now, we know that Mr. Navazio did not prepare the Budget. Instead, Former Director of Finance Eick was hired by Interim GM Winquest to do so. As I don't believe Mr. Navazio should be held accountable for Mr. Eick's violation of the law, if this Board authorizes the filing, it should reflect that it was prepared by Mr. Eick. Unfortunately, too, although GM Winquest stated that staff was working on alternative and more realistic budgets, I don't know why they were not presented for the Board and the public to review. I understand there is an upcoming workshop, but that appears to be three weeks away. COVID-19 demands we take immediate action to ensure the District's efficient operation and financial sustainability as well as the safety of everyone who lives, works, serves, recreates and invests in our Community. Delay, delay and more delay has become the mantra when priority matters like a competently prepared budget that reflects the new realities and complies with Generally Accepted Accounting Principles are needed most. The same goes for internal controls and oversight of how we budget, contract and implement capital projects. During this time of crisis strong leadership and financial controls are paramount. At this point, I see neither.

Will Lochenhower said that he is commenting on General Business Item H.2.; thank you for your consideration on the ski rental equipment from Vogel Group. He wanted to include some additional comments about grip walk which is being universally adopted by all in the ski industry. It is better for the skier and easier to navigate the areas around the ski resort as slip and fall is the number one injury at resorts. It is rockered so it makes the person not look like Frankenstein. What is being offered is worth more than the difference in the bids. Grip walk represents a better guest experience for Diamond Peak.

Margaret Martini said as we confront this pandemic, why does this Board and Senior management continue its war against facts? It started last meeting when Mr. Morris questioned out citizens facts. So I took Mr. Morris up on reading the class action lawsuit filed against him personally and the company he owned for the non-payment of employee wages. I also looked at his personal bankruptcy filing. Mr. Morris should reread all of these papers. And he will see the fact that he as an owner collected his own salaries while the 40 plus hard working caregivers were cheated out of theirs. Now, you bring before us a rate increase based on a flawed utility rate study. One that you all know does not actually provide the Utility Fund with the financial resources we need to comply with the Board's own policies and practices. Mr. Dobler has taken the time on multiple occasions to educate you on its flaws. That being said, you also know that this pandemic is not only a threat to

our health, it is a threat to our community's financial well being. How could you possibly increase our water and sewer fees by 5.5% rather than lowering operating expenses and reducing our fees for now. The rate increase does nothing to fortify our fund's reserves – it simply provides funding for more operating inefficiencies and overspending. You have also provided a resolution to collect Rec and Beach Fees. There was a discussion last year to reallocate more money to the Beaches and less to Community Services. That way, you could end the unlawful transfers from Community Services Administration to fund Beach expenses and provide the money for a new Burnt Cedar Pool and Beach building. Why wasn't that option presented here? Why do you need a placeholder when you could actually present something substantial to discuss? Then we have a tentative budget we are told must be filed with the State. That may be so, but despite all the numbers, the pages contain no estimations we can rely upon for the final budget. It would have been helpful to provide the Board and the public with a line item budget and a draft of major cost cutting and realistic revenue projections. The termination of Mr. Guinasso and his law firm is a great step forward. But where are the facts behind this termination? And where is our compensation for his legal costs as a defendant in a lawsuit that he provoked – or the money he collected for his frivolous lawsuit against FlashVote? We deserve a rebate for his years of providing false legal advice on Parasol, the land sales, public records, open meeting law and other matters. Are you really planning to raise our water and sewer rates by 5.5%? Did it ever occur to you that this is not the time to raise our fees? Do not approve these new Ordinances and Fee Schedules.

E. APPROVAL OF AGENDA (*for possible action*)

Chairman Callicrate asked for any changes; receiving none, Chairman Callicrate said that the agenda is approved as submitted.

Chairman Callicrate said that the public hearing was noticed before the COVID craziness took over and that the Board will be discussing this matter later in the meeting.

F. DISTRICT STAFF UPDATE (*for discussion only*)

F.1. Interim District General Manager Indra Winquest

Interim District General Manager Indra Winquest went over his submitted report.

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Chairman Callicrate said before we move forward, he has been notified that one public comment was skipped over and that he would like to take that public comment now.

Frank Wright said he is a candidate for the Board and that this is one major undertaking with this meeting. He is asking that the lawsuit information he sent to the Trustees be attached to the Board minutes. Mr. Wright said, for Trustee Morris' benefit, that he said he was speaking untruths at the last meeting and then read from the lawsuit materials. He is reaching out to Trustee Morris because he said all individuals were paid. Let's go to Erin Page as Mr. Wright said he spoke to her personally and that she is out fifteen thousand dollars. She is capable of moving forward and going on but there are forty five others. What you did here, by cheating people out of wages, etc., is unbelievable. You, as a Trustee, have to have a higher standard and more integrity. Mr. Wright then offered Trustee Morris the opportunity to make it right and compare it with what he has. No one has ever proved otherwise so if Trustee Morris has the facts and figures, please bring them forward. On legal counsel being released, they have been a problem for quite a while and they have cost us a fortune. We should demand that those funds be repaid to the District which is more than one hundred thousand dollars and more like five hundred or six hundred thousand dollars.

Chairman Callicrate said that he is sticking to the strict three minute limit.

Tim Parker passed on his opportunity to speak.

Chairman Callicrate said that this closes public comments and returned to the report by the Interim District General Manager and asked if the Board members had questions.

Trustee Morris said that he wanted to ask if the Recreation Center repairs that are going on can go on during this shutdown time. Interim District General Manager Winquest said it is a great question and that the contractor is not accessing the interior of the Recreation Center. One of the reasons to get it done is so there is no impact to customers. They have ripped up the entire walkway and thus it is a good time and it will speed up the process. We do have Staff such as the Recreation Center Manager and the Pool Maintenance Technician and then a few Staff going in to do filming of classes; there is minimal activity and he is very confident that it is safe.

Trustee Schmitz said that she wanted to remind Interim District General Manager Winquest that we had a group of young people from SOS Outreach

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present about trash receptacles and that they have a local Incline phone number so it would be great to reach out there. On the guest access ticket, she saw the new posting and asked how the beaches are going to handled; is there additional work to be done on the guest access ticket. Interim District General Manager said on SOS Outreach that he will touch base with Trustee Schmitz on that matter offline. Regarding the beaches, we are really trying to keep them open and Staff has put out a lot of information via social media, etc. and that we knew when the weather got nice, we knew we would have increased activity. We are seeing more activity around sunset and the Board just approved a new resolution about no smoking, etc. As of this evening, we are closing the walk-in gates at 6 p.m. which we will be doing until further notice. It is our hope that people will be responsible as we don't want to continue to have to restrict it but we will. On the guest access ticket, we are moving to a pay to play model with different requirements for many. We will be requiring passes to be paid for upfront. There is a lot of pre-work being done right now as well as efforts made to get the communication out. Right now, Staff has no mechanism to sell those tickets as we are not staffing the gates. We are evaluation how to staff the gates and we are governed by the beach deed as well as the ordinance in addition to what we can and cannot do regarding the laws. The uncertainty is that we don't know when we are going to re-open but we are working through it.

Trustee Schmitz said that one of the things she did notice was the picture pass and picture pass holder being with you and that is why she brought it up. Interim District General Manager Winquest said that we have to have some level of control and we are working through having Staff down there and keeping them safe. We want people to know that as Staff is moving through the beaches, that people will have to show their passes. We will have Staff rotating through the beach and that is why we wanted to put that out.

Chairman Callicrate said, regarding the number of employees that the District has, that he thinks there is a misunderstanding about employees and that some are conflating that facts. The bulk of the one thousand people listed are part time positions and some do one or two different jobs so on TransparentNevada.com they are listed one or two times. We don't have one thousand employees rather we have between one hundred and five and one hundred and seven full time employees and around two hundred or so part timers and then there are some who teach classes, etc. We don't have one thousand people on the payroll.

Interim District General Manager Winquest said that the snapshot that was referred to was any employee that worked for the District. We may have processed that many W2's as we do have seasonal staff at our venues. When you look at lists like that, from TransparentNevada.com or wherever, we have Recreation Center counter employees that are allocated out to various areas so naturally they are listed that many times on that list. A lot of Recreation employees work a variety of positions. His request to members of the community is that before you make assumptions, reach out to Senior Management, him or Board members. Our community has the right to believe whatever they want but it is helpful to get your facts right.

Chairman Callicrate asked for further comments from the Board, there were none.

G. REPORTS TO THE IVGID BOARD OF TRUSTEES (*for discussion only*)

G.1. District General Counsel: Law Firm of Hutchison & Steffen

District General Counsel Alex Veltz said, regarding the status of the Katz litigation, that he spoke with Mr. Beko and the case was deemed frivolous in the Nevada courts and now the only question is whether Mr. Katz will appeal to the United States Supreme Court. There was a discussion about settlement with no response to the offer. Mr. Beko is waiting to see if he is going to file with the United States Supreme Court which the District will then have to respond to.

G.2. Board Treasurer Sara Schmitz

Board Treasurer Sara Schmitz said that the role of Board Treasurer was delegated to the Director of Finance previously and that the Nevada Revised Statutes have a clear statement for the Board Treasurer so she is working with the new Director of Finance to make use of opengov to generate a Treasurer's report. It is her hope and expectation to have something to bring before the Board of Trustees for feedback and comment very soon.

Chairman Callicrate called for a recess at 7:37 p.m.; the Board reconvened at 7:45 p.m.

H. GENERAL BUSINESS (*for possible action*)

- H.1. Review, discuss and possibly approve the proposed schedule of services for Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and Review, discuss and possibly approve the proposed schedule of services for Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” and Review, discuss and possibly approve the proposed Fee Schedule – Resolution 1877 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Chairman Callicrate asked for any Board member questions; Trustee Schmitz, referencing agenda packet page 36, Alternatives, read the alternative aloud and asked for a little bit of explanation on that item.

Director of Public Works Pomroy gave an overview of the submitted materials and explained that not having rate increases would mean looking at deferring capital projects, reducing Staff or other cost changes.

Chairman Callicrate said the concern that he has is that is what is going on with COVID-19 activity, that raising rates right now would not be the right thing to do even though it seems like a small amount per month, it is still an addition. He agrees with many comments that have been made and with the direction given to the Interim District General Manager, it is more prudent, at this time, to stay with current rates and wait for the reserve and rate studies that are coming in the next several months.

Trustee Morris said that he knows that it was prior to the COVID announcements and that he thought that the Board had a very robust discussion about this topic at a previous Board meeting and coincided with an acknowledgement that we will be short of our fund balance requirements. There was also the question of should we begin building our reserves now and we decided not to and now there is a suggestion that we don't do a rate increase. Our waste and our water is an essential service and more so now. For us to think about cutting service or deferring capital improvement projects would be very unwise. He understands that COVID is here but in terms of our essential services, there is nothing more essential to what we do then provide utilities. Knowing that we are going to increase them to increase our fund balance in the future is one thing but to delay the rate increase would be a really huge impact. Trustee Morris concluded by stating that he is favor of doing the rates as discussed and sticking to our plan.

Trustee Dent said that he is in favor, given the uncertain times, and that the Board should listen to public comment, of not doing a rate increase at this time. We could postpone it and do what others are doing. We need to look out for the people we work for, the people in the community, and defer those items we can defer and then reassess to see where we are. We are moving forward with a rate and reserve study and after that we can raise the rates later; he is all in favor of holding off on a rate increase.

Trustee Wong said that holding off on the rate increase is a really good idea. Our community has a lot of people on fixed incomes and maybe some of that fixed income isn't coming in. We should set a date to re-evaluate and to evaluate if that is the right time whatever that date would be and do the rate change based on needs. Trustee Wong said that she doesn't want to see the utility fund balance drop too low so we don't have the money for critical infrastructure.

Chairman Callicrate said he liked the suggestion of setting a date.

Trustee Schmitz said that she concurs and that Staff put her mind at ease when they said a short term deferment wouldn't have any impact. She also agrees to putting it on the calendar and suggested maybe October. She would like to have Staff identify some cost saving incentives and look at them holistically later in the year.

Trustee Morris said that he has been swayed by some of the arguments and that to Trustee Schmitz' point, if we review again in three months and if we want to raise rates at that time, we have to have another public hearing and go forward with that. If it is still up in the air, then we can defer it again. Trustee Morris concluded by stating that he would like to see the review happen in three months.

Chairman Callicrate said that he is fine with three or six months and whatever the Board would like to do.

Trustee Wong said that July would be appropriate and that we can assess to see if we are still being affected by the virus. If July is not right, we can push it out again.

Chairman Callicrate said that he is fine with the second meeting in July; Trustees Schmitz and Dent concurred with that schedule.

District General Counsel Velt confirmed that no motion is needed.

H.2. Award a Procurement Contract for the Purchase of Replacement Rental Shop Equipment – 2019/2020 Capital Improvement Project: Fund: Community Services; Division: Ski; Project # 3468RE0002, Vendor: Rossignol, Amount \$285,834.75 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)

General Manager Diamond Peak Ski Resort Mike Bandelin gave an overview of the submitted materials.

Chairman Callicrate said if we were to perhaps put this off because of all of this COVID-19 or is it critical to do this tonight or can we push this out to after next season. Safety is important however is there a possibility to forego it without impact to next year's operations.

General Manager Diamond Peak Ski Resort Bandelin said we wouldn't be able to go on this in November because of vendor drop dead date. He stated in the alternative narrative, his feeling is that we could defer this project, as Staff did a condition assessment and identified one hundred and twenty skis, within the junior fleet, that have finished their five years because we deferred the replacement to competitively bid them together. It will be around sixteen thousand dollars to replace those skis that don't meet the condition assessment. On the safety side, we have six years on the bindings so he has no problems or qualms on bindings indemnification within the next couple of years with that manufacturer.

Chairman Callicrate said that is what he wanted to hear from Staff.

Trustee Morris asked if there was a safety aspect with the bindings and can you please say if you are comfortable or concerned. General Manager Diamond Peak Ski Resort Bandelin said he has no concern with the manufacturer's indemnification on the bindings. Trustee Morris said that Staff has identified, with the children's skis, about sixteen thousand dollars, that need replacement. Has Staff audited the adult skis and boots? General Manager Diamond Peak Ski Resort Bandelin said if the Board does decide to defer, Staff would do maintenance on the fleet by replacing toe and heels of the boots and that Staff identified a preliminary cost of sixteen thousand

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dollars which is inclusive of junior and adult fleets. This purchase doesn't include snowboards because it is in the 2020/2021 budget plan.

Trustee Wong said so next year we would be doing skis and snowboard and that she knows that we have tried to keep this on a staggered schedule so we have to be okay with next year doing both of these fleets at the same time.

Trustee Schmitz said that she appreciates the alternative and already being proactive. As to attracting skiers to Diamond Peak, if we deferred for one year, will that have any negative impact on the number of ski passes that we sell. General Manager Diamond Peak Ski Resort Bandelin said no, it would not as a majority of our pass holders have their own equipment. We treat our fleet like any other asset within the District and that Staff wouldn't have included that alternative if there was any diminishment. Trustee Schmitz said that she appreciates the presentation by the two public commenters and the sharing of that information.

