MINUTES

REGULAR MEETING OF MAY 22, 2019
Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, May 22, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

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

Also present were District Staff Members Director of Finance Gerry Eick, Director of Public Works Joe Pomroy, Director of Golf/Community Services Darren Howard, and Director of Parks and Recreation Indra Winquest.

Members of the public present were Elyse Gut, Joanne Sheehy, Cliff Dobler, Ellie Dobler, Pete Todoroff, John Isaacson, Anne Isaacson, Sara Schmitz, Steve Price, Aaron Katz, Judith Miller, Mike Hess, Steve Dolan, Dale Smith, Jim Croley, Linda Newman, Denise Davis, and others.

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

C. REQUIRED PUBLIC HEARING ON THE DISTRICT'S OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS, FISCAL YEAR 2019-2020 (this public hearing will be held no earlier than 6:00 p.m. and as soon thereafter as practicable)

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

Chairwoman Wong asked District General Manager Steve Pinkerton if Staff had complied with all the required notices; District General Manager Pinkerton said yes.
Director of Finance Gerry Eick gave a brief overview of the submitted materials.

Chairwoman Wong stated that the public comment advisory statement applies to the public comments for this public hearing and opened the matter for public comment.

Linda Newman read from a prepared statement which was submitted.

Cliff Dobler read from a prepared statement which was submitted.

Judith Miller said whereas I VGID fails to provide its Board or the public with a clear financial review of its venue and just how many of its residents/homeowners each venue serves, it is not performing its basic duty to provide for the residents of the District and the State of Nevada. Budgeting that requires financial support from District property owners for facilities scaled to serve tourists and the public, as a whole, violates the purpose of a general improvement district. Such facilities should be financed by tourists’ occupancy taxes or other sources derived from tourism. Until such time as the Legislature makes the necessary changes to support those facilities in this manner, I VGID’s Board should require a budget that is not dependent on an invalid fee that puts an unfair burden on property owners and consequently on their tenants. Instead user fees for overcrowded venues like ski and beaches should be significantly increased for non-resident, non-property owning individuals to discourage use by outsiders and decrease the need to expand those facilities or alternatively if the right pricing balance is achieved, they would pay for the amenities we have been forced to subsidize for so long. She objects to a budget that allows enterprise type activities to continue running at a deficit year after year. Also, in the budget document, Staff refers to the Rec and Beach fees as charges for services. They are not, what services. I may or may not choose to use I VGID services but she knows many people who choose not to use them at all. The Rec Fee does not provide any services not available to the public, a discount is not a recreational service. The Rec Fee is not charged to the general public only to the property owners. The Rec Fee is a tax and she objects to this budget.

Aaron Katz said it is so refreshing to hear public comment from people who actually know what they are talking about, who have studied the documents, and know more than two and a half on the Board. The chicken has come home to roost and he would like to go through the time it will take to burn through the fund balance - have $4.945 million to spend from fund balance and Staff tried to do an installment purchase for $800,000 but they lost that one so there is a reduction by $800,000.
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The Tennis Center has been irresponsibly estimated to take $500,000. The Burnt Cedar Pool repairs, again irresponsibly estimated to be $700,000 so that leaves $2.945 million in reserves. Now Staff wants to do the renovation of the Mountain Clubhouse, which we learned at the last meeting was $1.464 million and it is not going to be that because Staff hasn’t calculated the $45,000 in design costs and the $1.23 million in Staff costs. So that drops it from $2.945 million and you are left with $220,000 as your reserves and you haven’t talked about all the other costs. This District has been playing around and not cut costs. You hire 1,000 employees and then you act dumb. Don’t pass this budget.

Elyse Gut read from a prepared statement which was submitted.

Joanne Sheehy from a prepared statement which was submitted.

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

D. REQUIRED PUBLIC HEARING ON THE REPORT FOR COLLECTION OF RECREATION STANDBY AND SERVICE CHARGES, FISCAL YEAR 2019-2020 (this public hearing will be held no earlier than 6:00 p.m. and as soon thereafter as practicable)

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

Chairwoman Wong asked District General Manager Steve Pinkerton if Staff had complied with all the required notices; District General Manager Pinkerton said yes.

Director of Finance Eick gave a brief overview of the submitted materials and pointed out one change which didn’t affect the report.

Linda Newman read from a prepared written statement which was submitted.

Cliff Dobler read from a prepared statement which was submitted.

Judith Miller said whereas IVGID’s facilities are scaled; she objects to the standby and service charges. They are not services charges as already explained, they are
not standby fees. Those types of standby fees don't use the facilities rather they pay for infrastructure until such time as a property is hooked up to a service. They should not be collected on the rec roll. Object to the collection of these fees which are designed to encourage facilities and effect our quality of life.

Aaron Katz said it was refreshing to hear from people who really know what they are talking about and that he is submitting a one page placeholder as he is working on his full statement; Mr. Katz then read from his one page placeholder.

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

E. **PUBLIC COMMENTS**

Linda Newman read from a written statement which was submitted.

Cliff Dobler read from a written statement which was submitted.

Aaron Katz read from a placeholder written statement that he will finish tonight.

Judith Miller said she thinks she will start with a positive word; although she has never asked for a verbatim transcription of her comments with few exceptions, that's what we have in the meeting minutes for the last two meetings so bravo. Unfortunately, other than that, there is little in the packet to celebrate. Understands why the ladies from the Mountain Golf Course came up and why they would like to have their project given priority but we are just about to take a look at that Community Services Master Plan (CSMP) and you have got a whole line up of probably more deserving projects so how can we put this in the budget tonight and say that is what we are doing when we haven't really looked at all those other projects because maybe there is something a little bit more important to our community than that. She used to be a Niner and she understands about standing up for what you want but we have to think about the community as a whole and that's your job. She objects to agenda item L.1.a. regarding an Open Meeting Law complaint that puts the words “No Violation” in great big font and bold print. When there were fifteen actual violations of the Open Meeting Law the word “violation” didn't even appear and no, the statute law doesn't require IVGID to put it on this agenda because there were no findings of fact and conclusions of law. On that same item, in each of the affidavits submitted by our legal counsel that were prepared in defense of the complaint, IVGID is referred to as quasi-public, which
you know is one of her favorites. The definition of quasi-public organization is one providing public services but under private ownership or control. We are certainly not privately owned and hopefully not privately controlled but sometimes one wonders especially after the last Trustee election. Please stop using this inaccurate and deceptive term to describe this public agency. Finally, now that the Grille is open, we can all have a little refreshment. She knows we can’t bring in our own booze but maybe just this once as she didn’t see the sign on the door so you know, would anybody like a little splash as it looks pretty good, umm, yeah, good times, good times and have a nice evening. Anybody else want some cranberry juice?

Margaret Martini read from a written statement which was submitted.

Mike Abel read from a written statement which was submitted.

Pete Todoroff said he brought this up at his Community Forum meeting – it is about the bike park. There are a lot of people who like to sue. He went by the bike park and there were people riding in the bike park and there were three dogs there. Let’s put a sign there as we own it. Put a sign on Incline Way and have a sign at the entrance of the bike park because what if someone kills a dog on their bike. It is not a place for dogs to play around and we need a sign on Incline Way to prevent a lawsuit. Washoe County Commissioner Marsha Berkbiger has decided to attend his community meeting this Friday if anyone wants to attend.

Joe Harrigan said he is the Vice President of Incline Village Golf Club and that he represents two hundred residents that are members. We play a lot of rounds especially on the Championship Golf Course where we hold over thirty events with two hundred people at a time so we are looking forward to a great relationship. A lot comes from working with your staff who deal with a group that has high expectations as about 80% are country club members with about 30% having Tahoe country club membership so we have lots of comparisons as well as choices. Our goal is to increase golf rounds and increase revenues for food and beverage. He would like to offer some simple recommendations – invest in this golf course, improve conditions, improve facilities and this staff. They do a great job and we all appreciate that. We all look to Incline as a premier golf venue that others benchmark against.

Brad Johnson read from a written statement which was submitted.
F. APPROVAL OF AGENDA (for possible action)

Trustee Callicrate asked to move the one Consent Calendar item to General Business Item I.0. which Chairwoman Wong agreed to and asked to move General Business Item I.11 up on the agenda. Chairwoman Wong declined that request and said if we need to move it, we can do so. Trustee Callicrate said he had a hard 11 p.m. stop for tonight's meeting.

Hearing no further suggestions, Chairwoman Wong approved the agenda as revised.

G. REPORTS TO THE BOARD OF TRUSTEES*


General Manager Diamond Peak Ski Resort Mike Bandelin gave a PowerPoint presentation which is incorporated herewith by reference. Chairwoman Wong said overall, it was a great ski season and the yield analysis slide tells us that we are hitting our sweet spot. Trustee Horan said that he agrees and complimented the management of pricing, product and on time staffing. Trustee Morris said he really appreciates these slides because it brings clarity and shows you are measuring; compliments on this presentation. Trustee Callicrate said he enjoyed the photos sent to him by Mike Abel when he was stuck in Florida. Trustee Dent asked that the Board Clerk send the Trustees the presentation and asked for more snow next year. Chairwoman Wong also thanked Staff for a great year.

H. CONSENT CALENDAR (for possible action)

H.1. Review, Discuss and Possibly Authorize the District General Manager to extend the Hyatt Sport Shop lease with the Hyatt Regency Lake Tahoe for a period of three (3) years at a rate of ten percent (10%) of gross sales (Requesting Staff Member: District General Manager Steve Pinkerton) (moved to General Business Item I.0)

I. GENERAL BUSINESS (for possible action)

I.0. Review, Discuss and Possibly Authorize the District General Manager to extend the Hyatt Sport Shop lease with the Hyatt Regency Lake Tahoe for a period of three (3) years at a rate of
ten percent (10%) of gross sales (Requesting Staff Member: District General Manager Steve Pinkerton) (moved from the Consent Calendar H.1.)

Chairwoman Wong said that since Trustee Callicrate asked that this be pulled from the Consent Calendar that she was turning it over to him.

Trustee Callicrate said he had a couple of questions – what were the annual gross sales in 2016, 2017, and 2018 and income for those same years and what were the costs associated, etc. with the lease and how do we measure this with our other leases in order to determine success such that it is a good deal for the District and the Hyatt as well as the partnership. District General Manager Pinkerton said we gross roughly four hundred thousand dollars generating about forty thousand dollars in rent. In the summer, breakeven proposition and in the winter, last year, not this year, we had about three hundred and thirty thousand in sales with eighty nine thousand in costs; net of about two hundred and forty two thousand. For the summer, we will be shifting to more of our own merchandise and hoping to get a better margin. We will be doing more bike rentals which we see as a profitable relationship. Also, if we didn’t have the lease, another ski resort would move right in. It is helpful to us to capture the folks staying at the Hyatt before we open the ski resort because we do get those rentals. It has been under the same conditions for the last nine years and Staff would like to see it continue for another three years. As the bike path comes forward, we might come back with changes but right now we are proposing status quo.

Trustee Callicrate said he is not opposed rather it is just that folks asked him about salaries, benefits, etc. and having that information would have made it a little clearer as well knowing if it works out to our benefit. Including that information in the memorandum would have made it clearer up front.

Trustee Dent asked the District General Manager to provide that information to the Trustees; District General Manager Pinkerton said he would do so.

Trustee Morris made a motion to authorize the District’s General Manager to extend the existing Hyatt Sport Shop lease between the Hyatt Regency Lake Tahoe and the District for a period of three (3) years beginning on June 1, 2019 and ending on May 31, 2022 at a lease rate of ten percent (10%) of gross sales each calendar month throughout the Term and authorize Staff to execute all documents based on a review by General Counsel and Staff. Chairwoman Wong
asked comments, receiving none, called the question – the motion was unanimously passed.

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

Eddie Ableser, along with Victor Salcido, said that there are twelve days left in the 2019 Legislative Session and that there is a lot of talk about a special session because there is still a lot of work to be done. Senate Bill 279 – currently in the Assembly, heard in Government Affairs, passed out of work session, bill was amended with combination of two highest appraisals, will have to go back to the Senate before it goes to Governor. Talked to individuals who said they will take into consideration the letter sent.

Chairwoman Wong called for a break at 7:22 p.m.; the Board reconvened at 7:30 p.m.

I.2. Review, Discuss and Possibly Adopt Resolution 1872 to augment the District’s Operating Budget for Fiscal Year 2018-2019 budget by $430,000, through the use of additional revenue of $2,800,000 for Community Services Special Revenue Fund to cover additional expenses incurred providing a higher volume of services at the Diamond Peak Ski Resort during the 2018-19 season (Requesting Staff Member: Director of Finance Gerry Eick)

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

Chairwoman Wong said, just to clarify, we are filing this because it is required by law. Director of Finance Eick said yes, it is required by law. Chairwoman Wong said we are over budget because we had a great ski season. Director of Finance Eick said yes and we were over our budgeted skier visits because it is related to food and beverage and the extended days.

Trustee Morris said we are required to complete the augmentation on the cost side but not on the revenue side. Director of Finance Eick, referencing agenda packet page 69, identify as a line item as a resource that was not budgeted and noted that there is not budgetary compliance on revenue.
Trustee Horan said that the revenue is increasing at a greater rate because the revenue per skier visit was greater. Director of Finance Eick said yes as there has been tremendous realization because of dynamic pricing, etc. and noted that there are a lot of contributing factors.

Trustee Dent said, referencing agenda packet 69, where does the shortfall come from. Director of Finance Eick went over agenda packet page 69 and said that the difference is between the projection and actuals. Trustee Dent asked for the $869,000, did we over project revenue. Director of Finance Eick said it was a variety and the timing of capital expenditures and said that this was an adjustment to fund balance not revenues. District General Manager Pinkerton said that fund balance was based on a certain assumption at the end of the fiscal year and then we get an audit done on capital projects. Trustee Dent asked if the Board could get a list of those projects; Director of Finance Eick said it is already prepared and in the audit report.

Trustee Morris made a motion to adopt Resolution 1872 augmenting the 2018-19 Incline Village General Improvement District Budget, including $430,000 for the Community Services Special Revenue Fund by utilizing additional resources from the increased revenue of the Community Services Special Revenue Fund for the express purpose of providing resources for costs incurred providing a higher volume service over that included in the May 2018 authorized budget and authorize Staff to execute all documents and directing the District Clerk to file notice of the augmentation within the State of Nevada Department of Taxation Guidance. Trustee Horan seconded the motion. Chairwoman Wong asked comments, receiving none, called the question – the motion was unanimously passed.

1.3. Review, Discuss, and Possibly Accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publically advertise for construction bids the Mountain Course Clubhouse Renovation Project; 2019/2020 Capital Improvement Project; Mountain Clubhouse Improvements Project; Fund: Community Services; Division: Golf; Project # 3299BD1902 (Requesting Staff Member: Director of Public Works Joe Pomroy)
District General Manager Pinkerton gave an overview of the submitted materials.

Trustee Callicrate said that Staff first started to address this after the fire last year and it was renovation versus new facility. He brought up his concerns about this being one of the oldest buildings in the District and that we did the surveys and Global Golf and BJV we both pushing for Option 5 which the Board agreed to move forward with getting an idea of the cost of renovations, which we can discuss, so this was supposed to be $861,000 and now it is at $1.4 million dollars and we are getting a nightmare of a building. It will probably be closer to $1.7 million as that building is a wreck as he worked there. We have an opportunity to build a new facility with a new kitchen and take some of the burden off this facility [Chateau] and we can add decking. This would be new construction which hasn’t yet gone out to bid and all the estimates have been wildly off so he can’t support a rehabilitation option. He has been pushing for a new facility up there and this is doing a disservice to the golfing community and to the entire community. To have a flexible facility that serves the Mountain Golf Course and lessens the burden on this facility and is another opportunity to capitalize on that spectacular venue. We are shorting ourselves by not building a new facility and that is what he would like to go for as he can’t support the rehabilitation option. Thought that there might have been an opportunity which he knows was well intended but that this is not utilizing our resources in the best way we can. District General Manager Pinkerton said that with all the options we contemplated everything. We looked at a new building and the scope of what would be built which would have been similar because of what has been scoped out and what had been done. Trustee Callicrate said he is not looking at a mini-Chateau but there is opportunity with new construction and we don’t know if it is fifty to seventy five percent more. He is not a builder but when he thinks it through and looks at the long range, stretching out the existing facility just isn’t feasible. District General Manager Pinkerton said no one is hoping for another fire and Staff’s goal is to go out to bid and then the Board has the option to tell the insurance company to go fix the kitchen; we are asking for the opportunity to test this cost. Trustee Callicrate said since Option 5 was preferred, he would like to see that option go out to bid. District General Manager Pinkerton said then Staff needs eight or nine months to do that work. Chairwoman Wong said that we can’t do that tonight as it is not on the agenda. Trustee Callicrate said that is why he asked for it to be on an earlier agenda.
Chairwoman Wong said that she appreciates the work that has been done as well as the Mountain Niners coming out tonight and noted that she does enjoy the environment at the Mountain Course. She recently had lunch with Staff and she loves the ideas for programs and social aspects to be added. Space is the key aspect related to doing that; she appreciates the work put in so far on this project.

Trustee Dent asked what the design costs were to date; what have we spent. Director of Public Works Pomroy said $112,000. Trustee Dent asked if that was included in the $120,000 that was unbudgeted; District General Manager Pinkerton said yes. Trustee Dent said that his concern is the process. We were told in December, the cost was eight hundred thousand dollars and it would be done in May. In May, we were not told that the $1.5 million doesn't include the fuel tank, exterior repair and/or the roof so that makes it $1.8 to $1.9 million which is a huge expenditure for the District. From a process standpoint, this should have been brought to the Board sooner as Trustee Callicrate voiced his concern in December. Chairwoman Wong said that she is not sure if we were sitting in the same meetings as Staff has been giving us updates at every single meeting starting with our meeting in December. We have discussed insurance and the cost of construction and that she is not surprised because the District General Manager has been giving us updates. Trustee Dent said this is an eight to ten percent increase and the costs are doubled. We started with a bad number to begin with and that is all he is saying.

Trustee Morris said that as he looks back on the estimate on agenda packet page 152, he would think, in Option 5, it is $165 per square foot and in Option 1, it is $225 per square foot. Given all that he has heard, focus groups that were held, and the approach the golfers wanted and appreciated, he can’t substantiate ever spending four million dollars on a building up there because it won’t deliver the value or revenue. He likes the creativity and approach, it is a really sensible use of our money, it is irresponsible to build a new facility up there, and thank goodness we didn’t do it a couple of years ago given the changes in technology. Given that this agenda item is about going out to formal bids and if we don’t like the bids, it is a wise and prudent step to take to see how much it is going to cost us; he is in support of this particular item.

Trustee Horan said that he appreciates Trustee Callicrate’s desire to go in a different way, he is more inclined to go with what is proposed as the world
has changed and it will continue to change. It is the appropriate way to go and acknowledge/appreciate Trustee Callicrate's concerns.

Trustee Callicrate said, as of 2017, referencing agenda packet page 152, those were the estimates at that point and now we are being given a twenty percent increase. The different between renovation and new build, and a second alternative, is we need real time, current numbers and he understands others on their reasoning. Putting in this kind of money for what will be a temporary fix for a building that is a dump and should be torn down, the redemptive value is nothing. We have to put a lot of money into it and we are not re-doing the bathrooms and dicing up the interior so it will be close to two million dollars when it is done. When we open the walls, who knows what nightmares are going to spring forward. He will not be supporting this and he will support the number 2 alternative. We will have a trailer up there and he wants to give us the time to find a true, workable option and that is his concern.

Chairwoman Wong said that there is a member of the public who wants to make comment; is that okay with the Board – the Board unanimously said yes.

Sara Schmitz thanked the Board for the opportunity to speak. In listening to the ladies who were the Mountain Niners, she heard that at least two of them said let's gets a temporary fix but we do need a new building and that does need to be changed. Speaking in support of working in the here and now as it really does need a new facility.

Trustee Morris made a motion to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publically advertise for construction bids for the Mountain Golf Clubhouse Renovation Project. Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Horan said he will support the motion and that he realizes that we will have to wait until we get the bids before moving forward.

Trustee Dent said he will not be supporting this as the Board needs to be involved with the process and we need to slow down on throwing out numbers and do accurate numbers and not make promises we can't keep.
Chairwoman Wong said that this matter has been included in the General Manager’s Status Report and that she disagrees as the Board has had ample time to give input and that this is just to go out to bid and then we decide from there.

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

I.4. Review, Discuss and Possibly Adopt Resolution Number 1873: A Resolution Approving the Residual Equity Transfer of $174,356 from the Workers Compensation Internal Services Fund to the General Fund in the Fiscal Year 2018-2019 (Requesting Staff Member: Director of Finance Gerry Eick)

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

Trustee Dent said that the District has done this two times before and with past allocations didn’t we put it in the Community Services Fund and not in the General Fund. Director of Finance Eick said that the monies that we returned along with other funds which were paid fees over twenty plus years which we accumulated in the retention reserve that we said were excess payments and that we still had a self-insurance liability until last July, that this was the first time we could identify a remaining exposure. The past monies were returned because we didn’t need it and returned it to the operating funds and was not a residual equity transfer.

Trustee Horan said that this particular Nevada Revised Statute of which one of our members of the public commented that it was about embezzlement wasn’t relevant as we are following the law.

Trustee Morris made a motion to adopt Resolution Number 1873 such that the Board of Trustees finds that the balance of $174,356 remaining in the Worker’s Compensation Internal Services Fund is deemed no longer required to provide self-insured worker’s compensation benefits, and therefore in accordance with NRS 354.6215 authorizes a residual equity transfer to the General Fund effective June 30, 2019; and the Board directs Staff to provide notice to the Nevada Department of Taxation Local Government Finance within the requisite 30 days from execution. Trustee Horan seconded
the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was unanimously passed.

I.5. Review, Discuss and Possibly Approve Fiscal Year 2019/2020: Budget, Capital Improvement Project Budget, Recreation Facility Fee, Beach Facility Fee and Central Service Cost Allocation (Requesting Staff Member: District General Manager Steve Pinkerton)

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

Chairwoman Wong said thank you to Staff because she knows how many hours go into the preparation of this budget and that Staff has worked hard for months so thank you to all of our Staff for all your hard work.

Director of Finance Eick said thank you for the recognition and you are welcome as there are thousands of hours that go into this effort.

Trustee Callicrate said, referencing agenda packet page 183, in the next to the last paragraph and about midway, it is a little alarming that in 2015 when Chairwoman Wong was first on the Board and the District went from Special Revenue Funds to Enterprise Funds that he brought up earlier about three buckets and now we are changing it again which he doesn’t remember the Board giving Staff that direction or voting on that. This is the third change in accounting procedures so how do you compare year to year when these changes keep coming up. Optics are everything and all years are different so this raised some concerns for him as does the inactive fund. Also, he and Trustee Dent have been requesting a line item budget as part of the whole process and once again he doesn’t remember seeing that or being directed to where that might be. There is a lot of information on opengov which has been aggregated and is an arduous process to get to that information. Some have said that not all of the financials are listed which is an ongoing concern that he shares. In more recent times, it has been about the increases in the Tennis Center, Mountain Clubhouse, and the Burnt Cedar pool. Every year we come to this point and he gives his little speech. He doesn’t agree with this particular process because of the things he has requested. Alternatives are as broad as they should be and we can do a better job. That’s just him and he will not be supporting this budget once again.

Director of Finance Eick said that he acknowledges that Trustee Callicrate has a different perspective. On agenda packet page 194, Schedule B-13,
please look in the description on the left hand side which is the Championship Golf Course. This form is prescribed by the State of Nevada and there is an opportunity in the new budget format which is repeated in each of the functional areas of individual line items which again is in accordance with State requirements. We changed from using remaining inactive if there are no new bonds. The State likes all in the Special Funds as it eliminates transfers, etc. If you look in the other reports, it is aggregated and put into Community Services and Beach which is really a simplification. He agrees they don’t look the same but look at the statistical tables as there is a ten year historical table regardless of the fund structure.

Chairwoman Wong said that internal reporting has change that much and just take a look at their form 10-K. Form 4404 is the State mandated form versus financial statements which the District uses and manages to. The only person who appreciates Special Funds is probably her and that she finds it really interesting to see the money come in. We must all recognize that the public is not the audience that was meant for.

Trustee Dent said that when the Board voted on Resolution 1838 which authorized the change and that resolution is still in place, when will there be another resolution. Director of Finance Eick said there won’t be one as they are not going away just not using them at this time.

Trustee Dent asked when the five year capital improvement plan was put on the website. Director of Finance Eick said the same day as the Board meeting and that yes, Staff can send an e-mail to the Board alerting them of that posting.

Trustee Dent said, regarding three projects – Mountain Clubhouse, Tennis Facility, and the Burnt Cedar pool – with each of these projects having significant cost increases and the huge legacy projects, the Board is approving this budget authorizing spending the money on these projects. For the Burnt Cedar pool, there was five hundred thousand for a fix and that fix is now eight hundred thousand dollars and our consultant, that we hired, said it would be nine hundred and fifty thousand dollars and we have been told by Staff it will cost $1.5 million dollars – these numbers are crazy. For the Tennis Facility, budgeted at three hundred and fifty thousand dollars last year and now it has jumped up to seven hundred thousand dollars and now, as of three weeks ago, it is at $1.3 million dollars which is sixteen hundred dollars a square foot. We need to do a better job of estimating our costs well in advance. With this five year plan, and the Diamond Peak Master Plan in
there, then out, there are now no funds for design so how do we finish. Director of Finance Eick said that there is a carryover project for entitlements and there is no design monies so the carry over project that is part of the budget that covers that. Trustee Dent said thank you. If the Mountain Clubhouse gets three hundred thousand dollars from the insurance and it is now $1.3 million dollars in costs yet the community wants us to focus on the beaches. We can get a brand new pool for one million dollars or fix the one we have for eight hundred thousand dollars; we need to look at alternatives. Trustee Callicrate came up with a really good idea about allocating a fee, draw that down, and get some of these projects that the community would like to see get done be done. We are missing the opportunity to put money towards the Incline Beach building and doing the Burnt Cedar pool correctly so we are missing that boat. District General Manager Pinkerton said that when we talked on Tuesday, we mentioned the dollars to give us the options for short, medium and a long term fix. One million dollars was a very preliminary number and he is not sure why they put that out there as one million dollars is highly unrealistic. Staff is hoping to get the final report from Terracon and we hope to discuss it. Staff has been giving the Board updates and he looked at the minutes. Burnt Cedar does need to have a discussion. In the budget, as we go through the due diligence, we are making sure that the Board has the money for whatever options you choose and Staff will bring it back during the summer so that the Board can have that discussion. We needed the dollars in the budget at this time.

Trustee Callicrate said, regarding the $705 and $125, that he has brought this up several times, there is an opportunity to draw down the Recreation Facility Fee with a corresponding bump up. A member of the public brought up an interesting idea, but we can’t borrow from one fund as we have to keep them separate whether it is borrowed or not. We have a Recreation Fee of X and a Beach Fee of X and not having to deplete our eight million dollars in excess of our reserves and we are still able to accommodate legacy projects and attack the Burnt Cedar pool, etc. He knows there is stuff later on but this is an opportunity to put it into this year instead of next year as the District has a great way of putting things off. We always want to push them down, do a temporary fix, and then we are screwed. Because it is set in stone, he won’t be support anything but five.

