MINUTES
REGULAR MEETING OF MAY 10, 2017
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 10, 2017 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

Chairwoman Wong presented the Sierra Nevada College Ski and Snowboard Teams with an Incline Village General Improvement District proclamation of recognition for their achievements.

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

Also present were District Staff Members Director of Finance Gerry Eick, Communications Coordinator Misty Moga, Director of Human Resources Dee Carey, Director of Public Works Joe Pomroy, Parks and Recreation Director Indra Winquest, Director of Asset Management Brad Johnson, and Director of Community Services Sharon Heider.

Members of the public present were Denise Conn, Claudia Anderson, Carol Anderson, Jean Eick, David Hardie, Judith Miller, Margaret Martini, Gayle Holderer, Frank Wright, Gene Brockman, Shirley Altick, Pete Todoroff, David LaBarge, Kathleen Watty, Jon Bigelow, Aaron Katz, and others.

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

C. PRESENTATION BY IVGID’S DISTRICT GENERAL MANAGER FOLLOWED BY A SPECIAL PUBLIC COMMENTS SECTION ON THE REQUEST FOR A MODIFICATION TO THE 30-YEAR GROUND LEASE BETWEEN THE PARASOL TAHOE COMMUNITY FOUNDATION AND INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
IVGID’s District General Manager Steve Pinkerton will be giving a presentation followed by the Incline Village General Improvement District Trustees conducting a special public comments section to give the members of the community the opportunity to speak, for three minutes, specifically about their thoughts on the request for a modification to the 30-year ground lease between the Parasol Tahoe Community Foundation and Incline Village General Improvement District. If a member of the public cannot attend to make their public comments, they are welcome to send their comments, via e-mail, to info@ivgid.org, submit a written statement, or mail their comments by 12 noon on Wednesday, May 10, 2017. No action will be taken at this time as this item is not marked for action rather this is the opportunity for any and all members of the public to make comments on this subject. All members of the public should be aware that the Board of Trustees received, during its April 25, 2017 meeting, a draft feasibility report which is available on our website at ivgid.org. All members of the public are asked to provide a copy of their comments to the District Clerk, in writing, at the time they make their comments. There is a General Business item for action on this agenda to discuss, review and possibly approve what the next steps will be on this effort.

Chairwoman Wong announced that the Board of Trustees is having this as part of their agenda as they want to hear from the public. Parasol Tahoe Community Foundation (PTCF) approached IVGID, as a Board, and we agreed we wanted to receive public comment on this item. There will be no Board questions nor will we be interacting at this time. The Board will have an opportunity to ask questions of the General Manager at the time of the General Business item. Chairwoman Wong asked District General Counsel Jason Guinasso to read the public comment advisory statement; District General Counsel Guinasso did so.

District General Manager Pinkerton gave his presentation which consisted of going over the publicly available fact sheet which is attached hereto.

Gene Brockman read from a statement which is attached hereto.

Aaron Katz read from a statement which is attached hereto.

Margaret Martini said that she went to the Audit Committee meeting and wow, that was a pants down moment. The cost of $4.2 million for a new building means that the new building would be to your specifications and would work for you. At $5.5 million for the Parasol Building, she believes that Mr. Katz is spot on and that it could easily add another $2 million to have a sort of obsolete building thus we don’t
need what this building has. She would have to look at the appraisal but functionally it is an obsolete building. She doesn’t know where the appraisal came from but some people she has talked to says it has zero value because of the land restrictions. This is a bogus appraisal and that there are several approaches needed to come up with a market value. The PTCF appraisal didn’t include everything and the building doesn’t have the costly items. The value is to PTCF and not to IVGID. You have lost sight of the recreation fee and are stealing from the owners as well as the less financially fortunate owners in this town. The proposal is far above what is needed and remember that you work for us and not any and all special interest groups.

Judith Miller said, as a preface, that she doesn’t believe this Board has the authority to operate a non-profit center or give away items to others and that it is neither legal nor appropriate as we don’t pay a Rec fee for social services. We have a number of facilities that have meeting rooms that we could use and make available on a cost recovery basis. A lack of planning on PTCF’s part doesn’t cause an emergency on our part. We still haven’t heard any explanation of why PTCF is urgently in need of cash, the proposal calls for IVGID to take the building as is, PTCF had reserve funds for maintenance as they have no mortgage nor do they pay any taxes and why can’t they raise private funds for the running of this building. The majority of their grants go outside the basin or are here to support investment firms. The PTCF proposal is totally unreasonable and a waste of staff time including legal. We shouldn’t consider getting a building at a time dictated by Parasol’s needs, not ours. This is not the win-win-win rather it is an improper bailout by IVGID for PTCF’s poor planning.

Pete Todoroff said that he didn’t quite understand everything about this but what he has heard, he would have to say vote no on this.

Karen Hovorka read from a statement which is attached hereto.

Mike Prescott said that IVGID can rent space in Incline Village and that this Board should be thinking more business-like in the running of this village. There are tremendous overruns and as a permanent resident of 1-1/2 years, he thinks this should be run like a business and rent space.

Paul Bancroft said that he is the Executive Director of Tahoe Safe Alliance and as one of the eleven residents and one of the original tenants, he appreciates PTCF. They have received resident grants which have been successful for them and allow them to build capacity so they are grateful for the space and the ability to take advantage of the amenities that they have access to; they are thankful to PTCF
and the generous folks within this community. He has two concerns – some of the tenants might be displaced which will have a tremendous impact on their budget and, more importantly, cause a disruption in services to those they serve. It is his hope that there is consideration for the non-profits who have to move and experience dislocation.

Dave Norton passed when called upon.

David LaBarge read from a statement which is attached hereto.

Darryl Dworkin said that IVGID is not a landlord and to become a landlord is not an easy task. Tenants come and go and sometimes rent gets paid; one never knows what is going to happen. IVGID is not set up to be a landlord therefore he would ask that IVGID spend less and get a building designed for us which seems like a win to him.

Mike Riley passed when called upon.

Linda Smith read from a statement which is attached hereto.

Ryan Ritchie said that many of the speakers have brought forth some compelling points that he urges the Board to take into consideration. We need a new Administration building as it is in woeful condition. This building is being handed to you and you don’t have to pay for the land costs. With time and an inflation adjustment, the new building is probably $4.2 million with FFE’s at about ten percent. However, the study does under estimate the amount of staff time involved in building a new building. You get to go into Class A space in seven months versus a building time of two to three years so look at the costs as being equal. As far as the extra space goes, take into consideration that if the IVGID staff doesn’t grow can the space be utilized. This is a turnkey opportunity that could occur in seven months versus the time and resources which will occur over a longer period of time. His question would be is PTCF making a good decision as this is too much of a sweetheart deal; it does appear to be a positive move for IVGID.

Frank Wright said that he is changing his whole presentation after listening to the people who have spoken and that he is in awe and he hasn’t been in awe for a long time. The information brought forth by a resident has sparked some very big interest and people have come forth and spoken or given you statements which is over the top and they are right. For you to even consider this deal, PTCF needs to give you a few things. The public giveaways have to stop. The Staff statements are a joke. Who did the real estate appraisal? Was it IVGID, a neutral party – no,
it was PTCF. The building is worth nothing/zero according to the nine appraisers he talked to today as it has no resale value. There is a lease on it so how much has PTCF made off the recreation fee to buy the land – they made $16 million and how much have we made $17. He has some posters that he was going to hold up and let people see. What is the building worth – zero. It is the parcel owners who have lost money on the purchase. PTCF has generated $60 million. He is making his posters part of the public record and he is asking the Board to stop this as people are on to you and Staff, they are also on to you.

Aimee LaFayette read from a statement which is attached hereto.

Carole Anderson read from a statement which is attached hereto.

Robin Holman said that she owns a commercial building and that this makes good sense. The PTCF has a building that is 31,500 square feet and if IVGID utilizes 29,000 square feet this is less than $175 per square foot. She just bought a commercial building that had to be brought up to code and they would have been better off tearing it down so consider the feasibility of this considering the condition of the other buildings in town. The spending of $4.5 million might be going out of the community or at least most of it and then add on the time and supplies there is a great cost attached to building. By doing this sale with PTCF, it means $5.5 million would stay within our community and they would continue to give grants to all the non-profits and this would also mean extra capital to further philanthropic efforts. The purchase is in the best interest of all parties involved and the land it is on was not purchased with Recreation Fees.

Steve Barney said that it sounds like a good deal for both PTCF and IVGID and that he regrets that PTCF has changed its focus of being dedicated to supporting the Lake Tahoe region. A couple of our best charitable organizations are not there anymore and he doesn’t think that PTCF tried hard enough to keep them there and he is referring to Project MANA and Tahoe Family Solutions. From PTCF’s website, he got that they are supporting the University of Michigan Law School, Butler School, Scolan University, three think tanks – Heritage Foundation, Hoover Institution, and NPRI as well at Colorado Rocky Mountain School. While these are good causes they are supporting he wishes they would focus more locally and focus more on the poor in our community.

Greg Flanders said that he is a 26-year full time resident who derives his income from commercial real estate. He owns about a 50,000 square foot building that has fifty tenants and that he is having a great deal of difficulty understands the valuation. He knows of a 30,000 square foot building that sold for $2.2 million.
Since IVGID already owns the land and this is the direction you want to go, you need to take a good, long and serious look at this as Washoe County needed space and they leased space for the jail/court which they determined was less expensive. You can rent office space for well under $2 per square foot and there is excess office space in town so he would strongly urge taking a look at existing space rather than using capital money that could be used elsewhere.

D. **PUBLIC COMMENTS**

Aaron Katz said he would like to talk a little more about PTCF because it is on the agenda as a business item and a lot of people don’t know the history as a lot of people don’t know the history of IVGID and don’t know where we got our financing. He heard that IVGID didn’t pay for that land. In 1977, IVGID paid money to Boise Cascade so we did pay for it. IVGID had excess funds in the Utility Fund so it was borrowed and then repaid via a Recreation bond. So, what do we use as money — the Recreation Fee. We bought the land and what is that land worth? Our crappy Administration Building is worth between $2 million and $3 million so what does that make that land value. We have given PTCF public assets for a dollar per year which is not the purpose of IVGID. He has heard $5.5 million but he thinks it will be over $8.3 million and where is the money going to come from. IVGID gets some property taxes which goes into the General Fund so it has to be subsidized by the Recreation Fee so we are talking about the Recreation Fee. This is ludicrous so stop this spending and get back to what we were made to do.

Pete Todoroff said, as of May 1, he is a 37 year resident. He recently spoke to Washoe County Commissioner Marsha Berkbigler and asked her about the Community Area Plan. She replied that it is way on the back burner, nothing is happening, and maybe it will happen next year so it is basically non-existent as Washoe County is too busy with other things. Wanted to make this Board aware of that.

Frank Wright said that he is so happy that we have so many members of the community here. This Board has lost the vision of why you were elected as you have done so many things outside the realm. District General Counsel is paid ten thousand dollars a month and no other GID pays that much. Then on top of that, you made him a lobbyist as well as the General Manager and they have been given salaries for this representation. This Board no longer represents the people rather it represents the General Manager. On the Supreme Court case, there is no bill and no one on this Board has asked for it. He estimates it will be a couple of hundred thousand and asked where the money is going to come from to pay it once submitted. It will come from our Recreation Fee which has nothing to do with
either recreation of us as a citizenry. It has to do with the wild ideas of this Board and Staff and thus the Recreation Fee does nothing for anyone other than it pays for the overstuffed Recreation Center, supervisors who aren’t needed, and lawyers who are incompetent. The case that is before the Nevada Supreme Court, he tried to you that it would be devastating. If Mr. Katz wins and the Recreation Fee is found to be invalid, you are going to lose our assets so think about how much damage you are doing to this community by not addressing the issues which he thinks it is about time you do so.