Interim District General Manager Winquest said he fully supports deferring this item and that with the General Manager Diamond Peak Ski Resort's expertise, he is confident with this deferral because he has said yes and he is comfortable with that alternative. We don't know what is going to happen with the whole COVID thing and resurgence however we are going to prepare for a great season. Staff will look at the equipment especially the snowboard equipment to see if it needs to be replaced next year.

Chairman Callicrate said that it sounds like the Board is deferring to General Manager Diamond Peak Ski Resort Bandelin's judgment.

Trustee Morris said that he hopes we can resolve it without having to come back to the Board as the estimate is around sixteen thousand dollars and while he won't hold his feet to the fire, if it is within the Interim District General Manager's authority, he is comfortable with it going forward as proposed and not bring it back to the Board.

General Manager Diamond Peak Ski Resort Bandelin said that this would be an operating expense to maintain this fleet and that this agenda item will become a carryforward project.

Trustee Wong asked if Staff could contact the vendors and let them know it had nothing to do with them rather it is the economic condition. General

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Manager Diamond Peak Ski Resort Bandelin said absolutely and that the entire industry is doing this. This was a helpful conversation and that he appreciates the Board's feedback.

H.3. Review, discuss and possibly approve Resolution Number 1878: A Resolution Preliminarily Approving the Report for Collection of Recreation Standby and Service Charges per parcel of \$830 with beach privileges and \$705 without beach privileges, Fiscal Year 2020-2021 and setting the public hearing date for Wednesday, May 27, 2020 at 6 p.m. (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Paul Navazio gave an overview of the submitted materials.

Chairman Callicrate said, referencing agenda packet page 48, that Staff would like to hear, from the Trustees, if they want to revise the beach fee. Director of Finance Navazio said that while the Board doesn't have all the information to settle on the final amount, what is important is that our public hearing notice sets a maximum amount that the Board would be considering and not prematurely bind your hands on the setting of the fees.

Chairman Callicrate said that the maximum would be \$830 with beach and \$705 without beach.

Director of Finance Navazio said \$830 for beaches and \$705 for properties without thus setting two separate fees. While there may be discussion of reallocating those fees, the Board will be establishing two separate fees and if there is a desire to increase the beach fee over \$125, Staff wants the public notice to state that amount over the \$125 because technically they are two separate fees.

Chairman Callicrate said that have been concerns about collecting the respective fees and he thinks what we should do, and speaking as one individual, is he wants to give ourselves latitude. He doesn't want to raise the fees above \$830 and he may want to possibly reduce it and that the recommendation in the memorandum is good.

Trustee Schmitz asked about the timing right now of going forward with the same fees as it is not understanding and reflecting our current circumstances with financials and access thus it is not good to go forward

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with the \$830. The Community Services fund balance is somewhere on the high side of twelve million dollars and the low side of thirteen million dollars which is substantially over the fund balance. If we take a look at our current situation, potentially, we could reduce the fee so we can adequately fund things. She doesn't think we should leave it the same given the situation we are currently in.

Trustee Wong said that she is fine with what is being proposed; keep it at \$830.

Trustee Dent said, along the lines of what Trustee Schmitz brought up, keeping it at \$830, he is fine. The allocation has been kicked down and we asked Staff to look at capital, etc. He is fine staying at \$830.

Trustee Morris said that we need to give Washoe County something by June 1 so we do have to come up with a number and we have to have a public hearing that we have to notice so we must decide the perimeters.

Director of Finance Navazio said that what Staff is recommending is that the Board has the opportunity to discuss different combinations of the fees as we rework the budget and to provide additional capacity to the Beach fund. Staff just wants to make sure we have sufficient information from the Board to land where they may want to land. It might be fine to set it at \$830 and notice those two fees separately and to notice it with flexibility.

Interim District General Manager Winquest said that all Staff is really asking is to provide the flexibility on May 7 with all the different scenarios and have a lengthier discussion about the reallocation of the Recreation Fee or go at it all in one year. Staff will need to have that discussion with the Board and Staff just wants that flexibility to provide the data and have the Board make an intelligent decision on the allocations.

Trustee Morris said, on the fundamental points, that he thinks it is crazy to pay for improvements at the beach out of cash today or tomorrow when the project is going to last for the next thirty years thus it should clearly be identified for bonding. If we pay for the whole thing now, it is not fiscally responsible for our community now. Even if we take just one hundred dollars from the Recreation Fee that is a \$820,000 hit to our operating budget and that it is a standby charge, it is not a use fee, we still have to have the Recreation Center and maintain the pool inside as well as maintain everything so it is ready. To take those out is shortsighted. The big balance

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has been deliberate and we can't spend it twice or three times over and look at the budget and say we don't want to use it. It is his thought that the beach should look after itself. The beach should pay for itself meanwhile the Recreation Fee should fund the items we need. If we don't have any ski revenue, we have got to keep that standby fee where it is. We are not deciding that tonight but he doesn't feel comfortable only spending a couple of hundred bucks and the rest on beaches.

Trustee Schmitz said that she appreciates the comment by Trustee Morris. Because we have a fund balance that is six million dollars or more, we can actually identify, for a year, a Recreation Fee reduction to show the community that we care about them.

Chairman Callicrate asked what would a recommendation be; what would you recommend.

Trustee Schmitz said that she is only one Board member who is putting forward some good ideas and looking at budgeting because we have to look at the allocation.

Chairman Callicrate said if we can set the public hearing for May 27 then for tonight's action, by the Board, what can we do so we can all move forward with the actual fee.

Director of Finance Navazio said the action is adopting the resolution and setting the public hearing date and then setting the combined fee at not to exceed \$830 works however if the beach fee is going to increase by two hundred fifty dollars like has been suggested, then we don't want to lock you in rather have a total maximum amount combined and then a maximum amount on each fee.

District General Counsel Veltó said he doesn't disagree with Staff's language.

Chairman Callicrate said if there is going to be a reduction, and by accepting the recommendation, we are not locking those numbers in and that if we want to make reductions, we can do so at the May 7 workshop.

Director of Finance Navazio said that is correct and that the Board can go as low as you want and that this is about the public hearing notice.

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Chairman Callicrate said he is okay with not to exceed because of the time constraints and then hash it out on May 7.

Trustee Schmitz said that she is fine with that and that we are painting ourselves into a bit of a corner as there is no way to anticipate the virus and it changes how she is looking at things. She understands that we need to move forward and that it is really important, as a Board, that when we get the budget numbers and what these Recreation Fees look like with no access.

Chairman Callicrate said he agrees and to others point, these are troubling times and something that none of us expected.

Interim District General Manager Winquest said that Staff is going to be able to provide more information on May 7 and that not to exceed \$830 puts us in a good place when we do a gradual reopen that we will need to manage.

Chairman Callicrate said that the whole community needs to understand this.

Trustee Wong made a motion to adopt Resolution Number 1878 which preliminarily approves the Report for Collection of Recreation Standby and Services Charges (also known as the Recreation Facility Fee and Beach Facility Fee), and sets forth the public hearing date of Wednesday, May 27, 2020 at 6:00 p.m. at the Chateau, located at 955 Fairway Boulevard, Incline Village, Nevada. Trustee Morris seconded the motion.

Trustee Schmitz said that she would prefer the language be changed to not to exceed \$830. Chairman Callicrate asked if the motion maker (Trustee Wong) was willing to amend her motion. Trustee Wong said it is not necessary to amend because the dollar amounts are in the report so the thresholds are set. Chairman Callicrate asked Trustee Schmitz if she felt comfortable with no amendment. Trustee Schmitz said she would prefer the amendment. Chairman Callicrate asked Trustee Wong is she is willing to amend the motion to not to exceed \$830. Trustee Wong said we need to vote on the motion as made. Chairman Callicrate said there is no amendment to the motion. Trustee Dent said he would back not to exceed \$830.

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Chairman Callicrate called the question – Trustees Morris and Wong voted in favor; Trustee Callicrate, Dent and Schmitz voted opposed. The motion did not pass.

Trustee Schmitz made a motion to adopt Resolution Number 1878 which preliminarily approves the Report for Collection of Recreation Standby and Services Charges with the fee being not to exceed \$830 with beach privileges and not to exceed \$705 without beach privileges and sets forth the public hearing date of Wednesday, May 27, 2020 at 6:00 p.m. at the Chateau, located at 955 Fairway Boulevard, Incline Village, Nevada. Trustee Dent seconded the motion. Chairman Callicrate called the question – the motion was unanimously passed.

H.4. Review, discuss and authorize Form 4404LGF as the IVGID 2020-21 “TENTATIVE” Budget for filing with the Nevada Department of Taxation by April 15, 2020, as required by Nevada Revised Statutes 354.596 (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Paul Navazio gave an overview of the submitted materials.

Chairman Callicrate said he understands that this is tentative and that we are doing this to comply with the requirements of the State of Nevada and that it will be changed substantially as we are not in the situation we ever thought we would find ourselves in.

Trustee Wong and Dent said they had no questions.

Trustee Schmitz said that she had no questions and thanked Staff for really digging into this and really understanding things.

Trustee Morris said he has no questions and echo Trustee Schmitz' comments; we will have good discussions later.

Chairman Callicrate said that as mentioned earlier, he is going to open this matter to public comments.

Director of Finance Navazio said that he wants to stress that nothing that is being included restricts or commits the Board and that we have full flexibility to change it.

Chairman Callicrate said it is critically important to understand that information and thanked Staff for putting this all together and for the hard work everyone is doing under extraordinary circumstances. He is hopeful that when the final budget comes out, we will be able to assuage any concerns that the public has.

Interim District General Manager Winquest thanked the Board as well as he really appreciates the Board understanding that we are swamped with work and that Staff wanted to be able to provide a lot more for this meeting. He also wants to really complement our Director of Finance who has handled all of this so well. He has been tied up with other decisions and have a great team that has been supportive of the Director of Finance who hit the ground running and went deep; it is amazing what he has learned in a short period of time.

Chairman Callicrate said now is the time for public comment.

Cliff Dobler said he is glad to see that the Director of Finance, who has been talking with himself and Ms. Newman, take care of something we have been talking about for many years and that is the Utility Fund and dumping which are violations of Resolution 1838. There is one thing that has been forgotten and that is those phony punch card transactions because about \$2.5 million dollars has been transferred and Crystal Bay owners are owed \$150,000. A class action lawsuit is just on the horizon and it has been held off because he has been it will be taken care of. The problem is you have to find more money for the beaches which will put more pressure on that fund. Trustee Morris doesn't like to pay his bills and wants to borrow money at the beaches, well, you have to pay back that money and you have to have that money so how are you going to pay back the bonds. You can't just file bankruptcy.

Aaron Katz said do you see you are doing budgeting of the steady and dependable Recreation Fee of \$830 rather than having the Recreation Fee pay for legitimate expenses which is what you have told everyone in the report thus this makes the Recreation Fee a tax which you all know is impermissible. It is not a fee; it is a tax because we can have overspending. He wishes the Board would admit the truth and quit dancing around the truth. What differs is the difference between the Recreation Fee and overspending is \$8.5 million because it calls for \$1.66 million of fund transfers. In others words, the Recreation Fee is not enough, you need to go into your fund

balance. Your staff is out of control on overspending and that is the problem. They always require more and asked if he is the only one who has figured it out. You can't bond because there are three cases that say it is private property and someone will file a lawsuit. Please don't say it is preliminary, leave yourself a month to do what, deal with them right now. Otherwise you are kicking the can down the road and it is about time to wake up and make the hard decisions.

Mike Abel passed on his opportunity to make public comment.

Chairman Callicrate closed public comment on this item.

After closing public comment, Chairman Callicrate asked if there was a motion.

Trustee Dent made a motion to authorize Staff to execute and file the Form 4404LGF as the Incline Village General Improvement District's "Tentative" budget for fiscal 2020-2021, for filing by April 15, 2020, as required by NRS 354.596. Trustee Wong seconded the motion. Chairman Callicrate asked for further comment; receiving none, he called the question – the motion was unanimously passed.

H.5. Review, discuss and possibly approve the issuance of a written notice of termination, in accordance with the retainer agreement, paragraph 10.3, to the Law Offices of Hutchison & Steffen, PLLC effective April 14, 2020 (Requesting Trustee: Chairman Tim Callicrate)

Chairman Callicrate briefly went over the submitted documents.

Trustee Schmitz said she would like the words "without cause" removed and that the first sentence of the last paragraph be removed. Trustee Morris asked why the removals as he thinks that they are perfectly correct and what are the reason to terminate with cause. Trustee Schmitz said that she is not suggesting with cause rather it is just not necessary to make it without cause. Trustee Morris said he thinks it is important to include and asked if District General Counsel could comment on removing that verbiage. District General Counsel Veltro said he is hesitant to comment too much on this matter and that on the removal of that language or any other, there is no reason that the Board can't remove it. Trustee Morris said he likes the letter as written because it is correct as written.

Trustee Wong said that on the next agenda, she would like to discuss a Request for Quotation on other legal counsel as the number one task is to protect the District and that we need to take the steps to always protect it and that she would like to see a discussion about going out for bids on legal counsel. Chairman Callicrate said that the Board had their discussion at the appropriate legal non-meeting and that the Board won't leave the District unrepresented and that he and the Interim District General Manager are pursuing this matter. District General Counsel Velto said no matter what the Board does, the firm will support the District.

Trustee Dent said that he would support this letter with the changes that Trustee Schmitz has requested. Chairman Callicrate said he could support the changes that Trustee Schmitz has suggested and that he doesn't have an issue with it at this point.

Trustee Dent made a motion to issue written notice of termination effective April 14, 2020 to Hutchison & Steffen, PLLC based on the terms of the existing contract agreement with the modifications that "without cause" and the first sentence of the last paragraph are removed. Trustee Schmitz seconded the motion.

Trustee Wong thanked Hutchison & Steffen for all the work they have done for us for the last six years and noted that it is unfortunate that we have gotten to this place and that we can't ignore where we have been and the litigation that we have been in quite frankly.

Chairman Callicrate said that a lot has transpired over the past several years and that he is saying, as one member of the Board, it is the appropriate time.

Hearing no further comments, Chairman Callicrate called the question – the motion was unanimously passed.

I. **APPROVAL OF MINUTES (for possible action)**

I.1. **Meeting Minutes of March 11, 2020**

Chairman Callicrate asked for any changes, none were received, the minutes were approved as submitted.

I.2. **Meeting Minutes of April 1, 2020**

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Chairman Callicrate asked for any changes, none were received, the minutes were approved as submitted.

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

Chairman Callicrate said that he has been in contact with the Interim District General Manager regarding a variety of issues and that as an update on his employment contract, that at his request, he wants to postpone this matter until at least May so that all the externals come to a dull roar. Interim District General Manager Winquest said that everyone knows how committed he is to this job and that he has been able to be effective thus he doesn't think the District needs this distraction at this moment. He will be ready to revisit it in May and that he does have a draft contract which he has given to Chairman Callicrate and that he just has more important District business to attend to. To the community, he is passionate and fully committed to leading the District however long it takes and that there will be an employment contract in front of the Board but right now it is important to keep the District moving during this very difficult time. This delay has nothing to do with the Board members rather it is just not the highest priority in the District at this time. Chairman Callicrate said that he appreciates all that the Interim District General Manager has been doing and that COVID-19 is in the pictures so things have gotten stalled.