Trustee Horan said a lot of points have been raised and he would like to get the crystal ball and know our costs. We always want to do better and to Trustee Callicrate’s point, we have had the discussion about the allocation, but it could be an opportunity. He said he might be amenable to entertain
that but that he wanted to get through the CSMP so he will not support this year but might support next year. We have a very professional Staff that works hard to get estimates, do I agree with everything in this budget, no. Will I support it – yes and that is because we have a fiduciary responsibility to do this and his constituency is the District and doing what is right for the District. The plan is well put together and he is going to support it.

Trustee Morris made a motion to approve the District’s Fiscal Year ending June 30, 2020 budget comprised of:

a. Incline Village General Improvement District’s Final Operating Budget for Fiscal Year 2019-2020 (Form 4404LGF as prescribed by the State of Nevada Department of Taxation);

b. Incline Village General Improvement District’s Capital Improvement Project Budget for Fiscal Year 2019-2020 (Year 2019-20 from the 5 Year Capital Improvement Plan Summary);


d. 2019-2020 Recreation Facility Fee of $705 and Beach Facility Fee of $125.

e. Approve the Central Services Cost Allocation Plan for Fiscal Year 2019-2020 indicating a total of $1,367,400 in charges from the General Fund to the Utility Fund, Community Services Special Revenue Fund and Beach Special Revenue Fund.

Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Morris said that we have a debate every year and we have a responsibility and duty for oversight for government requirements even if there are things that he doesn’t like as an individual, there is a budget that we have to present to the State; this is a very good budget and he will vote for it.

Hearing no further comments, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed and Trustees Horan, Morris, and Wong voted in favor; the motion passed.
I.6. Review, Discuss and Possibly Adopt Resolution Number 1871: A Resolution Approving the Report for Collection on the Washoe County Tax Roll of Recreation Standby and Service Charges, Fiscal Year 2019/2020 (Requesting Staff Member: District General Manager Steve Pinkerton)

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

Trustee Dent said, referencing agenda packet page 255, typically, in years past, we get to see a breakdown and what is being spent in each of the venues. This was not done this year so why the change. Director of Finance Eick said we went over that in the budget process and Staff was challenged a year ago to focus on having stability and not looking to it as a revenue while retaining individual functionality. District General Manager Pinkerton added that there is a lot of variance and we had that dialogue last year. Trustee Dent said he can't see it. Director of Finance Eick said rather than implying to a specific venue, last year the Board said identify an amount per venue per year, that occurred on March 18, so Community Services has a pot of money, not specific to a venue, rather than per parcel for capital. District General Manager Pinkerton said for cash flow, we show you what is the capital fund and show you the availability.

Trustee Dent said it is strange that it has been wiped out and why is that financial transparency; what happens if the Board moves forward with the Tennis Center. Director of Finance Eick said that four million dollars more is being spent than is allocated to the fee; that is not what we are doing. Chairwoman Wong said that the change was made by the Board and asked what the Board wants to see that is different. Trustee Dent said before we got to this point do we have an example. Director of Finance Eick said that this format was presented twice. Chairwoman Wong said that this was the schedule that we landed on. District General Manager Pinkerton said we haven't changed the money as the capital projects are a flow over a series of years and going per parcel is confusing as it is present versus past dollar allocated. As you look at the budget forms, the format is much cleaner as it is more confusing to break it up in individual venues. This was Staff's recommendation but we are always at the pleasure of the Board. Trustee Dent said comparing it to past years, he doesn't remember having the discussion at the Board level and he doesn't remember having seen these forms or a discussion. Staff moved forward, it happened in December, and it is not a big deal rather he was just curious. Trustee Dent then asked if
Staff could provide a breakdown for him. Director of Finance Eick said it would be informational only and not correlated to the budget; District General Manager Pinkerton said that Staff can provide something that is informational only.

Trustee Callicrate said he has a basic question – we went to Special Revenue from Enterprise and the reason was potential of bonding. Director of Finance Eick said no, that is not it and directed the Board to agenda packet page 202 and observe that there are operating revenue and categories. Now go back to agenda packet page 194 and there are functional expenditures and this is the amount we are spending on a venue type. It is Governmental accounting over Enterprise and that is what we spend by function. The driver was in 2015 where there was a tangled web and the new format gives us the best of both worlds and see what it all costs.

Trustee Morris made a motion to adopt Resolution Number 1871 to include consideration of any comments or protests made at the hearing held May 22, 2019, a finding of the equity of the report, a finding on the completeness of the report including any actions that might revise, change, reduce or modify any charge therein, and sets for the collection of recreation standby and services charges (also known as the Recreation Facility Fee and Beach Facility Fee). It further states a finding of benefit to the parcels covered there under as a part of the action considering the public hearing date of Wednesday, May 22, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, hearing none, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed and Trustees Horan, Morris, and Wong voted in favor; the motion passed.

1.7. Review, discuss and possibly approve an item for the 2019/20 Fiscal Year allowing the District to enter into an agreement for media buying services for 2019/20; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities, Recreation Center and Tennis Center; Vendor: EXL Media; Contract Amount: $272,500 in paid media spending, $87,100 in trade media spending and $65,000 in agency fees – a grand total of $424,600 (Requesting Staff Member: Marketing Manager Paul Raymore)
Marketing Manager Raymore gave a brief presentation. Trustee Dent said he had no questions and thanked Staff for listening to their direction.

Trustee Morris made a motion to authorize Staff to enter into an agreement (prior to the start of the Fiscal Year 2019/2020) with EXL Media for 2019/2020 Fiscal Year media buying services for Diamond Peak Ski Resort, the Incline Village Golf Courses, Facilities and the Recreation and Tennis Centers for a total amount of $424,600 consisting of $272,500 in paid media spending, $87,100 in trade media spending and $65,000 in agency fees. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question, the motion was unanimously passed.

Chairwoman Wong called for a break at 9:00 p.m., the Board reconvened at 9:10 p.m.

1.8. **Review, Discuss and Possibly Authorize an amended cost share funding agreement with the State of Nevada – Division of Environmental Protection (NDEP) to provide assistance and funding of up to an additional $65,000 for the Incline Creek Restoration Project – Upstream of SR-28 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Director of Public Works Joe Pomroy gave an overview of the submitted materials.

Trustee Callicrate said that she commends Staff for their environmental excellence and that this is a continuation of that exceptional work so he will be supporting both of these items as these are the types of projects that the community supports and it is an opportunity for the younger generation to learn about all our work. If we have to come up with additional money, he has no issue with that, and he hopes we get the money.

Chairwoman Wong asked what is happening with the Burnt Cedar project. Director of Public Works Pomroy said that was for storm water runoff and the construction costs were over four hundred thousand dollars so Nevada Department of Environmental Protection (NDEP) monies were basically stalled because grant applications have failed. Chairwoman Wong asked what happens now. Director of Public Works Pomroy said we will do it in the future when the grant funding opens up. Chairwoman Wong asked what the risks of not doing the project are. Director of Public Works Pomroy said Staff
will perform temporary fixes until we can fund the project and manage it in the short term while looking to a long term solution.

Trustee Morris made a motion to authorize an amendment to the cost share funding agreement with the State of Nevada – Division of Environmental Protection (NDEP) to provide assistance and funding of up to an additional $65,000 for the Incline Creek Restoration Project – Upstream of SR-28 and authorize Staff to execute the amendment. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question, the motion was unanimously passed.

I.9. Review, Discuss, and Possibly Authorize Multiple Contracts for the Incline Creek Restoration Project – Upstream of SR-28 – 2018/2019 Capital Improvement Project: Fund: Community Services; Division: Parks; Project #: 4378Li1504B; Vendors: Aspen Developers in the amount of $273,000 and Cardno in the amount of $45,000 (Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Pomroy gave a brief overview of the submitted materials.

Trustee Dent asked for the thought process behind the fifteen and twenty percent contingency as this one has fifteen percent and others have had ten percent. Director of Public Works Pomroy said it is due to the nature of the construction. Trustee Dent said that a contractor would be excited about this contingency as this is creating a slush fund for the contractor. The standard has been ten percent and now we are doing fifteen percent or twenty percent and anyone that bids this job knows we have a twenty percent contingency and that we should be sticking to the standard ten percent. It would behoove this Board to bring it back to increase the contingency when needed and that Staff really should re-evaluate and throw out the extra ten percent. Director of Public Works Pomroy said that Staff takes pride and typically doesn’t even go up to ten percent however this does allow us to award a change order and we don’t award gifts. Trustee Dent said then we really should put it back to ten percent as we are really increasing the slush fund for the contractor. As someone who has been there, this is something fun to go after and now that it is twenty percent, he will guarantee that the Project Manager will do whatever he can do to get it. We have a standard ten percent contingency instead of a giant slush fund for contractors to go after.
Trustee Horan asked if Staff could give him a feel for contingency management. Director of Public Works Pomroy said it is less than ten percent and probably more around six percent. Trustee Horan said then let’s cut this back to ten percent as he is sympathetic to Trustee Dent’s point and if Staff is managing to below ten percent then there is no reason to put twenty percent in.

Trustee Morris asked what is the estimated time for this project and if it is a brief period of time and there is something that will exceed the ten percent contingency because we have to stop work to wait for a Board meeting does that compound the issue. If it is a long project, then we can plan for that. Director of Public Works Pomroy said it is a thirty to forty five day project.

Chairwoman Wong said that anything that exceeded it could be done under the General Manager’s authority and we have worked with both contractors. Director of Public Works Pomroy said that is correct and we have worked with them on several projects. Chairwoman Wong said she is not in construction and that she trusts the judgment and opinion of this recommendation so she is fine with twenty percent. She would like to evaluate a policy for the future but it is not a lot of dollars so she is fine with it. Director of Public Works Pomroy said if it was a lower contingency, we would lower total cost shares with all parties and this is split amongst the agencies and so it would have to be modified with all the agencies. Chairwoman Wong said so it is not all ours. Director of Public Works Pomroy said twenty percent is IVGID with forty percent for two other partners.

Trustee Morris said so our number includes the contingency shared three ways. Director of Public Works Pomroy said yes and that table is on agenda packet pages 325 and 326. District General Manager Pinkerton said that is $11,000 of the contingency amount. Trustee Morris said given that information, he would definitely want to follow your professional recommendations. When is it scheduled to be done and what is the estimated start date. Director of Public Works Pomroy said it will be constructed after Labor Day as one of the main items is ordering the bridge which automatically makes it a Fall project. Trustee Morris said he is inclined to go with the recommendation and to have Staff come back to the Board with the actuals as we are only at risk for $11,000. Director of Public Works Pomroy said Staff will report back on the dollars, protect the contingency, and only do value added work. We want to get the best product for the fairest
price with the contractors being compensated for the work performed. Trustee Morris said he would like to get that reporting back.

Trustee Horan asked if lowering our contingency to ten percent would impact the paperwork. Director of Public Works Pomroy said it would not affect NDSL paperwork and we would respond to NDEP to modify the agreement. Trustee Horan asked if it would complicate and delay the project. Director of Public Works Pomroy said it shouldn’t but there would be a new final budget so that would mean an amendment to the agreement.

Chairwoman Wong said that if our grant amount is $65,000 and we don’t end up spending that, what happens to the rest of the funds. Director of Public Works Pomroy said if we don’t draw it down, he doesn’t know that answer. Chairwoman Wong said so we are reimbursed for what we spend.

Trustee Horan said that we are managing at ten percent or under so going forward, he agrees with Trustee Dent as that is what we have historically put in unless there are extenuating circumstances.

Chairwoman Wong confirmed that the feedback has been heard and received.

Trustee Morris made a motion to:

1. Award a construction contract to Aspen Developers in the amount of $273,000 for construction of the Incline Creek Restoration Project – Upstream of SR-28.

2. Authorize Chair and Secretary to execute the contract with Aspen Developers based on a review by General Counsel and Staff.

3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 20% of the project bid – $55,000

4. Authorize Staff to enter into an Additional Services Addendum with Cardno totaling $37,000 for services during construction of the project.
Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Horan said that he wants a report back on this project.

Trustee Morris said he has sympathy for the contingency numbers and that he is supporting this because while the percentages are high, the dollars are not. It will be fairly easy to run into that number given this project and given the small numbers as well as the larger contracts agree with contingency.

Trustee Dent said thank you for the discussion and regardless of the size of the project, we don’t need a slush fund because the contractor will be looking for it. He will be supporting this and moving forward for having a ten percent contingency. He understands that could be different on some projects but we need to have a serious discussion about that as we need to really figure this out.

Hearing no further comments, Chairwoman Wong called the question and the motion was unanimously passed.

I.10.A. Review, Discuss and Possibly Receive Input from the Board of Trustees on the 2019 Final Draft of the Community Services Master Plan (Requesting Staff Member: Director of Parks and Recreation Indra Winquest)

Chairwoman Wong said that Trustee Callicrare had left the meeting when we put these items on the agenda so as a brief overview this is about lining up all the master plans and saying what is our laundry list and then get into compilation of all the plans.

Director of Parks and Recreation Winquest gave a brief recap.

Trustee Callicrare said, referencing agenda packet page 330, in going down the different things, we have deferred maintenance at the Mountain Golf Course and he understand the time frame. Agenda packet page 330 is time specific and what they were at that time. We need to go back through our numbers and tweak them. We have to be more cognizant about putting draft on the pages, etc. Chairwoman Wong said hopefully people can read the header. Trustee Callicrare continued that it is about picking out the headlines which is the point he is trying to make. He appreciates his colleagues putting
this on the agenda as he was having some personal issues; he is looking forward to the discussions.

Director of Parks and Recreation Winquest said he had a conversation with the consultant and has requested a breakdown of prioritization and they will get that to us in a more digestible way and do so in the next seven to ten days.

Chairwoman Wong said we have the laundry list and this is the opportunity to see what is rising to the top and so what information do we need from either the community or staff.

Trustee Callicrate said in talking about the numbers, which are almost like shapeshifters, we need to provide have some idea of (1) what the aggregate is if the community wanted to move forward and have real time costs within ten to fifteen percent on what they are going to cost; (2) renovate versus build new; and (3) hammer that down on doing our due diligence. Chairwoman Wong said she would like to get a little specific on having our Staff go through and update costs; what would satisfy this in your mind. Trustee Callicrate said it would be the entire Beach Master Plan as the number one draw for people are the beaches so this is real time for all three beaches and costs for doing the complete master plan. Chairwoman Wong said so you want to spend the money to update the plan. Trustee Callicrate said yes because if we want to increase the beach fee and provide justification, we need to know if all the numbers are real or reasonable. Chairwoman Wong asked the District General Manager what it would take to have our Staff go through and re-access all of the Beach Facility Master Plan numbers. District General Manager Pinkerton said it is sensitive as our former Director of Asset Management spent the money and the time on that so as to find out if these were real numbers and there was about a thirty percent difference because of special purpose buildings. We can hire experts for an order of magnitude and noted that it would be very difficult to go beyond an order of magnitude. The construction index doesn’t really apply to the lake and Staff can give you a guess but there is a caution and that is when the design is at zero to twenty percent, it is purely a guess at an order of magnitude and when you go beyond that, it gets very expensive; we are talking between thirty and fifty thousand dollars to get beyond where we are and estimates are difficult. Chairwoman Wong said we all know that the numbers are out of date and to update them today, you are saying here is our best guess but that until we start design, we won’t have good numbers so is it appropriate to be updating the numbers. District General Manager
Pinkerton said we have no scope of work or drawings of any kind right now so the caveat is that it is an estimate. Trustee Callicrate said the beaches haven't been given the attention they deserve as they are the front and back doors of our District. The beaches are important and would be in the top five and his focus so it is time to bite the bullet and clean them up -- they are his number one priority. Chairwoman Wong said that Trustee Callicrate is skipping ahead and asked what the data we need to get to prioritization is. What information would you help you to decide the order of the projects -- for her, it is the capacity to issue debt without having to change the Recreation Fee and what could be the total funding to help us pay for these projects. District General Manager Pinkerton said it is two separate tasks -- what costs are and what is the capacity. Showing one simple scenario, there are unlimited ways to do that particularly if you aren't going bond. A better way is to say here is the total fund balance between the funds, here is the range from all cash and other funding, and then your priorities. Chairwoman Wong said please show us the fund balance without debt capacity as she wants a number from the fund balance, then if we issue debt, here is what we could spend. There is a long term list of projects so let's use estimated costs and say here is the funding pool and can we do this or that and it will provide us with a magnitude. District General Manager Pinkerton said it can't be just about the dollars but it has to include the timing and the capacity to deliver the projects as we may have three four hundred thousand dollar projects that take more time than one larger project and then there is sequencing. Chairwoman Wong said she would like to start with funding and then with sequencing.

Trustee Callicrate said we have a good idea of what the community wants and in looking at funding, the dog park is number one, and there is opportunity for private funding there; we need to figure out the priorities of the community. Chairwoman Wong said let me stop you there and ask you how we go about getting that information. We have them on individual projects and do you feel comfortable with the surveys we already have. Trustee Callicrate said yes, he feels comfortable with the top priorities and he has a good idea of the top five and then there are public/private partnership opportunities and then move down the list. We have to have the money and then we tweak the Recreation Fee. This is tough and we can't do it in one night. We have been out in the community and he thinks we have a decent idea of what the priorities are.

Trustee Horan said that one of the driving forces is our capacity to get things done. In looking at the beaches, etc. there are two or three things that we
could reach agreement on and our capacity is going to drive this. His top three at the Incline Beach House, Dog Park, and Ski Way.

Trustee Callicrate said for him it is the Dog Park, Incline Beach house and then some things at Burnt Cedar such as restroom replacement and then the picnic areas.

Trustee Dent said it is the Incline Beach house but not in is current plan form, Incline Beach entrance and access, and the Dog Park.

Trustee Morris said he can't answer this question and this is the first time that he has all the pieces together and he needs to consider them in the light of the other plans. He would also like to see if there is some simple assessment of the community as he doesn't feel equipped, at this time, to do a top three. Chairwoman Wong asked what you help to make that identification. Trustee Morris said a simple survey of the community and rank these projects in the order of what you would like to see us do and get that information back which would help him make a decision; an instant snapshot of all of this laundry list.

Chairwoman Wong asked if it would be possible to get out a survey before the next meeting. Director of Parks and Recreation Winquest said it is a new starting point with a high level starting point being about costs. On the beach related items, we have a very good study that we have made some operational decisions and changes so it would be extremely intelligent to do another assessment and it is something we want to do and something we need to do because of operational changes. There is value in going out to the community and generating a lot of information. Staff does want to do some reassessing and get to a new starting point. Given this dialogue, he does understand what that means. Chairwoman Wong asked what needs to be reassessed and what is that cost. Director of Parks and Recreation Winquest said Staff has made some operational improvements at Burnt Cedar and that he would like to see if the existing need meets the recommendations in 2016 and see if they are the same. District General Manager Pinkerton said Staff needs to mesh all of this together and get into a position to be ready to hit the ground running in 2020. When the Board adopts a budget three hundred and sixty four days from now, the first round of projects will be put into design so we need to have a conversation now. For the Dog Park, the Federal Government has some say and while it is within our priorities, there is still some juggling to be done and to have a good discussion about how to get there.
Trustee Morris said we are all anxious to get something going as we want to start doing stuff so you are saying start in 2020 with decisions being made this Fall. District General Manager Pinkerton said more like in about five or six months. As we start floating these things, some will get panicked about a particular project so he is not worried at all about community feedback because as we test these things we will know within a day or two of what the community thinks.

Trustee Horan said that we have gotten an abundance of input and we want our facilities to be better so cross off Diamond Peak Master Plan as it is off in the horizon. The beaches need to be our focus and the Dog Park we really need to work hard to push to get that done. It is important to reassess the changes we have made in operations to understand the subset that is remaining that we can pick off. A couple of major projects is all we can do. Chairwoman Wong said we can only do probably one or two. Trustee Horan said between debt and what we have, we can do them. District General Manager Pinkerton said one caveat is we have to watch the operational impact when we are replacing existing facilities and then with the new beach house there will be a factor in operational changes. Trustee Horan said that is correct and that’s what the community wants.

Trustee Dent said, regarding the CSMP, what about the sprung structure as we don’t know when we might get this and are we going to be stuck storing some giant structure for twenty years. Director of Parks and Recreation Winquest said that the opportunity might be there and that’s why we asked the consultant to add it. It is an opportunity that may pass us by and that needs to be fully vetted to know what that would look like. Operational costs need to be looked at so our community understand they could be increased costs, reduction in costs, or cost neutral. Staff would not accept something like that unless we were positive we were going to move forward with it. Trustee Horan said and we need to decide that; Director of Parks and Recreation Winquest said that is correct. Trustee Dent said so for gathering feedback it is worth having it in the CSMP but it is at the bottom. Director of Parks and Recreation Winquest said that this is the exact dialogue he was hoping to have and if it doesn’t make sense then Staff will ask the consultant to remove it. Trustee Dent said he thinks it is weird to have it in there. Chairwoman Wong said this is about all the possibilities that could be there for us and to have it in the plan. Trustee Dent said it is obsolete. Chairwoman Wong said it is in the Diamond Peak Master Plan and who knows if we will ever get to it but the option is in there for the future. Trustee Dent said sure.
Trustee Morris said it is important to attempt to prioritize everything if for no other reason than to let the community know and keep things in front of us. Given we are going to pursue public/private partnerships because if the money comes forward, that project could move up the list. Director of Parks and Recreation Winquest said that is a great point and in looking at donor funding, it is really hard to have someone look at it, such as the Dog Park, when you don’t have something for them to look at. District General Manager Pinkerton said it is more of a sales brochure because it is a tool for visualization for donations.

Chairwoman Wong said so Trustee Morris is not ready to commit and she doesn’t know if she is either and there are some projects that are rising to the top but in addition to this list, we have the Administration Building. She would like Staff to take a look at the projects that have risen to the top and see if they can get us a better estimate and a scope of work that could be involved. Trustee Morris added that he would like to include giving us some magnitude for operational costs. Chairwoman Wong said also identify the capacity with debt and combining fund balance and holding the Recreation Fee to $830. Trustee Callicrate said look at keeping it at $830 and then look at a modest increase, an inflationary index, and then tweaking the allocations. Chairwoman Wong said she would like to stay at $830. District General Manager Pinkerton said that Staff can show you what each dollar amount get to it and noted that operational costs are getting harder to keep in check.

Chairwoman Wong asked if Staff could identify some prime targets for potential partnerships and then also what is our timeline (decision to undertake, pre-design, design, bid, shovel goes in the ground, and completion) as this will help us to see the capacity. Also on the Dog Park, when we get the land, what that timeline would be. Trustee Morris said with regard to the Dog Park specifically, a more complete timeline could be valuable because if we decide it to be our number one priority and we can’t get the land then we have to decide what would become our new priority project. Chairwoman Wong said that she thinks we are talking about four years with that land. District General Manager Pinkerton said the goal would be July for our special use permit. Trustee Morris said on the basis of perception that happens in this community, he wants to keep these pages before the Board but that he would like to get more clarity that this is an overall wish list and that nothing is committed with desk estimates on changes in costs.
I.10.B. Review, Discuss and Possibly Receive Input from the Board of Trustees on Master Plans/Capital Plans and Board Work Plan (Requesting Staff Member: District General Manager Steve Pinkerton)

Included with I.10.A. above.

11. Review, Discuss and Possibly Provide Direction on the consideration of the proposed shift in allocation of Facility Fee for 2021 and 2022 (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong gave an overview of these two items. District General Manager Pinkerton distributed an updated version that adds a bottom line and noted that this was done at a very high level and that you can see what happens with the Community Services Fund – it drops below the target fund balance in 2021/2022. The balance in the Beach Fund swings above and below. The existing allocations of the Recreation Fee supports our operations but won’t support any other projects.

Trustee Morris said so the only difference is the additional totals line. Director of Finance Eick said no numbers have changed rather it is the relationship to the target and it is one example of one variation. This is the same data the Board looked at on May 1 and Staff tried to cover all the possibilities at the beach. This was a stress test as to what we could tolerate and the reference is the five year project sheets.

Chairwoman Wong said that the Board needs to mull this over and bring it back to really look at the fund balance and debt capabilities. Trustee Morris said his immediate reaction is that this is a great exercise with one potential option. As he reads this, the prior conversation is moot. Without reducing fund balances, we can’t do what we planned to do nor nothing new. Director of Finance Eick said it is an important exercise to understand how deep the hole is and it is about giving you the information and letting you decide. This was just one possibility and if you have a suggestion, that is a task we can take on.

Trustee Callicrate said there are a couple of things; the Burnt Cedar pool needs to be adjusted based on the earlier conversation and Ski Way and the K rails etc., the $3.2 million dollars should be a separate bond. Director
of Finance Eick said it does contemplate using a bond. Chairwoman Wong said that this is an illustrative exercise on a change in the Recreation Fee. Trustee Dent said if you remove $1.45 million and this whole thing works. Trustee Callricate said thank you for doing this and for agendizing this item as there are a lot of variables. There is an opportunity and that is what we are going to have to discuss. Director of Finance Eick said that Staff sees it as an opportunity as well because it gives us ideas/direction because we, as Staff, try and offer possibilities to what you are after and this is a step in that. Part of the early message was that paying cash for everything is not going to work. Trustee Callricate said if he gave that impression, he didn’t mean to because there are things that we are going to have to bond for because there are things that are going to last a long time. He wanted to get all of us to discuss this. The conversation prior was in depth and one of our best which showed commonality and our priorities. District General Manager Pinkerton said it is about $10 million dollars in cash and $13 million dollars in debt. Trustee Dent said thank you for facilitating this conversation and that our former Asset Manager brought up the idea about borrowing from one fund to another. Director of Finance Eick said that a number of years ago it was just the idea about buying from ourselves and we explored that with the Department of Taxation and we have to negotiate to the extent of what the market is and then offer it to ourselves and yes, we could issue to ourselves. It would have to be a medium-term bond so not over ten years and have a fixed rate of interest. We can do this with both being winners so it is possible. A financial consultant is familiar with setting market terms. Chairwoman Wong said she is more open to that option as it is a good thing. Let’s all mull this over and include the schedule with the next Board packet.

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

J.1. **General Manager Steve Pinkerton**

District General Manager Pinkerton said he had nothing to add to his submitted written report; the Board had no questions or comments.

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

K.1. **Regular Meeting of April 10, 2019**

Chairwoman Wong asked for any changes; none were submitted so the minutes were approved as submitted.
K.2. Regular Meeting of May 1, 2019

Chairwoman Wong asked for any changes; Trustee Dent asked about the one we got from Ms. Newman. District Clerk Susan Herron said that she had not yet researched that question and if it was an oversight, it would be corrected. The minutes were approved pending research notation. [Post Meeting Notation: The attachment submitted by Ms. Newman was updated.]

L. REPORTS TO THE IVGID BOARD OF TRUSTEES*

L.1. District General Counsel Jason Guinasso

L.1.a. Possibly review and discuss Office of Attorney General (OAG) File No. 13897-313 Findings of Fact and Conclusions of Law – Open Meeting Law Complaint filed by Mr. Jim Smith – Finding by OAG of no violation

This item is included on this agenda in accordance with NRS 241.0395 which reads as follows:

NRS 241.0395 Inclusion of item acknowledging finding by Attorney General of violation by public body on next agenda of meeting of public body; effect of inclusion.

1. If the Attorney General makes findings of fact and conclusions of law that a public body has taken action in violation of any provision of this chapter, the public body must include an item on the next agenda posted for a meeting of the public body which acknowledges the findings of fact and conclusions of law. The opinion of the Attorney General must be treated as supporting material for the item on the agenda for the purposes of NRS 241.020.