Judith Miller said that this has really been a learning experience because before this proposal came forth she didn’t know what a donor advised fund was. When you get into PTCF’s focus, and she went to their website, they are really looking for donors and one of the premium products is a donor advised fund or DAF. There has been a major transformation of charitable donations and the growth of donations is a reduced contribution to charities. One charity is almost entirely DAF driven. What is the purpose of this transfer and are we really supporting community charities or going outside as she thinks that PTCF should be coming forward with things that are focused towards the community. Ray Madoff at Boston College, visit his website philanthropy.com as there are interesting articles that tell you more about what is happening to non-profits because of DAF’s. She hopes that this Board will come to the conclusion that this might not be the best use of funds.

Margaret Martini read from a statement which is attached hereto.

Brad Perry said he has been involved with non-profits for four years now and he is also the Chairman of Red, White and Tahoe Blue (RWTB) and that he wants to address where RWTB is at; RWTB is shrinking in size and scope this year as they sat down with the residents and overwhelmingly they want it to be smaller as everyone come here anyway. RWTB is committed to not spending a single dollar in out of area advertising, they have cut their budget, and they will do well by the residents. RWTB has reconciled 2016 and are in good standing with the IRS as well as really taken steps to get back to a community centered event. Please feel free to contact him and be sure and check out their mailer as they would love to get input from this Board. He is the new guy on the block and this is your town. Lastly, he would like to apologize to Trustee Dent as the mailer includes his name as the Fireworks Chair and he is not. Thanks to everyone and if anyone has questions for him, he will hang around until the end of this meeting.

Jacquie Chandler thanked Ms. Martini for bringing up Jasper and it is very sad and the community is invited to a memorial to be held on Mother’s Day; she is talking to the Washoe tribe about them dancing. There is a wildlife corridor along Third
Creek and she would like to work with the District to establish a memorial there honoring wildlife. It would be a marked off corridor that would be a safe place and a protected place with no traps. As to the Parasol building, she thinks it would be cool for IVGID to move in there. For RWTB, please no more plastic flags as it doesn’t show America in the best light to use Chinese made flags and that she would rather see decorations with pine cones or something else that blends with the beauty. For the parade, she would like it to be non-motorized as there are other ways to celebrate embracing the uniqueness of this area so let’s get away from the plastic.

Ava Hinojosa said that this is her first meeting and that she is a new resident of two years. She is appalled by the personal attacks levied to the Board and Staff and that she talks to many residents who are in support of IVGID and the direction you are going.

Pamela Miller said regarding the woman who talked about cost/benefit analysis that she has watched IVGID buy many facilities and that Incline Lake is a mud pond so she is wondering what that benefit is. IVGID bought the athletic fields and is doing the maintenance at the football and baseball fields which is a good deal for Washoe County School District. She has never seen anyone from the community utilize the track so again, wondering what that benefits is. Over the last couple of years, she has heard the rumors about a whole slew of things that have become obsolete such as the Mountain Golf Course lodge, Snowflake Lodge, revamping of Diamond and now we are hearing about the administrative offices being obsolete. As a taxpayer and a concerned citizen who is fiscally responsible she wants to know where is all the money coming from.

E. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for any changes to the agenda as submitted; no changes were offered therefore Chairwoman Wong said the agenda was approved as submitted.

Chairwoman Wong called for a break at 7:25 p.m.; the Board reconvened at 7:35 p.m.

F. GENERAL BUSINESS (for possible action)

F.1. Review, discuss, and possibly approve the next steps on the request for modification to the ground lease between the Parasol Tahoe Community Foundation and Incline Village General
Chairwoman Wong asked General Manager Pinkerton if he had anything to add to which he responded no and he would be happy to answer any questions. Trustee Horan said that he would really like to thank all the members of the public who came in and expressed their opinion as it is important to hear. As a Trustee, he first learned about this proposal during the month of March and then on April 13, which is less than thirty days ago, we began the process of conducting our due diligence to determine if it is the right thing which is just one step in the process. Does this meet the challenges of administration and recreational programming is the question and it is not about getting into the non-profit business. The lease would need major modification about management and we haven't gotten any detail about support programs so there is a lot of work yet to be done. It is all worthwhile to pursue particularly regarding the matter about management of the non-profits. We are in the process of talking about the lease and its issues, legality, appraisal, and things that have to be validated before we make any type of decision. Trustee Morris said that when he first heard about this and as he continues to hear about it, at the highest level, it sounds very interesting with some caveats. On the interesting front, we may get to do something about the Southwood building that has stood quite long which is a testament to the many people who work there and we do need to do something about that building so building to building, with a construction cost at $4.5 million, the questions become what do we do with the additional space, can we do this with the existing numbers and without borrowing money or incurring more money, and thus he is attracted to it on that basis. His area of concern probably echoes public comments and agrees with Trustee Horan that we don’t want to be in the business of managing non-profits. One of the things that stuck out and one of the things that he would like to see changed to have PTCF continue manage those non-profits. Not sure about the terminology but as an owner, we are leasing space to PTCF and then they do what they want to do with the non-profits; that would solve a lot of problems for him. Having walked through the space, he was quite surprised with the space and we don't need a 30,000 square foot building to house our administrative team. However, for the price of replacement and with something that is so much bigger and substantial compared to the cost of acquisition and also to provide space to PTCF to continue their mission which releases funds that are doing good work in our community, we need to look at this as a total community needs and wants and then do so without harm to the community that we are holding in trust would be a good thing as
well. He is leaning towards this but he would like to see more analysis such as what space would it free up and then what would the usage of that space be, does this defer money on expanding the Recreation Center or other facilities, and a little more concrete numbers would help with the decision making. There is no way to support this lease as it sits today but he does want to continue the analysis and do so carefully and fully so let’s keep moving it that way.

Chairwoman Wong said that she would like to respond to a couple of comments made by the public – be a landlord; we already are a landlord to PTCF and do so within Nevada Revised Statutes 318. She does agree that we don’t want to get in to the business of managing non-profits and that we look to PTCF as a community partner and then to them to do their due diligence as they are really renting the space. The information that she is still looking for is are there spaces for lease that would fit our needs, do they have enough space and do they meet our needs, and have we gone through that process. General Manager Pinkerton commented that Staff has looked and we don’t see anything right now in the 10,000 to 15,000 square foot range. This is about policy management for a governmental agency who is going to be here for the 30, 40 or 50 years and in that case, it is never good to lease. We are investing in our data systems because we want to give the community the security to know that we will be there. There are different needs for the building that can’t be put into leased space. If we were to go into an outside building there would be extensive tenant improvement that would have to be amortized and it would cost about $450 per square foot to purchase which is pretty expensive but Staff is and does monitor the market for sensibility. Trustee Morris said that it would seem to him to be a very inefficient and costly approach to split but what is your experience. General Manager Pinkerton said with duplicate spaces you lose efficiencies from a pure staffing point and then there is communications and confusion with the public. Staff looked at our own property because we wanted to have a campus with connectivity. We didn’t emphasize this but it does take care of our recreational needs and have all of administration housed in one location which does make it easier for the public. Imagine showing up at one building and deal with all the items they need versus going to multiple locations. Trustee Callicrate said that he echoes thanking folks for coming here to talk about this initial offer of a lease modification. He was on the Board when the Board did the original lease and he never thought we would be discussing this again but here we are, twenty years later, and we need to get some more information. Ms. Smith brought up some very salient points in how does this meet the needs of the District and that we have to keep the
communication channels open as this is a very delicate situation in which we don’t want to affront PTCF as they have done a lot for this community via hundreds of thousands of dollars and service to people. In taking a step back, the intent was most noble. We have to look at the dollars and cents and how we are the best stewards. The District has lots of things on the books, we have carryover projects, and we have fifty year old infrastructure. He doesn’t want to give the impression that we are trying to give ourselves an administration palace or giving ourselves a larger building than we need. This is a great first step but he can’t go forth with a $5.5 million decision until we get questions answers. We don’t want to go into the philanthropy business which is currently what PTCF is tasked with doing and we have to do this to the best of our ability. Trustee Dent thanked the community for voicing their thoughts and stated that he appreciates the community showing up either via e-mail or in person. He doesn’t think that IVGID should be getting in the business of property management with non-profits. We are still working on the Community Services Master Plan and we have a few community events coming up to talk about that plan, he isn’t sure that he is there on the usage, believes it is premature that we need more space, and hopes that we know this in a few months. He did request a few items some of which were put in the packet and others that were not; as to the PTCF documents, he reached out to PTCF and those items will not be made available to the public due to proprietary reasons. Trustee Dent then corrected himself and said that the General Manager said that he could have access to view the documents but that they were not going to be made available publicly to the community. There are unknown liabilities and there needs to be transparency throughout this whole process. Further, it seems that IVGID has been moving at PTCF’s speed and that we are rushing to try and get them an answer. Currently, there is a lease agreement in place so there is no need to rush, $5.5 million is way too expensive, and don’t know if a $1 million price tag would be worth it. From a transparency perspective, when this was agendized, the $5.5 million price tag wasn’t included and there was a post in the Bonanza and again no proposed $5.5 million price tag was mentioned. For this packet, he is glad that he and his fellow colleagues didn’t see that action. All of this throws mixed messages out to the community. There is also no mention of transfer of title and in his reading through the lease agreement, on agenda packet page 29, 1.a. it discusses an installment purchase agreement and entering into a new lease. It was mentioned, in the packet, that the terms were proposed by PTCF but he is assuming that IVGID put together this agreement so who wrote this agreement. General Manager Pinkerton responded that PTCF indicated and IVGID responded. Trustee Dent asked why are we going with a lease
modification and then two steps down a purchase agreement; why aren’t we terminating the lease and then propose a new lease versus a purchase agreement. And, just so it is clear, PTCF wanted it to be structured this way. Chairwoman Wong said that she thinks we are getting into terminology that is way down the road from where we are now and when we get to an agreement, we will finalize what we call it. Part of the problem is we don’t know what we are doing yet and that as we go through the process, it will become apparent. Trustee Dent asked if this was the forum to discuss the draft agreement because he would like to make some comments on it. District General Counsel Guinasso said for the purposes of this agenda item, questions and additional information is within the scope and if there are things you want to see that is also within the scope but to go further than that might be premature. He has heard multiple Board members say IVGID is not in the leasing business for non-profits so he would suggest negotiating a provision that makes PTCF responsible for subtenants that are non-profits. For outstanding liability, the lease agreement does address this and we have an indemnity clauses. We are trying to negotiate the terms within a public forum which is not an elegant process as we can’t just sit across the table from each other and work all of this out so specific direction is necessary on what the Board would like and won’t they don’t like and then he will take that information and negotiate it with Mr. Ailing who is the attorney for PTCF. Chairwoman Wong said that she feels we are still a step away from that and rather we are at a point where we need a full financial analysis and a full usage analysis of the building to even start the negotiations. We know the terms they have proposed but right now we have nothing to counter with. District General Counsel Guinasso said that he agrees and then recapped the list of items he has already heard. As to the additional documents, the Donald W. Reynolds documents are specific to PTCF and they are confidential between the two entities thus IVGID has no right to those documents and he doesn’t know the willingness to share. He would assume that their Chief Executive Officer might be able to answer those questions offline but he would note that whatever the obligations are between PTCF and the Donald W. Reynolds Foundation won’t become IVGID’s other than those outlined in the agreement. IVGID has no appetite for the management of non-profits thus having PTCF manage the sub-leases might satisfy their obligations to the Donald W. Reynolds Foundation. Trustee Dent said that IVGID needs a real estate attorney who is completely separate and that he would like to spend that little bit of money for a non-biased opinion and the reason he is asking for this is because a lease amendment takes three votes and a purchase agreement takes four votes. District General Counsel Guinasso said that potentially, that is correct. As to seeking outside counsel,
he addressed potential conflict within the memorandum and this work is being done within the retainer. This work is not outside his competency as the firm negotiates and drafts leases however if the Board wants an outside counsel review he would estimate it would cost between $300 and $400 per hour and possibly take thirty five to fifty hours so you are looking at, roughly, between $10,000 and $15,000 extra. He is struggling with the concern about bias as his firm doesn’t have anything to gain or lose and if the Board wants to move in this direction, it will have to be an agendized item at a future meeting. Trustee Morris said he doesn’t see any need for any outside counsel and that he read the disclosures that were included and he is fine with them. He would like to add a couple of things to the list – on the valuation, he would like to be assured that we have a bona fide, legitimate valuation to look at, a formal legal opinion that we can do that just to confirm that we can, also an opinion about the lease modification agreement or purchase agreement and can we do either or both, would like some assurance about the useful life of the building, clarification of the cost of maintenance over a reasonable period of time and understand if it is significantly less than maintaining the current Southwood building, and a narrative about how we would utilize the space and the extension of that usage to all our facilities i.e. the Recreation Center, Aspen Grove, base lodge at Diamond Peak. District General Counsel Guinasso summarized the requests. General Manager Pinkerton stated that PTCF’s audit includes a lot of other things such as programming costs, postage, copier lease, etc. and that he is very comfortable in knowing what we are dealing with at the Southwood building. District General Counsel Guinasso said so a cost analysis for maintenance on an annualized basis. Trustee Morris said yes but not overly complicated and know that this will be used by the general public so a summary would be best. District General Counsel Guinasso said, regarding lease modification versus purchase agreement, the District has a piece of property with nothing upon it. They had a tenant that wanted to utilize that land by building a building and run a non-profit center. Trustee Callicrate was part of the Board during this process and it was determined that this could be done. The building is a leasehold improvement so typically what is included in leases is a provision that there is a change that the individual(s) leave or something happens and there is no utilization and that there is some consideration for the improvement of the property thus the property now has greater value. In most courts, under eminent domain, where there is a change in circumstances, the land holder is usually required to pay the value of the lease holder improvements and that legally the right thing to do is to look at this lease modification with consideration to the leasehold improvement and we are receiving value for. The Board has
asked for additional research to be done and thus he wants to confirm what we have been told. The improvement to the District’s property has added value, PTCF has the right to ask for consideration and it is their fiduciary duty to ask for valuable consideration. The question becomes is that value that PTCF has placed on it something that the District wants to spend money on for its own purposes. The provided legal authority is Nevada Revised Statutes 318.100 which allows the District to pay for leasehold improvements and is also the reference that allows the District to lease it. District General Counsel Guinasso said that he hopes that helped. Trustee Morris said yes, it helped him a lot. Chairwoman Wong said that she would like verification of the appraisal as an independent appraisal will be a big driver for negotiation and that a present value on the discounted rent provided to PTCF and future rent discounts would be useful. General Manager Pinkerton said that Staff will provide you with some options as well as doing a review appraisal. District General Counsel Guinasso asked General Manager Pinkerton to explain what a review appraisal is. General Manager Pinkerton said that a review appraisal is taking the original appraisal and then having a review appraiser check their work instead of starting from scratch and the stating whether it is correct or not correct. District General Counsel Guinasso asked if that would satisfy the needs of the Board for additional information or would they prefer an appraisal from scratch. Trustee Horan said that he hasn’t taken a look at it. District General Counsel Guinasso said that Staff can come back with the costs, one for a review appraisal and one from scratch, accompanied by timelines for both. Trustee Morris said that the last time the Board got decent estimates, for a new facility, it was around $4 million and that was a couple of years ago so is that still a good number or does a desk review need to be done. General Manager Pinkerton said that Staff has done that and we came up with a cost of $350 per square foot but we have seen some replacement buildings be as high as $400 per square foot which is also a conservative number. Trustee Horan said in reviewing the document in the packet that he wants to ensure that PTCF is assuming the space and management of the non-profits and that the agreement must cover that so that the District has no legal responsibility or relationship with those who operate within that space. The usage of the meeting space should fall under some policy that IVGID currently has such as Resolution 1701 and if that can’t be met, then we have an issue. General Manager Pinkerton said Staff will ensure that is consistent with the lease language. District General Counsel Guinasso said so you want to make sure that we consider or propose language for sub-tenants that are non-profits and some provision that deals with the meeting space. Trustee Horan said meeting space, storage space, etc. and that it be under
a policy that would be adopted by IVGID. District General Counsel Guinasso asked if there was any other direction or concern. Trustee Horan said that there was a referral to utilities but that he wants to be sure it includes internet access and access by the non-profits and PTCF. General Manager Pinkerton said that will be clarified as we will provide access but service is not our responsibility rather that is between them and Charter. Trustee Dent said that on the financial analysis, he would like a stress test analyzing where will be and how it will be funded. Chairwoman Wong said that there is a pro forma within our five year plan and we won’t be eliminating any projects.