Trustee Morris said he is thankful that he is a citizen of a country where free speech is protected. And, as a member of this Board, he acknowledges that during our meetings, and elsewhere, members of the public can make free-speech comments. However, just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. As a public figure by dint of declaring himself a candidate for election to this board, Mr. Frank Wright is now a public figure and therefore, just as he, enjoys somewhat less protection against the speech of others. He believes that Mr. Wright should tread carefully with what in his opinion are his potentially slanderous, inflammatory and hateful speeches about me him, particularly when he does not have his facts straight. It is also his opinion that Mr. Wright rarely appears to let the truth get in the way of a good story. This was demonstrated for example by his public comment this evening, when he made another false commentary about him. He advises him to review the facts of the case he spoke of with the court, and for both him, Ms. Martini and Mr. Dobler, who also made misstatements about him

tonight, to please be aware that should they continue to attempt to besmirch his reputation and integrity by speaking or writing misleading facts, half-truths, innuendo or false facts, he shall use all the weight of whatever laws there may be at his disposal to seek redress. He wishes his colleagues on the Board to know that the case Mr. Wright spoke of was finalized by the court on the 4th of March 2020 and other than one small matter of the payment of the sum of \$160.00, no ex-employee of his was owed any unpaid wages.

K. PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

Frank Wright said he is a candidate for the Board and to Trustee Morris, thank you for that diatribe, and that he offers Trustee Morris the opportunity to bring forward the facts and have it put in the Board packet. He personally spoke to Miss Page who said she was cheated out of fifteen thousand dollars yet Trustee Morris hasn't provided anything in writing. It was a nice speech. He is protected by free speech, as a public speaker, and prove it different by bringing it to the Board. As to the attorney being discharged from the District, the pending matter for Mr. Katz, he heard the issues and first of all, what gives the District the right to collect fees on appeal, that information was not accurate as there is no authority to get fees. An offer was brought to the Board, Mr. Katz didn't see it, as it was brought between Mr. Beko and someone else. What is it going to cost to go to the U.S. Supreme Court? Will Mr. Beko be representing, he doesn't think so, as this was not attempted to be settled in a good way.

Aaron Katz said he has some written statements submitted to the Board and he wants them attached to the Board minutes and that he will be delivering those statements as we have done in the past. Comment that Mr. Wright brought up, don't know how much you know, settlement means both sides have to agree. Assuming the Board wanted to settle things, they need to make a legitimate effort and there was no public hearing which you all know is required. Both needs to give up something. There needs to be legal authority to go pursue additional fees if that is what you are proposing to give up. Your counsel has never given you that legal authority reference rather he tries to go try and pursue and open up a whole new round of litigation. If that is what you want to keep doing, do what you want, if not, the Board better have a public meeting to discuss it.

Cliff Dobler said he wanted to make a couple of comments about what the Director of Finance said earlier –didn’t have adequate fund balances in the Utility Fund, go back to the Director of Public Works’ memorandum of March 27 and following the expired District’s Strategic Plan – both guys work for the District, one guy says one thing and another says another so flip a coin. Trustee Morris – it is really simple to say you only owed one hundred and sixty dollars but you failed to say, in bankruptcy, you are discharged, discharged by filing bankruptcy, go ahead and sue him, he would love it. Put in a tough spot right now and appreciate you working through it.

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

Trustee Schmitz said that the Audit Committee Charter is a higher priority than the Trustee handbook so it is important to bring that back for review. In addition, the Director of Finance, herself and the Interim District General Manager should discuss a scope of work for internal controls review. Interim District General Manager Winquest said he will discuss this with Trustee Schmitz offline.

Interim District General Manager Winquest asked about having earlier meetings. Trustee Wong said she can start at 5 p.m. Chairman Callicrate said five o'clock is good for regular meetings and asked if there is any possibility, on the workshop, that we can accommodate a daytime workshop that is time specific and an identified amount of time. Trustee Wong said that May 7 is a possibility and that she wouldn't know until 1 p.m. on the May 6. Chairman Callicrate said on May 7, let's have a tentative earlier meeting for the workshop and if for some reason one of the Board members cannot meet earlier then maybe there is an opportunity to have their concerns submitted. Let's have a 4 p.m. workshop that is for a period of two hours. Trustee Wong said to schedule it and if she can make it, fine. Trustee Morris said he is concerned as he wants to hear Trustee Wong's commentary and to have a full Board present if at all possible as she has valuable input to that workshop. Chairman Callicrate said to schedule the workshop at 4 p.m.

M. ADJOURNMENT (*for possible action*)

The meeting was adjourned at 10:15 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

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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 Alexandra Profant (1 page): For the record my public comment is as follows

Submitted by Dick Warren (2 pages): E-mail dated April 14, 2020 at 2:48 p.m.

Submitted by Aaron Katz (2 pages): Written statement to be included in the written minutes of this April 14, 2020 regular IVGID Board meeting – Agenda Item H(5) – Termination of our legal services agreement with Mr. Guinasso and his Hutchison law firm

Submitted by Aaron Katz (5 pages): Written statement to be included in the written minutes of this April 14, 2020 regular IVGID Board meeting – Agenda Item C – Public Comments – Because local parcel/dwelling unit owners should not be subsidizing the costs of operating commercial “for profit” business enterprises, why aren’t out public employees furloughing and laying off their own, and reducing their salaries and benefits as are our competitors?

Submitted by Aaron Katz (17 pages): Written statement to be included in the written minutes of this April 14, 2020 regular IVGID Board meeting – Agenda Item C – Public Comment – Because staff see IVGID as being nothing more than a series of commercial “for profit” businesses rather than the limited purpose local government it really is, they feel it perfectly acceptable to spend over \$1,700 per month on armored car transportation services.

Submitted by Aaron Katz (5 pages): Written statement to be included in the written minutes of this April 14, 2020 regular IVGID Board meeting – Agenda Item H(3) – Adoption of a report preliminarily approving new Recreation (“RFF”) and Beach (“BFF”) Facility Fees and ordering their collection on local parcel owners’ property tax bills

Submitted by Aaron Katz (5 pages): Written statement to be included in the written minutes of this April 14, 2020 regular IVGID Board meeting – Agenda Item H(4) – Because Staff continue to refuse to share the services and supplies line item expenditures they propose be budgeted for 2020-21 to the Community Services and Beach Funds, and local parcel/residential dwelling unit owners are forced to subsidize budgeted overspending in these funds through the Recreation (“RFF”) and Beach (“BFF”) Facility Fees they are involuntarily compelled to pay, the Board should not ratify/approve Staff’s proposed tentative 2020-21 budget

For the record my public comment is as follows :

I am Alexandra Profant.

For the sake of public participation regarding the pending update of what is deemed The Tahoe Area Plan, I have requested the following:

1. For a presentation of The National Park Service Preservation Planning criteria and standards be presented to the County.
2. For the 211 page printed large format version of the state of Nevada Spooner lake project proposed, to be made available for all persons in Nevada , and in particular, Washoe County District One residents, to observe, for physical access and real world viewing, in the format which the design is tailored to.
3. For Washoe County emergency management personnel to be included in the update of the State Historic Preservation Plan Interdepartmental Comprehensive Emergency Management Plan mentioned on page 17 of the State's draft plan- in order and that we may as District One resident assure to have included the identification of historic resources which are IVGID owned, such as transmissions lines on IVGID property for consideration of competitive private and public funding opportunities. If this is included as an historic resource, then maintenance repairs, and restoration, for the sake of preservation of public health and safety may be made available to protect IVGID's historic property/IVGID- District One right of way affiliated with said pipeline or other GID assets and historic resources.

Thank you for your time.

Alexandra Profant
Director
The T A H O E Foundation®
4 Regal Cr @ The Royal Pines Subdivision
820 Oriole Way Lot 66 Incline Village NV 89451 (pending survey)

Herron, Susan

From: Dick Warren <bd1947@icloud.com>
Sent: Tuesday, April 14, 2020 2:48 PM
To: Tim Callicrate; Sara Schmitz; Matthew Dent; Peter Morris; Wong, Kendra
Cc: Herron, Susan; Winquest, Indra S.; Paul C. Navazio
Subject: Public Comment - April 14, 2020 Board Meeting

Follow Up Flag: Follow up
Flag Status: Completed

I will be unable to speak to this publicly at the Board meeting today, but I did want to ensure that it is included as a public comment. Susan, please include my comments in the public comment records. Thank you.

Dick Warren

947 Incline Way, Unit 185

Incline Village, NV

Business Item H.3 refers to whether the Board should approve or not approve a combined Rec and Beach Fee of \$830. I believe these combined Fees have been set at \$830 for several years now. My question is, why? Responsible residents have pointed out how most IVGID Venues and programming cannot breakeven without being subsidized by these Fees, but IVGID Staff never worried about that because they know that these Fees will cover their overspending. There has been no incentive for IVGID Staff to focus on controlling expenses because those wonderful Rec and Beach Fees cover all of IVGID's inefficiencies.

But now the Board, all 5 Trustees, have an opportunity to rectify this situation. They can now reduce the total to \$800, \$775, \$750, whatever, to force IVGID Management to control their expenses. But will they? I hope so, but I wonder if they will. Let's be honest, IVGID Management will not control expenses, particularly central services costs, services and supplies and their labor costs, until they have to do so. Interim GM Winquest, so aptly named by another as the "Candyman," really enjoys dispensing IVGID jobs and favors to locals. That earns him "the love" of the Community. The Candyman takes care of everyone at the expense of the residents that pay the Rec and Beach Fees. It is a great set-up for the Candyman, but not a good deal for the 8,000 or so residents that must pay these Fees.

But back to my question, will the Trustees vote to lower these Fees? This is the most opportune time to do so. COVID-19 has had, and will have, a damaging safety and economic impact on 2020-2021 activities. After all, these Fees are imposed to make our recreational and beach venues available for our use. How many of these activities will actually be available? And how many residents and visitors will be able to afford to use them? Why collect and spend money unless you can reliably justify doing so? 2020-2021, for the most part, will be extremely challenging for everyone. It is no one's fault, it's just something we need to deal with.

But I wonder if the Trustees will have the intestinal fortitude to stand up to our interim GM. Someone needs to remind the Trustees that the interim GM works for them, not the other way around. If the Trustees are unwilling to confront the interim GM on this issue, then quite frankly, why do we elect Trustees if they cannot exercise independent judgment and have no backbones?

In interim GM Winquest's initial review of operations, he likes the way things are going. The Candyman does not want to make any changes – not in financial transparency or getting expenses in line with actual revenues.

This is a sad state of affairs. Is this current Board of Trustees willing to take this challenge on? I hope so, but I doubt it. Most see the interim GM as their boss and seek his approval. So sad that most Trustees have no understanding that they are elected officials and have a responsibility to justify the imposed collection of our public money and spend it responsibly. Once again Trustees, have you no courage to stand up to the Candyman?

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS APRIL 14, 2020 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – BECAUSE LOCAL PARCEL/DWELLING UNIT OWNERS SHOULD NOT BE SUBSIDIZING THE COSTS OF OPERATING COMMERCIAL “FOR PROFIT” BUSINESS ENTERPRISES, WHY AREN’T OUR PUBLIC EMPLOYEES FURLoughing AND LAYING OFF THEIR OWN, AND REDUCING THEIR SALARIES AND BENEFITS AS ARE OUR COMPETITORS?

Introduction: One of my complaints with the way our district is and has been administered is that when one owns/operates commercial “for profit” businesses (which is exactly what IVGID staff do¹ with the exception that the District’s businesses operate at a *loss*²), one does all of the things private sector businesses do. With this in mind I read with interest the following comments by Vail Resorts CEO Rob Katz which appeared on page 10 of the April 3, 2020 edition of the Tahoe Daily Tribune Newspaper in response to COVID-19³:

“In addition to giving up his salary...the company will be furloughing nearly all of the year-round hourly employees...for the next one to two months. They will not receive pay but will continue receiving health benefits...(And the company is) implementing a six month salary reduction for all salaried employees including senior executives...suspending 401(K) matches...and reducing capital expenditures.”

Given these are the kinds of things one does when one is operating one or more commercial for profit business enterprises, and IVGID is waist deep in commercial for profit businesses, I am curious what similar actions our staff have undertaken in response to COVID-19. And that’s the purpose of this written statement.

¹ We’ve had this discussion before. Rather than proving evidence of this truism again, I point the IVGID Board and the public to my discussion of this topic in that written statement submitted to the Board for inclusion in the minutes of its on April 1, 2020 meeting addressing the propriety of more than \$400,000 bank charge card processing fees annually.

² Again we’ve had this discussion before. Each year staff budget to *overspend* close to \$7 million. This overspending is masked by inartfully labeled subsidies known as Recreation (“RFF”) and Beach (“BFF”) Facility Fees. Rather than proving evidence of this truism again, I point the IVGID Board and the public to my discussion of this topic in that written statement submitted to the Board for inclusion in the minutes of its on April 1, 2020 meeting addressing the propriety of more than \$400,000 bank charge card processing fees annually.

³ Go to <http://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&pubid=97990d7e-c1ec-4086-bfc4-124516fe6cb3>. A copy of the article where Mr. Katz is quoted is attached as Exhibit “A” to this written statement.

Has the District Furloughed Any of its Seasonal or Hourly Employees? On April 9, 2020 interim general manager Indra Winquest conducted an online “community conversation.”⁴ In the same he offered information and fielded questions concerning the COVID-19 pandemic. One of the pieces of information Mr. Winquest provided was that 500 of our 1,012⁵ or more seasonal and part-time employees have been furloughed. But he did not state whether the District has stopped providing compensation and/or benefits. Nor did he state for how long.

How Many Full Time Employees Does the District Employ, and Have Any of Them Been Laid Off? Mr. Winquest didn’t answer these questions. Instead he shared “how difficult it was,” “how hard he is working,” and how he and his senior staff are grappling with the second question, searching for a solution. Translation: *none* of the 125 or more full time employees has been laid off.

Has the District Implemented Salary Reductions For Any of its Salaried Employees Including Our Recreational Venue Managers? If so what percentage, and for how long? Indra hasn’t told us.

Have Senior Management Given Up Any of Their Salaries? If so who, and for how long? Indra hasn’t told us.

Has the District Suspended 401(k)/Their Equivalent Employee Retirement Fund Matches? If so what percentage, and for how long? Indra hasn’t told us.

Have Staff Proposed Reducing Any of the \$9,806,190⁶ in Capital Expenditures They Proposed the District Budget For 2020-21 at the Board’s April 1, 2020 Meeting? If so, how much? Indra hasn’t told us.

If the District Hasn’t Done What Vail Resorts Has Done, Then the District is Not Acting as Responsible Commercial Business Enterprise Acts in Times Such as These:

If the District Has Done What Vail Resorts Has Done, Then Why Hasn’t the District Issued Another Press Release to Inform the Public of the Same?

Conclusion: To use words former comedian George Carlin would use⁷, the continued apparent irresponsibility of Staff is arrogantly stunning. To ask local property owners to continue to subsidize losses at the District’s recreational facilities when they produce no revenues and staff refuse to

⁴ Go to <https://www.yourtahooplace.com/parks-recreation/look-up-remote-wellness-program/community-conversations>.