2. The inclusion of an item on the agenda for a meeting of a public body pursuant to subsection 1 is not an admission of wrongdoing for the purposes of a civil action, criminal prosecution or injunctive relief.

(Added to NRS by 2011, 2384)

District General Counsel Jason Guinasso gave a brief overview of the submitted materials and gave a reminder about not talking about Board business and, not that it occurred here, but the public sees you out they
make certain assumptions and that this is just an important reminder to talk about social things.

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

Trustee Morris said that he is a member of the Washoe County Debt Commission and that they had a meeting last Friday. Our Director of Finance came before us, at our request, and talked to us about IVGID's debt position. He would like to thank our Director of Finance for doing that and for doing a great job.

Trustee Dent said that the Nevada League of Cities has a Board meeting on June 18 and that it is in the morning.

Chairwoman Wong said that after this meeting, she will have no Internet access until June 10.

Trustee Callicrate said he will be unavailable from June 4 to July 2.

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

There were no public comments made at this time.

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

District General Manager Pinkerton went over the calendar. Chairwoman Wong asked the meetings for 2020 be added to the calendar.

P. ADJOURNMENT

The meeting was adjourned at 10:51 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk
Minutes
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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.

Public Hearing – Agenda Item C.

Submitted by Linda Newman (2 pages): IVGID 5-22-19 Board of Trustees Meeting Public Comment #1

Submitted by Clifford F. Dobler (2 pages): Public Comment May 22, 2019 IVGID Board Meeting to be included in the next Board packet – Re: Utility Fund Budget

Submitted by Elyse Gut (7 pages)

Submitted by Joanne Sheehy (1 page): Mountain Golf Course Club House

Public Hearing – Agenda Item D.

Submitted by Linda Newman (1 page): IVGID 5-22-19 Board of Trustees Meeting Public Comment #2

Submitted by Clifford F. Dobler (2 pages): Public Statement – May 22, 2019 Board Meeting Re: Resolution 1871 approving the Rec and Beach Fee

Submitted by Aaron Katz (17 pages): Written Statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Items D and I(6) – Opposition to proposed Resolution 1871 which adopts/orders collection of 2019-20’s Recreation (“RFF”) and Beach (“BFF”) Facility Fees on the County Tax Roll

Public Comments – Agenda Item E.

Submitted by Linda Newman (2 pages): IVGID 5-22-19 Board of Trustees Meeting Public Comment #3

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Submitted by Aaron Katz (4 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item E – Public Comments – What do we do with an attorney who misrepresents to the Board/local parcel/dwelling unit owners/the office of the Attorney General (“OAG”) what IVGID really is, and by implication, the powers it may legitimately exercise?

Submitted by Aaron Katz (22 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item H(1) – Extension of Hyatt Sport Shop Lease

Submitted by Aaron Katz (24 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item I(3) – Authorize the expenditure of an additional $1.464 million to renovate/repair the Mountain Golf Clubhouse

Submitted by Aaron Katz (5 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item I(4) – Transfer of remaining Workers’ Compensation self-insured retention reserves to the General Fund rather than refunding them to the local parcel/dwelling unit owners who made payment

Submitted by Margaret Martini (1 page): For the minutes of the BOT meeting of 5-22-2019

Submitted by Mike Abel (1 page): Two poor decisions

Submitted by Brad Johnson (2 pages)
IVGID 5-22-19 Board of Trustees Meeting Public Comment #1
By: Linda Newman – To be included with the Minutes of the Meeting

I object to the District’s Operating and Capital Improvement Project Budgets for Fiscal Year 2020. Based on the packet information, there is no foundation here that supports any Board member’s approval.

First, take note of 3 capital projects with a current $3.5 million price tag. Although our paid consultants and our citizens advocate for a NEW Mountain Golf Clubhouse and Burnt Cedar Pool you are willing to spend almost three million dollars on repairs. The Tennis Facilities, which you approved last year at $350,000 is now estimated to cost $1,285,000. In fact, all of these estimates have been rather fluid, in some cases doubling or tripling in a matter of weeks. I don’t see the plans for the tennis center or the independent estimates for the pool repairs or the documentation to support Staff’s assertion that the $800,000 in repairs will extend the life of the pool for 5 to 7 years. Did the Board discuss these projects with the new estimates and approve them? Not to my knowledge. Instead, staff has made the decision for you and our community.

Secondly, the budgeting for the Utility Fund is extremely problematic. You do not have adequate working capital to support a $600 million water and sewer infrastructure and you have failed to commit the $2 million you collect annually for the $23 million future replacement of 6 miles of our aging pipeline. This appears to allow staff to use this money for operating expenses, unbudgeted projects and cost overruns on existing projects. Here too, the capital projects are not only fluid in terms of budgeted estimates but they vary from whatever report the District presents. The capital projects in the Utility Rate Study differs from the budget, the 5 year capital plan as well as what you have submitted to the Army Corps of Engineers for the pipeline replacement and liner for the emergency effluent pond. Then there is the additional problem of financial transparency. Although the Utility Fund is comprised of water, sewer and trash – there is no clarity on the revenues and expenses related to trash service. There is also no notice of whether all of staff costs and benefits are part of operating expenses or if you are capitalizing some of these expenses.

As IVGID is not a privately held family business and you are in fact elected officials with statutory and fiduciary duties YOU have a responsibility to determine how every dollar of public money you collect is spent. You also have a responsibility to ensure that funds collected for specific purposes are in fact used for those purposes. What you have before you are sheets of paper with lots of
numbers that you would have extreme difficulty verifying along with expenditures that you have not actually discussed or approved.
Re: Public Comment May 22, 2019 IVGID Board Meeting to be included in next Board packet
by Clifford F. Dobler

Re: Utility Fund Budget

The Utility Fund is in horrible financial condition.

The Board mandates a policy and practice of maintaining reserves calculated in two parts

The First Part is Working Capital reserves consisting of

- 45 to 90 days of operating expenses
- One year average of depreciation expense
- One year of interest expense

The total amount required for reserves should be between $4,000,000 to $4,900,000

The Second Part is setting aside the accumulated savings for multiyear projects which as of June 30, 2018 was $9,703,000 mostly for the Effluent Pipeline Phase II project.

The combined amount, using the higher end of working capital, should have been $14,600,000 at June 30, 2018, the actual amount which is called the Unrestricted Net Position was only $10,091,000. A shortage of $4,500,000.

The shortage only leaves $388,000 in reserves to take care of a $600,000,000 water and sewer infrastructure.

The shortages actually began in 2013 and have been growing since.

Since only a pittance was in reserves, the only money to grab was the money set aside for the Effluent Pipeline project. Those funds have become the piggy bank and have been drastically raided.

NOT ONE INCH OF THE NEW EFFLUENT PIPELINE HAS BEEN INSTALLED IN HWY 28, YET OVER $5.2 MILLION FROM THE PIGGY BANK HAS BEEN SPENT

REPAIRING BREAKS IN THE PIPELINE,
RESOLVING EPA MANDATED REQUIREMENTS
REPLACING AIR PRESSURE RELEASE VALVES

$788,000 WAS SPENT ON MAINTENANCE ITEMS BUT STATED AS BEING SPENT ON A WASTEWATER STORAGE POND NONE OF WHICH WAS FOR THE NEW PIPELINE.
ANOTHER $1,000,000 WAS SPENT TO REFURBISH A PUMP STATION

The Effluent Pipeline Phase II replacement project was originally budgeted in 2012 for $23,000,000 and the amount was to be collected from customers over 10 years at $2,000,000 per year and saved.

Seven years have passed and $14 million has been collected but there is only $9.7 million left.

So simply put, not only has the District depleted the minimum reserves of $4 million to $4.9 million but has also wacked the Pipeline for another $5.2 million. The hole is deep.

A big concern of mine is that according to Pinkerton, construction costs have risen by 50% to 75%; the past few years, yet Pomroy is sticking with the original $23 million Pipeline project estimate which only has a 4% inflation factor and was done in 2012. A fear is that the Pipeline will cost a lot more.

The District has been chasing rainbows with the Tahoe Transportation District and the US Army Corp of Engineers in the hope of finding some help and a pot of gold at the end. There may be some small amounts from the Army.

They are venturing with the Tahoe Transportation District which might reduce the cost of the Pipeline but could never proceed unless that district finds some money. They just got turned down on a grant last December.

Marcus Faust, our lobbyist is trying to scrap up some funds from the Army Corp of Engineers for left over money turned back in from other completed projects

Pulling Rabbits out of hats. Maybe

Meanwhile we operate on a shoe string, but brag about having the lowest customer rates in the Tahoe Basin and just do not want to raise utility rates above 4% per year. This is not a proper budget as no provision is being made to establish prudent reserves.
May 22, 2019

Good evening:

My name is Elyse Gut; I have been a homeowner since 1994 and full-time resident since 2007.

I am here tonight to provide comments on the 2019/2020 IVGiD Budget. Referencing agenda packet page 216, I am very happy to see and wholeheartedly support the Mountain Clubhouse Remodel Project as a part of the one-year Capital Improvement Plan which is part of the overall budget.

As a member of the Mountain Niners, and as I have stated before to this Board, the Mountain Golf Course is our home course. We are proud of being over 100 members strong; the only ladies golf club with membership being open to all, regardless of their ability.

We value and appreciate the work that IVGiD has done to date to keep the Mountain Golf Course open and operating since the fire. I, along with other Niners, appreciated being involved in the focus group established for the remodel of the Clubhouse, and hope to continue. We are in support of the current plan design standards as shown on agenda packet page 93. Please, let’s move forward now so that we have a viable, welcoming club house for the 2020 golf season.

I am certainly in support of a completely rebuilt clubhouse, but not at this time. It should be well researched and discussed with the community. As we all know, this takes years. In the meantime, we urge this Board of Trustees to support and approve this budget as written & submitted, as it includes what the Mountain Niners, the golfing community at large, and our visitors need.

In conclusion, I am submitting this document as my own written statement along with six (6) exhibits from other members of the Mountain Niners who could not be present tonight. I request that these documents be attached to the minutes. Thank you for your hard work for this community; it is truly appreciated.

Respectfully,

Elyse Gut
Mountain Niners Board of Directors Treasurer 2016-present
May 22, 2019

FOR THE IVGID BOARD

IVGID Board of Trustees,

I am writing on behalf of the Mountain Niners Golf Club as the club's President. We have 100+ women members who enjoy a full season of golf at our beloved Mountain Course each year. We experienced the sadness of the fire last year as if it were our own home! We were told the clubhouse would be a bit of a phoenix in that it would be rebuilt/ repaired and the end result would be greater than anything we had previously. We are sure you can understand our concern when we found out the work wouldn't start until September of this year. We urge the board to approve the plans as presented for the remodel. With over 100 members annually, playing twice a week, hosting many tournaments, including with our sister clubs in Reno and serving as one of the, if not THE largest customer of the Mountain Course, we are requesting this decision to be seriously reconsidered.

The course has always played second fiddle to the illustrious Champ course but our members tax dollars are paying for both, equally. We have continued to get the “hand me downs” of the Champ course, having weak and outdated carts, cart paths in need of desperate repair and now no restaurant or clubhouse. It is time IVGID make the investment necessary to take care of the “other” course in it’s realm of responsibility and look after the deferred maintenance that existed even before the fire of last season.

We have a gem in the Mountain Course, which we will lose if we do not take responsible action. Further the Mountain Niners will begin to fade as the care for our course continues to wane. On behalf of the Mountain Niners, we ask that you strongly reconsider the fallout of yet another deferred action at our “home” course.

Respectfully submitted,

Michelle Jezycki
President
Mountain Niners Golf Club
202-468-0265
May 22, 2019

IVGID Board of Trustees,

As a member of the Mountain Niners Golf Club and a participant of many other programs offered at the Mountain Course, I am writing to urge you to reconsider any further delays regarding the reconstruction of the Mountain Course clubhouse.

The Mountain Niners pride ourselves on being one of the most accessible golf clubs out there and we cultivate a love of golf in many women who are new to the sport. This doesn’t happen without the hard work of many of our members to foster that open and friendly environment, and it’s hard to do that work when there is no place for it to be conducted. Without a functioning clubhouse, our golf members do not have a convenient location to congregate and socialize before and after golf, leading to decreased connection among our members and ultimately decline of the club.

In addition, as a parent of children who have learned to golf in Incline, the Mountain Course is a critical resource. Both of my children have participated in PGA Junior League golf with Incline in past years and I have spent countless hours at the Mountain Course clubhouse while kids were out on the course. Dozens of other parents from golf clubs across Tahoe have appreciated seating and amenities while waiting hours for their young golfers to complete their tournament rounds.

Nine & Wine is one of my favorite programs at the Mountain Course. Heroic efforts were involved to keep it going in light of no clubhouse at the end of last year and the team admirably pulled it off. I’m concerned the program cannot be continued without a clubhouse however and all the equity built up in a sustained program like this would be lost. Food and beverages have an important association with golf overall. Without a clubhouse, the lack of freshly prepared and warm food and a comfortable place to consume it leaves basic needs unmet for our members and other golfers using the course. The limited selection of cold items offered after the fire last year was again admirable in light of the circumstances, but a poor substitute for a long-term solution.

I believe Incline Village does an outstanding job of offering services and amenities to its community overall. I urge you to consider the needs of the many parts of our community that depend upon the Mountain Course and its amenities before creating a long-term void without them.

Sincerely,

Jeannie Reeth
Mountain Niners Golf Club
408-234-0981
May 22, 2019

Dear Incline Village Board General Improvement Board of Trustees:

This letter is written to encourage the Incline Village General Improvement Board of Trustees ("The Board") to make a motion to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publicly advertise for construction bids for the Mountain Golf Clubhouse Renovation Project as recommended in the May 9, 2019 Memorandum to The Board from Joseph E. Pomroy, P.E., Director of Public Works.

I am a second-year member of the Mountain Niners Golf Club ("the Niners") and as such, write in support of the Mountain Course Clubhouse Renovation Project on the Niners' behalf. I mention that I am a second-year member because my first year at the Mountain Course ("the Course") was very memorable and the Course became my second home. When the fire occurred in the kitchen last year, the Niners (and I) experienced a deep loss.

As you know, the Niners play at the Course on Mondays and Thursdays throughout the golfing season, as well as hosting many tournaments. Not having the Course's Clubhouse available to the Niners for an extended period of time (years) would be an injustice. The Niners were originally told that the repairs to the Clubhouse would be made during the winter of 2018-2019. Then the Niners were told that the renovation would commence September of 2019 and the Clubhouse would be available for the 2020 golfing season. The Niners (and I) were looking forward to this.

On behalf of the Mountain Niners Golf Club, and as stated in the opening paragraph of this letter, I once again encourage the Board to, at this meeting tonight, move to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publicly advertise for construction bids for the Mountain Golf Clubhouse Renovation Project as recommended in the May 9, 2019 Memorandum to The Board from Joseph E. Pomroy, P.E., Director of Public Works. Should the Board determine in the future that further enhancements to the renovation be warranted, then the Board can discuss that at a later date.

Respectfully submitted,

Karen A. Gotelli

Member of the Mountain Niners Golf Club
RE: Mountain Course Building

5/22/19

Dear IVGID Board of Trustees:

I am a Mountain Niner and am requesting that you stay with the plan to repair the Mountain Course building so that it is functional again! Should you decide to go for a complete teardown and rebuild, golfers will most likely be without an on-site gathering place for years. If you decide to repair the building we may be inconvenienced but at least we will continue to have a place to call “home”.

We Niners have a very large and active golf group of typically 100-plus members. We rely heavily on the Mountain Course building for our board meetings, golf tournaments, rules clinics, informal after golf gatherings and so much more. AND we contribute significant revenue to IVGID through our golf and other purchases there.

If we lose our core gathering place I have no doubt that fewer Niners would participate in golf at the Mountain.

Please think very carefully before you make your decision on this extremely important issue.

Thank you,

Blaine Foltz
2015-2017 Mountain Niners President
DATE: May 22, 2019

TO: Incline Village General Improvement District

FROM: Al and Judy Cabito (Fulltime Residents)
       305 Second Creek
       Incline Village, NV 89451

We have been homeowners since 1984 and full time residents beginning in 2007.

First and foremost, we’d like to say thanks to the board for their efforts.

Our main request to IVGID is to require maintenance of the current Incline Village ventures: Diamond Peak, the Beaches and the Golf Courses.

Abandoning any one would be going backwards not forward. Incline Village hosts hundreds of volunteers who support the community. Take away any current venture and Incline will lose.

Al and Judy
May 22, 2019

To the IVGID board;

Our Mountain Niner group of women golfers enjoy playing at the Mountain course. The Championship course is OK once in a while, but we really feel more comfortable at the mountain course. The fairways are not as long. We really need a club house where we can check in, purchase clothes and food, etc. and gather for our meetings. It is our golfing home! It would be very disappointing for us, as well as for a lot of the public to have to wait for a club house to be completed. Please make this a priority for this year.

Thank you.

Nancy Manter
Mountain Niner
Mountain Golf Course Club House

My name is Joanne Sheehy and I live in Third Creek.

Full disclosure, I am a golfer. In my nine years living here, I have enjoyed playing both courses for the different and very unique challenges they each pose.

As a Niner for several years I do play the Mountain Course regularly.

The Club House plays an important role in welcoming golfers and saying Incline Golf is a class act.

The fire was an unfortunate experience. The short term solution for this summer, new paint and carpet, is a good one. Thank you for your quick solution!

Moving forward, I understand the carefully researched Second Stage encompasses further renovations to the existing Club House and an expansion of the deck beginning in September. The details are on page 93 of the Agenda Packet.

Importantly, this option ensures the availability of a working club house at the Mountain Course for several years.

In contrast, tearing down and rebuilding the club house could take years of planning, architectural designs, community approval, budget reviews and budget re-reviews.

I strongly support the proposed renovation beginning in September so we have a working club house while exploring a completely new club house option down the road.

We want a viable club house, not a trailer in the parking lot as a substitute.

Thank you for listening.

Joanne Sheehy
929 Northwood Blvd., Unit #40
May 22, 2019
I cannot support the collection of the $705 Recreation Fee and the $125 Beach Fee because this Budget does not account and report these fees in compliance with Nevada Statutes, Generally Accepted Accounting Principles and the Board’s own Resolution.

In 2015 Trustee Wong supported changing the Community Services Fund and the Beach Fund from Enterprise Funds, like the Utility Fund, to Special Revenue Funds, Capital Projects and Debt Service Funds. Instead of having two separate funds, we would now have six. We were told that this would ensure greater financial transparency and ease of understanding. The dollars from our Rec Fee and our Beach Fee would all be allocated to the “right buckets” also known as the Special Revenue Funds for operations, the money for capital projects in the capital projects funds and the money for debt service in the debt service funds. She was one of the 4 Trustees approving Resolution 1838 establishing these funds. Suddenly, in this year’s budget, all of the Rec Fees and Beach Fees are being collected and expended through the Special Revenue Fund for operations. So now, we are back to one fund for each in violation of the Board’s own resolution as well as the District’s failure to comply with Nevada Statutes and Generally Accepted Accounting Principles.

In addition, there is close to $8 million of surplus money above the Board’s targeted Community Services Special Revenue fund balance. This not only means that no money from the Rec Fee is needed for operations and shouldn’t be allocated but that the $8 million should in fact be committed to the Capital Projects Fund with a portion committed to the Debt Service Fund to pay the principal and interest on outstanding debt. That is where the money is needed and should be available to improve our existing facilities based on our community’s priorities. Another option was presented by Trustee Callicrate and Dent and dismissed by three Trustees. They either didn’t understand the proposal or simply decided that the minority should not have a voice in decision making. Simply stated, the Rec Fee could be reduced and the Beach Fee could be increased by the same amount to fund a new Incline Beach house and a new Burnt Cedar Pool. The $830 combined Rec and Beach Fee would remain the same. All that would change is the timeline for the still unapproved and unpermitted Diamond Peak Master Plan’s zip lines, canopy tours and mountain coaster which would need to be funded, if approved, by an increase in the Rec Fee or bonded. That could be three years from now, five or never.
Public Statement - May 22, 2019 Board Meeting

By Clifford F. Dobler

Resolution 1871 approving the Rec and Beach Fee

On page 255 of the Board Packet is an accounting of what the Rec Fee will be used for. What is presented is far less information than presented in previous years.

I note that $127 of the Rec Fee is needed for the Community Services Administration which based on 8,203 parcels is $1,041,781.

Whoa - 31% of the Rec Fee is going for administration. For what?

The budget on Pages 193 and 194 indicates the money is needed to pay $244,000 in salaries and benefits, $199,000 for services and supplies and a Whooping $740,000 for a negative Revenues labeled Charges for Services.

NEGATIVE REVENUES - on Page 193 it stands out like a sore thumb.

WHY WOULD WE PAY $740,000 TO REDUCE REVENUES? HUMM!

Well let me tell you.

Starting in 2013, IVGID decided that even though a punch card was paid for when the Rec Fee was paid, any amount taken off the punch card would be recorded as an additional sale amount at the recreational venue. A doubling booking of revenues. Since IVGID receives no money when a punch card is used where do they get the money to pump up the sales? From the Community Services Administration which gets over $700,000 annually from our Rec Fee.

Last year according to Note 18 of the Audited Financial Report $781,000 in sales was recorded using punch cards and $548,000 was transferred to the Beach Fund all of which was paid by the Community Services Administration which in turn got the money from our Rec Fee. Most punch cards are used at the Beaches.

Wrong. Phony accounting - No kidding

So in approving the REC Fee assessment tonight, you as a Board, will tell us that $2,050,000 is needed to support operations at the Community Services venues but in reality 27% will be shoveled off to the Beaches.

Now how bad is this.

455 parcel owners in Crystal Bay who pay the Rec Fee but cannot use the Beaches will cough up $66.80 each or $30,000 which will be used at the beaches. This baloney accounting is in its 8th year. They have been bilked out of almost $250,000.
In 2018, the $548,000 transferred to the Beaches from Community Services Administration represented almost 50% of ALL guest entry fees which is actually our Rec Fee.

Why all this razzle dazzle? IVGID needs money to cover operating expenses at the Beaches which have doubled since Pinkerton arrived.

Material misstatement - You can bet on it.
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS D AND
I(6) – OPPOSITION TO PROPOSED RESOLUTION 1871 WHICH ADOPTS/
ORDERS COLLECTION OF 2019-20’S RECREATION ("RFF") AND BEACH
("BFF") FACILITY FEES ON THE COUNTY TAX ROLL

Introduction: On April 10, 2019 the IVGID Board of Trustees ("the Board") passed Resolution No. 1870 which preliminarily adopted the RFF/BFF for the upcoming 2019-20 fiscal year. The Board labeled the RFF/BFF "service and standby service charges" purportedly paying for nothing more than the mere "availability to use" IVGID's public recreational and beach facilities as well as the services offered thereat. Resolution No. 1870 not only preliminarily adopted 2019-20's RFF/BFF, but it preliminarily ordered their involuntary collection on the county tax roll against all nonexempt parcels/residential dwelling units within IVGID’s boundaries. This agenda item seeks to adopt final RFFs/BFFs and to order their collection on the tax roll. As a resident and local property owner proposed to be assessed, I protest and object. And that's the purpose of this written statement.

Because IVGID Staff Will Offer No Evidence Which Supports Any of the Findings the Subject of Proposed Resolution No. 1871, the Board's Adoption Will Represent a Voidable Abuse of Discretion: A careful examination of proposed Resolution No. 1871 reveals that a series of factual findings will presumably be made. For instance, that:

1. "Said charges (ar)e equitably distributed among the parcels of property contained" in the non-existent report;

2. "The properties within the District that will be benefited by being charged" the RFF/BFF are set forth in the non-existent report;

3. "Each parcel assessed pursuant to this Resolution...is specially benefited;"

4. "The availability of the use of" public recreational facilities more particularly described therein "are all benefits which inure to the owners of properties assessed;"

5. "The owners of the parcels set forth herein are directly benefited in a fair and reasonable way;"

6. The RFF/BFF represent "rates charged...in their relation to the object of the charges imposed;"

__________

7. The RFF/BFF "have been apportioned in relation to...natural, intrinsic, fundamental and reasonable distinctions among said rates;"

8. "All of the charges" in the non-existent report are liened "in the amount set opposite their description in said (non-existent) report; and,

9. The RFF/BFF are capable of refund pursuant to all laws applicable to the levy, collection, and enforcement of general taxes of the District even though the Board has been put on notice that those laws have no application to charges neither based upon assessed valuation nor levied by the Washoe County Assessor or Department of Taxation.

But IVGID staff will fail to present any evidence whatsoever in support of any of those findings, notwithstanding its burden to do so. Without such evidence any adoption of proposed Resolution No. 1871 will be arbitrary, capricious and an abuse of discretion.

Notwithstanding, let's begin by understanding exactly what IVGID staff represent.

According to IVGID Staff the RFF/BFF Are "Recreation Standby and Service Charges (Also Known as the RFF and BFF)\(^2\)...For the (Mere) Availability of Use of the (Public's) Recreational Facilities.\(^3\) This is what IVGID staff label the RFF/BFF because these are the only charges general improvement districts ("GIDs") are arguably authorized to involuntarily\(^4\) assess\(^5\).

According to IVGID Staff, Once Adopted, the RFF/BFF Can be Involuntarily Collected Against Property\(^6\), Much the Same as if They Were Taxes\(^7\):

\(^2\) See page 250 of the 5/22/2019 Board packet.
\(^3\) See ¶1 at page 259 of the 5/22/2019 Board packet.
\(^4\) NRS 318.201(10) states that "the...charges [elected to be collected on the tax roll pursuant to NRS 318.201(1)] shall constitute a lien against the lot or parcel of land against which the charge has been imposed."
\(^5\) NRS 318.197(1) states that "the board may fix, and from time to time increase or decrease...recreational facilit(y)...rates, tolls or charges...including...service charges and standby service charges, for services or facilities furnished by the district (or) charges for the availability of service."
\(^6\) NRS 318.201(1) states that "any board which has adopted rates pursuant to this chapter may...elect to have such charges for the forthcoming fiscal year collected on the tax roll."
\(^7\) NRS 318.201(11) states that "the county treasurer shall include the amount of the charges on bills for taxes levied against the respective lots and parcels of land...(and they)...shall become delinquent at the same time as such taxes and are subject to the same delinquency penalties."
According to IVGID Staff, the Reason the RFF/BFF Can be Assessed Against Real Property Parcels (Rather Than Persons) is Because They Represent "Rates" That Pay For "Services" or "Facilities" Delivered to or Capable of Being Received by Those Parcels: Although NRS 318.201(1) allows the Board to elect to have any rates it adopts collected on the County tax roll, this procedure is only available where "each parcel of real property (assessed is capable of actually) receiving...services and facilities" [in addition to NRS 318.201(1), see NRS 318.201(9)].

According to IVGID Staff, Those "Services and Facilities" Are "Recreation Privileges" as That Term is "Described in IVGID Ordinance No. 7:" 8

According to IVGID Staff, "the Amount of Money Required (Merely to Make Those Privileges Available to be Used by Those Parcels Which are Assessed) for the (2018-19) Fiscal Year (is)...About $5,783,115 for the RFF, and $968,500 for the BFF:" 9

According to IVGID Staff, "All Laws Applicable to the...Refund...of General Taxes of the District (Are Expressly)...Applicable to" the RFF/BFF: 10

Now let's understand exactly what I and others I know assert is untrue about some/all of these representations.