F.2. **Review, discuss and possibly approve granting two (2) separate Drainage Easements on District Property to Washoe County; APN 127-040-07 (764 Incline Way) and 127-030-31 (780 Incline Way) (Requesting Staff Member: Director of Asset Management Brad Johnson)**

Director of Asset Management Brad Johnson gave an overview of the submitted materials and noted that there was a typographical error in the recommendation and that 964 and 980 Incline Way are the correct addresses.

Trustee Callicrate made a motion to:

1. Approve granting a temporary construction encroachment and a permanent, non-exclusive, drainage easement to Washoe County for the construction of storm drainage improvements on APN: 127-040-07 – 764 Incline Way (the Recreation Center parcel) as part of the Washoe County East Incline Village Phase I Water Quality Improvement Project.

2. Approve granting a temporary construction encroachment and a permanent, non-exclusive, drainage easement to Washoe County for the construction of storm drainage improvements on APN: 127-030-31 – 780 Incline Way (the Tennis Center Parcel) as part of the Washoe County East Incline Village Phase I Water Quality Improvement Project.

3. Authorize Staff to execute all necessary legal documents upon review by Staff and General Counsel.
Trustee Morris seconded the motion. Chairwoman Wong called for comments, hearing none, called the question – the motion was unanimously passed.

F.3. Review, discuss and possibly approve the reissuance of pages 31, 92, 93 and the addition of page 94 of the Comprehensive Annual Financial Report – Fiscal Year Ending June 30, 2016 (Requesting Staff Member: General Manager Steve Pinkerton)

Trustee Horan stated that an Audit Committee meeting was held today and that committee discussed this matter; he then asked Director of Finance Eick to walk the Board through this matter; Director of Finance Eick went over the submitted materials. Chairwoman Wong said that given that the net position didn’t change that this is not about an issue in our underlying accounting but rather an issue about tying out our CAFR. Director of Finance Eick said that is correct and that it is simply a disclosure item and an overwrite of the correct number so a typographical error and not a miscalculation. Trustee Dent asked about an independent outside review, from Eide Bailly, by another auditing firm. Director of Finance Eick said that Staff tries not to have any one person perform all the functions in the process and that in our case the responsibility rests with the Director of Finance. The new design will designate our Controller, who has no role in the preparation of our CAFR, and we will be using the GFOA certificate of conformance checklist, as we don’t go outside but that the auditor does have their own review which Staff is not a part of. Trustee Dent said in looking at the policies and practices, does the District have an actual policy about cash receipts, credit card payments, and is this a written out policy. Director of Finance Eick said yes and these are the procedures manuals which do not come before the Board as they are operational items. Chairwoman Wong thanked the Director of Finance and stated that she knows that making mistakes aren’t fun but that we are all human and that she appreciates taking the needful and mindful steps as well as taking the corrective actions moving forward as it is important that when we make mistakes, we fix them, and move forward. Trustee Horan said that this was brought to us by one member of the public and that we reacted very quickly and discovered it was a mistake. We then immediately notified the appropriate authorities and while that has taken a little while, he appreciates this being brought to our attention. We do look at the information coming in from our public and when they are right, we acknowledge it. Trustee Dent said there is mention of footnote 21 and an updated letter in the summary of the memorandum but neither of those were
included. Director of Finance Eick said that the table is in the Staff memorandum.

Trustee Horan made a motion that, with concurrence by the District’s Audit Committee, the Board of Trustees accepts the reissued June 30, 2016 unmodified audit report, including a new Matter of Emphasis paragraph for a change in the classification of Fund Balance in the fund level financial Statement of Net Position for the Internal Services Fund, and direct Staff to file the reissued Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use. Trustee Morris seconded the motion. Chairwoman Wong called for comments, hearing none, called the question – the motion was unanimously passed.

G. **DISTRICT STAFF UPDATE**

G.1. General Manager Steve Pinkerton
   - Financial Transparency
   - Community Area Plan
   - Solid Waste

General Manager Pinkerton gave a verbal overview of each item listed above.

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

H.1. Regular Meeting of March 23, 2017

H.2. Regular Meeting of April 13, 2017

District Clerk Susan Herron said that she would like to make a correction to the minutes of March 23, 2017; Trustee Dent, on May 9, 2017, submitted his list that was referenced in those minutes and she now has that list and will make it an attachment to the official minutes of record.

Chairwoman Wong asked for any further corrections to the minutes of the regular meeting of March 23, 2017; hearing none, she deemed those minutes approved as amended.
Chairwoman Wong asked for any corrections to the minutes of the regular meeting of April 13, 2017; hearing none, she deemed those minutes approved as submitted.

I. REPORTS TO THE IVGID BOARD OF TRUSTEES*

I.1. District General Counsel Jason Guinasso

District General Counsel Guinasso said on the Katz litigation that there have been no new updates since the last meeting and that he may have a little more to report at the next meeting. He would like to note, for the record, that a member of the public stated that there is an aspect of the public advisory statement in which it gives authority to the Chair and/or General Counsel to cut off public comment. This issue was dealt squarely by the State of Nevada Attorney General in response to an Open Meeting Law complaint filed by Mr. Katz during the vacancy on the Board and District General Counsel Guinasso then read from that opinion which stated that the Chair and General Counsel at the September 16 Board meeting were not in violation of the Open Meeting Law and that to clarify, that is the reason we put that in there just to make it clear that when a particular line is crossed either the Chair or District General Counsel can stop that commentary.

Trustee Dent said that he brought this up at the last meeting, and is bringing it up again, and that is that he would like to have a financial update on the Katz litigation including was has been spent over the last several months. District General Counsel Guinasso said that he is pressing our legal counsel for this same information and noted that he does anticipate having an updated billing soon as he doesn't know what has been incurred but that he will continue to reach out to counsel to get that billing.

Trustee Morris said, for clarification, there was inference that there is some new case in front of the Supreme Court. District General Counsel said he knows of no new litigation before them; there is one on the appeal with Mr. Katz and one is to determine if the District Court made some error and then a second appeal is pending on the award of the attorney costs and fees of approximately $250,000 and that the decision won't be rendered until the substantive appeal is done and that the court has stayed the order for fees so we can collect those but that the courts won’t rule on the latter without ruling on the former.
J. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

Trustee Horan said, as part of our Audit Committee meeting, we raised the issue of revisiting sometime in June, but didn’t set a date, to review Policy 15.1.0 which governs the Audit Committee as the last draft was done in 2009 there it might need some updating and thus he would like to make it available to those not on the committee and ask them to suggest their changes.