⁵ Go to <https://transparentnevada.com/salaries/2019/incline-village-general-improvement-district/>.

⁶ See page 37 of the packet of materials prepared by staff in anticipation of the Board’s April 1, 2020 meeting [https://www.yourtahooplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_4-1-20.pdf (“the 4/1/2020 Board packet”)].

⁷ Go to <https://www.facebook.com/GeorgeCarlinComedian/videos/2910882405618206/?v=2910882405618206>.

reduce costs, is not an option. Nor is any increase in the RFF/BFF so un-elected staff can keep their grandiose capital improvement project (“CIP”) plans alive.

If IVGID is a commercial business enterprise, then start acting like one! Furlough and lay off unnecessary employees, reduce salaries and benefits, and put an end to marginally beneficial CIPs. If staff are not willing to take these kinds of actions, then *STOP TRYING TO ACT LIKE A BUSINESS!*

And to those asking why our Recreation (“RFF”)/Beach (“BFF”) Facility Fees are as high as they are, and never seem to be reduced, now you have another example of the reasons.

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

EXHIBIT “A”

Order Online 7am - 11pm Daily
BlueDogPizzaTahoe.com
Take Out and Delivery



New Midtown Morning Menu

**Bagels & Spreads | Breakfast Potatoes
 Biscuits & Gravy | Coffee
 Breakfast Burritos with Fresh Salsa**



**Salads | Sandwiches | Pastas | Chips
 Bread Stix | Wings | Chicken Tenders
 Cheesy Bread | Calzones
 Gourmet Combos | Build Your Own**

Midtown
 Sierra Blvd & Hwy 50
Call for Take Out or Delivery
 530 541.0123
 2556 Lake Tahoe Blvd
 South Lake Tahoe

Stateline
 Raley's Village Center
Call for Pick Up
 530 541.0813
 4000 Lake Tahoe Blvd, A1
 South Lake Tahoe

SLTFR saves the day for birthday boy

Staff Report

A South Lake Tahoe boy who couldn't go to Disneyland as planned for his 7th birthday, was treated to a parade by the local fire department.

South Lake Tahoe Fire Rescue, came to the rescue for Nehemiah Valenzuela on Wednesday afternoon, April 1.

Maria Valenzuela, Mother of Nehemiah, called the fire department hoping for anything to make her son

feel special since she had to cancel their trip to Southern California due to the shelter in place order.

The department responded with a small fire truck parade with horns and sirens in front of his house while Nehemiah watched from a table that featured a big birthday cake.

"They made him feel so special and they even got him a gift — I appreciate they did that for him," Maria said. "And Nehemiah said it was the 'best birthday ever, I'll never forget it."



PROVIDED

Nehemiah Valenzuela turned 7 years old on Wednesday and was treated to a fire truck parade.

North Tahoe artists chosen to paint East Shore Trail tunnel mural

Staff Report

INCLINE VILLAGE, Nev. — A North Shore couple has been chosen out of nearly three dozen submissions to paint a mural in a tunnel of a popular new trail at Lake Tahoe.

Tyler Rivenbark and Frida Ticehurst-Rivenbark, a husband and wife art and design duo based in North Lake Tahoe, were selected by a panel of judges to paint a mural in a tunnel on the East Shore Trail that connects Incline Village to Sand Harbor State Park.

The judges were composed of representatives from the Tahoe Fund, Tahoe Public Art, Nevada State Parks, Nevada Department of Transportation, Raley's and Kelly Brothers Painting. They sifted through 34 artist proposals, stated a Tahoe Fund press release.

Raley's is providing a \$5,000 stipend to the artists and Kelly Brothers

Painting will donate all of the paint required for the mural.

Submissions came from as far as the UK and Canada with the majority coming from local and regional artists.

"Our partners and sponsors held two panel meetings in February to determine the top three artists," said Marina Lowe, program administrator for Tahoe Public Art, in the release. "Factors we considered included the artists' concepts for community involvement, overall design, budget and maintenance."

Requirements of the project asked artists to depict local life, involve local youth in the creation of the mural, and ensure its completion could be accomplished with minimal closure of the tunnel and trail.

Most of Tyler Rivenbark's work involves mixed media. Frida's art practice focuses on sustainable and regenerative systems for creative expression.

"Our intent with this art piece is to convey the natural beauty of this region," said the artistic couple in the release. "We want to remind people of the gift we all share by living or visiting this region, amplifying the sense of belonging, and encouraging participation in keeping this place beautiful and full of enjoyment."

Painting of the mural begins later this spring following NDOT approval of the permitting process. Local youth involvement is also expected, pending the status of government regulations related to COVID-19.

When painting is underway, the Tahoe East Shore Trail will be closed for two to three days by NDOT and Nevada State Parks. Trail closure details will be announced in advance through local media and postings at the trailheads and @nevadadot and State Parks social media.

Vail CEO gives up salary; furloughs hourly employees, cuts salaries

Staff Report

SOUTH LAKE TAHOE, Calif. — Vail Resorts CEO Rob Katz is forced to make tough decisions because of COVID-19, including giving up his salary for the next six months.

Vail Resorts found, because of closing early, the company will experience at least \$180 to 200 million in lost profits.

In an email to the

company's U.S. employees, he laid out the decisions he's made.

"I have made decisions over the last few weeks that I never could have anticipated in my nearly 30 years working in the ski business," Katz said in the email to employees. "I recognize the impact of today's decisions on you, and I do not take them lightly."

In addition to giving up his salary, Katz announced the

company will be furloughing nearly all of the year-round hourly employees as of April 4 for the next one to two months. They will not receive pay but will continue receiving health benefits.

They are implementing a six-month salary reduction for all salaried employees, including senior executives, eliminating cash compensation for the Board of Directors, suspending 401(k) matches, eliminating the

June and Sept. dividends to shareholders and reducing capital expenditures.

Katz said he knows this is disappointing news for the employees but said, "I am very hopeful that both the economy and travel will return to normal by the time our North American winter season opens eight months from now."

He also urged the employees to practice health, safety and well-being.



JUST LISTED
 Views, Views and Views
 Forever of Carson Valley

nights at home with just the family and views of the Valley. Some of the many upgrades in the living area, Corian countertops and open kitchen just to start. Seller to install closet for 3rd bedroom. \$449,900. Please be Safe.

BOB FREDLUND | 775.720.8501
 S.0033860 | bob@nevadastyle.net

Offering an Office (Add a closet for the 3rd Bed) + 2 bed, 2 bath and 3 Car Garage. This home is in a very desirable area of Douglas County. A beautiful, well-kept home and recently upgraded windows on open floor plan perfect for entertaining or comfortable



Privacy & stunning views from this mountain estate in the foothills between Carson City & Lake Tahoe. 3 BR, 3 BA, 2579 sf home sits on 5.51 acres of wooded land just 10 minutes from Carson City & Lake Tahoe w/ easy access to HWY 50. Plenty of room for all of your horses & toys. The detached garage is 2400 sf with an RV bay in the rear. Amazing views of Clear Creek, Carson Valley and the Sierra Mountains. \$1,165,000. Please be Safe.

BOB FREDLUND | 775.720.8501
 S.0033860 | bob@nevadastyle.net



**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF
THIS APRIL 14, 2020 REGULAR IVGID BOARD MEETING – AGENDA ITEM
H(5) – TERMINATION OF OUR LEGAL SERVICES AGREEMENT WITH MR.
GUINASSO AND HIS HUTCHISON LAW FIRM**

Introduction: Here the Board proposes terminating its legal services agreement with the Hutchison law firm. Although I am in full agreement insofar as termination is concerned, I disagree with the way the Board proposes insofar as termination is concerned. And this is the purpose of this written statement.

Instead of Terminating the Agreement Now, This Agenda Item Unnecessarily Proposes Paying the Hutchison Firm Another \$72,000 to Stay On For Another Six (6) Months: If there weren't a severance provision to the agreement would the Board be giving the Hutchison Firm an additional six (6) months of compensation? Assuming the answer is "no," please don't be "brow beaten" into not doing what's right.

My Proposed Revisions to the Board's Letter of Termination:

1. Please do not rely upon paragraph 10.3 for termination. Instead, rely upon paragraph 10.3.1 which provides for termination of the firm's services with notice of a lesser period than six (6) months. Personally, I would terminate the Hutchison firm at this evening's Board meeting. However if the Board feels it needs time to find a replacement attorney, I recommend giving the Hutchison firm notice of termination on the 14th, and terminate its actual physical services in let's say thirty (30) days or whatever number of days you want. That way the firm remains for thirty (30) or whatever days and the Board has sufficient time to find a replacement.

2. Please do not state in writing that the termination is WITHOUT cause. We have plenty cause and each of you knows this. If you want to be "political" insofar as what you put in writing, just say terminate. There's no reason to say anything, one way or the other, re: "cause;" especially given paragraph 10.3 permits termination either with or without cause.

3. Please eliminate the first sentence of the last paragraph of the proposed letter (at page 98 of the board packet). Since no one appreciates what Mr. Guinasso and Co. have done to the District and a number of its citizens, why would we go out of our way to say the exact opposite, let alone in writing? There's no need to be "political" here.

Furthermore, why would you make an admission such as this in writing when we still have the issue of paying six (6) months of severance pay outstanding? Why another needless \$72K of our Rec Fees?

What Happens if the District Doesn't Pay the \$72K of Severance Pay? The Hutchison firm will have to bring suit to collect. This will never occur. Can you imagine someone like Mr. Guinasso suing a public agency to collect severance compensation for performing no work pursuant to a contract he negotiated with himself when he was supposed to be looking out for the best interests of his client?

And can you imagine him trying the case before a jury no less, especially when few members will be employed with a job paying \$12K or more per month?

Moreover, if the Hutchison firm were to bring suit, it would open the door to all of the District's cross-claims. Cross-claims which total a whole lot more than \$72K. It would also open the door to a negotiated settlement (has anyone tried this yet and if not, why not?) where the firm's malpractice carrier would likely pony up money to the District or secure Mr. Guinasso's consent to an early termination without severance pay just to obtain a settlement.

Conclusion: So in summary,

1. Please change the reference in the proposed letter from paragraph 10.3 to 10.3.1.
2. Do not quote the language of any paragraph of the agreement.
3. Please eliminate any reference in the letter to "without cause." Just reference "termination."
4. If the Board wants to keep the firm for thirty (30) days while it looks for a replacement, then specify that termination of physical services will occur thirty (30) days hence.
5. Please don't mention the word "severance" at all. It's unnecessary unless we're negotiating a settlement.
6. Finally, please delete the first sentence of the last paragraph of the proposed letter in the Board packet altogether. The public appreciates nothing insofar as Mr. Guinasso is concerned.

And BTW, it is not an Open Meeting Law violation to change the language of a proposed letter which appears in the Board packet. Since the Board has given notice of possible termination and a possible termination letter, the fact the letter's substance may differ from that in the Board packet is inconsequential.

And to those asking why your Recreation ("RFF") and Beach ("BFF") Facility Fees are as high as they are¹, and never seem to be reduced, now you have another example of the reasons.

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

¹ Where do you think the money comes from to pay the Hutchison firm \$144,000 or more annually? Although the chart of account ("COA") number assigned by the District to the payment of these fees (100-10-990-6010) indicates their payment was assigned to the General Fund, the District spends more in this fund than the governmental revenues it assigns. The difference needs to come from somewhere, and that somewhere is central services revenue. Approximately 78% of central services revenue comes from the subsidies paid for by the RFF/BFF!

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS APRIL 14, 2020 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENT – BECAUSE STAFF SEE IVGID AS BEING NOTHING MORE THAN A SERIES OF COMMERCIAL “FOR PROFIT” BUSINESSES RATHER THAN THE LIMITED PURPOSE LOCAL GOVERNMENT IT REALLY IS, THEY FEEL IT PERFECTLY ACCEPTABLE TO SPEND OVER \$1,700 PER MONTH ON ARMORED CAR TRANSPORTATION SERVICES

Introduction: One of my complaints with the way our district is and has been administered is that when one owns/operates commercial “for profit” businesses (which is exactly what IVGID staff do), one does all of the things private sector businesses do. And one of those things is transporting receipts for purchases made at your businesses via armored car transportation service. And when most of your purchasers are made by non-residents, it means that most of those receipts come from non-resident purchasers. However when one administers a local government (which is exactly what IVGID is), there is little need to accept cash for purchases because the purchases are minimal.

When you don’t understand the differences between government and business, the public as a whole is required to absorb those costs which is what IVGID does. And here those costs needlessly exceed \$1,700 monthly! And that’s the purpose of this written statement.

Initially, Let’s Understand Exactly What IVGID Is: We’ve had this discussion before. IVGID staff want the Board and the public to believe that the District is some sort of a “quasi-public agency.”¹ In other words, some hybrid between government and commercial business. However, nothing could be further from the truth. NRS 318.075(1) Instructs that general improvement districts (“GIDs”) are “governmental subdivision(s) of the State of Nevada...body corporate(s) and politic and a quasi-municipal corporation(s).” In other words, *government*.

Not Only Does Staff Tell the Public That IVGID is a Series of Commercial Business Enterprises, it is a Series of NOT “For Profit” Businesses: We’ve had this discussion before so I won’t repeat it. Instead, let me refer the reader to the discussion which appears at page 217 of the packet of materials prepared by staff in anticipation of this meeting [https://www.yourtahooplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-14-20.pdf (“the 4/14/2020 Board packet”)].

So Let’s Understand That IVGID is Losing Nearly \$7 Million Annually Selling the Public’s Recreational Facilities to the World’s Tourists:

And That These Losses Are Being *Involuntarily* Subsidized by Local Parcel/Dwelling Unit Owners:

¹ Go to <https://www.yourtahooplace.com/ivgid/about-ivgid>.

And Let's Understand That When One Overspends, Essentially Every Expenditure He/She Makes Contributes to That Overspending: In other words, it's disingenuous to "cherry pick" which expenditures are being subsidized, and which ones are not. *They all are!*

On April 10, 2020 I Made a Public Records Request to Examine Records Evidencing One of Those Expenditures – Armored Car Transportation Charges: A copy of that request along with Susan Herron's April 13, 2020 response are collectively attached as Exhibit "A" to this written statement.

What I Learned is That IVGID is Paying Loomis Armored U.S. ("Loomis") \$1,700 or More Per Month, on Average, For Pick-Up and Transportation of Cash Receipts From Diamond Peak and the Chateau: As you can see from Exhibit "B" which is attached to this written statement, Ms. Herron provided me with a November 8, 2019 agreement between IVGID and Loomis² which evidences those services. And as you can see from Exhibit "C" which is attached to this written statement, Loomis' invoice for December 2019 services evidences charges in excess of \$1,750.

If the Board and the Public Buy Into Staff's Narrative That Armored Car Transportation Services Are a Legitimate Expenditure For IVGID to Be Making, Then You Have Bought Into the Narrative Essentially Every Endeavor IVGID Undertakes and Every Expense it Makes in Pursuit Thereof, is Justified: And this is because you're wrongly thinking of IVGID as the equivalent of a private commercial business rather than the local government it really is.