The RFF/BFF Are Not "Standby Service Charges:" Although NRS 318.197(1) permits a GID Board to fix "standby service charges," nowhere in the NRS is this term defined. Just because IVGID staff affix this "label" to the RFF/BFF doesn't necessarily mean that is what they are. Remember IVGID staff's motivation; standby service charges are the only charges GIDs are arguably authorized to involuntarily assess.

I submit the RFF/BFF are not standby service charges because standby service charges pertain to the ability to become a customer for a municipal corporation's health or sanitation services 11 which are capable of being delivered to real property, where those services are immediately available because that property is either physically connected or immediately adjacent to the corporation's public health or sanitation system and its owner(s) elect to not become an actual customer for those services.

Given the RFF/BFF purportedly pay for the availability to use recreational facilities, they are not "standby service charges." And if not standby service charges, the Board cannot elect to have them involuntarily collected on the tax roll pursuant to NRS 318.201, et seq.

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8 See ¶1(E) at page 259 of the 5/22/2019 Board packet.
9 See ¶11 at page 260 of the 5/22/2019 Board packet.
10 See ¶VI at page 261 of the 5/22/2019 Board packet.
11 Namely public water, sewerage and solid waste disposal services.
Moreover, the RFF/BFF Are Not NRS 318.197(1) "Rates:" Although NRS 318.197(1) permits a GID Board to fix "rates, tolls or charges," what exactly is the definition of a "rate?" Obviously there must be a difference between "rates, tolls and charges" because if there were not, there would be no reason to differentiate between these different types of exactions.

The only place I can find in the NRS where the term "rate" is defined is NRS 704.065 which defines the term to "mean...any individual or joint rate, toll or charge imposed by a public utility" for a service performed or product furnished by the public utility." Thus the term "rate" is limited to charges for products or services assessed by public utilities. Given IVGID is a "public utility" to the extent it is authorized to furnish "light, power in any form...water for...household use, or sewerage service," and it in fact furnishes water and sewerage services in Incline Village and Crystal Bay, the term "rate" is limited to water and sewerage charges furnished to property.

Because the RFF/BFF Do Not Pay For the Ability to Receive Water or Sewerage Services, They Cannot be Involuntarily Collected Against Property: Although NRS 318.201(1) states "any board which has adopted rates pursuant to this chapter may...elect to have such charges for the forthcoming fiscal year collected on the tax roll," conspicuously, it does not grant this power insofar as the "tolls" or "charges" a board adopts. This conclusion seems to comport with NRS 318.201(4) which limits the Board's right to elect to have such charges collected on the tax roll "with respect only to delinquent charges" (in other words, delinquent water or sewerage rates).

Given the RFF/BFF purportedly pay for the availability to use recreational facilities, they do not pay for delinquent water or sewerage rates. And if neither rates nor delinquent rates, the Board cannot elect to have them collected on the tax roll pursuant to NRS 318.201, et seq.

The RFF Does Not Pay For the "Availability" to Use Any Public Recreational Facility: Notwithstanding IVGID staff's assertion to the contrary, all of IVGID's recreational venues except possibly the beaches during the four or so months when access is restricted, are public facilities. In other words, they are just as "available" to be used by any member of the public as those whose properties/dwelling units are involuntarily assessed (the RFF/BFF).

Although user fees are charged at many of the public's recreational facilities, they are not at the public's parks, athletic fields, disc golf course, skateboard park, mountain bike park, fitness track and other recreational venues. So where do the monies come from to pay for the administration, maintenance, repair and capital improvement of these venues? On March 3, 2016 Mr. Eick provided the answer in his "executive summary" to the Board which was intended to allegedly give Board

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12 NRS 704.020(2)(a) defines a public utility as "any plant or equipment, or any part of a plant or equipment, within this State for the production, delivery or furnishing for or to other persons, including private or municipal corporations, heat, gas, cool slurry, light, power in any form or by any agency, water for business, manufacturing, agricultural or household use, or sewerage service, whether or not within the limits of municipalities."
members the "context...need(ed) for (then upcoming 2016-17) budget deliberations." In that summary Mr. Eick presented a series of descriptive slides. For purposes of this discussion, the reader is directed to pages 127 and 129 of the packet of materials prepared by staff in support of the Board's special March 3, 2016 meeting\(^{13}\). Here these slides depict Mr. Eick's testimony as to the alleged benefits, importance of and reliance upon the RFF/BFF. Insofar as recreational venues where no user fee is assessed, Mr. Eick testified that because there is essentially no other "user fee process to generate a source" of revenue other than the RFF, those whose properties are assessed should consider the RFF/BFF to be a user fee substitute\(^{14}\).

In other words, rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational facilities as well as the services offered thereat, at venues where no user fees are charged, just like a tax, the Board has budgeted the RFF at a level which is higher than necessary to pay the costs associated with these public venues which are "available" to the general public as a whole rather than just those parcels/dwelling units which are assessed.

I submit these facts prove the RFF is really not a standby service charge.

The BFF Does Not Pay For the "Availability" to Use the Beaches: Have you ever read the deed to the beaches through which IVGID asserts its ownership? Once you do you will discover that all property that was within IVGID’s boundaries in June of 1968 when the beaches were purchased, as well as their owners, successors and assigns, have a beach use easement which runs with the land. In other words, the owners, successors or assignees of properties with beach access have the right to access and use the beaches not because of their payment of the BFF, but rather, but because of beach deed easements.

Moreover, on May 7, 2015 Mr. Eick prepared a Memorandum in support of the Board's adoption of Resolution No. 1837 (which adopted the 2015-16 RFF/BFF and ordered their collection on the tax roll) where he admitted that parcel/dwelling unit owners with beach access were paying a $63 "Punch Card Allowance" from their RFF for Punch Card usage at the beaches (see discussion below). In other words, the BFF does not pay for "free access to District beaches."

Moreover still, NRS 318.015(2) bars IVGID from using "the provisions of this chapter (NRS 318)...to provide a method for financing the costs of developing private property." Given at least three courts have determined that IVGID’s beaches are "private property," the Board has no power to adopt the BFF where its proceeds are destined to develop the beaches.


\(^{14}\) The Board livestreams its meetings (http://new.livestream.com/accounts/3411104). This portion of the Board’s March 3, 2016 meeting can be viewed at https://livestream.com/IVGID/events/4912422/videos/114195041 ("the 3/3/2016 livestream").
I submit these facts prove the BFF is really not a standby service charge.

The RFF/BFF Do Not Pay For Any Recreation "Facilities" or "Services" Delivered to Those Parcels/Dwelling Units Which Are Assessed: Because the Board relies upon NRS 318.201(1) to collect the RFF/BFF on the County tax roll, by definition, it represents these "fees" pay for recreation "services and facilities" actually "received" to the properties which are assessed. Ask yourself: what recreation "services" or "facilities" does IVGID furnish to your property/dwelling unit? Given the answer is none, I submit this fact proves IVGID cannot collect the RFF/BFF on the tax roll.

None of the Parcels/Dwelling Units Which Are Assessed the RFF/BFF is Capable of Receiving the Public's Recreational "Facilities," Nor the "Services" Offered Thereat: For these same reasons, ask yourself: what recreation "services" or "facilities" is IVGID capable of furnishing/making "available" to your property/dwelling unit? Given the answer is none, I submit this fact proves IVGID cannot collect the RFF/BFF on the tax roll.

The "Recreation Privileges" Made "Available" to Those Whose Parcels/Dwelling Units Which Are Assessed Benefit Persons Rather Than Parcels of Property: ¶4(b) of proposed Resolution No. 1871 declares that the RFF/BFF pay for "Services or Facilities Furnished by the District." But exactly what "services or facilities?" 15 "Reduced Rates for Season Passes and Reduced Daily Rates." In other words, benefits to persons rather than those properties allegedly specially benefited.

In Point of Fact, the Real "Services or Facilities Furnished by the District" in Consideration of Payment of the RFF/BFF are Nothing More Than a Combination of Up to Five Pre-Paid Resident Picture Passes and/or Punch Cards Furnished to People: Consider ¶4(a) of proposed Resolution No. 1871 which declares that "Ordinance No. 7 sets forth in detail the specifics of the benefits" received in consideration of forced payment. What is Ordinance No. 7? On paper it is an "Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards." But more to the point, what are the specific benefits or "privileges" Ordinance No. 7 provides? The answer appears at Article III of Ordinance No. 7. Commencing at ¶27, Ordinance No. 7 declares the "recreation privileges...each District parcel which is assessed a recreation fee...is eligible to receive" in consideration of payment. And what are those "privileges?" ¶30 describes them to be "up to five (5) Recreation Passes or Recreation Punch Cards." What are "Recreation Passes?" ¶24 describes them as "non-transferable photo identification pass(es) issued by the District for free access to District

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15 See page 252 of the 5/22/2019 Board packet.


17 ¶28 of Ordinance No. 7 states that "all property taxes, special assessments and recreation fees on a parcel must be paid for the current and prior years to maintain the parcel's eligibility for recreation privileges."
beaches and for hourly, daily, and seasonal discounts at District-owned recreation facilities. What are "Recreation Punch Cards?" ¶22 describes them as "transferable...card(s) issued by the District...bear(ing) a face value established by the Board (i.e., $166)...that can be used to pay the difference between the resident rate and the retail or nonresident rate for access to various District recreation facilities." In other words, the benefits which inure to the owners of properties involuntarily assessed are really nothing more than a combination of up to five pre-paid resident picture passes and/or punch cards!

Moreover, Listen to Mr. Eick's May 23, 2018 Budget Letter "to the Board of Trustees and Citizens of Incline Village and Crystal Bay": where he describes "What...Parcel Owners (rather than their parcels which are involuntarily assessed really) Get for Paying their Facility Fees:"120

"Five cards issued in the form of picture passes and/or punch cards or a combination of both...Picture Passholder(s) get...preferred pricing and/or preferred access to the District's major venues or programming...Punch Card Holder(s) receive...the opportunity, at designated venues, to reduce their user fees from the rack rate to (the) Picture Passholder rate based on an allocated value assigned" by the Board.

Thus rather than being a legitimate standby service charge for an assessed property's mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, the RFF/BFF really represent forced pre-payment for nothing more than up to five (5) membership/access cards, similar to Costco or Sam's Club Cards, which themselves offer nothing more than discounts and preferred access redeemable upon subsequent purchases/visits, if any. In other words, benefits to people securing reduced user fees rather than the properties where they reside.

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18 Why do I say "pre-paid" Resident Picture Passes and/or Punch Cards? Because according to Article VIII, ¶69 of Ordinance No. 7 "any owner (may)...purchase an unlimited number of) additional Recreation Passes or Recreation Punch Cards (simply)...by paying an additional fee equal to one-fifth of the current District Recreation Fee ([$166] for each Pass or Card for the parcel in question." Given an unlimited number of resident picture passes and punch cards are readily available for purchase, the RFF/ BFF represent nothing more than forced pre-payment for up to five of a combination of either or both.


The Amount of Money Required (Merely to Make Recreational Privileges Available to be Used by Those Parcels Which are Assessed) for the (2019-20) Fiscal Year is Considerably Less Than "About $5,783,115 for the RFF, and $968,500 for the BFF:" Why?

Because On April 7, 2016 Mr. Eick Admitted to the Board of Trustees and the Public That Part of Every Assessed Parcel's/Dwelling Unit's RFF Funds a Hidden "Discretionary Reserve" for All Recreational Venues: At pages 14-15 of the 5/21/2015 Board packet the reader will see where Mr. Eick told the public that $57 of each assessed parcel owner's 2015-16 RFF (7.8% of the total RFF) allegedly went to pay operational and capital costs associated with "Comm(unity) Services Administration." But on April 7, 2016 Mr. Eick admitted this representation was false. In testimony before the Board as a prelude to its adoption of a 5 year Capital Improvement Plan, Mr. Eick revealed that this entry was really nothing more than a discretionary "reserve" or "cushion" vehicle intended to accumulate funds which can be used for unforeseen expenses assigned to "recreation," or future CIPs. Listen to Mr. Eick's admission and answer to Trustee Hammerel's questions pertaining to this entry\(^\text{21}\):

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 costs staff incur for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, just like a tax, this entry represents more than necessary to create a discretionary "cushion" or umbrella "reserve." So just like smoothing (see discussion below), staff has a vehicle to accumulate funds to spend on future unidentified, unbudgeted and unappropriated pet projects that arguably benefit the general public as a whole.

Because Prior to Mr. Eick's April 7, 2016 Admission, He in Essence Made the Same Admission Identified by a Different "Reconciliation by Dwelling Unit" Label: If the reader examines Mr. Eick's May 7, 2015 Memorandum in support of the Board's adoption of Resolution No. 1837\(^\text{22}\) (adopting the 2015-16 RFF/BFF and ordering their collection on the tax roll), it will see where Mr. Eick represented

\(^{21}\) This portion of the Board's April 17, 2016 meeting can be viewed at 43:37-53:28 of the 4/17/2016 livestream (http://livestream.com/lvgid/events/5144683).

\(^{22}\) See pages 13-15 of the packet of materials prepared by staff in anticipation of the Board's regular May 21, 2015 meeting ("5/21/2015 Board packet").
what the proposed 2015-16 RFF would allegedly pay. One of the elements was a $63 "Punch Card Allowance" for Punch Card usage at the beaches. In other words, the BFF did not pay for "free access to District beaches" as the Board represents at ¶24 of Ordinance No. 7. Rather, an additional $63 was involuntarily exacted from the RFF for the loss of guest fee revenue suffered at the beaches when Punch Cards are used in lieu of cash currency to pay guest fees. This is more evidence that rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, the Board has budgeted the RFF at an artificially higher level than necessary to make up for the loss of cash revenue whenever beach guest fees are paid with punch cards.\(^{23}\)

And more bothersome, since this $63 comes from the RFF rather than the BFF, it is being paid by the owners of approximately 438 parcels (the difference between the then 8,181 parcels/dwelling units which were assessed the RFF, and the then 7,743 parcels with beach access) without beach access! In other words, Mr. Eick came up with a way to latently assess parcels/dwelling units without beach access, for nearly ¾ of the cost/assessed parcel/dwelling unit to make the beaches available to be used by those with beach access.

Armed With This Knowledge, How Much of the Upcoming Fiscal Year's (2019-20's) RFF/BFF Are Earmarked for This "Discretionary Fund?" At page 138 of the 5/23/2018 Board packet Mr. Eick has prepared another "Reconciliation by Dwelling Unit per Parcel and Venue Component" spreadsheet in conjunction with the current fiscal year's budget. There Mr. Eick has inserted a "component" labeled "Comm. Services Administration," as well as its $161 "per parcel facility fee" as well as the "Total 2018-19 Facility Fee" of $1,321,810. Ladies and gentlemen, 22.84% of the RFF pays for absolutely no costs whatsoever associated with the (represented\(^{24}\) costs for the) proper servicing of (recreation general obligation) bonds ("GOBs") and...the administration, operation, maintenance and improvement of (the public's recreational facilities)...equipment and facilities." This number has been fabricated by Mr. Eick as the product of "smoothing" or "repurposing" (see discussion below).

Because the Source of Funding Which Fuels "Smoothing" - Non-Existent Servicing Costs on Retired GOBs: Since local property owners want to know where the RFF/BFF their properties/dwelling units are involuntarily assessed are spent, for fiscal year 2012-13 Mr. Eick responded at page 75 of the 2013 "Comprehensive Annual (Audited) Financial Report"\(^{25}\) ("CAFR"). The reader's attention is directed to the row labeled "Golf/Tennis/Ski Bonds." There the reader will see that according to Mr. Eick, for the ten fiscal years 2003-04 through and including 2012-13, $85 of each assessed parcel's/

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\(^{23}\) This is the very same thing the Board did between fiscal years 2011-14 when IVGID faced the loss of some $1.3M or more in ad valorem tax revenue collected by the County, the County required be repaid to reimburse IVGID's share of court mandated property tax refunds.

\(^{24}\) See ¶II of page 260 of the 5/22/2019 Board packet.

dwellings' RFF went to pay the servicing costs on a 2003 $5.5 million "Recreation Golf Imp." Bond. And for the five fiscal years 2008-09 through and including 2012-13, $110 of each assessed parcel's/dwelling unit's RFF went to pay the servicing costs on a 2008 $7 million "Recreation Imp. (Ski)" Bond. And since we knew at the time there was an outstanding 2004 $4.445 million "Recreation Refunding" bond, we knew that some additional portion of each assessed parcel's/dwelling unit's RFF went to pay the servicing costs on this bond. What portion?

Until 2013 IVGID published a document titled "About the...Recreation...and Beach Facility Fee(s)." This document told the public where the RFF/BFF were allegedly spent. Of the $273 which represents the "debt service component...to pay for bonds used for capital purchases," we know $85 was spent on the servicing costs for the 2003 $5.5 million "Recreation Golf Imp." bond, and $110 of was spent on the servicing costs for the 2008 "Recreation Imp. (Ski)" bond. That leaves $78 for the servicing costs on the 2004 "Recreation Refunding" as well as 2002 $6.205 million "Recreation Facilities and Recreation Refunding" bonds.

a) The Servicing Costs Associated With the Retired 2003 $5.5 Million Recreation GOB:
The 2003 "Recreation Golf Imp." bond matured on March 1, 2013. In other words, this bond did not exist as of fiscal year 2013-14.

But if you examine page 75 of IVGID's 2014 CAFR you will see where Mr. Eick has represented that $85 of 2013-14's RFF went to pay this retired GOB! In other words, when Mr. Eick made the representations he did in the 2014 CAFR, he knew that the 2003 bond had been retired prior to fiscal year 2013-14. And given ¶III of the Reports for Collection on the County Tax Roll which are attached to and incorporated by reference into every resolution which orders collection of the RFF/BFF on the county tax roll, such as the Report which is the subject of Resolution 1870, represents that the RFF adopted therein "is required,(in part)...for the proper servicing of...identified bonds," hopefully the reader now sees that the 2013-14 RFF was not required to pay the servicing costs on the 2003 "Recreation Golf Imp." bond because it had been retired. Why then did Mr. Eick represent that each parcel/dwelling unit owner's RFF had paid for this bond's servicing costs as a 2013-14 expense?

At the Board's regular December 10, 2014 meeting it unanimously approved the 2014 CAFR in its then presented form, including the aforesaid page 75, notwithstanding objections were raised

26 We know these are the bonds for which annual RFF payments have serviced because they are identified at page 38 of IVGID's 2012 CAFR.


28 This is one of the many reasons why I and others I know have been asking for this public employee's termination. In any other local government a public employee who lied like this to its governing board and the public would be fired. But in Incline Village, he/she is rewarded with salary increases and bonuses.

during public comment\textsuperscript{30} because it \textit{false}
ly represented that $85 of every parcel/dwelling unit owner's
2013-14 RFF had gone to pay the servicing costs on a bond which had been retired. Thus rather than
being a legitimate standby service charge "for the proper servicing of...identified bonds," under Mr.
Eick’s tutelage as the architect of the District's financial reporting system, ever since July 1, 2013 the
Board has budgeted the RFF/BFF at levels \textit{higher than necessary} so the excess can be made available
to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted,
unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a
whole, rather than just those parcels which are assessed.

If you examine page 75 of IVGID's 2015 CAFR\textsuperscript{31} you will see where Mr. Eick has \textit{again}
represented that $85 of 2014-15's RFF went to pay this retired GOB! In other words, when Mr. Eick
made the representations he did in the 2015 CAFR, he knew that \textit{the 2003 bond had been retired
prior to fiscal year 2013-14}. \textit{Why then did Mr. Eick represent that each parcel/dwelling unit owner's
RFF had paid for this bond's servicing costs as a 2014-15 expense?}

If you examine page 89 of IVGID's revised 2016 CAFR\textsuperscript{32} you will see that the subject $85 charge
has finally been removed. But given the RFF was not reduced for fiscal year 2015-16 and Mr. Eick's
November 14, 2014 Memorandum (see discussion below) declares this charge "was ("smoothed")
to...reserves\textsuperscript{33} for future projects" rather than diverted to any of the expense categories represented.
In other words, when Mr. Eick made the representations he did in the 2016 CAFR, he knew \textit{they were
false}.

If you examine page 87 of IVGID's 2017 CAFR\textsuperscript{34} you will discover that the RFF was not reduced
for fiscal year 2016-17. Given Mr. Eick's November 14, 2014 Memorandum (see discussion below)
states this charge "was ("smoothed") to...reserves for future projects" rather than diverted to any of
the expense categories represented, when Mr. Eick made the representations he did in the 2017
CAFR, he knew \textit{they were false}.

\textsuperscript{30} The written minutes of that meeting appear at pages 241-295 of the packet of materials prepared
by staff in anticipation of the Board's regular January 14, 2015 meeting ["the 1/14/2015 Board
packet" (see https://www.yourtahoeplace.com/uploads/pdf
-ivgid/BOT-Regular_Packet_Jan_14_2015.pdf)]. Page 246 from that packet reads as follows: "on page
93, there is a statement about the Recreation Fee and where it allegedly goes and that $85 went to
payoff the 2003 bond...\textit{That bond was paid off in March 2013 (and) yet the District is publishing this
report...telling the public and the world that this is (an) accurate" representation when it is not."


\textsuperscript{33} Since fiscal year 2013-14 the Board has never budgeted for reserves.

b) The Servicing Costs Associated With the Retired 2004 $4.445 Million Recreation GOB: If the reader returns to page 38 of the 2014 CAFR, he/she will see there is another recreation bond which was retired on/or before October 1, 2014; a $4.445 million 2004 "recreation refunding" bond. Given ¶II of the Report for Collection on the County Tax Roll which was attached to and incorporated by reference into IVGID Resolution No. 1837 and it expressly represents that the 2014-15 RFF adopted therein "is required, in part)...for the proper servicing of...identified bonds," the reader can see that the 2014-15 RFF was not required to service the 2004 bond which had been retired. Yet the 2014-15 RFF was the same amount as the 2013-14 RFF. What happened to the portion of the 2014-15 RFF which had previously serviced the 2004 bond? And given the RFF was not reduced for fiscal years 2015-18 by a like portion, they have all gone to "smoothing."

Therefore rather than being a legitimate standby service charge "for the proper servicing of...identified bonds," here is additional evidence that the Board has in essence budgeted the RFF/BFF at levels which are higher than necessary so the excess can be made available to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a whole, rather than just those parcels which are assessed.

And For Fiscal Year 2018-19 the Number Was at Least $110/Parcel Facility Fee or $901,340 MORE From All Parcel Fees Collected: That's right! Because built into the current RFF is $110/parcel which is used to pay the servicing costs on a 2008 "Recreation Impr." general obligation "(ski)" bond. But this bond is scheduled to mature on/before June 1, 2018. Which means that unless the 2019-20 RFF is going to be reduced by a like amount (which it isn't), staff's discretionary fund is going to increase by at least another $901,340. Or stated differently, instead of $168 of the RFF going into this discretionary fund, the sum is going to be $278 (or 39.43% of the RFF) for a total of $2,277,932!

Mr. Eick's Invention of the Term "Smoothing:" On November 14, 2014 Mr. Eick authored a Memorandum submitted to Kelly Langley of the State Department of Taxation ("the DOT") in an effort to secure the DOT's "concurrence...as (IVGID's) oversight agency...for (his) planned action" to convert IVGID's recreation enterprise funds to special revenue funds effective July 1, 2015. The purpose of Mr. Eick's initiative was to use the proceeds as if they were taxes. Listen to what Mr. Eick told the DOT:

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35 Page 47 from the 2016-17 CAFR [https://www.your tahoe place.com/uploads/pdf-ivgid/2017CAFRreport.pdf ("the 2017 CAFR") demonstrates a "maturity date" for this GOB of "06/01/18," and that this bond's servicing costs are "collateralized by a pledge of (RFF/BFF) revenues derived...from the...Community Services or Beach" funds.
"Several years ago, the District began to approach setting (recreational) fees and charges...with a perspective that emphasized (that) the combined...RFF and...BFF ... (which are) fundamental to each operation...be held at a level, consistent amount...The District began to plan the timing of capital expenditures around this concept such that needs could be fit into the flow of (revenue)...if the annual debt service, operation and scheduled capital (expenses) did not consume the entire Facility Fee...Notwithstanding the fact the Board did not budget for capital reserves, the savings) was (assigned) to...reserves for future projects...Between...2012 through 2018, the District will...retire...three major bond issues...(Since) the (funds) for th(eir) repayment...are components of the Facility Fee...the Facility Fee (can) remain (constant) and (new) capital projects (can)...be considered...Within the District, the term for this concept is 'smoothing.'"

In other words, rather than the represented costs IVGID incurs to make its recreation facilities and the services offered thereat merely "available to (be) used" by those parcels which are involuntarily assessed, by keeping the RFF/BFF at a "level, consistent amount" notwithstanding GOBs are retired, staff can continue to accumulate their former servicing costs\(^\text{36}\) so they can be made available to fund future unidentified, unbudgeted, and unappropriated "pet" capital projects.

The Public's Outrage Once it Learned of Mr. Eick's "Smoothing:" When the public learned that the 2003 GOB had been retired and the 2004 GOB was about to be retired, knowing that IVGID had continued to assess the RFF by means of resolution which represented that funds were necessary to service bonds which had been retired, and knowing that IVGID staff intended to continue assessing a RFF which was no longer necessary to service two bonds which had been/would soon be retired, a public firestorm erupted. This was the event which prompted Mr. Eick to write his November 14, 2014 Memorandum (see discussion below) and invent the financial reporting term (see discussion above) he labeled "smoothing." And it was the event which caused Trustees Smith and Callicrate to vote against adoption of the 2015-16 RFF on May 21, 2015\(^\text{37}\).

The Board's Ratification of "Smoothing:" Mr. Eick's February 12, 2016 Memorandum to the Board\(^\text{38}\) requested that $5,206,491 of excess accumulations in IVGID's Community Services Fund and an additional $1,110,286 of excess accumulations in IVGID's Beach Enterprise Fund (both the product

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\(^{36}\) Notwithstanding GOBs are retired, in Mr. Eick's mind they continue in his version of "virtual reality." I call this phenomena "virtual bonding."


of "smoothing" or keeping "the Facility Fee...constant") be transferred to new "special revenue funds" so they could thereafter be used as if they were taxes (what Mr. Eick labels "residual equity transfers"). Thus rather than being legitimate standby service charges for an assessed property's/ dwelling unit's mere "availability to use" the public's recreational facilities as well as the services offered thereat, under Mr. Eick's tutelage as the architect of the District's financial reporting system, after this action was adopted (on February 24, 2016), the Board in essence ratified "smoothing;" the budgeting of RFFs/BFFs at levels higher than necessary so the excess could be made available to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax," benefit the general public as a whole rather than just those parcels which are involuntarily assessed.

This is more evidence that rather than being a legitimate standby service charge "for the proper servicing of...identified bonds" as IVGID represents, "smoothing" has been accepted to budget the RFF/BFF at levels higher than necessary so the excess can be made available to staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a whole, rather than just those parcels which are assessed.

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - User Fees to Make the Public's Parks and Athletic Fields, Which Do Not Charge User Fees, "Available" for Access and Use by Those Properties Which are Assessed: I have already addressed this subject above. Insofar as the public's parks and athletic fields as an example are concerned, Mr. Eick testified that there is essentially no other "user fee process to generate a source" of revenue other than the RFF. And for this reason he concluded the RFF/BFF substitute for "user fee(s at)...some venues, such as (IVGID's) Parks(, athletic fields) and the beach(es)" where no user fee is assessed.

In other words, rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat where user fees are not charged, just like a tax the Board has budgeted the RFF at a level which is higher than necessary to pay for public parks and athletic fields which are "available" to the general public as a whole rather than just those parcels which are assessed.