Chairwoman Wong said, regarding the Board’s work plan, that it was supposed to be on the agenda but that we were late in getting items to the District Clerk so it will be on the next agenda. She continued that she attended the Local Government Day two weeks ago and had the opportunity to sit with one of our elected officials and attended the Governmental Affairs Committee meeting. Also, earlier this week, she was a part of the Nevada League of Cities Chairs Meeting and the marijuana legislation was the topic and that local governments are concerned about business licensing fees related to marijuana but that it didn’t apply to IVGID so she had no contribution.

Trustee Morris said he would like to acknowledge the Red, White and Tahoe Blue team because, as a resident, he really appreciates how it is being for the community. Regarding the unfortunate death of Jasper, he has been the subject of some pretty nasty social media commentary regarding the cause of this bear’s death. He didn’t make any calls to 911 regarding the bears and he is very offended by the hearsay and this bear’s death. He was nowhere near that location and he cannot overstate how offended he was by the language used in e-mails and on social media. He is personally available to discuss this and that he is a big supporter of bears and that we need to adapt our actions to be able to support them.

K. CORRESPONDENCE RECEIVED BY THE DISTRICT*

District Clerk Herron stated that there were eighteen pieces of correspondence received, all were distributed, and they will be included, in hard copy, in the next Board packet.

L. 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.
Margaret Martini said that she would strongly advise this Board to seek outside counsel as this District has spent hundreds of thousands of dollars on consulting over the past few years and that $10,000 to $15,000 would be well spent for a second opinion and that it would be a prudent decision when looking at this kind of expenditure. At the prices thrown out, you could put a wing on at the Recreation Center. Every one of our recreational venues loses money so whose idea is it to add more. The Admin Building doesn’t need to be a Taj Mahal and PTCF knew what they were doing so don’t take on their responsibility. Do an apples to apples comparison with an escalation of prices between PTCF and Southwood locations. The appraisal also has to consider the lease terms of $1 per year for the next eighty years and if it doesn’t consider those lease terms then it is probably a bogus appraisal. Space analysis is very good so utilize it and do some shapeshifting.

Mike Abel said that he listened with interest when Staff discussed the restating of the financials because if he had an accountant who made a 1% error he would start looking for a new one. On the Parasol lease, the biggest problem is that it doesn’t pass the smell test and actually stinks to high heaven. It is a lousy proposal so just take it over and, notwithstanding our Counsel’s comments, the leaseholder is abandoning their lease and have kicked out all but two of their tenants out so he is not sure about the accuracy. Harvey’s Casino was once owned by Park Land Company and when that lease was up and they were out of there, they got no compensation. Park Land Company took it over. There should be no compensation if abandoned. He did appreciate Trustee Horan’s comments about it being wrong to get into this business. He also applauds Trustee Dent and Ms. Martini about getting outside counsel; get a second or even third opinion on this matter.

Steve Dolan said that he was sorry he was not here for the opening comments and that he didn’t hear the whole meeting but that this seems to be the tail wagging the dog with PTCF and while you heard him say positive comments, they are coming to change our overall function and become non-profit managers and benefit them along with other entities which is not the District’s job. This is all to their benefit so he would urge the Board to think about its responsibility and note that the immense list is their responsibility and that the District doesn’t have to hire all these people to do the evaluations. Trustee Morris added Section M which is do nothing and it seems that we don’t have to anything here because it is them that wants an out. Agrees with the improvements on the property and this being a normal kind of thing that one owes them and that he just dealt with that and no, you don’t have to do it unless it is agreed to in advance. PTCF didn’t ask for it because they didn’t want it so this is just much ado about something that we don’t have to anything about. Ms. Martini said Taj Mahal and I say manage like Wal-Mart because you don’t need to
manage like the Taj Mahal because if they don’t like their jobs, and they do a great job, but they don’t have to be in a Taj Mahal to do their jobs.

Brad Perry said that he stayed the whole time so as to wrap his head around the PTCF item and hear everyone’s comments. This town needs a non-profit center thus his concern is for the community at large. He has used that community space to do work with three non-profits and he has written grants and raised $50,000 for this community so if this goes through he wants to make sure that this resource is still available and asked if IVGID is going to pick up the subscription on the grant writing resource and it is his guess that the answer is no. With the number of non-profits in the area and knowing that we have a dedicated need, we need to have a center for this. If not PTCF then where is another place? He respects that IVGID has building needs but he is concerned about the non-profit needs.

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

General Manager Pinkerton went over the long range calendar and asked about moving the June 14 Board meeting to either June 11 or June 12; June 12 was agreed to. Trustee Dent said that he has a conflict for the June 24 event – feedback on the Community Services Master Plan.

N. CLOSED SESSION - The Board may consider a motion to enter into closed session to have a discussion regarding the Union Negotiations with the Operating Engineers of Northern Nevada pursuant to NRS 288.220.

Trustee Horan made a motion to enter into closed session, Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was unanimously passed; the Board entered closed session at 9:17 p.m. At 10 p.m., the Board exited closed session by motion made by Trustee Dent, seconded by Trustee Callicrate and passed unanimously.

O. ADJOURNMENT (for possible action)

The meeting was adjourned at 10:01 p.m.

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

Submitted by Gene Brockman (1 page): Comments to IVGID Board about Parasol Lease

Submitted by Karen Hovorka (1 page): Karen Hovorka, PO Box 5417, Incline Village. 5/10/17

Submitted by David LaBarge (1 page): “No Further Action” to IVGID paying PTCF $5,500,00+ for the “BENEFICIAL USE” of the Donald W. Reynolds Community Non-Profit Center (a.k.a. The Parasol Building)

Submitted by Linda L. Smith (2 pages): Comments on Request for Modification of 30-yr Ground Lease between Parasol Foundation and IVGID, May 10, 2017

Submitted by Ryan Ritchie (1 page): Parasol – IVGID purchase notes

Submitted by Aimee LaFayette (1 page)

Submitted by Carole Anderson (1 page)

Submitted by Judy Miller (6 pages): IVGID/Parasol “LEASE AMENDMENT”

Submitted by Margaret Martini (2 pages): 5-10-2017, To: Board of Directors

Submitted by Aaron Katz (26 pages): Written statement to be included in the written minutes of this May 10, 2017 Regular IVGID Board Meeting – Agenda Items C & F(1) – Approval of next steps in response to Parasol Foundation’s request to modify the Donald Reynolds Non-Profit Center’s ground lease/its land use restrictions

Submitted by Frank Wright (4 pages)
COMMENTS TO IVGID BOARD ABOUT PARASOL LEASE ISSUE

1. It is a given that IVGID has critical need for a replacement for the administration building. That has been the case for at least 15 years that I know about. If you disagree with this given, you are simply uninformed about the need. The current building is crowded for space and is grossly non-compliant with ADA requirements for both employees and the public. There is also a significant radon problem in the building.

2. The District has completed a survey of existing buildings in the Village which could possibly replace the admin building and found none. It appears that the only alternative up til now is to build a new structure on land already owned by IVGID near to the Recreation Center. That would be a major undertaking and would take 2 to 3 years to complete. This building, The Chateau, cost in excess of 5 million when it was built 10 years ago.

3. The proposal from Parasol offers some interesting possibilities that could solve many problems for IVGID. And it could easily be the least cost solution.

4. Some of the provisions of the Parasol offer would have to be changed but it is a reasonable start.

5. I think it is beyond IVGID’s authority under NRS 318 to engage in non-profit business of the type done by Parasol or its agencies. IVGID, as building owner could lease a portion of the space to Parasol who could continue pretty much as they are now with IVGID remaining a totally separate entity. Also as owner, IVGID would have to be the principal occupant of the building and call the shots about operations.

6. We are very early in these negotiations and much needs to be clarified before anyone can tell whether it makes sense or not. I urge the Board, the Staff and particularly the IVGID residents to get all the facts before deciding whether this is a good or bad thing.

Gene Brockman    May 10, 2017
Karen Hovorka, PO Box 5417, Incline Village.
5/10/17

I am an Incline Village parcel owner and full-time resident. I strongly oppose the proposed request for a modification to the 30-year ground lease between the Parasol Tahoe Community Foundation (PTCF) and Incline Village General Improvement District (IVGID). This proposal is an outrageous, self-serving proposal that violates IVGID’s charter under NRS 318, does not serve the interests of the Incline Village and Crystal Bay (IV/CB) parcel owners, is of excessive cost to the IV/CB parcel owners current and future, and is almost certainly unlawful for IVGID to execute in the State of Nevada.

Let me discuss each one:

1. **This proposal is plainly outside IGVID’s charter to provide water, sewer, trash, and recreation services for the communities of Incline Village and Crystal Bay, NV.** This proposal means IVGID would assume all the PTCF’s current responsibilities to the D.W. Reynolds Foundation, including responsibilities for the management of the Centers’ 11 resident nonprofits and their office space.

2. **IVGID has not presented any compelling proof why this proposal is in the interests of IV/CB parcel owners.** The Feasibility Report clearly outlines how this proposal serves only the interests of the PTCF and IVGID office staff. The Feasibility Report includes weak and unconvincing rhetoric about more “recreation space” for arts and crafts and an additional fitness room, but cite zero requests for these by IV/CB parcel owners. Further, the Feasibility Report also cites space needs for the “Community Services Master Plan,” which, as of today, does not exist.

3. **The payment and annual operating costs are excessive and outrageous: 3 subpoints:**
   a. **The $5.5 million-dollar payment to the PTCF for the building alone would be the highest expenditure paid by IVGID for a single facility in its history.** This proposed payment is $1.9-2.3 million dollars more than two other local buildings IVGID analyzed for administrative office space. *But really, folks, why can’t IVGID just rent office space?*
   b. **Annual building operating expenses are dangerously underestimated and inaccurately reported** in the Feasibility Report. Per PTCF’s audited 2014 and 2015 financial reports, the annual building operating expenses are in excess of $500,000 ($511,822 and $513,438 respectively), far in excess of the Report’s cited $164,000.
   c. **IVGID estimates $200,000 will be needed for building improvements.** But this is still somewhat unknown. How many more hundreds of thousands or millions of dollars will current and future IV/CB parcel owners be expected to pay for this proposal?

4. **Is it almost certainly unlawful per Nevada Revised Statutes for IVGID, a government agency to (1) Expend public funds on philanthropy, and (2) Manage office space for third parties.** Since neither fits into IVGID’s charter they thus seem to be unlawful. Since I am a layperson, I have contacted the Nevada Attorney General’s Office for clarification and direction.

Thus, for all reasons above, you, the Board of Trustees, as trustees of our public money, are required to vote “NO” on any/every vote on this proposal. There are plenty of other urgent community items that actually benefit IV/CB parcel owners for which you must direct the General Manager and Staff to devote their time and efforts instead.
"NO FURTHER ACTION" to IVGID paying PTCF $5,500,000+ for the "BENEFICIAL USE" of the Donald W. Reynolds Community Non-Profit Center (a.k.a. The Parasol Building)

Dear IVGID Board of Trustees,

As a property owner and full-time resident of Incline Village, Nevada I urge the Board of Trustees to table and take no further action on the, "Request for a modification to the 30-year ground lease between the Parasol Tahoe Community Foundation and IVGID for the following reasons:

1. IVGID will pay Parasol $5.5 million in seven installments for the "beneficial use" of an unknown portion of the Center for IVGID recreational programming and office space, plus:
   - $200K retrofit costs (see page #8 in the Presentation by IVGID's District GM)
   - $164K per year in maintenance costs
   - The additional support staff hours and staff property management required (see page 17 Feasibility Report) to Parasol Tahoe Community Foundation (PTCF).

The (ill defined) "beneficial use" of the Parasol building by IVGID is an over-reach and may well take IVGID well-beyond its primary mission and into the realm of operation and maintenance of a public philanthropy building for PTCF!