But GIDs Are Not Authorized to Operate Their Public Recreation Facilities as Commercial "For Profit" Business Enterprises: We've had this discussion before so I won't repeat it. Instead, let me refer the reader to the discussion which appears at pages 218-220 of the 4/14/2020 Board packet.

Moreover, the Stated Purposes of Our Recreation Facility Fee ("RFF") Are Not to Pay For Armored Car Transportation of Cash Receipts Mostly Received From the World's Tourists. Rather According to Staff, the RFF Pays For Our Mere Availability to Use Those Facilities³: Therefore continued use of the RFF to subsidize this cost should be terminated. Which means the RFF should be reduced by a comparable amount.

It's Not Just Armored Car Transportation Charges: At the Board's April 1, 2020 meeting I presented evidence that staff has budgeted to spend over \$405,000 in 2020-21 on credit card processing charges which will be subsidized by the RFF⁴. At the same meeting I presented evidence we're paying \$700/month subsidized by the RFF with Forecasts Unlimited for weather forecasts. I previously presented evidence we're paying \$4,000/month subsidized by the RFF with Tri-Strategies for public relations. And according to local resident Joy Gumz, in the last five (5) years staff have spent over \$400,000 of the RFF/BFF on staff food and beverage purchases. Moreover if staff provided line

² An agreement which was entered into by former Finance Director Gerry Eick, rather than the Board, after he had retired from the District.

³ See ¶1 at page 54 of the 4/14/2020 Board packet.

⁴ See pages 216-231 of the 4/14/2020 Board packet.

item budgeting of services and supplies expenses, I am certain the public would discover a plethora of additional similar expenditures inappropriately assigned to the RFF.

Conclusion: In an environment which deals with decreased revenues attributable to COVID-19, we should be looking to expenditures such as armored car transportation services which are easy to eliminate. And since this expenditure looks directly to the RFF for subsidy, its elimination should result in a like reduction of the RFF.

And to those asking why your RFF/BFF are as high as they are, and never seem to be reduced, now you have another example of the reasons why.

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

EXHIBIT "A"

RE: Records Request - Loomis Armored Car Services

From: "Herron, Susan" <Susan_Herron@ivgid.org>
To: "s4s@ix.netcom.com"
Subject: RE: Records Request - Loomis Armored Car Services
Date: Apr 13, 2020 11:40 AM
Attachments: [20191112 - Loomis Agreement 12.19 to 11.20.pdf](#) [Loomis 12543510 \\$1756.42 12.31.19 Diamond Peak.pdf](#)
[Loomis 12560556 \\$1598.59 01.31.20 Diamond Peak.pdf](#)

Dear Mr. Katz,

This e-mail shall serve as IVGID's response to your records request of April 10, 2020 which reads as follows:

1. December 2019 and January 2020 invoices from Loomis giving rise to the bill pay payments to Loomis; and, 2. Any current agreement between the District and Loomis for those/any other services.

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 Nevada 89451
P: 775-832-1207
F: 775-832-1122
sah@ivgid.org
<http://yourtahoeplace.com>

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

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Friday, April 10, 2020 4:35 PM
To: Herron, Susan <Susan_Herron@ivgid.org>
Subject: Records Request - Loomis Armored Car Services

Hello Ms. Herron -

I have recently come across bill pays for the above-subject line services. I would therefore like to examine:

1. December 2019 and January 2020 invoices from Loomis giving rise to the bill pay payments to Loomis; and, 2. Any current agreement between the District and Loomis for those/any other services.

4/13/2020

RE: Records Request - Loomis Armored Car Services

Thank you for your cooperation. Aaron Katz

EXHIBIT "B"



SERVICE AGREEMENT

The following paragraphs of this Service Agreement (the "Agreement") outline the agreements and understandings by and between

LOOMIS ARMORED US, LLC
("LOOMIS")
a Texas Limited Liability Company
with offices at:
2500 CityWest Blvd. Ste. 2300,
Houston, TX 77042.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
("CUSTOMER")
located at,
893 Southwood Blvd,
Incline Village, NV 89451.

This Agreement expresses and outlines the services, roles, and responsibilities of the parties. If additional locations are added to the scope of this Agreement, consistent terms and services will be maintained. These promises for such services and their related payments form the basis of this Agreement, made this 8th day of November, 2019 (the "Effective Date").

Term: Service will begin on the 3rd day of December, 2019 and shall continue for a period of one (1) year. At the expiration of the initial term, this Agreement shall automatically be extended for successive like term periods unless either party provides written notice of non-renewal at least sixty (60) days prior to the end of the then current term. CUSTOMER agrees that LOOMIS is the exclusive provider for these services for the facilities contained herein. Except as expressly stated herein, CUSTOMER understands and agrees that this Agreement contains no provision for early termination in whole or part. Either party may terminate this Agreement with five (5) days written notice in the event of bankruptcy, or insolvency of the other party. LOOMIS may terminate this Agreement with thirty (30) days written notice in the event of a material reduction or cancellation of LOOMIS' insurance.

CUSTOMER and LOOMIS agree to the following:

Schedule for Services: Conjunctive, sequential, on route pickup and delivery of items at the following location(s) to/from CUSTOMER's designated, mutually agreed-upon location(s):

LOOMIS BRANCH	UNIT # / LOCATION	MAXIMUM LIABILITY AMOUNT	SERVICE FREQUENCY	FEES for SERVICE
<u>1520 RENO</u>	<u>DIAMOND PEAK SKI RESORT, 1210 SKI WAY BLVD, INCLINE VILLAGE, NV 89451</u>	<u>\$250,000.00 per shipment</u>	<u>2 days per week (TUES & FRI) December Through April</u>	<u>\$88.24 per trip</u>
<u>1520 RENO</u>	<u>CHATEAU REVENUE OFFICE, 955 FAIRWAY BLVD BASEMENT NEXT TO GOLF SHOP, INCLINE VILLAGE, NV 89451</u>	<u>\$250,000.00 per shipment</u>	<u>2 days per week (TUES & FRI) May Through November</u>	<u>\$88.24 per trip</u>

Premise Time: Each service location under this Agreement (regardless of the pickup/delivery points) is allotted seven (7) minutes of service time. Over seven (7) minutes, a fee of \$2.50 per one (1) minute shall be assessed. Over fifteen (15) minutes, LOOMIS may elect to depart from the CUSTOMER'S location. Should LOOMIS be requested to return, the pick-up will be rescheduled as a Special Pick-up and will be charged at an agreed upon fee prior to rendering service.

Research and Supply Fee: A fee of \$65.00 per hour plus supplies will be charged for research of LOOMIS' documents or receipts that have aged over sixty (60) days, unless it is determined to be solely an error of LOOMIS.

Excess Item Handling: A fee of \$1.50 per item is assessed when the number of items or containers exceeds ten (10) items per shipment. An "Item" refers to the number of containers, sealed bags or other vessels LOOMIS is required to transport.

Non-Scheduled/Off-Day Service: \$65.00 per trip, per location in Urban areas. Additional fees apply for off-route and remote locations.

Holiday Service Fee: A fee of \$300.00 will be charged for the service provided on those Holidays as listed in Section 11.

Excess Liability: A fee of \$0.40 per \$1,000 or fraction thereof for any amounts which exceed the Liability Coverage per Shipment Amount.

Insurance Fee: A fee of 7% will be assessed to all services provided within this Agreement.

CUSTOMER does not desire this Excess Liability Coverage, CUSTOMER must decline Excess Liability Coverage by initialing the box below:

Decline

Reconstruction Obligations:

As explained in Section 7(c), of the Terms and Conditions, CUSTOMER has certain obligations regarding reconstruction of lost, damaged, destroyed checks or items that provide an audit trail. If CUSTOMER prefers to opt-out of these reconstruction obligations, CUSTOMER must decline by initialing the box below.

Decline

If CUSTOMER does NOT agree to reconstruction obligations or cannot meet its reconstruction obligations contained within Section 7(c), LOOMIS' liability for all checks contained within the shipment is limited to Ten Thousand Dollars (\$10,000.00) regardless of the face value of the checks in shipment.

TERMS AND CONDITIONS

1. **Service(s):** LOOMIS agrees to pick up, receive from, and/or deliver to CUSTOMER, or any designated agent, securely sealed or locked shipments which may contain any or all of the following: currency, coin, checks, securities, or other valuables. If the shipment container(s) does not appear to be securely locked or sealed, LOOMIS has the right to refuse to accept such container(s) and will not receive said container(s) from the CUSTOMER or its designated agent. If LOOMIS accepts the sealed container(s), LOOMIS will give CUSTOMER a receipt for said sealed container(s), and transport and deliver such sealed container(s) to the consignee designated by the CUSTOMER. CUSTOMER agrees that it will not conceal or misrepresent any material fact or circumstances concerning the property delivered to LOOMIS pursuant to this Agreement. The fee payable by CUSTOMER to LOOMIS is based upon the Maximum Liability Amount(s) and level(s) of service provided by LOOMIS as stated in this Agreement. All additional or special services must be evidenced and agreed to in a signed amendment to this Agreement.

2. **Billing and Payment:** CUSTOMER agrees to pay LOOMIS within fifteen (15) days of receipt of invoices which shall include any applicable federal, state or local taxes. In addition, LOOMIS may, at its discretion, impose a service charge of one and one-half percent (1.5%) per month or eighteen percent (18%) per annum or such lesser rate as may be required by law, of the amount unpaid by CUSTOMER, as is due and payable to LOOMIS on all invoices not paid in full by invoice due date. CUSTOMER further agrees that undisputed portions of any invoice shall be remitted to LOOMIS in accordance with normal payment terms. However, should CUSTOMER fail to pay any undisputed amounts within thirty (30) days of the invoice date, LOOMIS may, in its sole discretion, terminate this Agreement upon ten (10) days written notice to CUSTOMER. CUSTOMER agrees to notify LOOMIS of dispute(s) arising from any invoice within thirty (30) days after such invoice has been presented to CUSTOMER, or else such claim shall be deemed waived. All amounts due hereunder shall be paid by cash, check or ACH unless otherwise agreed on the signature page of this Agreement.

3. **Rate Adjustment:** LOOMIS shall annually increase the service fee(s) based upon the year to year changes in the Consumer Price Index (CPI) or other applicable economic factor(s).

To account for future movements in the price of diesel fuel LOOMIS will henceforth adjust the monthly fuel fee based on U.S. average diesel prices as measured and published by the Department of Energy (WWW.EIA.DOE.GOV). The monthly fuel fee shall equal the product of the applicable percentage (based on the chart below) multiplied by the aggregate monthly service fee (including any applicable Ancillary Item). LOOMIS' established baseline is \$1.31. Any cost above the \$1.31 baseline cost will be adjusted on a monthly basis by 0.5% on price movements of 10 cents per gallon (i.e. if diesel prices rise to \$1.41, the corresponding fuel fee is increased by 0.5%). The applicable fuel fee percentage will be based on the national average of diesel fuel prices published on the Department of Energy Website averaged over the first four Mondays of the month rounded to the next cent. The table is for reference only and does not reflect the maximum rate which may be assessed.

Minimum	Maximum	Per Gallon	Fee (%)
\$4.91	\$5.00	\$.10	18.00%
\$4.81	\$4.90	\$.10	17.50%
\$4.71	\$4.80	\$.10	17.00%
\$4.61	\$4.70	\$.10	16.50%
\$4.51	\$4.60	\$.10	16.00%
\$4.41	\$4.50	\$.10	15.50%
\$4.31	\$4.40	\$.10	15.00%
\$4.21	\$4.30	\$.10	14.50%
\$4.11	\$4.20	\$.10	14.00%
\$4.01	\$4.10	\$.10	13.50%
\$3.91	\$4.00	\$.10	13.00%
\$3.81	\$3.90	\$.10	12.50%
\$3.71	\$3.80	\$.10	12.00%
\$3.61	\$3.70	\$.10	11.50%
\$3.51	\$3.60	\$.10	11.00%

\$3.41	\$3.50	\$.10	10.50%
\$3.31	\$3.40	\$.10	10.00%
\$3.21	\$3.30	\$.10	9.50%
\$3.11	\$3.20	\$.10	9.00%
\$3.01	\$3.10	\$.10	8.50%
\$2.91	\$3.00	\$.10	8.00%
\$2.81	\$2.90	\$.10	7.50%
\$2.71	\$2.80	\$.10	7.00%
\$2.61	\$2.70	\$.10	6.50%
\$2.51	\$2.60	\$.10	6.00%
\$2.41	\$2.50	\$.10	5.50%
\$2.31	\$2.40	\$.10	5.00%
\$2.21	\$2.30	\$.10	4.50%
\$2.11	\$2.20	\$.10	4.00%
\$2.01	\$2.10	\$.10	3.50%
\$1.91	\$2.00	\$.10	3.00%
\$1.81	\$1.90	\$.10	2.50%
\$1.71	\$1.80	\$.10	2.00%
\$1.61	\$1.70	\$.10	1.50%
\$1.51	\$1.60	\$.10	1.00%
\$1.41	\$1.50	\$.10	.50%
\$1.31	\$1.40	\$.10	.00%

a) LOOMIS reserves the right in times of global economic downturn or due to changes in regulatory obligations, including but not limited to changes in minimum wage, to renegotiate rates and fees in good faith with CUSTOMER. In the event that CUSTOMER refuses to consent to such adjustment(s) or fee(s), LOOMIS shall have the right to terminate this Agreement upon thirty (30) days written notice to CUSTOMER.

4. **Liability:** LOOMIS agrees to assume the liability for any Cargo Loss, according to the terms of this Agreement of the securely sealed container(s) from the time LOOMIS signs for and receives physical custody of the sealed container(s). The term "Cargo Loss" shall mean any loss or destruction of currency ("Cargo") that occurs while the Cargo is under Loomis' sole care, custody and control. LOOMIS' responsibility terminates when the CUSTOMER or its designated consignee takes physical possession of the sealed container(s) and signs LOOMIS' receipt. If it is impossible to complete the delivery, LOOMIS shall be responsible for any Cargo Loss until the sealed container(s) is returned to the CUSTOMER or its designated agent and a signed receipt obtained. While the sealed container(s) is stored in the CUSTOMER's premises, LOOMIS does not assume the liability for any loss. If CUSTOMER conceals or misrepresents any material fact or circumstance concerning the property or container, or the contents thereof, LOOMIS will have no liability for any loss in any way related to such fact or circumstance. CUSTOMER agrees that LOOMIS does not undertake the obligation of an absolute insurer in the performance of this Agreement. LOOMIS reserves the right to take any and all action as may be reasonably necessary to prevent money laundering to the extent permitted under applicable law or regulation or as may be required by any regulatory body that may exert a right of control over LOOMIS.