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Mr. Eick’s Representations to the Board That the Public Views the RFF/BFF as Taxes: On numerous occasions when budget matters are being discussed and Mr. Eick gives testimony to the Board, he volunteers that "most people think the RFF/BFF are taxes." Knowing this is the way the public views the RFF/BFF and he does nothing to educate them to the contrary (assuming there are facts which would educate them otherwise), Mr. Eick is guilty of omitting material facts as to the true nature of the RFF/BFF which thus perpetuates the public’s view.

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Mr. Eick’s and Others’ Representations to the IRS That the RFF/BFF are Taxes: It's not just Mr. Eick’s representations to the Board and the public which demonstrate he knows the RFF/BFF are not "fees." Mr. Eick
has owned and continues to own (through his wife) Incline Village property which is assessed the RFF and the BFF. Presumably he files federal income taxes, and presumably he claims itemized personal deductions on Schedule A of those returns. One of those deductions is for real estate taxes paid. And what number do you think Mr. Eick has inserted (i.e., the number with or without inclusion of the RFF/BFF)? Assuming it's the number which includes the RFF/BFF, hasn't Mr. Eick declared to the IRS that the RFF/BFF represent real estate taxes paid? Assuming the answer is yes, how can he now assert anything different?

And it's not just Mr. Eick. Chairperson Wong and Trustees Horan and Dent own Incline Village properties which are assessed the RFF. They too presumably file federal income taxes, and presumably claim itemized personal deductions. Do each of you deduct the real estate taxes you pay with or without inclusion of the RFF/BFF? Assuming it's the number which includes the RFF/BFF, haven't each of you that the RFF/BFF represent real estate taxes paid? Assuming the answer is yes, how can you now assert anything different?

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - IVGID's General Manager Admits the RFF/BFF are Taxes: Sometimes a "slip of the tongue" can reveal the truth. And our esteemed GM has slipped. Agenda item G(5) for the Board's regular April 11, 2015 meeting asks for approval to pay the County Treasurer $33,177.81 in delinquent taxes which were waived against three parcels conveyed by the County Treasurer to IVGID in 2014 pursuant to NRS 361.603(4). But in Mr. Pinkerton's memorandum in support of this action item, he describes how most of this sum ($31,584) represents delinquent "fees" (i.e., RFFs/BFFs): "IVGID's recreation and beach fees comprise $31,584 of the total due with the balance of $1,593.81 owed to the respective taxing entities... Therefore, the net cost (to IVGID will)...be less than $1,593.81." So what are they Mr. Pinkerton? Taxes or fees? Or to you is there really any difference?

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - IVGID's Auditor Admits the RFF/BFF are Taxes: Testifying in support of IVGID's Special Revenue fund reporting, on December 16, 2015, Dan Carter, EideBailly Audit Engagement Partner, represented to the Board's Audit Committee that the RFF/BFF are taxes. According to Mr. Carter the fact there's a restriction on their use means they "meet...the definition of...imposed non-exchange revenue." On May 23, 2016, in a memo to the Chairman of the Audit Committee, Mr. Carter "clarified" his prior testimony: "enterprise fund accounting is primarily used when exchange fees (for example, the fee to play a round of golf) support (enterprise)...fund(s)." Special revenue fund accounting on the other hand is used when "imposed non-exchange [fees '{for example, property tax or other assessment(s)'}]...result from assessments imposed by governments on individuals." Because the payor(s) of these fees receive nothing of value in return, Mr. Carter testified that "classification ...may be more

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41 I have a written transcript of that testimony should it be deemed useful or of interest.
appropriately accounted for in...Special Revenue Fund(s)" which again translates into the conclusion the RFF/BFF are taxes.

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented – IVGID’s Conversion of Community Services and Beach Enterprise Funds Into Like Named Special Revenue Funds: At the Board’s regular April 11, 2018 meeting I submitted a written statement\textsuperscript{42} which made the case that the only revenues a public agency can report in a special revenue fund are:

1. Derived tax revenues, which result from assessments imposed on exchange transactions (for example, income taxes, sales taxes, and other assessments on earnings or consumption);

2. Imposed non-exchange revenues, which result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (for example, property taxes and fines);

3. Government-mandated non-exchange transactions, which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform); and,

4. Voluntary non-exchange transactions, which result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations).

Since the RFF/BFF represent involuntarily imposed non-exchange revenue against property, totaling twenty percent (20%) or more of the total revenue flow assigned to IVGID's special revenue funds, and it has reported the same to the DOT, I concluded that IVGID must admit these fees represent revenue derived from either property taxes or assessments. In other words, taxes.

Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Since IVGID Staff Admit the RFF/BFF Represent "Imposed Non-Exchange" Revenue, in Essence They in Essence Admit the RFF/BFF are Taxes: According to page 54 of the 2016 CAFR, at Note 17, IVGID states as follows: "The District provides recreation functions through two individual special revenue funds." Since GASB 33 states that in order to qualify for Special Revenue fund accounting a substantial portion of the fund's revenues must come from non-exchange transactions, the RFF/BFF revenue IVGID assigns to its Community Services and Beach Special Revenue funds must be taxes.

Because the RFF/BFF are Really Taxes "in Sheep’s Clothing" (see discussion above), the Board Should Not Vote in Favor of a Collection Procedure Limited to the Collection of "Fees."

\textsuperscript{42} See pages 135-142 of the 4/25/2018 Board packet.
Conclusion: For all of these reasons, and given staff represents the Board need not approve the subject item ("the Board can direct staff to revise, change, reduce or modify the" RFF/BFF\(^{43}\)), the Board should not vote in favor of the subject agenda item.

And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Wastes Are as High as They Are? I’ve now provided more answers.

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

\(^{43}\) See page 203 of the 4/11/2018 Board packet.
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS D AND I(6) – WHAT THE RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES REALLY PAY FOR

a) Defensible Space:

b) Magazine Publishing:

c) Regional Transportation:

d) Electric Vehicle Charging Stations:

e) Lobbyists to Influence Legislation:

f) Nearly $1 Million in Annual Marketing Costs Expended to Promote IVGID Owned Recreational Facilities to the World’s Tourists:

g) The Hyatt Sports Shop:

h) Fourth of July Fireworks/Community Celebration:

i) Legal:

j) Loss of Ad Valorem Taxes Due to Court Mandated Refunds:

k) Massive Public Philanthropy

m) Summary: Although the undersigned can provide many more examples than the ones listed above, the foregoing demonstrates that the RFF/BFF subsidize all sorts of expenditures having nothing to do with the costs IVGID incurs to make its recreation facilities “available” to be accessed and used by those parcels/dwelling units which are assessed. And in opposition to what I perceive IVGID staff will argue (i.e., that these expenses were paid from operational revenue rather than the RFF/BFF), when one loses nearly $7 million annually operating commercial business enterprises, it’s disingenuous to “cherry pick” the sources of revenue from which any particular expenditure is paid.

And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Wastes Are as High as They Are? I’ve now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Only Now Are Others Beginning to Watch!)
IVGID 5-22-19 Board of Trustees Meeting Public Comment #3
By: Linda Newman – To be included with the Minutes of the Meeting

To Improve Our Government and Establish a Partnership with our Community, please place the following suggestions as items for discussion on future agendas:

1. Reinstall public comment before each agenda item. Citizens must have a voice in the decisions you make.

2. Include All correspondence in the Board Packet. You have never approved changing the Policy – yet correspondence continues to be omitted. Why do the words of our citizens to our Board need to be hidden?

3. Ensure that Board Meetings only have items that require Board action. Workshops should have agenda items that have Staff Powerpoints and other Presentations. Five hour Board Meetings simply wear down our Trustees, Staff and our citizens. You can do better.

4. All Board packets should include ALL relevant supplemental material to agenda items and if powerpoints or staff narratives are presented – they should be included in the packet. Additional material should not be handed out at the time of the meeting – this deprives Trustees and citizens a chance for advance review.

5. Budgets and other information required by the State for Board approval should be provided to the Board at least a week in advance of the meeting. No matter how fast anyone can read, these are documents that require adequate time for analysis.

6. Provide ALL Financial Information on Open Gov including Capital Project Budgets and Expenditures. Stop aggregating categories and provide line items to drill down. That is Financial Transparency.

7. Enforce compliance with the Public Records Act and post all public records requested on-line in a searchable format. In fact, ALL IVGID documents on the website should be searchable.

8. Schedule regular Town Hall Meetings with Trustees for a real dialogue enabling citizens to ask questions and get answers. We elect our officials and do not find Staff responses an acceptable substitute. After all, you are in charge.
9. Establish Citizen Advisory Committees and leverage the vast knowledge and expertise of our community.

10. We have a $1 billion infrastructure. We need an independent consultant to evaluate the physical condition of our assets, the timing for replacement and our funding options.

11. Prioritize the hiring of a Director of Asset Management and a Chief Engineer.

12. End NO-BID Professional Services Contracts.

13. Report the Community Services and Beaches as Enterprise Funds.

14. Best yet, HOLD a Workshop or Town Hall with Citizens providing their Solutions to Improve our Government and Establish a Partnership with Our Community
Public Comment - IVGID Board Meeting May 22, 2019

By: Clifford F. Dobler

Re: IVGID Consideration of a Proposed Shift in Allocation of the Facility Fee for 2021 & 2022

Several weeks ago, this Board had much discussion on borrowing money to buy equipment. Also projected cash flows were presented for 5 years.

The excess funds in the Community Services Funds is expected to reach almost $9,000,000 by the end of June and now it's time to decide how it will be spent and when.

Trustee Callicrate believed that no borrowing for equipment should occur and since so much excess funds existed in the Community Services Fund a certain amount of future Rec Fees should be allocated to the Beach Funds in order to complete a new pool at Burnt Cedar Beach and complete a new building at Incline Beach. He also felt that a NEW Mountain Golf Course Clubhouse should be completed rather than rehabbing the existing building.

He stated the three projects were priorities and should be done before any expansion at Diamond Peak is considered.

He asked that an analysis be presented at a future board meeting. Wong put it on tonight's agenda and we will have it.

He asked me to review the cash flows prepared by the District, make the adjustments he suggested and determine if the Community Service Funds and the Beach Funds balances would or would not fall below the Board Policy targets.

I ran the numbers based on the District five year cash flows, considered paying cash for the equipment rather than borrowing, dropped off the Diamond Peak summer amusements, added $3,211,000 for the Incline Beach Building, considered only $1,000,000 for a new pool at Burnt Cedar Beach based on the recent consultant report and added another $600,000 to increase the budget to $1,500,000 for a NEW Mountain Golf Course Clubhouse based on the 2017 Consultant estimate.

It all worked if the REC Fee was reduced by $3,300,000 and the Beach Fee increased by $3,100,000. We would lose about $200,000 in Beach Fees because 455 parcels do not pay a beach fee. All Board Policy targets for fund balance would remain intact over the next five years.

Now tonight, Eick will lay out and show that Callicrate's plan does not work and the Community Services and the Beaches fund balances will fall below the Board Policy targets by $711,000.

This is not a sincere presentation and here's why?

Two weeks ago Eick stated that the budget to rehab of the Burnt Cedar Pool was increased from $500,000 to $800,000 and the pool would last another 5 to 7 years.
So in order to make sure that Callicrate's suggestion would not pan out, another $1,450,000 was added to the budget for a new Pool the very next year. Now the budget has $2,250,000 for the pool that was estimated to cost only $1,000,000. Remove the extra $1,250,000 and Callicrate's plan works.

The presentation tonight is just folly.
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM E – PUBLIC COMMENTS – WHAT DO WE DO WITH AN ATTORNEY WHO MISREPRESENTS TO THE BOARD/LOCAL PARCEL/DWELLING UNIT OWNERS/THE OFFICE OF THE ATTORNEY GENERAL ("OAG") WHAT IVGID REALLY IS, AND BY IMPLICATION, THE POWERS IT MAY LEGITIMATELY EXERCISE?

Introduction: I read with dismay the four affidavits (from Susan Johnson, Susan Herron, Kendra Wong and Philip Horan) attorney Jason Guinasso transmitted to the OAG in support of IVGID’s opposition to local citizen Jim Smith’s Open Meeting Law ("OML") complaint. There at ¶4 of each affidavit Mr. Guinasso drafted for these four affiants' signatures, he stated the following language: “IVGID (is) a quasi-public agency.” No IVGID is NOT a quasi-public agency. And that’s the purpose of this written statement.

What’s a Quasi-Municipal Corporation: We’ve had this conversation several times in the past. And for those who are not familiar with it, NRS 318.075(1) instructs that once a County Board of Commissioners adopts an ordinance which creates a general improvement district ("GID"), the GID “shall thenceforth be a governmental subdivision of the State of Nevada, a body corporate and politic and a quasi-municipal corporation.”

What’s a Quasi-Public Agency? Do a word search under the Nevada Revised Statutes ("NRS”) for “quasi-public” and you will find nothing. Go to the Merriam-Webster Dictionary and do the same. There you will find the following definition: “essentially public (as in services rendered) although under private ownership or control.”

What’s the Difference Between a Quasi-Public Agency and a Quasi-Municipal Corporation? Since a “quasi-municipal corporation” provides “municipal-type services to an area which needs them, but which may not need or want the full range of services implied by incorporation,” and a “quasi-public agency” may provide similar services, it is “ownership” which makes the difference. Stated differently, IVGID is 100% “public” whereas a quasi-public agency is 100% private. And insofar as the powers IVGID may exercise, it exists to only exercise its expressly enumerated and limited powers, and none other [see A.G.O. 63-61, p.103 (August 12, 1963)]. Or as stated in NRS

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3 See ¶ll, page 1 of Legislative Counsel Bureau Background Paper 83-4 at https://www.leg.state.nv.us/Division/Research/Publications/Bkground/BP83-04.pdf.
4 Unlike the expansive general powers police powers (to provide for the general health, welfare and safety of its inhabitants) counties, cities, and towns (NRS 244, 266, 269) may exercise.
318.055(4)(b), IVGID is limited to exercising “the basic power or...powers...stated in (its)...initiating ordinance (as long as)...one or more of those authorized in NRS 318.116, as supplemented by the sections of this chapter designated therein,” and none other.

Clearly, IVGID is Not a “Quasi-Public Agency:”

And IVGID’s Assertion to the Contrary on its Web Site is Patently Wrong: I have printed out a screenshot from the District’s “About IVGID” web page on its web site, and it is attached as Exhibit “A” to this written statement. Note the following description I have placed an asterisk next to: “The Incline Village General Improvement District, commonly referred to as IVGID, is a quasi-public agency established under Nevada Revised Statute, Chapter 318.” Now that you the Board know this description is wrong, why won’t you instruct staff to correct it?

IVGID May Not Exercise Whatever Non-Public Powers it Chooses Because it is Allegedly Only “Quasi-Public:” Being a limited purpose special district, and because Nevada has adopted Dillon’s Rule, IVGID exists to only exercise those “basic...powers...stated in (its)...initiating ordinance (as long as)...one or more of those authorized in NRS 318.116, as supplemented by the sections of this chapter designated therein,” and none other (A.G.O. 63-61, Id.). And should there be “any fair, reasonable (or) substantial doubt concerning the existence of power (it) is (to be) resolved...against (IVGID making) all acts beyond the scope of...powers granted...void” (Ronnow, supra, at 57 Nev. 343).

So Why Do Mr. Guinasso and Staff Represent the Contrary? To justify staff’s mis-narrative to the Board and the public that if action is not expressly prohibited by the NRS, IVGID is free to fill the vacuum.

Which Explains Why I and Others I Know Call Mr. Guinasso I VGID Staff’s “Fixer:”

Conclusion: So now you know the truth. I VGID is NOT a “quasi-public agency.” And its powers are not so expansive that it may do whatever it pleases as long as not expressly prohibited by the NRS. And what do we do with Mr. Guinasso who is clearly 100% loyal to unelected staff rather than the I VGID Board which hired him, and local parcel/dwelling unit owners he was hired to serve?

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

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5 Go to https://www.yourtahoeplace.com/ivgid/about-ivgid.


EXHIBIT "A"
ABOUT IVGID

The Incline Village General Improvement District, commonly referred to as IVGID, is a quasi-public agency established under Nevada Revised Statute, Chapter 318 and chartered to provide water, sewer, trash and recreation services for the communities of Incline Village and Crystal Bay, Nevada. It is governed by an elected Board of Trustees which, acting on behalf of the electorate, sets policy and determines strategies for the accomplishing its charter. Both Incline Village and Crystal Bay, Nevada are located within Washoe County, the entity that had the authority to create IVGID, and they are both unincorporated areas within Washoe County.

Within the limits of the statutes, IVGID is empowered to determine what facilities and services it should offer that will preserve or enhance the general health, safety and welfare of the community. It may set rates, tolls and fees to be charged for the provision of those facilities and services, and it may borrow or raise funds to acquire, construct and/or provide those facilities and services to the community. Finally, IVGID has the power to levy and collect taxes necessary to sustain its operations.
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(1) –
EXTENSION OF HYATT SPORT SHOP LEASE

Introduction: Here staff proposes extending the current Hyatt Lake Tahoe Hotel ("Hyatt") Sport Shop lease for an additional three years, and on the consent calendar no less! Staff deceitfully represent to the Board and the public that this “collaboration” with the Hyatt “has (allegedly) proved successful in directing hotel guests to IVGID venues.” Based upon this “given,” staff proposes a financial windfall to the Hyatt with no measurable benefit to the local parcel/dwelling unit owners who are financially subsidizing yet another money-losing commercial business enterprise. And that’s the purpose of this written statement.

What is the Justification For Placing This Matter on the Consent Calendar: given Policy No. 3.1.0.151 states that “a memorandum will be included in the (Board) packet (which)…should include the justification as a consent item?” Because “it is a pre-existing agreement that is simply being extended for a(n additional) three year period of time.”3 What justification is this? Just because staff have gotten the public into a bad deal in the past, doesn’t justify that bad deal being perpetrated for another three years without the opportunity to even discuss the matter.

For this reason on May 17, 2019 I sent an e-mail to the Board asking at least one member ask to have this matter transferred to the general business portion of the agenda4. Let’s see how the majority of our “rubber stamp” Board reacts.

What is the Sports Shop? A 1,040 square foot retail sports equipment (skis, snowboards, golf clubs, tennis rackets, mountain bikes) rental/clothing, soft goods, IVGID owned user fee, sports equipment (including “demo” skis, snowboards, golf clubs, tennis rackets, etc.) sales business housed in the Hyatt’s shopping mall.


2 We’ve had this discussion before. The Recreation Facility Fees (“RFFs”) IVGID involuntarily assesses against local parcels/dwelling units subsidize the difference between revenues and expenses staff assign to “recreation.” Similarly, the Beach Facility Fees (“BFFs”) IVGID involuntarily assesses against local parcels/dwelling units with beach access subsidize the difference between revenues and expenses staff assign to the “beaches.” Without these subsidies the commercial business operations IVGID operates would and do lose money.


4 A copy of that e-mail is attached as Exhibit “A” to this written statement.
For Whose Benefit Does the Sport Shop Exist? Listen to ¶ 3(a) of the proposed lease: “The premises shall be used for the purpose of operating a first-class sport shop (catering)...to (the Hyatt’s) guests and clients...and for no other purpose.” In other words, the Sport Shop exists for the benefit of the Hyatt’s guests rather than “the inhabitants...of (Incline Village, Crystal Bay) and of the State of Nevada” as NRS 318.015(1) instructs.

What Power Does IVGID Have to Operate a Retail Commercial Sales Business Enterprise in a Private Third Party’s Building? We’ve had this discussion before. IVGID is nothing more than a limited purpose special district. Its basic powers are limited to those expressly set forth in NRS 318.116, and none others. Nowhere will the reader discover that any GID has the basic power to operate “for profit” commercial business enterprises, with all that entails, let alone in someone else’s building (where the GID is required to pay rent). If the reader “buys into” the notion a GID has this power, then why not rent space in a shopping mall? Or the Reno-Tahoe Airport? Or anywhere for that matter? Does anyone believe that when the Washoe County Board of Commissioners (“County Board”) granted IVGID the power to furnish facilities for public recreation, this was a permissible activity it had in mind?

What Power Does IVGID Have to Rent/Sell a Private Third Party’s Sports Equipment/Clothing, Soft Goods/Merchandise? And what’s worse, IVGID doesn’t even own the mountain bikes it rents out of the Sport Shop. Nor does it own the clothing and soft goods it sells out of the Sport Shop. Instead, it has entered into a contract with a local third party private business [the Village Ski Loft (“VSL”)] which allows it to rent VSL’s mountain bikes, and sell VSL’s clothing and soft goods. Does anyone believe that when the Washoe County Board of Commissioners granted IVGID the power to furnish facilities for public recreation, this was a permissible activity it had in mind?

When IVGID Acquired the Basic Power to Furnish Facilities For Public Recreation, it Expressly Represented That if it Were Granted This Power, it Would Not be Used to Acquire and Operate Commercial Retail Businesses Like the Sport Shop: We’ve had this discussion before. On October 25, 1965 the County Board held public hearings in response to IVGID’s request it “Add Public Recreation Powers,” Harold Tiller, the Secretary-Treasurer of the IVGID Board at the time, was the only person to testify in support of IVGID’s request. The reader can see that Mr. Tiller represented that if this new basic power were granted, IVGID would not exercise it to acquire, operate nor presumably finance the costs of any recreational facility other than public parks and the beaches. And based upon this representation, a divided (3-2) County Board voted to grant IVGID the requested basic power.

Mr. Tiller’s testimony was a representation and promise made by IVGID to the public [see City of Reno v. Goldwater, 92 Nev. 698, 558 P.2d 532, 534 (1976)]. And as such, that obligation could not

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6 The minutes of that meeting are attached as Exhibit “B” to this written statement.
7 Mr. Tiller’s October 25, 1965 letter testimony to the County Board is attached as Exhibit “C” to this written statement.
later be impaired by legislative (i.e., IVGID Board) enactment [see City No. Las Vegas v. Central Tel. Co., 85 Nev. 620, 460 P.2d 835 (1969); Town of Milton v. Attorney General, 314 Mass. 234, 49 N.E.2d 909 (Mass. 1943)]. Yet look what has happened. IVGID has used this basic power to acquire all sorts of money-losing\(^2\) recreational/quasi-recreational facilities in addition to public parks and the beaches, specifically including the Sport Shop. Since IVGID is incapable of operating, maintaining and improving these facilities without resort to forced taxation (the equivalent of a municipal law), it has breached its promises to the public. Thus for the reasons stated in Alberty v. City of Henderson, 106 Nev. 299, 792 P.2d 390 (1990), Goldwater, and Article I, §10(1) of the U.S. Constitution\(^8\), IVGID has no power to operate the Sport Shop.

For these reasons alone, the Board should vote to terminate its lease with the Hyatt!

Moreover, There’s No Financial Justification For Operating the Hyatt Sport Shop: According to staff, “the Sport Shop provides an outlet to promote and conduct (IVGID owned recreational facility) sales...as well as providing information about other IVGID offerings.”\(^9\) Without offering any empirical data to support their assertion of fact, staff tout that “this relationship has (allegedly) proved successful in directing hotel guests to IVGID venues.”\(^5\) This assertion is disingenuous for at least two reasons.

IVGID’s Marketing Department: Notwithstanding no GID has the basic power to operate “for profit” commercial business enterprises with all that entails (see NRS 318.116), IVGID employs: a marketing department which consists of 3.2 full time equivalent employees\(^10\) (“FTEs”); a Marketing Manager, Sales Manager, Marketing Coordinator\(^11\), and part-time support personnel\(^12\). In addition, it spends nearly $435,000 annually on print, digital, television, radio spot, social media, and billboard advertising as well as related paid search campaigns\(^13\) negotiated through a local media agency; EXL Media\(^14\). According to staff’s proposed 2019-20 Budget, marketing costs, all told, are

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\(^8\) “No State shall...pass any...Law impairing the obligation of contracts.”

\(^9\) See page 9 of the 5/22/2019 Board packet.


\(^11\) See page 134 of the 2018-19 Budget.


\(^13\) See page 271 of the 5/22/2019 Board packet.

estimated to cost a mind blowing $931,322\textsuperscript{15}!

According to IVGID's marketing manager, Paul Raymore, the justification for spending nearly $1 million annually on marketing our venues to the world's tourists is to direct them to our recreational venues. That being the case, and assuming those tourists have chosen to stay at the Hyatt, why would we ever spend more money on a facility which "promote(s)...[IVGID owned recreational facility] sales ...as well as providing information about other IVGID offerings?"\textsuperscript{19} And why would we waste hundreds of thousands of additional dollars, annually, on a service that helps the Hyatt sell hotel rooms rather than benefiting "the inhabitants...of [Incline Village, Crystal Bay] and of the State of Nevada" as NRS 318.015(1) instructs?

**IVGID's Financials:** IVGID doesn't report the Sport Shop's financials as it does essentially every other one of its publicly owned recreational venues. So how does the public know how successful to IVGID its arrangement with the Hyatt has really been\textsuperscript{16}? In order to learn the truth, the public is forced to sleuth through financial information IVGID provides elsewhere. Not only does this make the public's search for the truth more difficult, but where the truth is deceitfully reported, it requires "interpretations" which sometimes are unwarranted. Although staff could easily eliminate misstatement by simply reporting the truth, this is not in their nature. So instead of sharing the truth, this puts staff in the position of marginalizing those who are critical. Notwithstanding, what I've discovered on IVGID's opengov tool\textsuperscript{17} is summarized below\textsuperscript{18}:

1) **Rent With the Hyatt:** According to ¶5(a) at page 24 of the 5/22/2019 Board packet, the reader will see that IVGID is obligated to pay 10% of its gross sales in rent to the Hyatt. According to IVGID’s opengov tool\textsuperscript{17}, for the current fiscal year, this has averaged approximately $4,500/month or $4.33/square foot. Then there are water, scavenger, janitorial (see ¶9 at page 29) and garbage/trash/refuse (see ¶13 at page 32) costs which total approximately $21/month. Then there are four fully transferrable Diamond Peak season passes per year [see ¶14(a) at page 45], valued at approximately $3,600/year or $300/month. Then IVGID must provide free daily shuttle service essentially every half-hour to/from Diamond Peak during ski season for the Hyatt's guests [see

\textsuperscript{15} See page 135 of the 3/13/2019 Board packet.

\textsuperscript{16} We know how successful it has been to the Hyatt based upon the numbers I will share below.

\textsuperscript{17} Go to https://inclinevillagegidnv.opengov.com/transparency#/13682/accountType=revenuesVersusExpenses&embed=n&breakdown=types&currentYearAmount=cumulative&currentYearPeriod=years&graph=bar&legendSort=coa&month=4&proration=true&saved_view=32570&selection=0684726A1FB27D072D2D4388961229D3&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2019&selectedDataSetIndex=null&fiscal_start=2016&fiscal_end=latest.

\textsuperscript{18} On May 17, 2019 I used IVGID’s opengov tool to create a spreadsheet of revenues and expenses reported insofar as the Sport Shop is concerned. A copy is attached as Exhibit "D" to this written statement.
¶6(d) at page 27]. And until the 2016-17 ski season (see ¶2 at page 12) when I discovered and shared with the public what IVGID staff had really been up to, IVGID offered severely discounted daily lift tickets ($10 mid-week and $20 weekends and holidays) to all 400 or more Hyatt employees [see ¶44(b) at page 45]. Add these components up and the reader will see the public is paying $5,000/month or more just to have a presence at the Hyatt.