On Page #3 in the Presentation by IVGID's District GM, he is leading us to believe that, "Stated simply, PTCF would like to sell to IVGID, at a price of $5.5 million, the building known as the Donald W. Reynolds Non-Profit Center."

Let's not confuse the meaning of the word "sell" with "beneficial use." This statement above by the IVGID GM quite simply contradicts Page #9 in the D.W. Reynolds non-Profit Center Feasibility Report, under the PROPOSED LEASE MODIFICATION section,

"As noted in the introduction, PTCF would like to focus on its Community Foundation efforts and transfer responsibility for the building operation and maintenance to the Lessor (IVGID)."

IVGID would be paying $5.5M+ for the "cost for the leasehold improvements" not complete ownership of the Parasol Building (see page 4, Presentation by IVGID's District GM). After reading the Feasibility Report, please show me where the wording is that PTCF intends to "sell" the Donald W. Reynolds Non-Profit Center to IVGID? Instead, PTCF intends to allow IVGID the "Beneficial Use" of the building, not complete and actual ownership of the Parasol Building.

In summary, I encourage the IVGID Board of Trustees to instead consider other alternatives and not become embroiled in the operation and maintenance of a public philanthropy building for PTCF!

David LaBarge
Property owner, and full-time resident of Incline Village, Nevada
Comments on Request for Modification of 30-yr Ground Lease
Between Parasol Foundation and IVGID

May 10, 2017

Given By: Linda L. Smith
1437 Tirol Drive
Incline Village, NV 89450

My name is Linda L. Smith. I have been a property owner in Incline Village since 1998 and have lived here full time since 2011. By way of background, I once served as the Director of Finance for a city of 800,000 residents, so I have some familiarity with municipal finance, public debt, and prudent public fiscal behavior.

I wish to voice my opposition to the proposed modification of the ground lease as being both fiscally imprudent and a breach of the fiduciary trust you each have as trustees of this district.

As responsible trustees know, government spending is acceptable when three conditions are met: 1) the benefits of the spending must be greater than the costs; 2) the government spending must be directed at projects the private sector cannot do on its own; and 3) the overall spending and debt level must be sustainable for the community.

The initial Parasol ground lease did not meet the first test and the proposal to now purchase the building for somewhere in the neighborhood of $5.5 million has not been shown to have benefits that are greater than the costs of both the purchase, renovation, and on-going maintenance.

The proposed modification to the ground lease and building purchase clearly does not meet the second test. Owning and leasing buildings is something the private sector can clearly perform. One need only drive through this community and see the excess commercial space available for lease to see that if IVGID needs additional offices they have the current ability to negotiate favorable terms with landlords in Incline Village.

Regarding the spending and debt level of this Village of about 8,000 people, IVGID currently has a General Obligation and revenue bond indebtedness totaling $10.3 million and a five-year capital plan of $45.6 million. Buying the Parasol building is not in the current plan nor in the proposed 2017-2018 plan. Imposing more costs on property owners at a time when our water and sewer rates are already rising 3-4% per year, far above inflation, is not fiscally sustainable for many in our community.
I would ask that you think of the three principles I have set forth for responsible trustees and decide to not pursue this unnecessary and irresponsible proposal.

Linda L. Smith
Parasol – IVGID purchase notes

- IVGID needs new facilities
  - Old building at 893 Southwood is woefully inadequate and will require almost $300k
    - which goes down the tubes immediately for minimal appreciable benefit,
      only to still have to pursue a new building in short order. That is not fiscally
      responsible.
  - This class A building with ZERO deferred maintenance was handed to them on a
    platter on very attractive terms, after the underlying land was originally gifted to
    IVGID from what I understand
  - 2012 study estimates, time- and inflation adjusted reveal a reasonably similar scope of
    cost ($4.2MM plus fixtures/ furniture/ equipment at perhaps +10%).
    - Internal staff time is likely underestimated, as planning and construction of a
      new facility takes a significant amount of time and resource.
  - For a similar scope of cost they can have a turnkey building in 7 months, with
    minimal disruption, improved community services and space, and possibly additional
    revenue to come over time.

- Non-profits
  - There will be a small degree of attrition of residents, almost all of it natural anyway.
  - Many of the non-profits who might remain align with improvement of our
    community in different ways (i.e. LT Shakespeare Festival, the Tahoe Fund, and
    others).
  - Parasol as an organization can continue to support these and many other non-profits
    in more specific and more complementary ways, both with their staff time and with
    the generous backing of their donors. By improving its focus, Parasol can provide
    more money and more support to our non-profits – and that’s their primary
    purpose.

- My question is this: is Parasol making the right financial decision?
  - They are offering a significant asset at a 43% discount to appraised value. A discount
    for lack of marketability certainly is applicable, but is this too much of a sweetheart
    deal to IVGID’s benefit?
  - And is the 4.5% interest rate charged on later payments from IVGID in line with
    their strategic investment goals? Especially to a municipality like IVGID, and with
    single creditor concentration?
  - I can see how the overall package is quite attractive to IVGID from this perspective.

- Overall, I think this is a positive move for IVGID and a positive move for our community
  and a positive move for our non-profit world.
My name is Aimee LaFayette and I am born and raised in Incline Village. I am married with a husband who works in town. Together, we are property owners living at 852 Lichen Court, unit #1. We also have two young children who will attend our local schools. I am here to voice my support for modifying the ground lease agreement between IVGID and PTCF.

Since its construction in 2000, I have watched the D.W. Reynolds Building be used by this community. The building’s mission, with PTCF as its steward, was to provide a collaborative space where non-profit organizations could effectively serve this community. This mission has been fulfilled for a long time. Most notably, the building operated as central hub for social services - providing vital resources such as counseling, domestic violence and sexual assault advocacy, and food to adults, elderly, and children of all ages.

But as we are all aware, things do not stay the same. Our community does not mirror the community of 2000. Demographics and economics have changed Incline Village. The families who once relied on the services offered at the D.W. Reynolds building have moved. Areas such as Truckee, Reno, and Carson City have experienced growth that can be attributed to this population movement. And many of the organizations originally housed in the building have followed these families to their new communities in order to continue serving their needs. For example, Children’s cabinet has closed their chapter in Incline and solely operate in Reno. And more recently, the Community House, located in Kings Beach, has been built with a similar mission to the D.W. Reynolds Building. It houses staff and resources from organizations who have previously and/or are currently located in the D.W. Reynolds Building.

Today, a large portion of Incline comprised of homes owned by individuals who consider this their second or third residence. The needs of these community members are different to the needs of community members living here nearly 20 years ago. Arts and culture, recreational programming, and environmental programming are all priorities.

I see this lease transfer as an opportunity for IVGID to be leaders. Now is the time to demonstrate your ability to assess and act on the needs of our community. The new priorities of this community – again, arts and culture and diverse programming for everything from recreation to the environment - are all things IVGID successfully offers. As a community member, I urge IVGID to keep the D.W. Reynolds building as a central hub by adapting its purpose to align with these needs. Altering the use of the building to include your / IVGID’s administrative offices while still hosting non-profit programing, and meeting room space should be considered an optimization not a betrayal. In sum, this opportunity makes the most financial and temporal sense.
17 years ago IVGID trustees entered into a far-sighted agreement with a nascent Parasol Foundation with the understanding that Parasol would build and operate a community center that focused on enriching the fabric of Incline Village and the north shore. The past 15 years have proven the correctness of that decision as Parasol has helped to meet many community needs, helped to make a variety of non-profit organizations more visible, and through operating support more financially stable. Everyone in the community has benefited directly or tangentially from Parasol’s work.

Today Incline Village/Crystal Bay and the north shore are quite different communities. With the dramatic increase of second home, part-time residents and vacation rentals, has come a parallel increase in demand for outdoor education & recreation, environmental protection programs and arts & culture experiences — The reduction in the number of full-time residents, the growth of the Boys & Girls Club, and opening of the Community House facility in Kings Beach the demand for social services in our community has declined. These evolutionary changes lead Parasol to a re-appraisal of how best to support and enrich Incline Village/Crystal Bay looking toward the next 20 years.

IVGID too is facing its own challenges related to this changing community profile and the demands of a new generation of owners and visitors. The IVGID administration building has reached the end of its useful life. The recreation center is used to near capacity so any use of space for IVGID administrative functions puts further stress on recreation programs. The pressing need for greater, more modern, flexible space lead you to exploration of constructing a new, suitable building. However, new construction is time consuming, more costly per square foot, and fraught with unknowns whereas the Reynolds Center was built to the highest standards and has been meticulously maintained -- moving to this well known site eliminates uncertainty, can be accomplished in near horizon and maximizes use of a valuable existing community asset.

I urge you to once again be far-sighted and benefit the members of our current and future community by supporting this proposal.

[Signature]
10 May 2017
**Background:** In 2000, some well-meaning, but misguided (by IVGID staff) IVGID trustees, gave a lease of 2.36 acres of prime land that had been purchased by the District for recreation (using our Rec fees) to Parasol for $1/year for up to 99 years to build and operate a non-profit center. Everyone, including Parasol and the Donald W. Reynolds Foundation, understood the terms. Now Parasol is not happy with the arrangement.

**The proposal:**

Parasol no longer wants to be the landlord for non-profits. It wants to pull the cash out of the building. It wants IVGID to pay it $5.5 million and take over the "landlord" duties and maintenance expenses of a huge building that was designed to house a non-profit center. IVGID would still have to provide office space at reduced or free rents to the existing tenants (including Parasol), have exclusive use of only a **portion** of the building and **shared use** of the remainder of the building. To complicate matters even more, the land has a restrictive covenant that only allows it to be used for park and recreation and related purposes or as a non-profit center by Parasol or its successors.

**Questions/observations**

1) **Do we really need this any time soon?**

Initially IVGID cited a need for additional office space (replacement of the Admin building on Southwood) and additional Community Programs space. Now staff suggests moving recreation offices out of the rec center to free up space for programs.

None of these projects is even listed in the approved 2016/2017 5 year $49.5 million Capital Improvement Project Summary nor the proposed 17-18 plan (apparently not a "pressing problem" as the letter from Parasol implies). Besides, IVGID admin office space is not related exclusively to recreation, so the deed restriction would need to be modified again.

We are in the process of developing master plans for Community Services, and other District needs. The request by Parasol should not distract us from those efforts. There does not appear to be any immediacy to this proposal. We already have many "underutilized assets." Let's not add another.

2) **Do we want more negative cash flow?**

Our Community Programs are already heavily subsidized by our Rec fees. Do we really want to increase that subsidy by paying millions just to share a facility that will require costly modifications and more staffing? The Donald W. Reynolds foundation is requiring that Parasol collaborators continue to be offered below-market rents, resulting in even greater subsidies by IVGID.

3) **Is this something appropriate for IVGID to do?**

IVGID is a recreation and utility district. We don't pay rec fees to run a non-profit center or contribute to a select non-profit, especially one that solicits donations for nonprofits worldwide (how many of the
235 grantees on the Parasol website are local? IVGID's own policies require a non-profit to spend proceeds in support of local activities/programs when we give away our facilities at reduced/free costs.

4) Why is Parasol asking to break its lease? Its stated reason is that it wants more cash, but hasn't made any commitment that the cash will benefit our community. The existing lease would require it to turn over the building to IVGID if it no longer wishes to operate the non-profit center.

5) What is the real focus of Parasol? Is it supporting local non-profits, or supporting investment firms? Look at its website and you may get an indication. Parasol's grants (both cash and in-kind) to nonprofits have reduced 12.5% in the last 3 years while its investment assets have increased by 33% to over $60 million. Parasol grants total only about 6% of its investment assets. Why is that when most donor advised funds (Parasol's most popular offering for donors) provide grants amounting to 20%?