UNDER NO CIRCUMSTANCES WILL LOOMIS BE LIABLE TO THE OTHER PARTY FOR LOST PROFITS OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING FROM THE SUBJECT MATTER OR SERVICES OF THIS AGREEMENT, REGARDLESS OF THE TYPE OF CLAIM AND EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; SUCH AS, BUT NOT LIMITED TO LOSS OF REVENUE, LOSS OF INTEREST, LOST DATA, DATA TRANSPORTATION OR TRANSMISSION ERROR OR ANTICIPATED PROFITS OR LOST BUSINESS. EXCEPT FOR ANY CARGO LOSS (WHICH SHALL BE SUBJECT TO THE MAXIMUM LIABILITY AMOUNT), IN NO EVENT SHALL LOOMIS' LIABILITY TO CUSTOMER EXCEED THE SERVICE FEE PAID BY CUSTOMER TO LOOMIS FOR THE SERVICE OUT OF WHICH THE ALLEGED LIABILITY AROSE.

5. **Excess Liability:** The following terms will apply if CUSTOMER did not decline excess liability coverage. If LOOMIS accepts tender of a shipment in excess of the Maximum Liability Amount, CUSTOMER agrees to pay LOOMIS the excess liability fee set forth herein. CUSTOMER, by paying this additional fee, will obtain full dollar coverage of any or all losses, subject to the other provisions of this Agreement. If CUSTOMER declines Excess Liability Coverage, liabilities covered under this Agreement are limited to the Maximum Liability Amount.

6. **Indemnity:** To the maximum extent permitted by applicable law, CUSTOMER shall release, indemnify, defend and hold harmless LOOMIS from all claims, costs or expenses arising out of any third party's or government's threatened or actual claim, suit, demand, garnishment or seizure of any funds or property provided by CUSTOMER hereunder that is in LOOMIS' custody. LOOMIS agrees to give CUSTOMER prompt notice of any such claim, suit, demand or seizure and to provide CUSTOMER reasonable cooperation on the defense.

7. **Claim Procedures:** The following provisions shall control in the event of any Cargo Loss, notwithstanding anything to the contrary contained in this Agreement:

a) In the event of a Cargo Loss, CUSTOMER agrees to notify LOOMIS in writing within four (4) calendar days after the loss is discovered or should have been discovered in the exercise of due care, and in no event later than forty-five (45) days after the pick-up by LOOMIS of the securely sealed container in connection with which the Cargo Loss is asserted. If notice of the Cargo Loss is not received by LOOMIS within this forty-five (45) day period, the claim for the Cargo Loss shall be deemed waived and released by the CUSTOMER. All claim notices must be signed and received on company letterhead and contain a brief description of the loss to include: date of service/date of loss, claim amount, Loomis branch performing service, ATM number if applicable, customer contact information with payment instructions and supporting documentation if available at the time of notice. All claims must be sent to the Loomis Centralized Claim Unit via email at claims2@us.loomis.com. It is agreed that both parties will work together to determine the extent of the Cargo Loss, and if possible, the cause of Cargo Loss.

b) Notwithstanding anything set forth in this Agreement to the contrary, the sole liability of LOOMIS in the event of a Cargo Loss, from whatever cause, shall be subject to the Maximum Liability Amount or the Excess Liability Coverage, if not declined by CUSTOMER.

c) CUSTOMER shall retain sufficient information to allow reconstruction of item(s) in the event of a Cargo Loss. CUSTOMER agrees it will cooperate and assist in reconstructing lost, damaged, or destroyed items constituting a part of any loss. In no event shall LOOMIS' liability for any Cargo Loss, irrespective of the Maximum Liability Coverage amount, include the face value of any lost or destroyed check. LOOMIS' liability, unless otherwise stated in this Agreement, shall be limited to the payment to the CUSTOMER for the reasonable costs necessary to reconstruct the checks, but never to exceed ten thousand dollars (\$10,000.00) per shipment "Reconstruction" shall mean the identification of the face amount, the identity of the maker or endorser of the check, identification of the payee and identification of the financial institution upon which the check is drawn. CUSTOMER agrees in the event of a loss, that any liability of LOOMIS shall be reduced by the face value of reconstructed or recovered item(s).

d) Upon the request of LOOMIS, CUSTOMER will furnish a proof of loss to LOOMIS or its insurance carrier. Once reimbursement has been made to CUSTOMER, LOOMIS and its insurer shall receive any and all of the CUSTOMER'S rights and remedies of recovery.

8. **Limitations & Force Majeure:**

a) The CUSTOMER agrees that LOOMIS will not be liable for any loss caused by or resulting from Shortages claimed in the contents of the sealed or locked shipment(s), for non-performance or delays, or for the breakage of statuary, marble, glassware, bric-a-brac, porcelains and similar fragile articles. A "Shortage" shall mean any difference between the stated value on the Deposit Ticket and the actual value of the contents of any sealed shipment container. Likewise, LOOMIS shall not be liable to CUSTOMER for failure to render service if LOOMIS in its sole discretion, determines the same may endanger the safety of CUSTOMER'S property or personnel or LOOMIS' vehicles or employees.

b) It is further agreed that LOOMIS shall not be held accountable or liable for any damages or losses, caused by or resulting from illegal or fraudulent acts of CUSTOMER's employees, agents, representatives, or third-party contractors.

c) CUSTOMER agrees that LOOMIS shall not have any liability for losses of any documentation carried by LOOMIS at CUSTOMER's request without compensation.

d) CUSTOMER expressly understands and accepts that ownership (title) to cash transported or stored by LOOMIS shall never transfer to LOOMIS.

e) It is further agreed LOOMIS shall not be held accountable or liable for any damages or losses, whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) for which liability is assumed by LOOMIS, resulting from:

(i) Hostile or warlike action in time of peace or war, including action hindering, combating or defending against an actual, impending or expected attack; (1) by any government or sovereign power (de jure or de facto) or

- by any authority maintaining or using military, naval or air forces; or (2) by military, naval or air forces; or (3) by any agent of any such government, power authority or forces.
- (ii) Nuclear reaction, nuclear radiation, radioactive contamination or any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
 - (iii) Insurrection, rebellion, revolution, terrorist act, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence; seizure or destruction under quarantine or customs regulations; confiscation by order of any governmental or public authority; or risks of contraband or illegal transportation or trade.
 - (iv) Acts of God, strikes, labor disturbances, impostor pick-up or deliveries, or other conditions or circumstances beyond LOOMIS' reasonable control.

9. **Disputes:** CUSTOMER and LOOMIS agree that except for disputes regarding over-payment or non-payment of fees for services under this Agreement, any controversy or claim, including any claim of misrepresentation, arising out of or related to this Agreement, or the furnishing of any service by LOOMIS to CUSTOMER, shall be settled by arbitration under the then current rules of the American Arbitration Association. The arbitrator shall be chosen from a panel of persons knowledgeable in the fields of financial institution security operations and armored car services. CUSTOMER and LOOMIS agree to equally share in the cost and fees of this resolution process. The decision and award of the arbitrator shall be final and binding. Judgment upon the award so rendered may be entered in any court having jurisdiction thereof. Any arbitration hereunder shall be held in Houston, Texas.

10. **Container Value Limitation:** CUSTOMER acknowledges and agrees that the maximum value which LOOMIS will transport in any individual container will not exceed two hundred & fifty thousand dollars (\$250,000). If the total value of a shipment which CUSTOMER seeks to tender to LOOMIS exceeds two hundred & fifty thousand dollars (\$250,000), such shipment must be broken down into separate shipment containers of two hundred & fifty thousand dollars (\$250,000) or less.

11. **Holiday Service:** LOOMIS agrees to provide service as stated in the Agreement with the following holiday exceptions: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Columbus Day, Thanksgiving Day, Christmas Day, federal banking and any local applicable observed holiday. Charges for service on such days will be as stated upon page 2 of this Agreement, excluding Christmas Day. LOOMIS will not provide Christmas Day service.

12. **Specials:** Unscheduled pickups or deliveries are available under the same conditions and provisions of this Agreement. Prices are quoted upon request.

13. **Excess Liability Coverage:** LOOMIS reserves the right to refuse tender of any shipment in excess of the Maximum Liability Amount.

14. **Confidentiality:** Each party receiving information (each being a "Receiving Party" and a "Disclosing Party") undertakes to retain in confidence the terms of this Agreement and all other non-public information, technology, materials and know-how of the other party disclosed or acquired by the Receiving Party pursuant to or in connection with this Agreement which is either designated as proprietary and/or confidential or, by the nature of the circumstances surrounding disclosure, ought in good faith to be treated as proprietary and/or confidential ("Confidential Information"). Neither party shall use any Confidential Information for any purpose other than to carry out the activities contemplated by this Agreement. Each party agrees to use commercially reasonable efforts to protect Confidential Information of the other party, and in any event, to take precautions at least as great as those taken to protect its own confidential information of a similar nature. Each party shall also notify the other promptly in writing in the event such party learns of any unauthorized use or disclosure of any Confidential Information that it has received from the other party, and will cooperate in good faith to remedy such occurrence to the extent reasonably possible. Confidential Information shall not include:

- (1) information which was already known by, or already in the possession of, Receiving Party prior to receipt from Disclosing Party;
- (2) information which is obtained by Receiving Party from a third person who, to the actual knowledge of Receiving Party is not in violation of any agreement to a third party not to disclose such information
- (3) information which is or becomes publically available other than through breach by the Receiving Party of this Agreement; and,
- (4) information which is independently developed by or on behalf of Receiving Party.

15. **Entire Agreement:** This Agreement: (a) shall be governed by and construed in accordance with the laws of the State of Texas without reference to conflict of laws principles; (b) constitutes the entire agreement and understanding of the parties with respect to its subject matter, and supersedes all prior agreements and understandings, except that the terms of any agreement regarding confidential information of the parties shall be deemed to be a part of this Agreement and each party hereto acknowledges that in entering this Agreement it has not relied on any representation or warranty not contained herein; (c) and the terms and conditions including fees set forth in it shall be treated as confidential information; (d) is not for the benefit of any third party; (e) may not be amended except by a written instrument signed by both CUSTOMER and LOOMIS; (f) may not be assigned by CUSTOMER without LOOMIS prior written consent; (g) may be assigned by LOOMIS, provided that LOOMIS shall furnish written notice of such assignment to CUSTOMER; (h) shall be binding upon any assignees, and defined terms used in this Agreement to apply to either party shall be construed to refer to such party's assignee; (i) is the product of negotiation; (j) is subject to a contractually agreed one (1) year statute of limitations on all claims or the minimum allowable by applicable law; (k) shall not be deemed to have been drafted by either party; (l) contains article and section headings which are for convenience of reference only and which shall not be deemed to alter or affect the meaning or interpretation of any provision of this Agreement; (m) does not make either party the agent, fiduciary or partner of the other; (n) does not grant either party any authority to bind the other to any legal obligation; (o) does not intend to nor grant any rights to any third party and (p) shall remain valid and enforceable despite the holding of any specific provision to be invalid or unenforceable, except for such specific provision. The waiver by either party of any rights arising out of this Agreement shall not cause a waiver of any other rights under this Agreement, at law or in equity. Any and all correspondence regarding this Agreement shall be delivered via certified mail (return receipt requested) or verifiable third-party courier (return receipt requested).

This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and all of which taken together will be deemed to constitute one and the same agreement when a duly authorized representative of each party has signed a counterpart. The parties may sign and deliver this Agreement by facsimile or electronic (i.e., .pdf) transmission. Each party acknowledges that the delivery hereof by facsimile or electronic transmission will have the same force and effect as delivery of original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

CUSTOMER

By _____

Printed Name Gerald W Eick

Title Director of Finance

Date 11/8/19

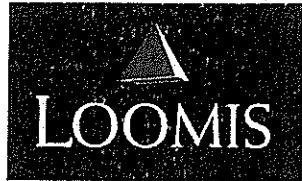
LOOMIS

By _____

Printed Name Andy Del Soldato

Title Branch Manager

Date _____



November 25 2019

Dear Loomis Customer,

Thank you for choosing Loomis for your cash-handling needs in 2019. We know you have a choice in providers and appreciate your business.

Your partnership has helped us raise the bar on the service quality you receive from our team. In fact, Loomis has been reinvesting in ways to improve how we all handle cash. This year we hope you will take advantage of new capabilities from package tracking technology, upgraded software and hardware advances.

These new capabilities, combined with cost and compliance pressures, require that we initiate a rate increase effective January 1, 2020.

If you have questions regarding this increase, please reach out to your Loomis account manager. If you do not know your Loomis account manager you may find that information on the “Locations” page at www.loomis.us.

Very best regards,

A handwritten signature in black ink, appearing to read "Patrick Otero".

Patrick Otero
Executive Vice President and CFO
Loomis US
2500 CityWest Blvd., Ste. 2300
Houston, TX 77042

EXHIBIT "C"

Remit To:
LOOMIS
DEPT. CH 10500
PALATINE IL 60055-0500

Account/Area: 098609/1520
Invoice Number: 12543510
Invoice Date: 12/31/19
Invoice Amount: \$1,756.42

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
ATTN ACCOUNTS PAYABLE
893 SOUTHWOOD BLVD
INCLINE VILLAGE NV 89451

Payment is due 15 days after receipt of invoice.

TAX ID: 75-0117200

Local Contact: LINDA CANFIELD; 849 WEST 24TH STREET TEMPE, AZ 85282 (480) 612-6175

PERIOD	LOOMIS ID	LOCATION	DESCRIPTION OF CHARGES	CHARGES	TAX	TOTAL
12/03	098609	DIAMOND PEAK	Trip Charge REG SVC	88.24	0.00	88.24
12/03	098609	DIAMOND PEAK	Excess Bags 17,5	32.52	0.00	32.52
12/06	098609	DIAMOND PEAK	Excess Bags 6,5	2.71	0.00	2.71
12/06	098609	DIAMOND PEAK	Trip Charge REG SVC	88.24	0.00	88.24
12/10	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/13	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/13	098609	DIAMOND PEAK	Excess Bags 16,5	29.81	0.00	29.81
12/13	098609	DIAMOND PEAK	Excess Premise Time 13:09,13:20,00:11	7.75	0.00	7.75
12/17	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/17	098609	DIAMOND PEAK	Excess Bags 10,5	13.55	0.00	13.55
12/20	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/20	098609	DIAMOND PEAK	Excess Bags 7,5	5.42	0.00	5.42
12/22	098609	DIAMOND PEAK	Off Day Service ON DEMAND SERVICE REQUEST	209.47	0.00	209.47
12/24	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/24	098609	DIAMOND PEAK	Excess Bags 9,5	10.84	0.00	10.84
12/26	098609	DIAMOND PEAK	Off Day Service ON DEMAND SERVICE REQUEST	209.47	0.00	209.47
12/27	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/30	098609	DIAMOND PEAK	Off Day Service ON DEMAND SERVICE REQUEST	209.47	0.00	209.47
12/30	098609	DIAMOND PEAK	Excess Bags 6,5	2.71	0.00	2.71
12/31	098609	DIAMOND PEAK	Trip Charge	88.24	0.00	88.24
12/19	098609	DIAMOND PEAK	Fuel Fee@8.5%	121.56	0.00	121.56
12/19	098609	DIAMOND PEAK	Insurance Fee@7%	106.98	0.00	106.98

Location Sub Total:						1756.42

Total Due This Invoice \$1,756.42

LOOMIS
(480) 612-6175

INVOICE NUMBER:
INVOICE DATE:

12543510
12/31/19

INVOICE AMOUNT:
ACCOUNT NUMBER:

\$1,756.42
098609

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF
THIS APRIL 14, 2020 REGULAR IVGID BOARD MEETING – AGENDA ITEM
H(3) – ADOPTION OF A REPORT PRELIMINARILY APPROVING NEW
RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES AND ORDERING
THEIR COLLECTION ON LOCAL PARCEL OWNERS’ PROPERTY TAX BILLS**

Introduction: Here the Board proposes adopting a preliminary Report for the collection of a new RFF/BFF on the county tax roll¹. However, COVID-19 has revealed the fraudulent nature of our RFF/BFF. And now staff wants the Board to perpetuate the fraud for yet another year. I and others I know ask that the Board not capitulate and that members speak the truth to the community. And that's the purpose of this written statement.