II) **Employee/Operational Costs:** What employee/other related expenses does IVGID incur to operate the Sport Shop? According to opengov, for the current fiscal year roughly $62,400 ($5,200/month). What other operational costs does IVGID report? According to opengov, roughly $6,500 ($547/month) in communication, equipment, fixture and bank processing charges.

*So far that puts us at about $11,000/month!* Now I report other costs staff have intentionally omitted from opengov.

III) **Cost of Goods Sold:** Every retail business I know incurs some cost for the goods and services it sells. Yet according to IVGID, it incurs no cost whatsoever to make the recreation facilities the Sport Shop sells. For this reason the alleged $304,712 in “profit” opengov reports, makes its financial reporting deceitful at best, and downright fraudulent at worst.

IV) **Cost of Services Sold:** Similarly according to IVGID, it incurs no cost whatsoever to make the services the Sport Shop sells at IVGID owned recreation facilities. For this reason the alleged $304,712 in “profit” opengov reports, makes its financial reporting deceitful at best, and downright fraudulent at worst.

V) **Cost of Equipment Rented:** Similarly according to IVGID, it incurs no cost whatsoever to make the sports equipment (skis, snowboards, golf clubs, tennis racquets, etc.) the Sport Shop rents. For this reason the alleged $304,712 in “profit” opengov reports, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VI) **Central Services Costs:** What about the cost of the central services the General Fund allegedly provides to the Sport Shop? After all, staff purport to allocate those costs to every other one of the public’s recreational facilities. So why exclude the Sport Shop? Given IVGID reports **NO CENTRAL SERVICES COSTS** whatsoever, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VII) **Unallocated Staff Costs:** On December 12, 2019 GM Pinkerton told the Board and the public that since staff “spend...the vast majority of its time working on CIP projects, their...

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19 IVGID does not report “profit” *per se.* Rather, it reports “Revenues Less Expenses.” But according to Merriam-Webster, the definition of profit is “the excess of returns over expenditure(s) in a transaction or series of transactions” (see https://www.merriam-webster.com/dictionary/profit). In other words, profit.

costs are allocated to projects based on the amount of time spent on…particular projects.” There the GM told the Board and the public that $272,500 of staff time had allegedly been expended on $325,489 of engineering and other costs incurred with outside vendors because if staff time weren’t provided, we’d have to pay others more for doing the same work. So for the same reasons, why hasn’t staff reported staff support costs expended on the Sport Shop?

To get a feel for the kinds of staff cost I’m talking about, take a look at the staff costs expended evaluating and proposing selection of a media buyer. “Starting in June of 2018, the marketing team…with advice from the District’s senior team [consisting of ‘Diamond Peak(’s) General Manager…Director of Parks & Recreation…Facilities & Catering Manager…Interim Director of Golf…Marketing Manager (and)…Marketing Coordinator”\(^{21}\) and Public Works Contract Administrator…put together a Request for Proposals…published (it) on the District’s web site…at the same time…advertised…(it) in the Tahoe Daily Tribune…and sent out (copies) to seven known media buying agencies in the Lake Tahoe and Reno Area.” Now consider that here, District staff have met with Hyatt representatives, drafted a memorandum to the Board\(^ {22}\), negotiated terms, and made recommendations. What staff and legal time have been expended on the recommended lease extension, and why haven’t those costs been assigned to the Sport Shop so its true financials can be shared with the Board and the public? Given IVGID reports NO ALLOCATED STAFF COSTS whatsoever, other than costs reported for those employees actually working in the Sport Shop, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VIII) Insurance Costs: What about the costs of the fire, extended coverage and liability insurance the proposed lease mandates (at ¶17 at page 34 of the 5/22/2019 Board packet)? Given IVGID reports NONE whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

IX) Diamond Peak Shuttle Service Costs: What about the costs of operating a daily half-hour shuttle service between the Hyatt/Diamond Peak during the winter months the proposed lease mandates [at ¶6(d) at page 27 of the 5/22/2019 Board packet]? Given IVGID reports NONE whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

X) Capital Improvement (“CIP”) Costs: What about the Sport Shop’s CIP costs? After all several years ago IVGID spent more than $10,000 on Sport Shop CIPs. Given IVGID reports NO SUCH COSTS whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

XI) Sales Taxes: Although IVGID benefits from a sales/use tax exemption insofar as its retail sales on IVGID owned property are concerned, that’s not the case insofar as Sport Shop

\(^{21}\) See pages 265-266 of the 5/22/2019 Board packet.

\(^{22}\) See pages 8-46 of the 5/22/2019 Board packet.
sales are concerned. Yet according to opengov\textsuperscript{17}, IVGID fails to list sales taxes as an expense. Given IVGID reports nearly $423,000 in Sport Shop revenues (resulting in $36,000 or more in sales taxes), yet \textit{NO SALES TAX COSTS} whatsoever, these facts make IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

\textbf{XII) All Told:} Ignoring all of the glaring expense omissions described above, IVGID still reports $185,798 in yearly operational expenses associated with the Sport Shop. Even if this were an accurate number, this would mean that the Sport Shop needed to generate nearly $200,000 in sales which would not have been generated absent the Sport Shop, before the public realized any financial benefit as a result of the Sport Shop. Yet here there’s no evidence the Sport Shop generated one penny in revenue IVGID would not have generated if the sale of access to the public’s recreational facilities and rental of the public’s sports equipment took place at an IVGID owned recreational facility rather than the Sport Shop.

Moreover, assuming the Sports Shop’s costs were really $300,000 higher than IVGID reports, it means this endeavor has been another wasteful money-losing\textsuperscript{2} commercial business enterprise that the public has no business engaging in.

Let’s examine the revenues IVGID represents the Sport Shop generates?

\textbf{XIII) VSL:} According to open.gov\textsuperscript{17}, the revenues the Sport Shop generated from the rental of VSL’s mountain bikes and the sale of VSL’s clothing and soft goods, for the current fiscal year, totaled roughly $62,000 ($5,200/month). But after deducting the gross rent portion of this sum due the Hyatt (see above), and the costs IVGID is obligated to absorb by acting as the insurer of VSL’s merchandise which is lost or stolen, IVGID is left with a paltry $8,250 at best.

\textbf{XIV) User Fees:} According to open.gov\textsuperscript{17}, the Sport Shop sold $196,000 in user fees (labeled “admissions and fees”) at IVGID owned recreation venues. But what were the “costs” assigned to the Sport Shop for the user fees it sold? ZERO! Given there are obviously costs to make the recreation facilities the Sport Shop sells available to those paying user fees, and IVGID has reported \textit{NONE}, its assertion of $196,000 in revenue with no associated costs whatsoever is deceitful at best, and downright fraudulent at worst.

\textbf{XV) Service and User Fees:} According to open.gov\textsuperscript{17}, for the current fiscal year the Sport Shop sold nearly $185,800 in service (aka equipment rental) and user (ski/snowboard and golf lessons) fees. But what were the “costs” assigned to the Sport Shop for the sports equipment it rented? Or the ski/snowboard or golf and swimming lessons it sold? Again, ZERO! Given there are obviously costs to make the services the Sport Shop sells available to those paying rent and user fees, and IVGID has reported \textit{NONE}, its assertion of $185,800 in revenue with no associated costs whatsoever is deceitful at best, and downright fraudulent at worst.

\textbf{XVI) Discounted User Fees at Diamond Peak and IVGID’s Two Golf Courses:} Since IVGID already offers the Hyatt discounted user fees to Diamond Peak and its two golf courses, Sport Shop sales generate less revenue than comparable sales at IVGID owned facilities themselves?
XVII) Lesser Revenue Diamond Peak and IVGID Owned Golf Course User Fee Sales Made at the Sport Shop: Since IVGID must pay the Hyatt at least 10% in rent on user fee sales made through the Sport Shop, such sales generate even less revenue than comparable sales at IVGID owned facilities themselves.

XVIII) Taxable Diamond Peak and IVGID Owned Golf Course User Fee Sales Made at the Sport Shop: Since IVGID must pay the County sales taxes on those sales made at the Sport Shop, such sales generate even less revenue than comparable sales at IVGID owned facilities themselves which are free of tax.

XIX) All told: Notwithstanding all of the glaring deficiencies described above, IVGID reported roughly $410,000 in yearly revenues associated with the Sport Shop. Yet here there’s no evidence the Sport Shop generated one penny in revenue IVGID would not have generated if the sale of access to the public’s recreational facilities and rental of the public’s sports equipment took place at an IVGID owned recreational facility rather than the Sport Shop.

XVII) Summary: Given the reader can see how IVGID reports $304,712 of gross profit operating the Sport Shop, however, it has intentionally neglected to report all the costs associated therewith, and one soon comes to the conclusion that the Sport Shop is just another example of an unnecessary money-losing IVGID staff operation.

There’s No Evidence the Sport Shop Generated Any Recreational Facility Net Revenue it Would Not Have Generated Were There No Sport Shop Sales: What evidence does staff have that Hyatt guests wouldn’t have frequented IVGID owned venues to make direct purchases the Sport Shop has reported if there were no Sport Shop? I predict the answer will be NONE.

Nor is it reasonable to speculate that most if not all the sales accommodated through the Sport Shop would not still be made if there were no Sport Shop. Let me list some of the reasons why:

We’ve Already Spent $1M or More in Marketing Costs to Attract the World’s Tourists: So if our marketing has been successful in getting those tourists to actually visit Incline Village and stay at the Hyatt, why does IVGID need to replicate the marketing effort by operating the Sport Shop? Or is staff really telling the Board and the public that the marketing money we spent was ill or wastefully expended because we still need to promote IVGID owned recreational facilities and provide information about other IVGID offerings because the tourists staying at the Hyatt don’t already know about them?

Don’t You Think That the World’s Tourists Who Have Chosen to Stay at the Hyatt and Are Looking to Patron Recreational Facilities During Their Stay Have Already Researched IVGID Owned Facilities: so they don’t require the education the Sport Shop purportedly provides? And if they’ve decided to ski an area other than Diamond Peak or play golf at a course other than IVGID’s two golf courses, do you really think they’re going to be persuaded to change their minds to patron IVGID owned facilities instead because of the Sport Shop?
Alternatively, if the Hyatt is One of Our “Lodging Partners,” Shouldn’t We Expect Their Employees Will Promote IVGID Owned Recreational Facilities to Their Guests: without requiring IVGID to rent the Sport Shop? Moreover, doesn’t the Hyatt already do this?\(^{23}\)

Alternatively, if Hyatt Guests Require Education Insofar as What Local Recreational Facilities Are Available to Their Guests, Shouldn’t the Hyatt Be Paying IVGID to Operate its Sport Shop?

Doesn’t the Hyatt Already Offer Combo Ski/Stay Packages Which Include Access to Diamond Peak?\(^{24}\) So why does IVGID have to rent the Sport Shop to serve the same clientele?

Doesn’t the Hyatt Already Offer Combo Golf/Tennis/Stay Packages Which Include Access to IVGID’s Two Golf Courses and Tennis Center?\(^{25}\) So why does IVGID have to rent the Sport Shop to serve the same clientele?

Doesn’t the Hyatt Already Offer its Guests Discounted User Fees at Diamond Peak and IVGID’s Two Golf Courses? So why does IVGID have to rent the Sport Shop to serve the same clientele?

Didn’t the Hyatt Used to Allow a Diamond Peak Kiosk at the Entrance to the Sport Shop Which Dispensed Discounted Daily Lift Passes: without requiring IVGID to rent the Sport Shop? So why not allow the same now without requiring rent of the Sport Shop?

Doesn’t the Hyatt Offer Concierge Services to its Guests Which Includes Discounted User Fees at Diamond Peak and IVGID’s Two Golf Courses? So why does IVGID have to rent the Sport Shop to serve the same clientele?

Since Diamond Peak and the Championship Golf Course is Supplying the Hyatt With Free Shuttle Services, Why is it Unreasonable to Expect Hyatt Guests Would Use the Shuttle to Purchase User Fees Directly at IVGID Owned Recreational Facilities if IVGID Did Not Rent the Sports Shop?

Why is IVGID Giving the Hyatt Four Fully Transferrable Diamond Peak Season Passes Each Year on Top of Paying Over Market Sport Shop Rent?

Apart From the Costs Associated With Operating the Sport Shop, Because of Discounted User Fees, Rent to the Hyatt and Sales Taxes, Doesn’t the Board See That Every Sport Shop Sale Costs


\(^{24}\) Of course it does. Go to https://www.diamondpeak.com/plan/ski-and-stay-packages.

Local Parcel/Dwelling Unit Owners Between 10%-20% More Than Comparable Sales Made Directly Through an Existing IVGID Venue?

**Conclusion:** Hopefully I have demonstrated that the Sport Shop lease is really just another means for IVGID staff to parse out public funds to another “favored collaborator.” Rather than generating additional revenues staff would otherwise generate, it really ends up costing local parcel/dwelling unit owners more of their RFF.

But more to the point, what does any of this have to do with making IVGID owned recreation facilities “available” to be used by those whose parcels/dwelling units are assessed, rather than the Hyatt’s guests? This fact alone, combined with staff’s October 25, 1965 misrepresentations to the County Board warrant termination and non-entry into the proposed lease extension.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!
EXHIBIT "A"
Request to Pull Consent Item H(1) From the Agenda for the May 22, 2019 Board Meeting

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Callicate Tim <tim_callicate2@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Morris Peter <morris_trustee@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: Request to Pull Consent Item H(1) From the Agenda for the May 22, 2019 Board Meeting
Date: May 17, 2019 1:37 PM

To Chairperson Wong, and the other Honorable members of the IVGID Board:

Deceitfully, IVGID staff have placed this item on the consent calendar to dispense with a public dialog which will reveal the truth of this boondoggle staff know yet hide. For these reasons I ask that at least one Board member (it only takes one) request this item get transferred to the general business calendar where it can be openly discussed.

Staff want the Board and the public to believe it makes money on this endeavor IVGID has no power to engage in under NRS 318 (if it had the power, why not open up a retail facility in a shopping mall?). Nothing could be further from the truth. Consider,

1. Staff fail to report the Sport Shop's Financials. Even if they did, they would be deceptive at best and fraudulent at worst. Why? Because of the following:
2. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the recreation venues it sells user fees to?
3. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the services at the recreation venues it sells service fees to?
4. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the sports equipment rentals it charges rental fees to?
5. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the equipment, merchandise and soft goods it sells?
6. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the central services the General Fund allegedly provides to the Sport Shop?
7. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the fire, extended coverage and liability insurance the proposed lease mandates IVGID carry?
8. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the Diamond Peak Ski Shuttle the proposed lease mandates IVGID carry?
9. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the four fully transferable Diamond Peak season passes (valued at $900+/each/year) the proposed lease mandates IVGID carry?

Yet, allegedly the Sport Shop is generating a $80,000 yearly profit?

How many other privately owned businesses do you think would appreciate the ability to sell merchandise and services at no cost of goods sold or rented? And how can you NOT make a profit when your cost for the goods and services you sell at retail is ZERO?

This is absurd. Once one factors in ALL the added costs associated with this operation which have been omitted, one will discover the Sport Shop is really losing several hundreds of thousands of dollars each year. And where does the money come from to subsidize yet another money losing commercial business enterprise which exists to help another favored collaborator sell hotel rooms, rather than benefit local parcel owners who are paying the RFF?

Moreover, staff's claims that we actually realize sales we wouldn't have otherwise realized but for the Sport Shop is supported by nothing more than speculation. And staff knows this. Where is the proof Mr. Mandelin? Didn't staff tell us it needs to spend nearly $1M annually on marketing our venues to the world's tourists so they are attracted to stay at the Hyatt? So once there, why do we have to spend several additional hundred thousand or more dollars to familiarize the Hyatt's guests with venues they already know about because of our spiffy marketing?

It's time to put an end to this boondoggle and get back to the reasons why IVGID was created.

BTW, have you stopped to think that if we didn't have service after service and program after program which exists for the
world's tourists rather than we parcel owners, we might not need an HR Dept? Or an IT Dept? Or an Ass't GM? Or $1M or more of yearly insurance? Or nearly 1,000 employees? Or a new administrative building?

Finally, do you know what we're paying the Hyatt? According to OpenGov.com, about $4,500/month exclusive of utility, maintenance, repair and leasehold improvement costs. This is for a 1,040 square foot space. That's over $4.25/square foot. Do any of you think this is reasonable?

I urge all of you to vote NO when it comes to this agenda item.

Respectfully, Aaron Katz
EXHIBIT "B"
The bids were referred to Floyd Vice, Assistant County Engineer, for study and report. Later in the meeting, upon the recommendation of Mr. Vice, who had discussed the bids with the County Engineer, on motion by Commissioner Cunningham, seconded by Commissioner McKissick, which motion duly carried, it was ordered the bids be held for further study and recommendations to the Board by the County Engineer at their next meeting.

65-966

SLIDE MOUNTAIN - LEASE - RENEWAL OPTION

10:10 A.M. At this time Mr. Cathcart and Mr. Calvin F. Gunn appeared before the Board, together with Wes Howell, lessee of the Slide Mt. ski area, in support of their request that the County grant a thirty year renewal option to Mr. Howell and Slide Mountain Corporation.

Mr. Gunn explained their plans for expansion of the facilities at the ski area to include a new chair lift now under construction and a cafeteria, rest rooms and nursery type facility next year; that the investment for such facilities would be large, requiring amortization over a number of years, thus the request for renewal of the option; that they were agreeable the renewal be made on the same terms and conditions as previously made, with the added provision that at least one-half million dollars is invested in the area.

After some discussion, it was ordered the matter be referred to Clinton Wooster for drafting a new lease.

65-967

COUNTY LIBRARY - RENO - CHANGE ORDERS

10:20 A.M. At this time Hewitt G. Wells, Architect on the new County Library in Reno, appeared and read a letter in full to the Board which had been addressed to the Washoe County Library Board, concerning change order requests No. 1 through No. 21 on the Reno Library.

A copy of the letter was filed with the Clerk.

In reply to question from the Board, Mr. Wells stated that those changes involved in basic construction have been performed, while some of the finished changes are not accomplished.

Later in the meeting, after some discussion, it was ordered that the Library Board be requested to make recommendations to the County Commissioners on these change order requests, and that copies of the letter read by Mr. Wells be furnished the County Manager and County Engineer for study and recommendations to the Commissioners.

65-968

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT - ORDINANCE NO. 97 - BILL 132

10:30 A.M. This being the time set for a hearing in a Notice of Intention to Add Public Recreation Powers to Incline Village General Improvement District heretofore published in the Nevada State Journal on October 5, 16 and 23, 1965. Proof was made that due and legal Notice had been given.

Mr. Ben Moss, official Court Reporter, was present and reported the proceedings.

In response to the Chair, the Clerk reported a letter of protest had been received from Peter Kravchok, President of the Incline Property Owners Association, Inc., authorized to protest on behalf of said Association, which was read in full to the Board, together with 7 petitions signed by 171 people in the area, a copy of which was read in full to the Board.

In reply to question by Mr. Wooster, Mr. Oliver Custer, Attorney for the protesters, stated the petitions were not all identical for this reason--there were 128 persons who are taxpaying electors in the District who have signed the protest, but that the wording of the protest is identical with the protest of 43 property owners who are not taxpaying electors but who own property within the District. A letter of protest signed by John M. and Morine G. Cram was also read in full to the Board.

The Chairman opened the hearing for proponents of the proposal and Thomas R. C. Wilson, Attorney with the law firm of Bibbo, McDonald & Carano, responded on behalf of Incline Village General Improvement District. Mr. Wilson presented for the record, a list of
851 qualified taxpayers of the District certified by Harold Tiller, Secretary-Treasurer of Incline Village General Improvement District. Mr. Wilson then presented for the record and read in full to the Board, a declaration by the General Improvement District of Public Convenience and Necessity and Economic Feasibility of the proposal, together with a Summary of Appraisal by Real Estate Research Corporation. A Development Map was also presented which indicated areas of proposed recreational facilities.

No further evidence being presented, the Chairman called for anyone wishing to speak in opposition and Mr. Custer, Attorney for the proponent, responded and introduced Mr. Jack Crow, a resident of the area.

Mr. Crow presented communications and deed restrictions on property at Incline Village, some of which he read in full or in part to the Board. It was ordered they be admitted in evidence and marked Protestants' Exhibits "A", "B", "C", "D", and "E". Mr. Crow protested that the property owners were already paying for purchasing, developing, maintaining and operating the two community beaches at Incline Village for their exclusive use.

Mr. Roy Robinson then spoke in opposition to the proposal, stating that the present bonded indebtedness is almost equal to the assessed valuation, including personal property as of July 1, 1965 and further, because of the increased pollution to the waters of the area.

Others speaking in opposition to the proposal were Mr. Peter Kraychovnik, President of the Incline Property Owners Association, Mrs. Helen Brown and Mrs. Mary Adams, property owners in Incline Village.

Mr. Oliver Custer then spoke at some length and stated that purchasers of property in Incline Village were required to buy stock in the Recreational Association and that deeds had covenants running with the land providing for private beaches. He also expressed concern over "conflict of interests" stating that Harold Tiller and Robert McDonald were members of Crystal Bay Development Company as well as Incline Village General Improvement District. Mr. Custer challenged the list of 851 names submitted by Mr. Tiller as being taxpayers electors in the district, and stated that according to his information there were 274 taxing electors residing within the District and 128 taxing electors who signed petitions as presented to the Board would indicate more than 51% of the taxing electors objecting to the amendment to add recreational powers to Incline Village General Improvement District. On question, Mr. Custer stated that a check on the list of taxing electors was made in the offices of the Register of Voters and Assessor.

Mr. Ernest Wilson, representing the Bonding Attorneys for the District, stated the District does not have any bonded indebtedness and had never levied a tax; that special assessment bonds on obligations have been paid on the due date and some $250,000.00 worth of bonds were called before maturity.

No one else wishing to speak, the hearing was closed and all those present were advised that the matter would be taken under consideration later in the day at the completion of the agenda.

Later in the day, in response to Commissioner Straeter's request, Mr. Clinton Wooster read the definition of "Taxpaying Electors" as defined by 386 318-020, Subsection 8. Mr. Wooster stated that it was his opinion that a taxing elector as defined did not require residence within the District, but required ownership of property within the District by a person who was qualified as an elector under the laws of the State of Nevada.

Mr. Wooster's interpretation of taxing electors was discussed at some length, and it was pointed out a recent survey disclosed 4,000 residents with 200 to 400 children in grade school. Upon motion by Commissioner Straeter, seconded by Commissioner Sauer, which motion
duly carried, it was ordered that the taxing electors be established at $51, based upon
the previously discussed information.

Commissioner Streeter moved that the Board of County Commissioners go on record,
finding that it is economically sound and feasible to grant recreational powers to Incline
Village General Improvement District, based upon the information supplied by Incline Village.
Motion seconded by Commissioner Cunningham and upon roll call vote Commissioners Streeter,
Cunningham and McKenzie voted "Yes", Commissioners Sauer and McKissick voted "No". The Chair-
man announced the motion had carried and it was so ordered.

Commissioner Streeter moved that the Board of County Commissioners go on record,
finding it is of public convenience and necessity to grant recreational powers to Incline
Village General Improvement District, based upon the information supplied by Incline Village.
Motion seconded by Commissioner Cunningham and upon roll call vote Commissioners Streeter,
Cunningham and McKenzie voted "Yes", Commissioners Sauer and McKissick voted "No". The Chair-
man announced the motion had carried and it was so ordered.

Bill No. 132, which was prepared by E. Ernest Wilson, an ordinance amending Ordinance 97
granting Incline Village General Improvement District powers relating to public recreation
was introduced by Commissioner Streeter and read in full to the Board, and it was ordered that
final action of adoption be continued to the next meeting.

55-969     ZONING VIOLATIONS - GEORGINA YOUNG - MR. & MRS. GEORGE YOUNG

11:30 A.M. This being the time set in a citation issued to Mrs. Georgina Young to appear be-
fore the Board to show cause why she should not be prosecuted for a zoning violation; and
12:00 Noon: This being the time set in a citation issued to Mr. and Mrs. George Young to
appear before the Board to show cause why they should not be prosecuted for a zoning viola-
tion.

These hearings were combined because they concerned members of the same family and
the people were present.

Clinton Wooster, Deputy District Attorney, stated the violation with regard to Mrs.
Georgina Young is two trailers and one house on property at 4101 Rawana Way, Reno, Nevada;
this is an A-1 (First Agricultural) zone. Notice was served by the Planning Commission on
September 8, 1965; the Planning Commission made a staff inspection on September 29, 1965 and
there was non-compliance with their first notice. As a result, it was sent to the District
Attorney's office and a citation was made out for the violation setting the hearing at this
time.

That with regard to Mr. and Mrs. George Young the violation in this case is two
trailers and one house on property at 4095 Rawana Way, Reno, Nevada, again in a First Agri-
cultural zone. Notice was sent by certified mail by the Regional Planning Commission on
September 13, 1965; Regional Planning inspected the area September 29, 1965 and found the
violation still present. The District Attorney's office was asked them to issue a citation
against Mr. and Mrs. George Young; that citation was served on Mr. George Young on October 4,
1965.

Mr. Homer Bronnke was present and stated the Planning Commission staff had made a
visual inspection this morning and found violations still existing on both properties; that
the properties are zoned A-1 with TR overlay.

Mr. Young was present and stated that he wished to comply with the ordinance, how-
ever, one of the trailers on the property at 4095 Rawana Way is through an estate—the man
who owned the trailer was killed, there is no one living in it but Mr. Marshall Bouvier, an
EXHIBIT "C"
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

October 25, 1965

Board of County Commissioners
Washoe County
Nevada

Re: Ordinance to add power to acquire and operate recreation facilities to present powers of Incline Village General Improvement District

PUBLIC CONVENIENCE AND NECESSITY

Incline Village is designed to be a complete recreational area. To this end, when completed, there will be two great golf courses; the finest tennis facilities in the world in the Tahoe Racquet Club; a major ski development; riding stables with a vast area for activities such as trails to the very crest of the mountains and to remote places for evening and all-night cookouts, both by horse back and wagon hay rides; gaming and related night club entertainment and a cultural center with related youth programs.

After all of the foregoing, you have to consider the availability of the use of Lake Tahoe the most important and actually the very heart of a complete recreational base. To this end, it seems highly desirable to acquire facilities for such use and to acquire them as public property (public to the property owners within the District). With the acquisition of the two pieces of lake frontage (see attached maps) the property owners of the Incline Village General Improvement District would be assured forever of access to and use of Lake Tahoe. Those two lake front properties would be used as family parks for picnics and swimming and for boating access to the lake for fishing and water skiing.

ECONOMIC FEASIBILITY

All of the recreational facilities except the park properties (including the two beaches) are, or will be, privately owned and operated. The assessed value of Incline Village General Improvement District, together with its expected growth, will readily finance the acquisition and operation of the two beaches. The feasibility of a bond issue to acquire these properties will have to be passed upon and approved by the Washoe County Bond Commission. For your present consideration and future use by the Bond Commission, the Trustees of the Incline Village General Improvement District present their projection of taxes necessary to finance the acquisition of the beaches and the operation thereof. The projection is based upon the following assumptions:
Board of County Commissioners

-2-

October 25, 1965

1. That the bocce can be acquired for $1,250,000.00;
2. That the operating expense will average $20,000.00 annually;
3. That the bonds can be sold at a 4%-1/2% yield;
4. That the bond issue is a working capital fund reserved for the first two years due to the Nevada property tax being one year behind on collection together with the fact that it will take another year to get the tax levied to apply on the debt retirement; and
5. That the total bond issue amount to $1,450,000.00 for costs, acquisition and working capital and reserve.