6) Why do we want a building that was not designed for the purposes proposed by IVGID? The facility was designed as a non-profit center with numerous small meeting rooms. It was not designed as a recreation facility (no showers, e.g.) or administrative building for a single organization. The cost of remodeling could easily surpass any perceived "savings" over new construction that is purpose built.

7) What was the purpose of the appraisal offered by Parasol? Was it a true measure of market value? Appraisals can be done for many purposes and often several different approaches are needed to come up with market value. The appraisal that Parasol presented was to determine replacement cost minus depreciation and did not consider many of the factors that diminish value. Were IVGID seeking to build a structure for recreation and administrative office purposes, it would likely not even contain many of the costly items that contributed to the "value" of the structure, e.g. loading dock, commercial kitchen, so a replacement cost appraisal is a poor measure of market value for our purposes.

The appraisal does not consider the greatly diminished value resulting from the extremely restrictive covenants that limit the property to uses for park and recreation purposes or as a non-profit center operated by Parasol or Parasol's successors. IVGID is not Parasol's successor. Who else would or could buy a building with these restrictions?

The appraisal does not use an income approach, most appropriate for an office building or conference center. This approach uses cap rate or some multiplier of income to determine value. With its mandated free or below market rents, the building would not sell for anything like the $5.5 million Parasol is proposing.

There is no comparative market analysis. In conclusion we have no indication of market value.

8) Why would IVGID commit us to a purchase agreement with an "as is" clause? This would open up the district to needless risk. A fifteen year old building needs thorough inspection.

9) Why would you want to move Rec center admin staff from the Rec center? It doesn't make sense to have them in a different building if they have to supervise/interact with rec center staff.

* https://www.philanthropy.com/article/Opinion-Charities-and/238202

Judy Miller, Incline Village resident
Let me preface my comments by saying that I don't believe IVGID has authority under NRS318 to operate a non-profit center or to give away things acquired with the Rec Fee to organizations, even nonprofits, who provide services other than recreation. It's not legal and it's not appropriate. We don't pay a rec fee for social services. Those should come from Washoe County or the generous private donations for which our community is known.

If we really want to provide meeting space for nonprofits, please consider getting out of the wedding/event planning business. As our Board knows well, the capital equipment costs (which no longer show alongside revenues in our new/improved financials) make it difficult, if not impossible, to generate a profit. Then we'd have a number of facilities like the Chateau, Aspen Grove, the meeting rooms in the Diamond Peak lodge, that we could actually use for the community and make available for nonprofits on a cost recovery (not for profit) basis. Since these buildings are almost entirely paid for, all we'd have to do is generate enough revenue to pay for maintenance and utilities.

A lack of planning on your part doesn't constitute an emergency on our part. PTCF never had any plan for what would happen if its program of building and operating a non-profit center failed. We still haven't heard an explanation why Parasol is urgently in need of cash. Are there major systems that are about to fail? (Did I mention that the proposal calls for IVGID to take the building "as is"?)

Parasol has reserve funds for maintenance. It receives enough revenue to pay for utilities. It has no mortgage. It pays no taxes. I'm told Parasol has expertise in the area of fundraising. Why can't they raise private funds necessary to keep operating the center? Is PTCF really a community foundation when the vast majority of its grants go outside the Tahoe Basin? Is PTCF here to support local non-profits or investment firms who benefit from the $60 million of investments/donations?

The current lease calls for Parasol to turn over the building to IVGID for free if it no longer operates a nonprofit center. In light of that fact, Parasol's proposal is totally unreasonable. We have already wasted an inordinate amount of staff time (including legal work) trying to satisfy Parasol's unreasonable request. We should not even consider paying for a building with so many restrictions (land use, building use, naming rights, physical configuration, etc.) that will obviously require millions of dollars to convert to recreational purposes and at a time dictated by Parasol's needs, not ours. It's like buying a house and letting the seller use the master bedroom, bathrooms, kitchen and parking for free. And the sign on the front door has his name, not yours.

This is not the win, win, win claimed by Mr. Alling. It's just an improper bailout by IVGID for Parasol's poor planning.

Judy Miller
Charities and Taxpayers Deserve More From Donor-Advised Funds

By Ray D. Madoff

A stunning change has taken place in the top ranks of The Chronicle’s Philanthropy 400, one that requires all of us to face fundamental questions about whether the rules designed to encourage charitable giving are producing results that best serve American society.

This change is the extraordinary rise of donor-advised funds. For the first time, the American charity that raised the most donations is Fidelity Charitable, the biggest sponsor of donor-advised funds. In the past year, Fidelity raised $4.6 billion, far surpassing the previous leader, United Way Worldwide, which raised $3.7 billion.

DAF sponsors like Fidelity Charitable operate as middleman charities, holding donations and awaiting instructions from donors about where the funds should be spent. Fidelity Charitable is not alone. Many other DAF sponsors, including community foundations, also appear on the list of the 400 charities that attract the most from individuals, foundations, and corporations.

In less than a quarter of a century, we have seen a major transformation as universities, museums, hospitals, religious institutions, emergency-relief organizations, and other traditional nonprofits have been displaced by donor-advised fund sponsors as top recipients of charitable dollars. This is particularly troubling since charitable contributions have consistently hovered around 2 percent of the U.S. gross domestic product. That means that the growth of DAF donations is coming at the cost of reduced outright donations to charities.

As donor-advised fund sponsors are becoming America’s biggest charitable entities, concerns about them become ever more consequential. Most troubling is that there is no evidence that the benefits from these funds are going to the public. Instead, most of the benefits appear to be going to America’s richest people, biggest financial houses, and a host of investment advisers across the country.

Much of the conversation about DAFs has focused on whether they should be subject to distribution requirements. Today’s law does not set any rules, even though donors get maximum tax benefits as soon as they make contributions.

The focus on distribution standards is important but obscures the larger concern that DAFs undermine fundamental principles of what it means to give. These principles permeate the tax code, particularly the changes that were added in the Tax Reform Act of 1969. At that time, Congress was concerned that tax benefits for charitable gifts provided too many benefits and too much control for donors and provided too little benefit to the public. That’s why Congress adopted sweeping rules largely designed to encourage donors to steer money to organizations that could put the money to use right away and to those that let the public, not the donor, have the greatest control over donated funds.

Congress was also concerned with ensuring greater transparency in the nonprofit world.

DAFs might hew to the letter of the law, but they do so at the expense of values that the law was written to fulfill.

It is easy for the average American to have missed the extraordinary transformation that has taken place, because DAF sponsors take many forms. The most jarring to the uninitiated are the charities formed by for-profit financial institutions. In addition to Fidelity Charitable, other big ones include Schwab Charitable and Vanguard Charitable — all organizations that rely heavily on their corporate founders to market the benefits of giving through DAFs to wealthy Americans.

Community foundations, which sponsored the earliest forms of DAFs, have experienced their own DAF explosion. The country’s largest, the Silicon Valley Community Foundation, with more than $7 billion under management, is almost entirely DAF-driven. Jewish federations have long offered donor-advised funds, and in recent years other groups have been tapping the interest, like Rotary International and Cornell University. Even United Way, ousted from the top Philanthropy 400 list by Fidelity Charitable, has joined the ranks of nonprofits offering donor-advised funds.

It’s a bit like Invasion of the Body Snatchers to see the victims of the donor-advised-fund boom turning around and offering them on their own.
What all of these organizations have in common is that they offer donors the ability to make what appear like outright donations to charity. Behind the scenes, what is happening, in essence, is that DAF sponsors make a side agreement with the donors to hold these funds and let the contributor have control over the money.

The dominance of DAFs is the direct result of the many benefits they offer to wealthy donors, their sponsors, and the financial-services industry.

The greatest beneficiaries are wealthy donors. Affluent people love DAFs because they make it easy to time their contributions to get the maximum tax benefit — without giving up any say over where the funds will go, and in many cases, how their assets are managed.

That's why some people call DAFs the "have your cake and eat it, too, charitable donation." Most important, the tax benefits donors receive from DAFs are far more substantial than if they had turned over the same contribution to a foundation, especially when it comes to donations of real estate, hedge-fund interests, and other complex assets. What's more, unlike private foundations, DAF funds are not subject to excise taxes, payout rules, or disclosure requirements.

The organizations that sponsor DAFs get benefits, too. Donor-advised fund sponsors get management fees based on how much money they hold; as the funds grow, so do the management fees. In addition, community foundations and other traditional charities find that DAF accounts provide important access to donors and an opportunity to connect with donors about their work.

The financial-services industry also benefits. Financial institutions that have created their own DAFs are able to broaden their menu of services by offering clients a way to get the tax advantages of charitable giving without losing the profits from keeping these funds under management. The financial-services industry also benefits because donors' financial advisers continue to receive fees (now from the DAF sponsor) to manage DAF money.

Given this confluence of interests — along with the marketing powers of the financial-services industry — it is little wonder that DAFs have grown so quickly. Moreover, there is every reason to believe that this trajectory will continue.

But it would be a mistake to assume the growth of DAFs is good news for charity or society. Since federal law doesn't require DAF funds to ever be distributed, there's no way to be sure the money in them will ever flow to charities. Moreover, since Fidelity Charitable and other sponsors benefit financially by keeping the money in donor-advised funds under management, they have little reason to encourage donors to make speedy payouts to charity.

In response to these concerns, tax experts and others have proposed setting a time limit on how long donations can stay in the funds. In 2012, Rep. Dave Camp, who then headed the key Congressional tax committee, proposed that donor-advised funds be distributed within five years of contribution.

While such a requirement would do much to help charities, the focus on payout alone has obscured the larger policy concerns raised by DAFs. Here's how the rise of the donor-advised funds undermines fundamental values developed over 100 years of public policy on philanthropy:

They don't curtail donor control. A fundamental principle of tax law is that donors are not entitled to a deduction for charitable contributions unless the donor gives up complete "dominion and control" over donated funds. There is good reason for Congress to tie the deduction to donors giving up control to an organization that can put the money to active use. Society cannot benefit if donated funds are not in control of the nonprofit organizations holding them. Donor-advised funds give donors exactly what the tax law was designed to prevent: an immediate deduction for gifts with the donor keeping control over the money.

How do DAFs perform this magic?

Largely with a wink and a nod. When people give to donor-advised funds, they do so with the understanding that they will be able to direct charitable gifts from their DAFs. However, if the legal documents reflected this understanding, donors would not be eligible for the charitable deduction.

So legal agreements state that donors maintain no control over DAF funds; instead they say that these funds are solely subject to the control of DAF sponsors. But that's not how they work in reality. Nobody would give millions of dollars to Fidelity Charitable with the idea that the Board of Trustees of Fidelity Charitable would decide where the money goes.

In this way, current DAFs are fundamentally different from the early forms offered by community foundations in the 1930s. At that time, DAFs were designed to help wealthy donors who wanted to benefit the community but who also wanted a voice in how their money would advance local causes. The voice was truly advisory (thus the name "donor-advised" funds), and contributors most certainly knew that the board ultimately controlled the donated funds.

Today the legal documents say "advice," but everyone understands it is direction. For most DAF sponsors, so long as long as the recommended transfer is charitable in nature, donors may direct their funds to whatever group they choose on whatever schedule they choose. That approach is explicitly inconsistent with fundamental principles of charitable tax law.
They don’t give donors incentives to send money to active causes. Congress also wanted to encourage the flow of dollars to organizations that do charity work themselves or that receive money from a broad range of people. That’s why donors to charities get better tax benefits than those who give to their own foundations, and why private operating foundations — which run their own charitable programs — receive greater benefits than regular foundations. It’s also why private foundations must distribute a minimum percentage of assets each year.