Staff’s Represented Authority For the RFF/BFF: According to staff, the legal authority for levying the RFF/BFF is NRS 318.197(1) – “standby service charges for services and facilities furnished by the District.”² According to staff these charges are “also known as the RFF and BFF.”² It is true that NRS 318.197(1) instructs that “the board may fix, and from time to time increase or decrease... recreational facilit(y)...rates, tolls or charges other than special assessments, including, but not limited to...standby service charges...for the availability of service.” However, nowhere is the term “standby service charge” defined. But just because staff affix this label to this exaction, doesn’t necessarily mean the RFF/BFF are legitimate standby service charges.

Staff’s Preliminary Report For Collection of the RFF/BFF: According to staff, they have “prepared (a) Report³ for collection...(of) the...RFF and BFF,”² allegedly pursuant to NRS 318.201(1)¹, they propose the Board formally approve (“whereas, this Board has examined said report and finds the same to be sufficient for further proceedings in relation thereto”⁴). Paragraph I of that Report expressly represents that the RFF/BFF “are for the availability of use of the (District’s) recreational facilities.”⁵ Paragraph II of that Report expressly represents that “this Board...has...determined...(that)

¹ See NRS 318.201(1) which states that: “Any board which has adopted rates pursuant to this chapter may, by resolution or by separate resolutions, elect to have such charges for the forthcoming fiscal year collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the county’s general (*ad valorem*) taxes. In such event, it shall cause a written report to be prepared and filed with the secretary, which shall contain a description of each parcel of real property receiving such services and facilities and the amount of the charge for each parcel for such year, computed in conformity with the charges prescribed by the resolution.”

² See page 49 of the packet of materials prepared by staff in anticipation of this April 14, 2020 meeting [https://www.yourtahooplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_4-14-20.pdf (“the 4/14/2020 Board packet”)].

³ See pages 51-55 of the 4/14/2020 Board packet.

⁴ See page 57 of the 4/14/2020 Board packet.

⁵ See page 53 of the 4/14/2020 Board packet.

the amount of moneys required for...fiscal year...July 1, 2019 to June 30, 2020 (i.e., the current fiscal year rather than 2020-21 is)...about \$5,783,115 for the RFF and \$968,500 for the BFF"⁶ and "it is proposed that (said)... charges...be collected...in accordance with...NRS 318.201."⁷ Staff represent that their proposed "fiscal year 2020-21 budget assumes that (a) RFF of \$705...and (a)...BFF of \$125 will be collected...from all properties within the District."⁷

Paragraph II of that Report expressly represents that rather than for "the availability of use of the (District's) recreational facilities" (see above), these sums are necessary "for the proper servicing of...bonds and...the administration, operation, maintenance and improvement of (the District's)...real properties, equipment and facilities."⁶

Finally, paragraph III of that Report expressly represents that these "sum(s) ha(ve) been (fairly) apportioned among...(unimproved) lots...parcels of real property, and dwelling units with the District."⁶ In other words, the sums levied against an unimproved lot have allegedly been fairly apportioned in comparison to a Lake front lot with a 7,000 square foot six (6) bedroom "monster home" constructed thereon.

Has the Board Determined: that any of the District's recreational facilities are "available for use" by those whose properties staff proposes be involuntarily assessed? If not, what is the justification for the RFF/BFF? Has it determined that "\$5,783,115 for the RFF and \$968,500 for the BFF" are actually necessary to make the District's recreational facilities merely "available for use" by those whose properties staff propose be involuntarily assessed (or do these sums represent *more* than is necessary)? If not, why represent the contrary?

Moreover, the RFF/BFF Represent More Than What is Necessary to Make the Public's Recreational Facilities Merely "Available to be Used" by Those Whose Real Properties Are Assessed: Moreover, ever since the District began retiring recreation bonds, past Boards at the urging of staff have been collecting *more* than that necessary to make the District's recreational facilities merely "available for use" by those whose properties have been involuntarily assessed. After all, how else does one explain the projected increase in a community services fund balance from essentially zero to \$11,590,180 as of June 30, 2020⁸? And how else does one explain the increase in a beach fund balance from essentially zero to \$2,033,015 as of June 30, 2020⁸?

It was for this reason that for the last several years, Trustees Dent and Callicrate have voted *against* adoption of the RFF/BFF (or alternatively, adoption at a combined \$830). Although they were consistently outvoted by the Kendra Wong, Phil Horan and Peter Morris coalition, today the three of

⁶ See page 54 of the 4/14/2020 Board packet.

⁷ See page 50 of the 4/14/2020 Board packet.

⁸ See page 54 of the packet of materials prepared by staff in anticipation of the Board's April 1, 2020 meeting [https://www.yourtahooplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_4-1-20.pdf ("the 4/1/2020 Board packet")].

you are the ones who constitute a Board majority. This means that for the first time in decades, the Board *can* vote do the right thing.

Rather Than Paying For Assessed Property Owners' Mere "Availability" to Use the District's Public Recreational Facilities, the RFF/BFF Subsidize Staff's Over Spending "of Operating, Capital and Debt in Support of District Activities." Staff tell the Board and the public that they "ha(ve) prepared a preliminary budget for fiscal year 2020-21 that...provides appropriations (i.e., expenditures) covering costs of operating, capital and debt in support of District activities (of all kinds)...assum(ing a)...RFF of \$705...and (a) BFF of \$125."⁹ In other words, rather than budgeting for expenditures based upon staff's estimate of actual tax and fees for services revenues, they have budgeted for *over-expenditures*¹⁰ *upon the assumption the District will realize additional RFF revenues of \$5,783,115 and additional BFF revenues of \$968,500* for "total combined (additional) revenues" of \$6,751,615¹¹. In other words, rather than "provid(ing) appropriations covering (the true) costs of operating, capital and debt in support of District activities," staff have budgeted to steady, reliable RFF/BFF revenues as if they were a given as are *ad valorem* and consolidate tax (C-Tax) revenues. Thus rather than being a "fee" for the mere "availability for use" of the District's recreation and beach facilities, the RFF/BFF are really taxes which pay the "**costs of operating, capital and debt in support of District activities.**"

Hasn't the Time Come to Call the RFF/BFF What They Really Are? That is, special taxes levied against property. However, the NRS prohibits such taxes ["the assessment made by the county assessor and...the Department (of Taxation), as equalized according to law, shall be the *only* basis for property taxation by any city, town, school district, road district *or other district* in that county" (see NRS 361.445)]. Moreover, the *only* taxes recognized in NRS 318 which a GID is permitted to levy are *ad valorem* taxes (see NRS 318.225). *Ad valorem* taxes are taxes based upon application of a fixed tax rate applied to each \$X.00 of assessed valuation. In contrast, the RFF/BFF represent a uniform tax assessed against all levied properties regardless of their assessed valuation.

Moreover, the NRS Expressly Prohibits Assessment of Private Property For the Costs of Development: We all know that the beaches are *private property* (no they're not "public with restrictions" former Trustee Chuck Weinberger). Although bare legal title to the beaches stands in the District's name, a closer examination of the beach deed¹² reveals that the District holds title as nothing more beach steward or trustee for the benefit of local property owners whose properties are located within the boundaries of IVGID as IVGID existed on June 4, 1968 ["the real property (herein) described...shall be held, maintained and used by grantee (i.e., IVGID)...*only* for the purpose of

⁹ See pages 49-50 of the 4/14/2020 Board packet.

¹⁰ See page 203 of the 4/14/2020 Board packet.

¹¹ See page 50 of the 4/14/2020 Board packet.

¹² Go to page 1, line 28 through page 2, line 5 at https://www.yourtahooplace.com/uploads/pdf-ivgid/Beach_Deed.pdf.

recreation by, and for the benefit of property owners, and their tenants within IVGID as (then) constituted”]. At least three published court cases involving IVGID and Crystal Bay residents Steve Kroll and Frank Wright have come to that conclusion¹³. Being private property, I call the Board’s attention to NRS 318.015(2) which “declare(s) that the provisions of this chapter are *not* intended to provide a method for financing the costs of developing private property.” So when staff propose that a BFF be adopted which funds the costs of replacing the Burnt Cedar pool, or building an Incline Beach House, or paving/repairing the overflow Beach parking lot, or replacing Incline Beach restrooms, or issuing bonds to fund the same¹⁴, aren’t they violating NRS 318.015(2)?

So are you as Board members going to perpetuate the fraud which empowers staff to overspend nearly \$7 million each year (the RFF/BFF being nothing more than financial “subsidies”) on endeavors having little if anything to do with making the public’s recreational facilities “available” for local property owners’ use? Or are you going to make those facilities sink or swim on the sales and fee revenues staff are able to generate?

Evidence We Can Easily Reduce Overspending and Eliminate the Pressure of Adopting a RFF/BFF Which Subsidizes That Overspending: I have provided written evidence (an exhibit to a companion written statement I asked be attached to the minutes of the Board’s April 1, 2020 meeting¹⁵ (Susan Herron has not yet attached, although she states will be attached prior to this meeting), that in October of 2013 the then Board instructed staff which recreational facilities should operate at break even, on a positive cash flow basis, or at a loss (and thus requiring a subsidy). Since then, staff have thumbed their collective noses at this Board and the public by continuing to administer the operation of essentially all of the public’s recreational facilities *at a loss!* Since there’s no other way to stop the budgeted *over* spending other than to take away the money that empowers it, this means taking away the RFF/BFF. This way staff will be forced to cut staff, cut the outrageous salaries and benefits staff pay themselves¹⁶, and cut spending so as to “live within their financial means” like each of us must do.

At the Board’s April 1, 2020 meeting I suggested more than \$1.6M of proposed CIP expenditures which could be very easily eliminated “without skipping a beat.”¹⁷ Yet have staff done *anything* to reduce overspending in proposing a tentative budget to be sent to the State? Of course not. In their minds it’s “business as usual.” Which again demonstrates that there’s no other way to stop the budgeted *over* spending other than to take away the money to do so; i.e., the RFF/BFF.

¹³ See *Wright v. Incline Village General Improvement District*, 597 F.Supp.2d 1191, 1197 (2009); *Kroll v. Incline Village General Improvement District*, 598 F.Supp.2d 1118, 1126-28 (2009); *Wright v. Incline Village General Improvement District*, 665 F.3d 1128, 1137-38 (9th Cir. 2011).

¹⁴ Responding to Trustee Morris’ recommendations made at this evening’s meeting.

¹⁵ See pages 163-231 of the 4/14/2020 Board packet.

¹⁶ Rather than the Board, it is the GM who determines what salaries and benefits are paid to our staff.

¹⁷ See pages 205-207 of the 4/14/2020 Board packet.

In addition to these cuts, at pages 204-205 of the 4/14/2020 Board packet I provided evidence that another \$1,132,381 of alleged overspending (“Community Services Administration”) which is subsidized by the RFF, is a phony expense that can be easily eliminated. This expense represents nothing more than a contribution into a “discretionary fund” (i.e., a “cushion”) to finance future unappropriated, unbudgeted, and unidentified staff pet projects. Under the current COVID-19 environment, this is an expenditure local property owners simply cannot afford.

Conclusion: So in summary, I ask that each of you to take a look around town. In the last ten (10) years local property owners have involuntarily contributed nearly \$70 million to subsidize staff’s operation of the public’s recreational facilities. Do you see \$70 million? Let me ask the question a bit differently. If I as a local property owner am an owner of let’s say Diamond Peak (which is what staff tell us), and Diamond Peak generates \$2 million or more of positive cash flow in a single season, why isn’t any portion of this financial windfall shared with me either as either a cash dividend or a reduction in next year’s RFF? The fact it isn’t speaks volumes.

So what should the Board do in response to this agenda item? DO NOT ADOPT A RFF/BFF. Send the message to staff that the time has come to stop propagating untruths to local property owners, and for the District to live within its financial means. It may be hard medicine for staff to swallow but have they stopped to consider the detriment to local property owners by perpetrating the fraud of the RFF/BFF? Actually these facts harken back to another one of my more fundamental criticisms: exactly who’s working for whom? Does our staff work for the public, or is their real boss our GM and because of Resolution 1480¹⁸, the Board acts as nothing more than staff’s rubber stamp?

I am mindful of the fact this agenda item only seeks approval of a *preliminary Report* which staff are quick to point out can be “revise(d), change(d), or modif(ied)” at “the May 27, 2020 public hearing.”¹¹ But this is staff’s standard *modus operandi*. Go ahead and approve what staff wants approved at the preliminary stage, kick the can down the road, and make it seem like the final decision (here the RFF/BFF) can always be modified. But rarely if ever does this take place. In the last thirteen (13) or more years I’ve been attending meetings such as these, *never* have I seen a final RFF/BFF turn out to be any different than the preliminary one. So the time to get it right is now. Three (3) minutes of public comment on May 6, May 7 or May 27, 2020 won’t likely change anything.

And to those asking why your Recreation (“RFF”) and Beach (“BFF”) Facility Fees are as high as they are, and never seem to be reduced, now you have another example of the reasons why.

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

¹⁸ See pages 12-17 at https://www.yourtahooplace.com/uploads/pdf-ivgid/IVGID_Policy_and_Procedure_Resolutions.pdf.

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS APRIL 14, 2020 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(4) – BECAUSE STAFF CONTINUE TO REFUSE TO SHARE THE SERVICES AND SUPPLIES LINE ITEM EXPENDITURES THEY PROPOSE BE BUDGETED FOR 2020-21 TO THE COMMUNITY SERVICES AND BEACH FUNDS, AND LOCAL PARCEL/RESIDENTIAL DWELLING UNIT OWNERS ARE FORCED TO SUBSIDIZE BUDGETED OVERSPENDING IN THESE FUNDS THROUGH THE RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES THEY ARE INVOLUNTARILY COMPELLED TO PAY, THE BOARD SHOULD NOT RATIFY/ APPROVE STAFF’S PROPOSED TENTATIVE 2020-21 BUDGET

Introduction: Here staff seek Board approval to send their proposed tentative 2020-21 budget to the State Department of Taxation (“NDOT”). Although staff seek to make the Board and the public believe this is really the same proposed operational budget submitted to the Board on March 11, 2020, and the same proposed capital improvement project (“CIP) budget submitted to the Board on April 1, 2020 [“staff has prepared forms...consistent with the Sources and Uses presented to the Board on March 11th(, 2020). The Capital Budget information is derived from the information presented to the Board on April 1”, 2020¹], allegedly because of a looming April 15, 2020 “drop dead” submittal date, the Board and public will see that staff have actually modified their proposed budgets in some respects. Which means they could have been doing the same thing for proposed revenues and expenses in the last two (2) weeks, if not before. I and others I know are opposed to submitting staff’s tentative budget because it is phony. In its place I proposed the same tentative budget be submitted with the omission of nearly \$7 million of RFFs/BFFs. This is the purpose of this written statement.