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Service</th>
<th>Operating Expenses</th>
<th>Total</th>
<th>Assessed Value of District</th>
<th>Tax Rate per $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-67</td>
<td>$59,255.00</td>
<td>20,000.00</td>
<td>89,255.00</td>
<td>15 M</td>
<td>None</td>
</tr>
<tr>
<td>1965-66</td>
<td>69,255.00</td>
<td>20,000.00</td>
<td>89,255.00</td>
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<td>None</td>
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<tr>
<td>1966-67</td>
<td>69,255.00</td>
<td>20,000.00</td>
<td>89,255.00</td>
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</tr>
<tr>
<td>1967-68</td>
<td>121,972.00</td>
<td>20,000.00</td>
<td>141,972.00</td>
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<tr>
<td>1968-69</td>
<td>119,407.00</td>
<td>20,000.00</td>
<td>139,407.00</td>
<td>35 M</td>
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<tr>
<td>1969-70</td>
<td>116,842.00</td>
<td>20,000.00</td>
<td>136,842.00</td>
<td>40 M</td>
<td>0.341</td>
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<tr>
<td>1970-71</td>
<td>116,277.00</td>
<td>20,000.00</td>
<td>136,277.00</td>
<td>45 M</td>
<td>0.296</td>
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<tr>
<td>1971-72</td>
<td>121,712.00</td>
<td>20,000.00</td>
<td>141,712.00</td>
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<td>1972-73</td>
<td>119,147.00</td>
<td>20,000.00</td>
<td>139,147.00</td>
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<tr>
<td>1973-74</td>
<td>129,582.00</td>
<td>20,000.00</td>
<td>159,582.00</td>
<td>60 M</td>
<td>0.211</td>
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<tr>
<td>1974-75</td>
<td>138,017.00</td>
<td>20,000.00</td>
<td>158,017.00</td>
<td>65 M</td>
<td>0.206</td>
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<tr>
<td>1975-76</td>
<td>134,522.00</td>
<td>20,000.00</td>
<td>154,522.00</td>
<td>70 M</td>
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<tr>
<td>1976-77</td>
<td>138,452.00</td>
<td>20,000.00</td>
<td>158,452.00</td>
<td>75 M</td>
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<tr>
<td>1977-78</td>
<td>93,987.00</td>
<td>20,000.00</td>
<td>113,987.00</td>
<td>80 M</td>
<td>0.145</td>
</tr>
<tr>
<td>1978-79</td>
<td>96,322.00</td>
<td>20,000.00</td>
<td>116,322.00</td>
<td>85 M</td>
<td>0.125</td>
</tr>
</tbody>
</table>

The rate to continue to decrease as assessed value goes up and principal is retired. At this point (1978-79) $594,000.00 of principal has been retired, leaving an unpaid principal of $864,000.00 to be retired over the remaining 16 years.

To clarify again the new tax for the first two years, the bond proceeds would be used as follows:

- Acquisition: $1,250,000.00
- Working capital bond reserve: 178,510.00
- Expenditure of bond issue: 21,496.00

Total: $1,651,000.00

Submitted for the record by

DECLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

By

Herold H. Miller, Treasurer

Attachments:
- Development Map
- Summary of Appraisal by Record Title Research Corporation

By

Deputy Clerk in and for the City of Winnemucca, State of Nevada
EXHIBIT “D”
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Revenues Revenues</td>
<td>$ 499,208</td>
<td>$ 380,637</td>
<td>$ 331,978</td>
<td>$ 327,700</td>
<td>$ 422,948</td>
<td>$ 95,248</td>
<td>29.07%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 499,208</td>
<td>$ 380,637</td>
<td>$ 331,978</td>
<td>$ 327,700</td>
<td>$ 422,948</td>
<td>$ 95,248</td>
<td>29.07%</td>
</tr>
<tr>
<td>(4205) Admissions &amp; Fees</td>
<td>$ 222,848</td>
<td>$ 96,757</td>
<td>$ 138,106</td>
<td>$ 149,600</td>
<td>$ 209,749</td>
<td>$ 60,149</td>
<td>40.21%</td>
</tr>
<tr>
<td>(4285) Promotional Allowa</td>
<td>(10,235)</td>
<td>(1,849)</td>
<td>(5,585)</td>
<td>(3,100)</td>
<td>(13,707)</td>
<td>(10,607)</td>
<td>-342.18%</td>
</tr>
<tr>
<td>(4405) Merchandise Sales</td>
<td>$ 92,588</td>
<td>$ 97,952</td>
<td>$ 64,051</td>
<td>$ 55,900</td>
<td>$ 62,818</td>
<td>$ 6,918</td>
<td>12.38%</td>
</tr>
<tr>
<td>(4409) Allocated to others</td>
<td>(75,898)</td>
<td>(80,358)</td>
<td>(52,430)</td>
<td>(45,900)</td>
<td>(51,383)</td>
<td>(5,483)</td>
<td>-11.95%</td>
</tr>
<tr>
<td>(4410) Personal Services</td>
<td>(71,864)</td>
<td>$ 33,850</td>
<td>$ 29,333</td>
<td>$ 55,000</td>
<td>$ 29,519</td>
<td>(25,481)</td>
<td>-46.33%</td>
</tr>
<tr>
<td>(4415) Repairs for custome</td>
<td>$ 337</td>
<td>$ 1,172</td>
<td>$ 659</td>
<td>$ 600</td>
<td>$ 155</td>
<td>(445)</td>
<td>-74.17%</td>
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<tr>
<td>(4417) Service &amp; User Fees</td>
<td>$ 197,724</td>
<td>$ 233,114</td>
<td>$ 157,844</td>
<td>$ 115,600</td>
<td>$ 185,798</td>
<td>$ 70,198</td>
<td>60.72%</td>
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<tr>
<td>Expenses</td>
<td>$ 103,763</td>
<td>$ 114,076</td>
<td>$ 89,213</td>
<td>$ 95,124</td>
<td>$ 118,235</td>
<td>$ 23,111</td>
<td>24.30%</td>
</tr>
<tr>
<td>Expenses Revenues</td>
<td>$ 103,763</td>
<td>$ 114,076</td>
<td>$ 89,213</td>
<td>$ 95,124</td>
<td>$ 118,235</td>
<td>(23,111)</td>
<td>-24.30%</td>
</tr>
<tr>
<td>Wages</td>
<td>$ 38,561</td>
<td>$ 42,253</td>
<td>$ 40,031</td>
<td>$ 42,685</td>
<td>$ 54,293</td>
<td>$ 11,608</td>
<td>-27.20%</td>
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<tr>
<td>(5010) Salary</td>
<td>$ 38,530</td>
<td>$ 42,253</td>
<td>$ 39,440</td>
<td>$ 41,421</td>
<td>$ 52,768</td>
<td>(11,347)</td>
<td>-27.39%</td>
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<tr>
<td>Expenses Revenues</td>
<td>$ 4,595</td>
<td>$ 4,977</td>
<td>$ 4,930</td>
<td>$ 7,409</td>
<td>$ 7,404</td>
<td>5</td>
<td>0.06%</td>
</tr>
<tr>
<td>Wages</td>
<td>$ 2,950</td>
<td>$ 3,232</td>
<td>$ 3,062</td>
<td>$ 3,265</td>
<td>$ 4,153</td>
<td>(888)</td>
<td>-27.21%</td>
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<tr>
<td>(5020) Other Earnings</td>
<td>$ 32</td>
<td>-</td>
<td>591</td>
<td>1,264</td>
<td>1,526</td>
<td>(262)</td>
<td>-20.71%</td>
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<tr>
<td>Expenses Benefits</td>
<td>$ 2,950</td>
<td>$ 3,232</td>
<td>$ 3,062</td>
<td>$ 3,265</td>
<td>$ 4,153</td>
<td>(888)</td>
<td>-27.21%</td>
</tr>
<tr>
<td>Benefits</td>
<td>$ 803</td>
<td>$ 845</td>
<td>$ 601</td>
<td>$ 644</td>
<td>$ 766</td>
<td>(122)</td>
<td>-18.88%</td>
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<tr>
<td>(5600) Unemploy fringe Benefits</td>
<td>$ 837</td>
<td>$ 900</td>
<td>$ 1,267</td>
<td>$ 3,500</td>
<td>$ 2,485</td>
<td>1,015</td>
<td>28.99%</td>
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<tr>
<td>Expenses Benefits</td>
<td>$ 60,606</td>
<td>$ 66,846</td>
<td>$ 44,252</td>
<td>$ 44,550</td>
<td>$ 56,310</td>
<td>(11,760)</td>
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<tr>
<td>Services &amp; Supplies</td>
<td>$ 169</td>
<td>$ 136</td>
<td>-</td>
<td>-</td>
<td>$ 150</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>(7200) Banking Fees &amp; Processs</td>
<td>$ 169</td>
<td>$ 136</td>
<td>-</td>
<td>-</td>
<td>$ 150</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>Expenses Services &amp; Supplies</td>
<td>$ 69</td>
<td>$ 80</td>
<td>$ 40</td>
<td>-</td>
<td>$ 180</td>
<td>$ (180)</td>
<td>87.83%</td>
</tr>
<tr>
<td>(7300) Communicat &amp; comput small ec</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Expenses Services &amp; Supplies</td>
<td>$ 60</td>
<td>$ 50,01</td>
<td>$ 40</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(7350) Employee Recruit &amp; Retin</td>
<td>$ 20</td>
<td>$ 5,001</td>
<td>$ 2,317</td>
<td>$ 4,000</td>
<td>$ 487</td>
<td>3,513</td>
<td></td>
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<tr>
<td>Expenses Services &amp; Supplies</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(7415) Operating</td>
<td>$ 20</td>
<td>$ 5,001</td>
<td>$ 2,317</td>
<td>$ 4,000</td>
<td>$ 487</td>
<td>3,513</td>
<td>87.83%</td>
</tr>
<tr>
<td>Expenses Services &amp; Supplies</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(7450) Permits &amp; Fees</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Services &amp; Supplies</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(7455) Over &amp; (Short)</td>
<td>$ 90</td>
<td>$ 299</td>
<td>(74)</td>
<td>-</td>
<td>$ 1,744</td>
<td>$ (1,744)</td>
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<td>$ 61,330</td>
<td>$ 41,969</td>
<td>$ 37,500</td>
<td>$ 53,900</td>
<td>(16,400)</td>
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<tr>
<td>(7480) Rental &amp; Lease</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>$ 480</td>
<td>$ 227</td>
<td>253</td>
</tr>
</tbody>
</table>

Revenues Less Expenses

$ 395,445 $ 266,561 $ 242,765 $ 232,576 $ 304,712 $ 72,136 $ 31.02%
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(3) –
AUTHORIZE THE EXPENDITURE OF AN ADDITIONAL $1.464 MILLION
TO RENOVATE/REPAIR THE MOUNTAIN GOLF CLUBHOUSE

Introduction: Here staff seeks approval to spend up to an additional $1.464 million repairing/renovating the Mountain Golf Course Clubhouse as a result of an August 11, 2018 kitchen fire. Because insurance proceeds for repairs caused by the fire will total but $300,000, requiring an additional $1.164 Million and probably a whole lot more to complete the project, I am in opposition. And that’s the purpose of this written statement.

The Current Enhanced Clubhouse Project: Staff represents that on December 12, 2018 the Board approved the current conceptual design for the current enhanced project\(^1\). So what exactly is this project, and how does it differ from repairs caused by the kitchen fire? According to GM Pinkerton, “modernizing of the building...bring(ing) the building up to modern, safe standards (as well as)... updating parts of the structure to current building codes and accessibility standards...instead of just repairing the building to its previous configuration.”\(^2\) “The (enhanced) design concept contemplates\(^3\):

1. Replacing “the current full kitchen with a concession and bar area;”
2. Installing “expanded seating area outdoors;”
3. “Moving the pro shop...adjacent to the dining room;”
4. Relocating current “office space...to the current pro shop location;”
5. Installing a “ramp going from the front entrance...to the entryway adjacent to the deck;” and,
6. Upgrad(ing)...the deck...to meet modern accessibility standard;”

How Much Was the Current Enhanced Clubhouse Project Estimated to Cost on December 12, 2018? According to GM Pinkerton, and based on the architect’s preliminary estimates...$900,000... (was estimated to) be enough to execute th(is) concept plan.”\(^4\)


\(^{3}\) See page 122 of the 12/12/2018 Board packet.

\(^{4}\) See page 123 of the 12/12/2018 Board packet.
Given Insurance Proceeds Because of the August 11, 2018 Kitchen Fire, What Additional Costs Were Estimated on December 12, 2018 and Where is the Money Going to Come From? According to GM Pinkerton, “assuming (receipt of) between $200,000 and $400,000 from insurance proceeds...staff estimate(d at the Board’s December 12, 2018 meeting that) up to $500,000 (additional)...could be dedicated to the project without negatively impacting the District’s Capital Plan for the Community Services Fund.” At the Board’s March 18, 2019 meeting Finance Director Gerry Eick told the Board and the public that staff contemplated transferring $561,800 from the General Fund balance.

Has the Estimated Cost to Complete the Current Enhanced Clubhouse Project Increased and if So, By How Much? According to GM Pinkerton, that estimated cost has now increased a whopping 71% (by $612,400 to $1.464 million!)

What Additional Design, Engineering and Permit Costs Have Staff Incurred That Are Not Included in the Estimated $1.464 Million? GM Pinkerton tells the Board and the public that as a result of the Board’s decision at its December 12, 2018 meeting, staff have “proceeded with final design (and) the Smith Design Group (“SDG”) has now completed design documents which have been submitted to Washoe County for permits.” Based upon this revelation, on May 20, 2019 I made a public records request upon IVGID’s Public Records Officer (“PRO”) to learn the amount of these costs. On May 20 the PRO e-mailed back to me disingenuously stating she “need(ed) more information than described below in order to find the records (I was)...seeking.” For these reasons I went to IVGID’s opengov tool, searched for recent payments to SDG and BJG associated with the subject Mountain Golf clubhouse project, and here’s what I learned. Between February 21-May 9, 2019 SDG was paid $35,185; between March-April 3, 2019 BJG was paid $9,200; and I could find no particulars whatsoever insofar as permit fees to Washoe County and/or Tahoe Regional Planning Agency (“TRPA”). In other words, on top of the estimated $1.464 million project cost, we know it is going to cost at least $44,385 more.

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5 Actually, it turns out to be $300,000.
7 See page 73 of the 5/22/2019 Board packet.
8 A copy of my e-mail request is attached as Exhibit “A” to this written statement. I have placed an asterisk on the e-mail where I asked the PRO to make available for my examination “all payments to BJG Architecture – Engineering (“BJG”) and SDG or any other third party associated with the Mountain Golf Course clubhouse improvement project.”
9 I say “disingenuously” because staff knows full well who performed design and engineering work, when, and how much they have been paid.
What Additional Allocated Staff Costs Have Been Incurred, and Are Projected to be Incurred, That Are Not Included in the Estimated $1.464 Million? On December 12, 2018 when GM Pinkerton was attempting to clarify $272,500 in allocated staff costs allegedly assigned to the effluent pipeline pond liner project, he announced to the Board and the public that “staffing costs are allocated to (capital improvement) projects (“CIPs”) based on the amount of time spent on...specific project(s)” because if staffs’ services were not provided, the public would have to pay outside third parties to perform those services and at an allegedly higher cost. Therefore on May 20, 2019, I made a public records request upon IVGID’s PRO to learn the “identity (of) each IVGID employee who has devoted any time, effort or out of pocket cost associated with...the Mountain Golf...clubhouse improvement project, the date(s) when each such effort(s) was advanced, a description of the effort(s) advanced, the time spent for each such effort(s) advanced, (and) the out of pocket cost for each such cost advanced.”

Given prior experience with IVGID’s PRO and her disingenuous response to my e-mail, I predict it is going to take many months to get any substantive response to my records request and even if I get a response, it is not going to provide the records requested. Notwithstanding, we can estimate the amount of allocated staff costs.

The Project Summary for this Project: Staff come up with a project summary for each CIP and have come up with one for the subject project. That summary appears at page 89 of the 5/22/2019 Board packet, and I have attached a copy as Exhibit “C” to this written statement.

I have placed an asterisk next to the following language on the project summary: “the project will be managed by the Engineering staff with substantial cooperation and involvement by the District General Manager, Director of Finance, the Director of Golf, (and) the Mountain Course Head Professional.” So we know there have been and are going to be substantial staff costs; considerably more than the $272,500 of allocated staff costs assigned to the pond liner project.

$1.230 Million of Additional Allocated Staff Costs: When I went through the identical process of obtaining records evidencing alleged allocated staff costs associated with the pond liner, it turned out that 84% of the direct costs spent with outside vendors on the pond liner project were assigned to allocated staff costs for that project. So when I calculate 84% of the estimated $1.464 million in construction costs with outside vendors, I get an additional approximate $1.23 million. So to be realistic, this sum should be added to the estimated $1.464 million project cost.

So Now We’re Up to an Estimated $2.738 Million to Complete the Current Enhanced Clubhouse Project:

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11 See pages 481-482 of the 5/22/2019 Board packet. A copy of those pages with an asterisk next to the quoted language are attached as Exhibit “B.”

Where’s the Additional $2.438 Million Going to Come From on Top of the $300,000 of Insurance Proceeds? At the Board’s March 18, 2019 meeting staff produced a combined Community Services and Beach Fund Balance Stress Test which projected a combined $12,345,349 in unrestricted recreation/beach reserves as of June 30, 2020\(^{13}\). Based upon projected 2019-20 CIPs, and maintaining a targeted combined reserve of $4.959 million, before assigning any additional funds to the current Enhanced Clubhouse project, staff estimated we would be left with $1.576 million in reserves\(^{13}\).

**But Wait. Staff’s Projections Anticipated Some $800,000 of Personal Property Expenditures\(^{14}\) Would be Funded Through an Installment Purchase Agreement Which on May 1, 2019 the Board REJECTED\(^{15}\):** Since staff refuses to cut back their overspending, this means that an additional $800,000 must come from the projected Community Services Fund Balance since staff has announced they intend to “put these items in the budget as paying for cash.”\(^{16}\)

**But Wait Again. At the Board’s May 1, 2019 Meeting GM Pinkerton Told the Board and the Public That Staff’s Previous $700,000 Estimate for Tennis Center Renovations\(^{5}\) Has Now Crept Up to $1.2M Plus Allocated Staff Costs:** This means that an additional $500,000 must come from the projected Community Services Fund Balance.

**But Wait Again. At the Board’s May 1, 2019 Meeting GM Pinkerton Told the Board and the Public That Staff’s Previous $500,000 Estimate for Burnt Cedar Pool Repairs\(^{6}\) Has Now Crept Up to Nearly $1.3M Plus Allocated Staff Costs:** This means that an additional $500,000 must come from the projected Beach Fund Balance.

**But Wait One More Time. What About $1,701,702 of Previously Appropriated CIPs That Have Been Carried Forward?** At page 222 of the 5/22/2019 Board packet staff has included a page from its Capital Project Report as of May 10, 2019\(^{17}\). This report includes a list of fully appropriated CIPs together with a designation of which ones have not been fully prosecuted, and how much of what has been appropriate remains available to be spent from this point forward. Out of a total of $5,761,070 for all CIPs system wide\(^{18}\), insofar as “All Community Services...Combined” is concerned, staff reports $1,701,702 of this sum (I have placed an asterisk next to this number). This means

---

\(^{13}\) See page 66 of the 3/18/2019 Board packet. A copy of that page with asterisks next to the projected combined fund balance as of June 30, 2020 and remaining after “planned items,” is attached as Exhibit “D.”

\(^{14}\) 58 Mountain Course golf carts at a cost of $288,000, a nearly $400,000 Diamond Peak snowplow, and a $96,000 Championship Course lawn mower.

\(^{15}\) See pages 441-448 of the 5/22/2019 Board packet.

\(^{16}\) See page 448 of the 5/22/2019 Board packet.

\(^{17}\) A copy of that page is attached as Exhibit “E” to this written statement.

\(^{18}\) See page 226 of the 5/22/2019 Board packet.
that out of a projected $10,368,499 fund balance as of June 30, 2019¹³, $1,701,702 must be spent on previously budgeted CIPs which have already been appropriated. This means that an additional $1,701,702 must come from the projected Community Services Fund Balance.

Ladies and Gentlemen. We Don’t Have the Money to Pay For Staff’s Proposed Enhanced Mountain Clubhouse Project! Let’s recoup the above numbers so you can see what I see:

<table>
<thead>
<tr>
<th>Projected Deductions From Community Services Fund Balance¹⁹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
</tr>
<tr>
<td>Projected 6/30/2020 Fund Balance</td>
</tr>
<tr>
<td>Targeted Reserve Retention</td>
</tr>
<tr>
<td>Rejected Installment Purchase²⁰</td>
</tr>
<tr>
<td>Increased Tennis Center Renovation Costs</td>
</tr>
<tr>
<td>Increased Enhanced Mountain Golf Clubhouse Repairs</td>
</tr>
<tr>
<td>Funds for Carry Forward CIPs</td>
</tr>
<tr>
<td>Lakeview Chairlift Maintenance</td>
</tr>
<tr>
<td>Mountain Golf Fuel Storage Facility</td>
</tr>
<tr>
<td>DPMP Entitlements &amp; Permits</td>
</tr>
<tr>
<td>DPMP Phase 1(a) Withhold</td>
</tr>
<tr>
<td>DPMP Phase 1(b) Withhold</td>
</tr>
<tr>
<td>Amounts Available For CSMP Projects</td>
</tr>
<tr>
<td>Adjusted Projected 6/30/2020 Fund Balance</td>
</tr>
</tbody>
</table>

¹⁹ According to Finance Director Gerry Eick, this term is synonymous with reserves.


²¹ The 2018-19 Budget projected that this project would cost $390,000. I have attached page 5 from IVGID’s 2018-19 Five Year Capital Improvement Plan [https://www.yourtahoeplace.com/uploads/pdf-lvgid/FY_18-19_5-year_CIP_Book_-_FINAL_5.23.18.pdf (“the 2018-19 Five Year Plan”) as Exhibit “E” to this written statement, and I have placed an asterisk next to the $390,000 estimated cost.

²² See page 73 of the 5/22/2019 Board packet. There GM Pinkerton told the Board and the public that the revised estimate for this project was $851,600, estimated insurance proceeds were $300,000 and the deficient $561,800 was going to come from a transfer from the General Fund. Also understand that this project wasn’t even included in the 2018-19 Five Year Plan. I have attached page 3 from that plan as Exhibit “F,” and I have placed an asterisk next to projected Mountain Golf CIPs. Note this project isn’t even listed.
This means that nearly $2.5 million of the above-described projects must be deleted, or the RFF must be increased by a like amount. And if any of these projects end up costing more than these enhanced estimates, there will be a need for an even greater RFF increase. Either way, our reserves available to pay for legend recreational projects are now depleted.

<table>
<thead>
<tr>
<th>Projected Deductions From Beach Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
</tr>
<tr>
<td>Projected 6/30/2020 Fund Balance</td>
</tr>
<tr>
<td>Targeted Reserve Retention</td>
</tr>
<tr>
<td>Increased Burnt Cedar Pool Repair Costs</td>
</tr>
<tr>
<td>Amounts Available For Beach House Project</td>
</tr>
<tr>
<td>Adjusted Projected 6/30/2020 Fund Balance</td>
</tr>
</tbody>
</table>

Don’t get excited about the remaining $921,395 Beach Fund Balance. Several trustees have expressed skepticism that the Burnt Cedar Pool can be repair versus replaced. Even if it can be repaired, these trustees have expressed skepticism that repairs will last for any extended period of time. For these reasons, the Board will have to decide whether to repair or replace the pool. And if we’re talking replacement, the cost is going to be considerably more than the projected $800,000 repair cost.

**Ditch Construction of an Enhanced Mountain Golf Clubhouse Project and in its Place, Repair the Kitchen With the $300,000 of Insurance Available:** Who exactly asked for an “enhanced” Mountain Golf Clubhouse project? Who asked to spend over $1.5 million on such a project? Given the limited number of “enhancements” and outrageous estimated cost, wouldn’t be more prudent to simply replace the structure altogether rather than go through piecemeal fixes every several years?

Moreover, I ask the reader to go back to 2013. At that time the Board was faced with the decision of either repairing the Mountain Golf Clubhouse deck, or constructing a new clubhouse. Instead of replacement, $150,000 was spent on repairs. If the current proposed “enhanced” project is prosecuted, it will mean that the previous $150,000 spent will have been wasted.

Given page 74 of the 5/22/2019 Board packet instructs that one available option is to “direct staff to not bid the...project and not proceed with” it, that’s exactly what the Board should do! This will save taxpayers at least $1.5 million which can be devoted to far more “vital” projects.

**My May 22, 2019 E-Mail:** asked the Board to vote NO on this project for the reasons stated. I suggested the Board take a step backwards and seek the assistance of a Public Insurance Adjustor

---

23 The 2018-19 Budget projected that this project would cost $500,000. I have placed an asterisk next to the $500,000 estimated cost on Exhibit “E.”
since staff had done such an amateurish job of negotiation a paltry $300,000 insurance settlement. Not knowing how the Board will vote, it certainly cannot claim it didn’t know.

Conclusion: We’ve had this discussion before. Staff and the Board have “big eyes.” Since they view Incline Village as something more worthy of Taj Mahals, they constantly think and spend bigger and bigger without regard to where the money is going to come from. The Board needs to learn to live within its financial means. As I have demonstrated, the District doesn’t have the money to embark upon the proposed “enhance” Plan. You Board members can stick your collective heads in the sand and pretend you don’t know what’s going on around you. But how about doing your jobs instead by admonishing staff for having ever, ever proposed such an irresponsible enhanced project which needlessly wastes public moneys? Had staff been more prudent, it wouldn’t be coming to the Board asking to enter into an enhanced Mountain Golf Clubhouse project. Instead, they would be repairing the kitchen damage with the insurance money available.

And to those who may be reading this written statement and asking how their RFF/BFF is responsibly spent, now you have the answer.

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

\(^{24}\) I have attached this e-mail as Exhibit “G” to this written statement.
EXHIBIT "A"
May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Calibrate Tim <tim_calibrate2@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Morris Peter <Peter_Morris@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project
Date: May 20, 2019 11:13 AM

To the Honorable Chairperson Wong, and other Honorable members of the IVGID Board;

Please do NOT approve this agenda item. It's another grossly underestimated (in cost) wasteful project for the reasons below:

1. Look at the records request (below) I have sent to Ms. Herron. The records I have requested are going to establish:

2. The staff time cost we have already incurred to date;

3. The architectural, design and plan costs we have already incurred to date;

4. The ADDITIONAL allocated staff costs staff never tell the Board and the public about ahead of time GM Pinkerton asserts is assessed on every CIP project because someone has to perform these efforts and if not staff, the project would have to cost more because of those effort;

5. When you get through examining all of these records, assuming staff ever provides them (because they have a history of NOT providing allocated staff costs), you're going to discover the cost to be WELL NORTH OF $2M OR MORE for this project;

6. Local property owners do not want $2M or more of their RFF spend on a wasteful project like this. Instead, do what Joe Wolfe suggested several years ago: tear down the club house and place a portable vehicle for local property owners to check in/pay;

7. Or tear down the clubhouse and build anew.

BTW, staff haven't shared with the Board and the public that several years ago when the clubhouse deck was replaced, local property owners were charged $150K or more which I objected to spending if we were ever going to reach the question of in the future spending additional monies for a permanent fix which involved ripping out the deck/other repairs for which the $150K or more had been spent.