Even with all those rules, Congress failed to anticipate how donor-advised funds would find a way to get maximum tax benefits to donors without providing any assurances that those funds would ever get committed to active causes.

They don’t encourage transparency. Congress has enacted a slew of rules designed to make sure the public knows how direct donations, tax subsidies, and other privileges granted to charitable organizations are being used. Most notably, charities and foundations are required to provide significant information about their operations on their tax returns and are also required to make these tax returns available to the public. The goal is to enable people to decide for themselves whether charities are truly operating for the public good.

However, DAF sponsors undermine transparency by aggregating contributions and disbursements from all of their donor-advised funds into a single report. It is impossible for observers to determine the activities of any single donor-advised fund. This secrecy is particularly problematic in cases like the Leonardo DiCaprio Foundation, which bills itself as an environmental grant maker, saying it has awarded "over $30 million since 2010 to fund 78 high-impact projects in more than 44 countries."

However, any donor seeking to confirm these donations would be unable to do so, since all contributions are funneled through a donor-advised fund at the California Community Foundation. Since the California Community Foundation reports its grant making on an aggregate basis, it is impossible to know what, if anything, is done with the money raised by the Leonardo DiCaprio Foundation.

This is not an isolated instance. Other people are using donor-advised funds to serve essentially as pop-up charities that provide tax benefits to donors and offer little transparency.

DAFs are here to stay — but that doesn’t mean that lawmakers, nonprofit leaders, and the public need to keep letting them undermine the philanthropic spirit that is the very bedrock of our democracy.

Congress should pass legislation that sets out clear values about what these charitable savings accounts must do in return for the subsidy Americans give them through the tax code. In doing so, Congress should recognize the importance of transparency and getting donated funds out of donors’ hands and into the control of charities that can put those dollars to work to improve our world today.

Ray D. Madoff is a professor of law at Boston College, where she also directs the Forum on Philanthropy and the Public Good.

This article is part of:
CULTURE, EQUITY, AND THE CHALLENGES OF LEADERSHIP: HOT TOPICS ON OUR OPINION PAGES, PHILANTHROPY 400: A NEW NO. 1, AND A RECORD YEAR IN GIVING

A version of this article appeared in the:
NOVEMBER 2016 ISSUE

5-10-2017

To: Board of Directors

Please add to the minutes of this meeting

I AM SURE THAT YOU KNOW ABOUT THE UNFORTUNATE INCIDENT OF THE FIRING OF A LIVE ROUND OF AMMUNITION AND KILLING OF ONE OF OUR RESIDENT BEARS.

THIS BEAR HAS BEEN A VILLAGE BEAR FOR ABOUT 10 YEARS AND HAS NEVER HAD ONE REPORT OF NOR SHOWN ANY SIGN OF AGGRESSIVENESS. SHE HAD BEEN TAGGED AND MONITORED BY NDOW FOR YEARS. SHE HAS HAD MANY LITTERS OF CUBS OVER THE YEARS WITH NO SIGNS OF AGGRESSIVENESS TOWARD PEOPLE. HER PLAYFUL CUBS HAVE BEEN A DELIGHT TO MANY OVER THE YEARS. JUST LIKE PUPPIES AND KITTENS WRESTLE AND PLAY, SO DO CUBS.

THE FACT IS THAT NDOW CONTINUES TO PROPOGATE HYSTERIA IN THEIR STATEMENTS AND REPORTING OF BEAR ENCOUNTERS. THIS ADDS TO THE PROBLEM IN BEAR SIGHTINGS BY RESIDENTS.

I AM HOPEFUL THAT THIS INCIDENT WILL CHANGE THE WAY THAT 911 CALLS ARE HANDLED BY OUR WCSD. UNINFORMED AND HYSTERICAL PEOPLE WHO MAKE CALLS REGARDING BEARS IN THE NEIGHBORHOOD SHOULD PUT ON HIS BIG GIRL PANTIES AND REALIZE THAT HE MOVED TO A MOUNTAIN COMMUNITY. IF THE BEAR WAS NOT IN HIS GARAGE OR RESIDENCE AND JUST MOVING THROUGH THE FORESTED NEIGHBORHOOD IT HAS THE SAME RIGHTS TO BE THERE AS THE CALLER. IF YOU CANNOT TOLERATE WILDLIFE PERHAPS ONE SHOULD TAKE THEIR FAMILY AND MOVE BACK TO THE CITY WHERE THEY ONLY HAVE TO ENCOUNTER DRIVE BY SHOOTINGS, HOME INVASIONS AND THE LIKE.

THE FACT IS THAT THE TEN YEARS OF INACTION OF ENFORCEMENT OF TRASH ORDINANCES HAS CONTRIBUTED TO THIS MOTHER BEARS VIOLENT DEATH.

THIS HAS MADE NATIONAL NEWS AND IT IS NEGATIVE FOR OUR SHERIFF’S DEPARTMENT AND FOR OUR TOWN.

THE BUCK STOPS WITH IVGID ON THE DUMPSTER AND TRASH MANAGEMENT AS THEY HOLD THE CONTRACT WITH WASTE MANAGEMENT. STEP UP AND DO YOUR JOB.

Margaret Martini

Incline Village
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
MAY 10, 2017 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C & F(1)
– APPROVAL OF NEXT STEPS IN RESPONSE TO PARASOL FOUNDATION’S
REQUEST TO MODIFY THE DONALD REYNOLDS NON-PROFIT CENTER’S
GROUND LEASE/ITS LAND USE RESTRICTIONS

Introduction: Here IVGID’s GM asks that the Board "direct...staff...on [Parasol Tahoe Community Foundation's (‘Parasol’s’)] request" to sell "possession and control of...only partial as opposed to the entire...31,500+ square foot...Donald Reynolds Non-Profit Center Building" ("the building"), and a lease back1 of "approximately 1,700 square feet (of)...office space...(as shown on Exhibit ‘X’)," "storage space...defined as storage cages #11, #12, and #13," "meeting room use... (defined as) the right of use of all meeting rooms and first-floor kitchen space," "inclusive of all utilities, parking, and access through common areas," "access to and use of the current building internet fiber connection," all at "an annual rent of...one dollar ($1) per year...for a period of twenty (20) years," which is disingenuously mis-labeled as "a lease modification."

Chairperson Wong’s Duty to Disclose Her Commitment in a Private Capacity to Parasol’s Interests: As starters, I and others I know object to our Board's chairperson, Kendra Wong, advocating or voting on this agenda item based upon her conflict of interest. NRS 281A.420(1)(c) instructs that "a public officer or employee shall not approve, disapprove, vote, abstain from voting or otherwise act upon a matter...(c) which would reasonably be affected by the public officer’s or employee’s commitment in a private capacity to the interests of another person, without (first) disclosing information concerning the...commitment in a private capacity to the interests of the person that is sufficient to inform the public of the potential effect of the action or abstention upon the person who...whom the public officer or employee has a commitment in a private capacity." Moreover, NRS 281A.420 instructs that "such...disclosure must be made at the time the matter is considered." And since Ms. Wong is "a member of a body which makes decisions, (she)...shall make the disclosure in public to the chair and other members of the body."

The subject issue was first brought to the IVGID Board by Ms. Wong at its regular meeting held April 13, 2017. At that meeting Ms. Wong announced she had received a March 17, 2017 letter2 from

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1 See ¶¶V of the proposed "lease amendment agreement" [see pages 28-31 of the packet of materials prepared by staff in anticipation of the IVGID Board’s regular May 10, 2017 meeting ("the 5/10/2017 Board packet") (https://www.yourtahoeplace.com/uploads/pdf-ivgid/Item_C__-_Presentation_-_Ground_Lease_with_PTCF_5-10-17.pdf)].

2 A copy of that letter appears at page 184 of the packet of materials prepared by staff in anticipation of the IVGID Board’s regular April 13, 2017 meeting ("the 4/13/2017 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/Item_H.2__-_Minutes_of_April_13__2017_5-10-17.pdf)) as well as page 274 of the packet of materials prepared by staff in anticipation of the
Parasol insofar as its request was concerned, and asked that the Board "make...a motion to direct staff to provide a summary report on the feasibility of (Parasol's request) at (its) next meeting on April 25, 2017," and that the Board "include this issue on (its) May 10, 2017 meeting agenda...conducted similar to the way (the Board)...hold(s) a public meeting."³

At no time during this agenda item did Ms. Wong disclose information concerning her "commitment in a private capacity to (Parasol's)...interests," let alone "sufficient to inform the public of the potential effect o(n) the action" she was proposing. Moreover, she advocated and voted upon the motion she asked be made.

At the Board's regular April 25, 2017 meeting the subject issue was agendized as item G(5)⁴ and discussed. Staff requested that the Board "provide additional direction regarding the proposed lease modification...and confirm the scheduling of a specific agenda item for the (Board's) May 10, 2017 meeting...where...the agenda item would be publicly advertised."⁵ At no time during this agenda item did Ms. Wong disclose information concerning her "commitment in a private capacity to (Parasol's)...interests," let alone "sufficient to inform the public of the potential effect o(n) the action" being proposed. And again, she advocated and voted upon the motion staff asked be made.

At this Board meeting action on Parasol's request has again been agendized as items C and F(1). And again, the undersigned anticipates that at no time will Ms. Wong disclose information concerning her "commitment in a private capacity to (Parasol's)...interests," let alone "sufficient to inform the public of the potential effect o(n) the action" being proposed. And it is anticipated that again, she will advocate and vote upon a motion being proposed.

Assuming this occurs, Ms. Wong will have committed six separate ethics violations!

I and others I know object.

Chairperson Wong's Duty to Not Vote on Parasol Matters Because of Her Commitment in a Private Capacity to Parasol's Interests: Moreover, Chairperson Wong owes the public more than the duty to disclose her "commitment in a private capacity to the interests of (Parasol)...that is sufficient to inform the public of the potential effect of (proposed) action or abstention." "In addition to the requirements of (NRS 281A.420) subsection 1, [NRS 281A.420(3)(c) instructs that] a public officer shall not vote upon or advocate the passage or failure of, but may otherwise participate in the consider-

³ VIGID Board's regular April 25, 2017 meeting ["the 4/25/2017 Board packet"
⁴ See page 101 of the 4/13/2017 Board packet.
⁵ See page 254-439 of the 4/25/2017 Board packet.
⁶ See page 254 of the 4/25/2017 Board packet.
ation of, a matter with respect to which the independence of judgment of a reasonable person in the public officer's situation would be materially affected by...the public officer's commitment in a private capacity to the interests of another person." Because I and others I know are of the opinion that the independence of judgment of a reasonable person in Ms. Wong's situation would be materially affected by her commitment in a private capacity to the interests of Parasol insofar as the proposed request is concerned, we ask she recuses herself from voting on any matter dealing with Parasol's proposed request.

Ms. Wong's Commitment in a Private Capacity to Parasol's Interests: Page 265 of the 4/25/2017 Board packet discloses that there are currently "eleven (11) resident non-profit organizations...occupying office space in the building." And one of those organizations (number 3) is "Girls on the Run-Sierras" ("GOR"). GOR is a foreign non-profit corporation. According to GOR's most current list of officers filed November 28, 2016, Ms. Wong is its Secretary and Treasurer.