Please Understand That the Numbers I Will Share With the Board and the Public Are Staff’s Numbers: even though I and others I know are of the opinion staff’s financial reporting is deceitfully presented to put the happiest face forward. Nevertheless, I shall use those numbers because they make my case.

Staff’s March 11, 2020 2020-21 Operational Budgetary Numbers: At the Board’s March 11, 2020 meeting staff presented its proposed draft operational budget². From those pages I have prepared the spreadsheet below which contributes to each recreational venue’s estimated profit/loss³.

¹ See page 59 of the packet of materials prepared by staff in anticipation of this April 14, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_4-14-20.pdf (“the 4/14/2020 Board packet”)].

² See pages 89-161 of the packet of materials prepared by staff in anticipation of the Board’s March 11, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_3-11-20.pdf (“the 3/11/2020 Board packet”)].

³ Note that all recreational facilities were budgeted to lose money but for Diamond Peak.

Proposed 2020-21 Budgeted Community Services and Beach Fund (Profit)/Losses			
Venue/Service	Operational (Profit)/Loss ⁴	Capital Expenditures	Combined (Profit)/Losses ⁴
Championship Golf	\$ 32,812 ⁵	\$ 1,535,000 ⁶	\$ 1,567,812
Mountain Golf	\$ 221,481 ⁷	\$ 199,000 ⁶	\$ 420,481
Diamond Peak	(\$ 1,640,600) ⁸	\$ 1,192,000 ⁶	(\$ 448,600)
Facilities	\$ 41,015 ⁹	\$ 100,000 ⁶	\$ 141,015
Recreation Center	\$ 820,300 ¹⁰	\$ 455,000 ⁶	\$ 1,275,300
Youth & Family Programming	\$ 114,842 ¹¹		\$ 114,842
Youth & Family Sports	\$ 98,436 ¹²		\$ 98,436
Senior Programming	\$ 188,669 ¹³		\$ 188,669
Community Services Administration ¹⁴	\$ 1,041,781 ¹⁵	\$ 90,000 ⁶	\$ 1,131,781
Parks	\$ 730,067 ¹⁶	\$ 172,440 ⁶	\$ 902,507
Tennis	\$ 114,842 ¹⁷	\$ 48,600 ⁶	\$ 163,442
Sub-Totals	\$ 1,763,645	\$ 3,792,040 ⁶	\$ 5,555,685
Beach	\$ 658,580 ¹⁸	\$ 454,500 ⁶	\$ 1,113,080
Totals	\$ 2,422,225¹⁹	\$ 4,246,540	\$ 6,668,765

⁴ Subsidized by the RFF/BFF.

⁵ See page 92 of the 3/11/2020 Board packet.

⁶ See page 37 of the packet of materials prepared by staff in anticipation of the Board's April 1, 2020 meeting [https://www.yourtahooplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-1-20.pdf ("the 4/1/2020 Board packet")].

⁷ See page 97 of the 3/11/2020 Board packet.

⁸ See page 102 of the 3/11/2020 Board packet.

⁹ See page 112 of the 3/11/2020 Board packet.

¹⁰ See page 119 of the 3/11/2020 Board packet.

¹¹ See page 120 of the 3/11/2020 Board packet.

¹² See page 121 of the 3/11/2020 Board packet.

¹³ See page 118 of the 3/11/2020 Board packet.

¹⁴ This is a complete phony expense entry (see discussion below).

¹⁵ See page 143 of the 3/11/2020 Board packet.

¹⁶ See page 128 of the 3/11/2020 Board packet.

¹⁷ See page 139 of the 3/11/2020 Board packet.

¹⁸ See page 134 of the 3/11/2020 Board packet.

Staff's April 1, 2020 2020-21 CIP Budgetary Numbers: At the Board's April 1, 2020 meeting staff presented its proposed draft CIP budget²⁰. From those pages I have prepared the spreadsheet above which as aforesaid, contributes to each recreational venue's estimated profit/loss³.

Staff's Tentative Budgetary Numbers²¹: I have prepared the spreadsheet below which replicates each of those numbers so they can be compared to March 11/April 1, 2020's numbers:

Proposed 2020-21 Tentative Budget - Community Services and Beach Funds				
Venue/Service	Estimated Revenues	Proposed Expenditures ⁴	Proposed CIPs	Estimated (Profit)/Losses ⁴
Championship Golf	\$ 5,071,084 ²²	\$ 5,099,778 ²³	\$ 1,637,000 ²³	\$ 1,665,694
Mountain Golf	\$ 922,166 ²²	\$ 1,181,086 ²³	\$ 395,791 ²³	\$ 654,711
Diamond Peak	\$ 10,148,735 ²²	\$ 8,054,900 ²³	\$ 1,614,000 ²³	(\$ 479,835)
Facilities	\$ 529,421 ²²	\$ 565,991 ²³	\$ 100,000 ²³	\$ 36,670
Recreation Center & Community Programming	\$ 1,364,897 ²²	\$ 2,604,032 ²³	\$ 489,000 ²³	\$ 1,728,135
Community Services Administration ¹¹	(\$ 738,000) ²²	\$ 460,950 ²³	\$ 90,000 ²³	(\$ 187,050)
Parks	\$ 65,801 ²²	\$ 888,119 ²³	\$ 172,440 ²³	\$ 994,718
Tennis	\$ 158,100 ²²	\$ 263,277 ²³	\$ 1,210,600 ²³	\$ 1,316,277
Community Services Debt Service		\$ 383,172 ²³		\$ 383,172
Non-Operational	\$ 309,241 ²²			(\$ 309,241)
Transfers From Fund Balance ²⁴	\$ 1,596,281 ²²			\$ 1,596,281
Sub-Totals	\$ 19,427,686	\$ 19,501,305	\$ 5,438,831	\$ 7,400,532
Beach	\$ 1,608,050 ²⁵	\$ 2,162,207 ²⁶	\$ 474,500 ²⁶	\$ 1,028,657
Beach Debt Service		\$ 6,270 ²⁶		\$ 6,270
Transfers From Fund Balance ²⁴	\$ 66,552 ²⁶	\$		\$ 66,552
Sub-Totals	\$ 1,674,602	\$ 2,168,477	\$ 474,500	\$ 1,101,479
Totals	\$ 21,102,288	\$ 21,669,782	\$ 5,913,331	\$ 8,502,011

¹⁹ See page 89 of the 3/11/2020 Board packet.

²⁰ See pages 33-71 of the 4/1/2020 Board packet.

²¹ See pages 33-71 of the 4/1/2020 Board packet.

²² See page 71 of the 4/14/2020 Board packet.

²³ See page 72 of the 4/14/2020 Board packet.

²⁴ Please understand that fund balance represents unspent repurposed previous years' RFFs/BFFs.

²⁵ See page 73 of the 4/14/2020 Board packet. Also, excludes \$968,375 of facility fee revenue.

²⁶ See page 73 of the 4/14/2020 Board packet.

Note the Changes to Staff's Budgetary Numbers Notwithstanding They Have Told Us "the District's Tentative Operating Budget (is) Consistent With the (Revenues) and (Expenses) Presented to the Board on March 11th (and) April 1," 2020²⁷: Moreover, notice that no effort has been made to reduce costs *anywhere*. I have prepared the spreadsheet below which demonstrates the changes on a per recreational facility basis. Now we really see that the overspending exceeds \$8.5 million:

Changes to Staff's Budgetary Numbers			
Venue/Service	4/1/2020 Combined (Profit)/Losses⁴	4/14/2020 Budgetary (Profit)/Losses⁴	Difference
Championship Golf	\$ 1,567,812	\$ 1,665,694	\$ 97,882
Mountain Golf	\$ 420,481	\$ 654,711	\$ 234,230
Diamond Peak	(\$ 448,600)	(\$ 479,835)	(\$ 31,235)
Facilities	\$ 141,015	\$ 36,670	(\$ 104,345)
Recreation Center	\$ 1,275,300		
Youth & Family Programming	\$ 114,842		
Youth & Family Sports	\$ 98,436		
Senior Programming	\$ 188,669		
Recreation Center & Community Programming		\$ 1,728,135	\$ 50,888
Community Services Administration	\$ 1,131,781	(\$ 187,050)	(\$ 1,318,831)
Parks	\$ 902,507	\$ 994,718	\$ 92,211
Tennis	\$ 163,442	\$ 1,316,277	\$ 1,152,835
Community Services Debt Service		\$ 383,172	\$ 383,172
Transfers From Fund Balance		\$ 1,596,281	\$ 1,596,281
Sub-Totals	\$ 5,555,685	\$ 7,708,773	\$ 2,153,088
Beach	\$ 1,113,080	\$ 1,028,657	(\$ 84,423)
Beach Debt Service		\$ 6,270	\$ 6,270
Transfers From Fund Balance		\$ 66,552	\$ 66,552
Sub-Totals	\$ 1,113,080	\$ 1,101,479	(\$ 11,601)
Totals	\$ 6,668,765	\$ 8,810,252	\$ 2,141,487

So from where does the overspending get paid? I have prepared the spreadsheet below which identifies the sources from which staff's proposed overspending gets paid:

²⁷ See page 59 of the 4/14/2020 Board packet.

From Where the \$8.5 Million of Overspending is Paid

Budgeted Overspending				\$ 8,502,011
Community Services Fund Transfer ²⁴	\$ 1,596,281 ²²			\$ 6,907,730
Beach Fund Transfer ²⁴	\$ 66,552 ²⁶			\$ 6,839,178
Recreation Facility Fee ("RFF")	\$ 5,783,115 ²⁸			\$ 1,056,063
Beach Facility Fee ("BFF")	\$ 968,500 ²⁷			\$ 87,563

As Indicated Above, Staff's Community Services Administrative Expenses Are Phony: At the Board's May 21, 2015 meeting Former Finance Director Gerry Eick represented that \$57 of each assessed parcel owner's 2015-16 RFF went to pay operational and capital costs associated with "Comm(unity) Services Administration." On April 7, 2016 under interrogation as to what this expense category really consisted of, Mr. Eick admitted his written representations of May 21, 2015 were *false*. In testimony given to the IVGID Board as a prelude to its adoption of a Five (5) year CIP, Mr. Eick revealed that Staff's "Comm(unity) Services Administration" entry was really nothing more than a discretionary "reserve" or "cushion" intended to serve as a vehicle to accumulate funds which could be used for unforeseen expenses assigned to "recreation" or future CIPs. Listen to Mr. Eick's admission while answering former Trustee Hammerel's pointed questions pertaining to this entry²⁹:

Mr. Eick: "I have used that venue title...as *our discretionary fund*...to make it clear...what we've accumulated through operations or will accumulate through operations to finance future expenditures."

Trustee Hammerel: "I understand *it's kind of a built in cushion*...(But) more importantly, I think we talked before about not only having a reserve fund for each (recreation) venue but then having an (additional) umbrella (reserve) fund for *all* community services (venues)...*Is that what you're intending here for this Community Services Admin (entry)?*"

Mr. Eick: "***That is correct!***"

What Mr. Eick has admitted is that for 2015-16, rather than being a legitimate standby service charge to cover the necessary costs staff incur to make the public's recreational and beach facilities as well as the services offered thereat merely "availability to use," and just like a tax, this portion of the RFF represented *more than what was necessary*; a discretionary "cushion" or umbrella "reserve" to hide the fact that this sum should have been deducted from the RFF. So just like Mr. Eick's infamous "smoothing" or "repurposing" policy, here Staff admitted creation of an intentionally mis-labeled

²⁸ See page 50 of the 4/14/2020 Board packet.

²⁹ IVGID livestreams its Board meetings (<https://livestream.com/accounts/3411104>). And fortunately for the Board and the public this portion of the Board's April 17, 2016 meeting is memorialized at 43:37-53:28 of the 4/17/2016 livestream (<http://livestream.com/IVGID/events/5144683>).

expense entry to create a vehicle to accumulate funds to spend on future unidentified, unbudgeted and unappropriated pet projects. In other words, nothing more than a secret slush fund. *Thank you harrowed Staff.*

My E-Mail Request of February 17, 2020 For Financial Records: On February 17, 2020 I sent interim General Manager Winquest an e-mail pertaining to the upcoming 2020-21 budget process. Knowing that wasteful spending gets buried deep within the budget's "Services and Supplies" category, I asked to examine "EVERY individual, line item expense, under the Services and Supplies category" in the Community Services and Beach Funds. To date staff have neither acknowledged receipt of my request, nor have they made available for my examination any of the requested documents.

My E-Mail Request of February 26, 2020 For Financial Records: On February 26, 2020 I made a public records request to examine all records relied upon by Public Works Director Joseph Pomroy in support of his recommendation that monthly administrative sewer and water fees be increased. Unbelievably, Susan Herron responded that staff had no records which responded to my request.

For these reasons alone, I ask that staff's proposed budget be REJECTED as being unreliable. Unless the records I have requested are made available for public examination, consideration of staff's proposed budget is a wasteful endeavor.

Staff's Assertion its Proposed Tentative Budget is Phony: From the staff memorandum in support of this budget item "staff recognizes that there remains a number of outstanding budget issues that are pending...chief among these (being) the need to review the budget in the context of the continuing COVID-19 pandemic."²⁷ But because of the looming "April 15 deadline for filing of the Tentative Budget,"²⁷ staff has chosen to propose what they know to be a phony budget. Their justification is that "the tentative budget filing does not commit or restrict the District from modifying the budget prior to...final...adoption."²⁷ I am sorry; I don't support this behavior. If staff knows its proposed tentative budget is nowhere near resembling what the District's final budget will resemble, then why submit it now? Hasn't staff had the opportunity to make adjustments in the two weeks since April 1, 2020? Or stated a bit differently, why not propose another type of tentative budget staff knows will likely not be adopted as a final budget?

Why Not Remove the RFF/BFF as Community Services and Beach Revenue Services? Since our staff doesn't have a problem with submitting a tentative budget to the State which it knows will not resemble what's submitted as a final budget, my proposal is we simply remove RFF/BFF revenues. Yes this will result in an unbalanced budget to the tune of the RFF/BFF, but I don't see anywhere in NRS 354 where it states a local government's budget must be balanced. Furthermore, doing as I suggest is really the truth; staff budgets to overspend to the level of the RFF/BFF subsidies. Maybe this will assist staff in concentrating where other budget cuts can be made without relying upon the RFF/BFF.

Conclusion: It's time for this Board to take charge of the District's finances rather than passing off this responsibility to staff who have consistently demonstrated their arrogance by being unwilling or not capable of managing the District's facilities on a responsible basis? Given staff have refused to

share financial records, none of them can be trusted and I ask staff's proposed tentative budget be *REJECTED* and it be replaced with one which speaks the truth. That is that staff propose overspending to the level of the subsidy provided by the RFF/BFF. Remove the subsidy to share with all the extent of staff's proposed overspending.

And to those asking why your RFF/BFF are as high as they are, and never seem to be reduced, now you have another example of the reasons why.

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