Yet look where we are today. Re-doing the very deck we spent $150K or more on several years ago which now becomes a wasted expenditure. Which means you best add this $150K or more on to the proposed cost of this project now sending its cost even higher.

Finally, have any of you ever heard of a Public Insurance Adjuster who acts on behalf of an insured in negotiating the claim or claims for damage under any insurance policy covering real or personal property? Since I am certain your revered staff have not, and we're only being offered a $300K settlement for the Mountain Clubhouse fire when the costs to repair, including bringing those repairs up to today's codes, are projected at $1.4M, it would be prudent to investigate and hire a Public insurance Adjuster who works for us.

Before the Board considers spending $2M or more on this project, it needs to step back and rely upon REAL professionals rather than the less than professional staff we have today.

And so the public sees what I see, I am asking staff to please place a copy of this e-mail request in the next Board packet.

Thank you for your consideration, Aaron Katz

---Forwarded Message---
From: "s4s@ix.netcom.com"
Sent: May 20, 2019 10:48 AM
To: "Herron,Susan"

https://webmail.earthlink.net/wam/printable.jsp?msgid=9601&x=866423528
Subject: Records Request - Staff/Other Costs Allocated to the Mountain Golf Course Clubhouse Improvement Project

> Hello Ms. Herron -

> Another public records request:

> I want to examine records which:

> 1. Identify each IVGID employee who has devoted any time, effort or out of pocket cost associated with repairs/replacements associated with the Mountain Golf Course clubhouse improvement project;

> 2. The date(s) when each such effort(s) was advanced;

> 3. A description of the effort(s) advanced;

> 4. The time spent for each such effort(s) advanced;

> 5. The out of pocket cost for each such cost advanced.

> I also want to examine records evidencing all payments to BJG Architecture - Engineering and Smith Design Group or any other third party associated with the Mountain Golf Course clubhouse improvement project. Invoices and evidences of payment would be sufficient.

> I also want to examine records which evidence all free or discounted user fees given at any IVGID owned recreational venue and/or the beach to any non-IVGID employee, associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project. These records should:

> 1. Identify each non-IVGID employee who has been given free or discounted user fees;

> 2. The date(s) when each such free/discounted recreational venue access was advanced;

> 3. The retail value for each such free/discounted recreational venue access advanced.

> Finally, several years ago IVGID elected to replace the Mountain Golf Course clubhouse deck and at the same time, make a series of other improvements/repairs to the clubhouse (like siding). With respect to those improvements, I would like to examine records evidencing:

> 1. All such repairs made non-IVGID employees, including the identity of the tradesperson(s), and the nature of the work performed and their cost;

> 2. All such materials supplied by non-IVGID sources, including their supplier and cost;

> 3. All such architectural/design work/plans provided by non-IVGID sources, including their supplier and cost;

> 4. All such permits obtained including their cost;

> 5. And identifying each IVGID employee who devoted any time, effort or out of pocket cost associated with these repairs/replacements;

> 6. The date(s) when each such effort(s) was advanced;

> 7. A description of the effort(s) advanced;

> 8. The time spent for each such effort(s) advanced;

> 9. The out of pocket cost for each such cost advanced by an IVGID employee.

Thank you for your cooperation, Aaron Katz
EXHIBIT "B"
IV. COMMENT

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

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

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

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

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

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

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

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

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

V. CONCLUSION

The full year end Fiscal Year report is attached. It is also available on the District’s website via the Capital Improvement Projects Section of the Financial Transparency page. Quarterly Reports are available for the three most recent fiscal years as are the annual reports for the past four years.
EXHIBIT "C"
Project Summary

Project Description

Rebuild and rehabilitate the Mountain Golf Course Clubhouse resulting from the August 11, 2018 kitchen fire. The objective is to have a facility that provides good customer experiences for golf check-in, presentation of merchandise, supports a food and beverage service area, and has a social setting in support of both golf and non-golf users. Ancillary to these capacities, the facility also has to accommodate the administration and supervision of the operation for Management and front line staff through good sight lines and accessible storage. This project will also allow the District to address accessibility of the lower level.

Project Internal Staff

The Project will be managed by the Engineering staff with substantial cooperation and involvement by the District General Manager, Director of Finance, the Director of Golf, the Mountain Course Head Professional.

Project Justification

The August 11, 2018 fire rendered the kitchen area unusable. Smoke damage was incurred throughout the facility, which in turn affects walls, flooring and mechanical systems. The District’s insurance coverage is for replacement. However, the evaluation of what is the best solution long term for the operations indicates a revised allocation of floor space, changes to access and ultimate substantial change to customer flow requires a make over of the floor plan. These changes facilitate other objectives including a long stand issue of ADA accessibility to the lower level and deck which serves food. A combination of insurance proceeds and District resources would be required to accomplish the full scope of the rehabilitation project. A design for the renovation of the mountain golf clubhouse has been completed to meet the objectives of future operation while staying within the existing footprint of the building.

Forecast

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Total Expense</th>
<th>Total Revenue</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,494,000</td>
<td>0</td>
<td>1,494,000</td>
</tr>
</tbody>
</table>

Year Identified | Start Date | Est. Completion Date | Manager |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Nov 1, 2018</td>
<td>Mar 31, 2020</td>
<td>Engineering Manager</td>
</tr>
</tbody>
</table>
EXHIBIT "D"
### IVGID

**Executive Summary**

**Special Revenue Fund Balance Stress Test**

**Audited Fund Balance versus Planned Capital Project Transfers**

**Presented to Board of Trustees March 18, 2019**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Fund Balance June 30, 2018</td>
<td>$10,645,469</td>
</tr>
<tr>
<td>Projected Operating Sources FYE 6/30/19</td>
<td>$18,797,530</td>
</tr>
<tr>
<td>Projected Operating Uses FYE 6/30/19</td>
<td>$(16,858,100)</td>
</tr>
<tr>
<td>Transfer of Work Comp residual</td>
<td>241,875</td>
</tr>
<tr>
<td>Transfer for CIP carryover</td>
<td>(228,675)</td>
</tr>
<tr>
<td>Transfer for Diamond Peak Culvert current &amp; carryover</td>
<td>(2,229,600)</td>
</tr>
<tr>
<td><strong>Projected Fund Balance June 30, 2019</strong></td>
<td><strong>10,368,499</strong></td>
</tr>
<tr>
<td>Budgeted Operating Sources FYE 6/30/20</td>
<td>17,943,215</td>
</tr>
<tr>
<td>Budgeted Operating Uses FYE 6/30/20</td>
<td>(17,966,365)</td>
</tr>
<tr>
<td><strong>Projected Fund Balance June 30, 2020</strong></td>
<td><strong>10,345,349</strong></td>
</tr>
</tbody>
</table>

**Planned to meet Asset Replacement Funding:**

- 3970BD2501 BC Pool Resurface & Mechanical - (252,000)
- 3241ME1804 Mountain Golf Fuel Storage Facility (200,000) -
- 3462HE1702 Lakeview Lift Maintenance & Improvements (250,000) -
- 4588BD1604 Tennis Center Renovation (700,000) -
- 3653BD1501 DP Master Plan Entitlements & Permits (150,000) -
- 3653BD1501A DP Master Plan Phase 1A Activities (2,206,000) -
- 3653BD1501B DP Master Plan Phase 1 B Activities (1,757,774) -

**Fund Balance less planned items**

$5,081,575          $1,448,395

**Current Target by Policy**

$4,480,000          $479,000

**Remainder**

$601,575            $969,395

**Discussion:**

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

**Beach Special Revenue Fund** does not have sufficient resources to proceed with support for the planned pool renovation at Burnt Cedar Beach. It does not have sufficient resources for the Incline Beach building renovation as of this measurement date.
### 2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

<table>
<thead>
<tr>
<th>District</th>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

**A - Major Projects - New Initiatives**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

| 47RL101001   | Tyndall Field Rehabilitation | 20,000 | 15,000 | 10,000 | 5,000 | 2,000 | 48,500 | D | 1 |

**B - Major Projects - Existing Facilities**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

**C - Capital Improvement - New Initiatives**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

**D - Capital Improvement - Existing Facilities**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

**E - Capital Maintenance**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>

**F - Equipment & Software**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
</table>
EXHIBIT "F"
### 2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

<table>
<thead>
<tr>
<th>Division</th>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mountains Golf</strong></td>
<td><strong>3141L01</strong></td>
<td>Mountain Golf Course Greens, Tees and Bunkers</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td><strong>E</strong></td>
</tr>
</tbody>
</table>

### Facilities

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>2018-2019</th>
<th>2019-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>Total</th>
<th>Project Type</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3109P0103</strong></td>
<td>Chateau - Replace Carpet</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
</tr>
</tbody>
</table>

**Note:** The table above represents the project summary totals for the 2018/2019 fiscal year, detailing the project numbers, titles, and financial data for various projects categorized under different divisions and project types. The numerical data includes the financial summary for each project phase, denoted as 2018-2019 through 2022-2023, with the total project budget and the associated project type and number of projects involved.
EXHIBIT "G"
To the Honorable Chairperson Wong, and other Honorable members of the IVID Board;

Please do NOT approve this agenda item. It's another grossly underestimated (in cost) wasteful project for the reasons below:

1. Look at the records request (below) I have sent to Ms. Herron. The records I have requested are going to establish:

2. The staff time cost we have already incurred to date;

3. The architectural, design and plan costs we have already incurred to date;

4. The ADDITIONAL allocated staff costs staff never tell the Board and the public about ahead of time GM Pinkerton asserts is assessed on every CIP project because someone has to perform these efforts and if not staff, the project would have to cost more because of these effort;

5. When you get through examining all of these records, assuming staff ever provides them (because they have a history of NOT providing allocated staff costs), you’re going to discover the cost to be WELL NORTH OF $2M OR MORE for this project;

6. Local property owners do not want $2M or more of their RFF spend on a wasteful project like this. Instead, do what Joe Wolfe suggested several years ago: tear down the club house and place a portable vehicle for local property owners to check in/pay;

7. Or tear down the clubhouse and build anew.

BTW, staff haven’t shared with the Board and the public that several years ago when the clubhouse deck was replaced, local property owners were charged $150K or more which I objected to spending if we were ever going to reach the question of in the future spending additional monies for a permanent fix which involved ripping out the deck/other repairs for which the $150K or more had been spent.

Yet look where we are today. Re-doing the very deck we spent $150K or more on several years ago which now becomes a wasted expenditure. Which means you best add this $150K or more on to the proposed cost of this project now sending its cost even higher.

Finally, have any of you ever heard of a Public Insurance Adjuster who acts on behalf of an insured in negotiating the claim or claims for damage under any insurance policy covering real or personal property? Since I am certain your revered staff have not, and we’re only being offered a $300K settlement for the Mountain Clubhouse fire when the costs to repair, including bringing those repairs up to today’s codes, are projected at $1.4M, it would be prudent to investigate and hire a Public Insurance Adjuster who works for us.

Before the Board considers spending $2M or more on this project, it needs to step back and rely upon REAL professionals rather than the less than professional staff we have today.

And so the public sees what I see. I am asking staff to please place a copy of this e-mail request in the next Board packet.

Thank you for your consideration, Aaron Katz

-----Forwarded Message-----
From: "s4s@ix.netcom.com"
Sent: May 20, 2019 10:48 AM
To: "Herron,Susan"
Subject: Records Request - Staff/Other Costs Allocated to the Mountain Golf Course Clubhouse Improvement Project

> Hello Ms. Herron -

> Another public records request:

> I want to examine records which:

> 1. Identify each IVGID employee who has devoted any time, effort or out of pocket cost associated with repairs/replacements associated with the Mountain Golf Course clubhouse improvement project;

> 2. The date(s) when each such effort(s) was advanced;

> 3. A description of the effort(s) advanced;

> 4. The time spent for each such effort(s) advanced;

> 5. The out of pocket cost for each such cost advanced.

> I also want to examine records evidencing all payments to BJG Architecture - Engineering and Smith Design Group or any other third party associated with the Mountain Golf Course clubhouse improvement project. Invoices and evidences of payment would be sufficient.

> I also want to examine food and beverage records or food and beverage reimbursement records which evidence all such costs expended by/on behalf of IVGID since January 1, 2017 associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project.

> I also want to examine records which evidence all free or discounted user fees given at any IVGID owned recreational venue and/or the beach to any non-IVGID employee, associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project. These records should:

> 1. Identify each non-IVGID employee who has been given free or discounted user fees;

> 2. The date(s) when each such free/discounted recreational venue access was advanced;

> 3. The retail value for each such free/discounted recreational venue access advanced.

> Finally, several years ago IVGID elected to replace the Mountain Golf Course clubhouse deck and at the same time, make a series of other improvements/repairs to the clubhouse (like siding). With respect to those improvements, I would like to examine records evidencing:

> 1. All such repairs made non-IVGID employees, including the identity of the tradeperson(s), and the nature of the work performed and their cost;

> 2. All such materials supplied by non-IVGID sources, including their supplier and cost;

> 3. All such architectural/design work/plans provided by non-IVGID sources, including their supplier and cost;

> 4. All such permits obtained including their cost;

> 5. And identifying each IVGID employee who devoted any time, effort or out of pocket cost associated with these repairs/replacements;

> 6. The date(s) when each such effort(s) was advanced;

> 7. Description of the effort(s) advanced;

> 8. The time spent for each such effort(s) advanced;

> 9. The out of pocket cost for each such cost advanced by an IVGID employee.

Thank you for your cooperation, Aaron Katz
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(4) –
TRANSFER OF REMAINING WORKERS’ COMPENSATION SELF-INSURED
RETENTION RESERVES TO THE GENERAL FUND RATHER THAN
REFUNDING THEM TO THE LOCAL PARCEL/DWELLING UNIT
OWNERS WHO MADE PAYMENT

Introduction: Here staff proposes transferring the remaining $174,356 in its workers’
compensation retention reserve fund to the General Fund to be used for unidentified, unappropriated
and unbudgeted future “pet projects” notwithstanding these moneys were involuntarily exacted from
local parcel/dwelling unit owners and water/sewer rate payors under the guise they were necessary
to pay operational costs associated with IVGID’s recreational and beach facilities, and the water/
sewer services provided to these local parcel/dwelling units. Since I object to these moneys, as well as
the $1.1 million of similar monies, not being returned directly to those who paid them, I protest this
proposed action. And that’s the purpose of this written statement.

Prologue: What happens to the funds IVGID assesses local parcel/dwelling units under the
 guise they’re required for an express particular purpose, when it turns out the money is not needed
for that purpose? Are they to be returned to those who made payment? Or does IVGID get to keep
the funds as a windfall because it can always find some need for one or more general governmental
expenditures such as the recently announced retirement party for Washoe County Manager John
Slaughter? Here we have another example of IVGID resisting the return of excess monies exacted for
a very particular purpose now that it is no longer required. And as has become an all but too frequent
occurrence, once staff get their hands on revenues from any source, they view receipt as the “green
light” for their use for any purpose of their choosing. The same justification which differentiates a
“fee” from a “tax.”

The Facts Giving Rise to This Agenda Item: As the staff memorandum in support of this agenda
item admits¹, in 1992 the District elected to self-insure against possible future workers’ compensation
claims of its employees. However to self-insure, IVGID was obligated to hold over $1 million in
retention reserves to insure payment of “claim costs incurred during that time.”² Thus “the Workers
Comp Reserve exist(ed) according to Nevada Revised Statutes as an amount designated annually by
the State of Nevada Insurance Commissioner (to be)...set aside in the event the State ha(d) to meet

¹ See page 168 of the packet of materials prepared by staff in anticipation of the Board’s May 22,
2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-
² See page 52 of IVGID’s Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ending
(“the 2018 CAFR”).

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claims in excess of available reserves.” And over the years that followed, IVGID was able to accumulate and deposit approximately $1.2 million in such reserves.

But “as of July 1, 2013 the District (began) utilizing the Nevada Public Agency Compensation Trust (“NVPACT”) to provide work comp coverage for all (its) employees.” And effective July 1, 2018, the District “ent(ered) into a Loss Transfer and Assumption Agreement with (the NVPACT which)... remove(d) all liability” and thus “allow(IVGID)...to liquidate its claims liability from past years when it was under a self-insured program. (As of September 1, 2018) $800,000 was returned as excess resources to the operating funds which had paid in to the program over a period of years from 1992 to 2013,” and “another $300,000 (wa)s budgeted to be returned...for the fiscal year ending June 30, 2019.” Now staff seeks to transfer the remaining $174,356 in reserves.

But what staff doesn’t share with the Board and the public is where those reserves came from, and why they were exacted. Simply stated, these moneys came from the only sources of revenue available for that purpose: Recreation (“RFF”) and Beach (“BFF”) Facility Fees, and the rates IVGID’s water/sewer customers were charged (reported in the Utility Fund). However rather than returning this money to those who paid it, staff proposes transferring this money “to the General Fund.”

NRS 205.300: States that: “(1) Any bailee of any money...or any person with whom any money...ha(s) been deposited or entrusted, who uses or appropriates the money...or any part thereof in any manner or for any other purpose than that for which (it) was deposited or entrusted, is guilty of embezzlement...(Moreover, 3) any use of the money...by any bailee thereof, other than that for which it was...deposited...or collected, is prima facie evidence of conversion and of intent to steal the same and defraud the...owners thereof.”

Staff’s proposed use of these monies for purposes other than those for which they were collected and entrusted is evidence of conversion and intent to steal.

For These Reasons Local Property Owners Are Entitled to Refund of the $1,274,356 They Paid Into the Workers’ Compensation Retention Reserve Fund: When local parcel/dwelling unit owners/their predecessors paid this money through their RFF/BFF/utility rates, because IVGID represented it was necessary to self-insure workers’ comp claims, payment was never made with the understanding IVGID would get to keep this money forever if/when that retention were no longer necessary. So why is this money being transferred to the General Fund to be used on more worthless expenditures, rather than being returned to those/their successors who made payment?

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3 See page 44 of the 2018 CAFR.
4 “Under the agreement all of the past liability for the District’s self-insured workers compensation program from 1992 through June 30, 2013 (wa)s transferred to PACT” (see note 20 at page 55 of the 2018 CAFR).
5 See page 18 of the 2018 CAFR.
Just like “smoothing,” no trustee should sanction this wrong.

**Conclusion:** The ends do not justify the means. The fact staff is hungry for more and more money to fund their agenda of increasing the District’s footprint does not justify mis-using moneys exacted from local parcel/dwelling unit owners for a completely different purpose. So not only do I ask that the Board vote NO on this agenda item, but I ask that one or more members agendize for future action the refund to local parcel/dwelling unit owners of the $1,100,000 which has already been transferred to unrestricted fund balances, as well as the subject $174,356 remaining.

How about you Board members demonstrating you’re here to represent local parcel/dwelling unit owners rather than your staff who care more about themselves, their fellow employee colleagues and the special interests in town, than local parcel/dwelling unit owners they were elected to serve? This is why I sent the Board an e-mail request on May 21, 2019.

And to those who wonder what their RFF/BFF is actually spent on, now I have provided additional evidence.

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

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7 A copy of this e-mail is attached as Exhibit “A” to this written statement.
EXHIBIT “A”
May 22, 2019 Meeting AGENDA ITEM I(4) – PROPOSED TRANSFER OF REMAINING WORKERS’ COMPENSATION SELF-INSURED RESERVES TO THE GENERAL FUND RATHER THAN RETURNING IT TO THE LOCAL PARCEL/DWELLING UNIT OWNERS WHO PAID THEM

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Horan Phil <horan_trustee@ivgid.org>, Morris Peter <Peter_Morris@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Calicate Tim <tim_calicate2@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: May 22, 2019 Meeting AGENDA ITEM I(4) – PROPOSED TRANSFER OF REMAINING WORKERS’ COMPENSATION SELF-INSURED RESERVES TO THE GENERAL FUND RATHER THAN RETURNING IT TO THE LOCAL PARCEL/DWELLING UNIT OWNERS WHO PAID THEM
Date: May 21, 2019 9:31 AM

To the Honorable Chairperson Wong, and Other Honorable Members of the IVGID Board:

Here staff propose completing their liquidation of the workers’ comp self-insured retention fund, and transfer of the proceeds into the General Fund to be used for general governmental purposes.

But that’s not the reason why the Board told the public such funds were being involuntarily exacted. And its not the reason why such sums were deposited into the retention fund.

Take a look at NRS 205,300. I think you will see that such proposed action fits the definition of embezzlement.

The ends do not justify the means. The fact staff is hungry for more money to pursue their agenda of increasing the District’s footprint does not justify mis-using money obtained for a purpose other than the one staff now propose using the funds (where does the Board think the proposed $500,000 transfer from the General Fund to help pay for improvements to the Mountain Course Clubhouse is coming from?). So not only do I ask that the Board vote NO on this agenda item, but I ask that one or more members agendize for future action the refund to local parcel/dwelling unit owners of the $1,100,000 of former workers’ comp self-insured retention funds as well as the subject $174,356 remaining which is the subject of this agenda item.

How about you Board members demonstrating you’re here to represent local parcel/dwelling unit owners rather than your staff who care more about themselves, their fellow employee colleagues and the special interests in town, than local parcel/dwelling unit owners they were elected to serve?

Please include a copy of this e-mail in the next Board packet so the public can see what I see.

Thank you for your hopeful positive action. Respectfully, Aaron Katz
For the minutes of the
BOT meeting of 5-22-2019

It is interesting after attending the IVCB community hosted by Sarah Schmidt Monday night a very loud, outspoken Peter Morris is having a big challenge separating fantasy from reality when the topic was an existing IVGID asset, namely the Burnt Cedar Pool. He is so dead set to completing the Diamond Peak Disneyland that he made the statement that if there was money to replace the Burnt Cedar pool, then lets do the Diamond Peak Master Plan! ASTONISHING. Any moneys that are in IVGID coffers should first be used for repair or replace our aging infrastructure and current assets. That is fiscal responsibility. This is the treasurer of the BOT speaking out in a meeting. He professed to not be at the meeting as a BOT member, but reality is that is the direction he seems to be headed...then one has to ask how he can truly represent fiscal responsibility as the board treasurer?

Mr. Morris somehow cannot compute that replacing the Burnt Cedar pool is this most logical and cost effective (think long run!) SOLUTION to the broken, past it’s useful life Burnt Cedar pool. After reviewing the Terracon proposal that is really the only option. After paying money for the expert assessment why are we spending more staff time and money to consider a ridiculously expensive VERY short term band-aid approach? Mr. Morris had most obviously not read the experts report.

The beaches are and always have been the #1 asset in all conversations, polls and media interviews from property owners. Ditch Disneyland and pay attention to all the existing asses, especial the #ONE.

Margaret Martini
Incline Village

PS in case no one is considering (esp Mr. Morris who felt it would be a deprivation of everyone if they could not have a pool during a summer period), that WE DO HAVE A POOL...It is underutilized at the Rec. Center. So losing Burnt Cedar for one summer is very manageable.
Two poor Decisions

As a ten year critic of IVGID’s operations and financial machinations, I just want to remark this evening about some poor decision making that has gone on in the hallowed halls of IVGID.

Mr. Pinkerton with his $50K discretionary spending authority went out and hired Global Golf and B/1G Consultants consultants in 2015 to evaluate the Mountain golf course facilities. B/1G updated the options in 2017. They recommended a new contemporary design clubhouse. Furthermore, a survey of the community affirmed the desire for a new facility. Now in summer 2018 we have a fire in the building. It takes IVGID 8 months to get a maybe settlement (not even a final settlement) from the insurance company that might produce a piddling $300,000. Who did the negotiating on that fiasco?

All of this consultation was maybe not such a bad idea, BUT, in a process that defies logic Pinkerton, and staff have, after spending the money on these consultants, chosen to completely ignore their advice. Also, Pinkerton has completely ignored Trustee Callricate who specifically requested that staff look at B/1G’s replacement options. Again using his discretionary spending, Pinkerton has gone out and hired Dale Smith to fast track a remodel of the ancient building.

So what we have is a 50-60 year old building that is not ADA compliant and Pinkerton proposes putting up to $1.42 million worth of lipstick on that pig. When he gets done, we will still have an old pig. Plus anybody who has ever done rehab construction, as I have in San Francisco, knows that many unknown problems will present themselves during reconstruction. It makes no sense to proceed with this project. The Mountain Golf rehab project presented here to the board will become a giant sinkhole for IVGID’s and the bank account.

Then, I turn our attention to the Burnt Cedar Pool. In December 2018, IVGID hired Terracon to evaluate the pool for repair/rehabilitation or reconstruction. They unequivocally recommended replacement at an estimated cost of $850,000 plus design fees. Again – these are the experts, but again IVGID has chosen to ignore their advice and proceed with a rehabilitation project that may run more than $1 million- and again as anyone who has done rehab construction knows unknown problems will present themselves during reconstruction. And again people who know little or nothing about rehabilitation construction have totally ignored the desires or consulted with our two Trustees that actually have real life and practical experience in this area.
May 22, 2019

Trustees-

My name is Brad Johnson and my family and I live at 785 Mays Boulevard in Incline Village. We are avid users of all the District's amenities and we greatly appreciate the hard work both you and District Staff are putting in on our behalf.

I am here to provide comment on item I-11. Unfortunately, I will not be able to stay for your discussion on this item because as the parent of young children, like many in my demographic in this community, I have commitments at home. However, I will watch the webcast with interest.

As the Beaches are the single most used venue at the District, Capital Improvements at the Beach must be considered. Of particular importance to my family and I, are improvements in the performance and reliability of the Burnt Cedar Pool and a replacement structure at Incline Beach to bring the quality of facilities there to a standard comparable to Burnt Cedar. There has been excellent work completed to date to guide these improvements.

I appreciate what you are attempting to accomplish by considering a shift in facility fee allocation from Community Services to the Beaches. The District has a fantastic unrestricted fund balance in Community Services that, via a creative approach, could be put to use. My concern is that what is being analyzed on item I-11, will in effect transfer nearly $4-million in fund balance from Community Services to the Beaches and introduces dramatic swings in facility fee allocation. It does so with no guarantee that the facility fee change will be maintained over the two year period to allow the necessary funding to flow into the Beach Fund, that the additional revenue will be expended on the two projects identified at the Beaches, or that the facility fee will then be returned to a level that ensures stable revenues are again flowing into Community Services. This is because each budget approval and the associated facility fee levels and capital expenditures are effective for only a single year and we cannot predict the composition of future boards or their decisions.

I'd like to propose an alternative that can accomplish the same thing but moderates the impact, ensures the funds allocated to the Beaches will be spent on specific improvements, and makes Community Services whole at the end. Have the Beach Fund borrow the necessary dollars from the Community Services Fund. The transaction would work exactly like issuance of a medium-term bond, but the District would save on issuance costs and would be able to set a very favorable interest rate that
benefits both Funds. Doing this provides the necessary near-term capital funds required for Beaches, shrinks the swing in facility fees, and builds the Community Services fund balance back up over time to allow future investment on projects identified in the various Master and Venue Plans. Under this approach, the dollars removed from Community Services begin immediately returning to Community Services.

I'd like to finish my statement by encouraging all the members of the Board to look for solutions and opportunities to collaborate. Work together to move the District forward particularly when it comes to investing in facility renewal and enhancement. The opportunities are there and I believe in all of your abilities to accomplish great things on the community's behalf. You will have to work together to do so. Your jobs are difficult... your critics have it easy... but the community wants you to do the work. The community wants a path forward.

Thank you for your time and consideration.