Parasol's request contemplates, at ¶VI(A) of the proposed "lease amendment agreement," that after the proposed sale and leaseback IVGID will "operate a portion of the building as a non-profit center [defined as "offering affordable office space (furnished), storage space and meeting room space to non-profit organizations including the "eleven (11) resident non-profit organizations ...(currently) occupying office space in the building"] expressly including GOR. According to ¶VI(B) of the proposed "lease amendment agreement" GOR will be charged "below market (rents not to exceed)...$1.00 per square foot," with utilities...storage space and access to meeting room space... included" for six and one-half (6-1/2) years, or until December 31, 2023. In addition, "all tenant non-profit organizations (including GOR) shall have access to and use of the current building internet fiber connection" as well as one or more of "8-10 storage space units...at no cost" [see ¶VI(C) of the proposed "lease amendment agreement"], and "all meeting rooms...and first-floor kitchen space...will be made available for use by non-profit organizations (including GOR) at no cost" [see ¶VI(D) of the proposed "lease amendment agreement"]. In other words, a "sweet deal" for Ms. Wong's GOR.

But there is more. According to page 2 of the 5/10/2017 Board packet Parasol "would like to shift both monetary and financial resources...to their core mission. Freeing up these resources would increase the amount of financial support...Parasol could provide to the region." What this means for GOR in particular is that instead of "in kind grants," Parasol will be free to "financially support their

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6 According to the Secretary of State, business entity number E0692032011-6. A copy of the Secretary of State's most current "Business Entity Information" for GOR is attached to this written statement as Exhibit "A."


8 Is this $1/month? Or $1/year? Or $1/something else?
(favored "non-profit organizations...occupying office space in the building") grantees (expressly including GOR with the $5.5M to be received from IVGID) instead of granting them space."

But there is more. Who has been the single board member pushing this agenda item? Who has been the one who has been steering its discussion and progression to today's agenda? Who has been the one who has gone out of her way to not disclose "information concerning (her)...commitment in a private capacity to the interests of (Parasol)...that is sufficient to inform the public of the potential effect of...action or abstention upon the person (Parasol) who...whom the public officer...has a commitment in a private capacity" as NRS 281A.420(1)(c) mandates? Who has been the one insisting that this "agenda item would be conducted similar to the way we hold a public hearing?" Who was the one bemoaning the fact the Board "lack(ed) the necessary details," and yet when the proposed lease amendment agreement was presented at this meeting, and it omitted Exhibit "X" (see discussion below), chose to move forward without knowing any of those details? Who was the one insisting that the Board "consider this lease modification prior to adopting our Budget for fiscal year 2017-18?" Who is the one who from the outset asked that this matter be placed on today's agenda?

It is quite clear that Ms. Wong lacks the independence of judgment of a reasonable person in the public officer's situation in that her action on this agenda item is materially affected by her commitment in a private capacity to Parasol's interests.

Where is Exhibit "X" to the Proposed Lease Amendment Agreement? According to ¶IV(C) of the proposed "lease amendment agreement" the "office space" Parasol proposes retaining for itself, as well as the meeting room space it proposes ensuring IVGID rent to non-profit organization tenants, is "shown on Exhibit "X." However, no such exhibit is attached. For this reason, on May 6, 2017 I sent an e-mail to the Board asking that no action be taken on this agenda item "until the next regular meeting so staff can fulfill its obligation to provide the public with a copy of the missing exhibit...and allow the public sufficient time to study it." One would have thought that upon receipt of my e-mail the Chair-person Wong would have directed staff to immediately publicize the missing exhibit. But unbelievably, it continues to be hidden from the public!

Because without the missing Exhibit "X," to use Chairperson Wong's own words, the Board "lacks the necessary details."
This Proposal is NOT a Lease Modification as Represented But Rather, the Termination of the Current Lease; the Outright Purchase of Parasol's Leasehold Improvements and Non-Exceptioned Personal Property Located in the Donald W. Reynolds Building and on its Grounds; Combined With a Seller Leaseback to Parasol at $1/Year For Twenty (20) Years; Plus, a Required Leaseback to Parasol's "Qualified Non-Profit Organizations" at $1/Square Foot\textsuperscript{13} For Six (6) Years: Staff represents that what is before the Board is nothing more than a "lease modification."\textsuperscript{14} This is an intentional misrepresentation of fact! Currently Parasol is lessee under a 2.36 acre ground lease. What has been presented to the Board has nothing to do with that real property ground lease. Rather, it is the:

1. Purchase of "all real property leasehold improvements ('defined as the building and all real property improvements...commonly known as the Donald W. Reynolds Community Non-Profit Center') in an "as is" condition;"\textsuperscript{15}

2. Purchase of all "personal property, other than the excluded property (expressly) excluded below, located in the building and on the grounds of the real property;"\textsuperscript{16}

3. Seller lease back of "approximately 1,700 square feet (of) office space...as shown on Exhibit 'X'\textsuperscript{17} (see discussion above), an unidentified portion of the building's approximate 2,400 square feet of storage space "defined as storage cages #11, #12 and #13,"\textsuperscript{18} "all utilities, parking, and access through (at least 7,482 square feet of) common areas"\textsuperscript{19} (approximately 6,022 square feet of lobby, etc. space, 906 square feet of restroom space, and approximately 554 square feet of "first-floor kitchen space"\textsuperscript{20}, "use of all (approximately 11,270 square feet of) meeting rooms,"\textsuperscript{19} and "access to and use of the current building internet fiber connection,"\textsuperscript{21} \textbf{ALL FOR A PALTRY $1/YEAR FOR TWENTY (20) YEARS}\textsuperscript{22}; and,

\textsuperscript{13} Is this per week, per month, per year?
\textsuperscript{14} See page 4 of the 5/10/2017 Board packet.
\textsuperscript{15} See ¶¶II(A) of the proposed "lease amendment agreement."
\textsuperscript{16} See ¶¶II(B) of the proposed "lease amendment agreement."
\textsuperscript{17} See ¶¶IV(C) of the proposed "lease amendment agreement."
\textsuperscript{18} See ¶¶IV(D) of the proposed "lease amendment agreement."
\textsuperscript{19} See ¶¶IV(E) of the proposed "lease amendment agreement."
\textsuperscript{20} See ¶¶IV(H) of the proposed "lease amendment agreement."
\textsuperscript{21} See ¶¶IV(F) of the proposed "lease amendment agreement."
\textsuperscript{22} See ¶¶IV(B) of the proposed "lease amendment agreement."
4. IVGID's covenant it will "operate a portion of the building"23 [approximately 2,200 square feet of "affordable (furnished)...open office space behind the main reception desk"24 as a non-profit center, and offer "qualifying non-profit organizations" use of that space as well as: "all meeting rooms...as shown on Exhibit 'X',"11 an unidentified portion of the building's approximate 2,400 square feet of storage space (defined as "8-10 storage space units"25), approximately 554 square feet of "first-floor kitchen space"11, "access to and use of the current building internet fiber connection,"24 ALL FOR A PALTRY NOT TO EXCEED $1/SQUARE FOOT23 WITH UTILITIES INCLUDED FOR SIX AND ONE-HALF (6-1/2) YEARS26.

IVGID's Cost is Going to Be Much, Much Greater Than the Represented $5.5M: According to ¶¶III(A) of the proposed lease amendment agreement "the price of the transfer of the (subject)...leasehold improvements...shall be $5.5M." But that's not going to be IVGID's REAL cost. When everything is said and done our real cost is going to be $8M or even more! Let's break down the cost elements:

1. IVGID's payment of $5.5 million to Parasol in six installments over a five year period ending no later than December 31, 202227;

2. IVGID's payment of 4-1/2% interest on the $3.9M promissory note (for a total of approximately $606,830 assuming yearly principal reductions of $780,000 and yearly payments of accrued interest) required under ¶¶III(C) of the "lease amendment agreement;"

3. IVGID's assumption of "approximately $164,000 per year (for the entire) building('s)...utilities...grounds and maintenance staff,"28

4. IVGID's "immediate...and not at some point in the future (expenditure of additional unspecified sums for)...staffing and...add(ing) support staff hours...dedicated to...maintain(ing)...operat(ing)...and...property management (of)...the building...and facilities;"29

5. IVGID's expenditure of additional unidentified funds on outside consultants to conduct "a comprehensive condition assessment and maintenance evaluation;"30

23 See ¶VI(A) of the proposed "lease amendment agreement."
24 See ¶VI(B) of the proposed "lease amendment agreement."
25 See ¶VI(C) of the proposed "lease amendment agreement."
26 Until December 31, 202323.
27 See ¶¶III(B) and III(D) of the proposed "lease amendment agreement."
29 See page 270 of the 4/25/2017 Board packet.
6. IVGID's expenditure of additional unidentified funds on outside consultants to...determine the need for...additional (building)...improvements and future reconfigurations (necessary) to meet (its) operational needs;\textsuperscript{30}

7. IVGID's expenditure of additional unspecified sums on tenant improvements and future reconfigurations staff deems necessary to meet its operational needs\textsuperscript{30};

8. IVGID's expenditure of additional unidentified funds to "get...fiber (optic cable) into the (building) from Incline Way...reconfiguring...server space and upgrading...electrical service within that space;"\textsuperscript{30}

9. IVGID's expenditure of "approximately $200,000...needed...to make minor modifications to the building prior to IVGID's occupancy;"\textsuperscript{31}

10. IVGID's expenditure of "approximately two million dollars (as) a capital investment (for)...eventual...replacement of)...the building('s)...(fifteen year old) mechanical and structural systems;"\textsuperscript{32}

11. IVGID's loss of revenue as a result of being required to grant Parasol retained use of its portion of the building for the next twenty (20) years "as a ($1/year including utilities rent paying) tenant;"

12. IVGID's loss of revenue as a result of being required to allow unspecified qualified non-profit organizations to continue to use its portion of the building for the next six and one-half (6-1/2) years \textit{at less than fair market rent} (no more than $1/square foot\textsuperscript{33}); and,

13. IVGID's loss of revenue as a result of being required to permit the Donald W. Reynolds Foundation to retain its naming rights to the building for an unspecified period of time\textsuperscript{32}.

\textit{All told an expenditure and loss of revenue of many millions of dollars over the remaining term of Parasol's current ground lease!}

IVGID Has Already Spent Many Hundreds of Thousands of Our Rec Fee Dollars on the Lands it in Essence Has Given Away to Parasol: The subject lands were purchased by IVGID in 1977 as part of a larger 26.6 acre parcel for $1.25M\textsuperscript{33}. In other words, the public's pro-rata cost in 1977 for Parasol's

\textsuperscript{30} See page 271 of the 4/25/2017 Board packet.

\textsuperscript{31} See page 8 of the 5/10/2017 Board packet.

\textsuperscript{32} See ¶IV of the proposed "lease amendment agreement."

\textsuperscript{33} See paragraph 1 of that September 26, 1977 "Purchase Agreement and Escrow Instructions" ("the purchase agreement") between IVGID and Boise Cascade Home & Land Corporation ("Boise-Cascade") [see page 165 of the 5/10/2017 Board packet].
2.36 acres was nearly $110K! Although that land was initially purchased with a loan from the utility rates and charges paid by IVGID water and sewer services customers, that loan was subsequently repaid with Rec Fee monies.

In addition, paragraph XIII(A)(10) of the current lease with Parasol\textsuperscript{34} reveals that IVGID paid 50\% of the cost for an Environmental Impact Statement. And in addition, this same provision of the lease reveals IVGID paid 50\% of TRPA Air and Water Quality Mitigation costs. IVGID staff have not shared the full extent of these additional costs.

\textit{All told an expenditure of several hundred thousand if not more dollars which have not benefited local property owners who have been forced to pay!}

\textbf{The Subject Lands Without Any Improvements Thereon are Likely Worth $2M-$3M:} The size of the Parasol parcel is almost exactly equal to the parcel upon which IVGID's current administration building sits (2.36 acres versus 2.35 acres\textsuperscript{35}). If the land upon which IVGID's current administration building sits is worth $2M-$3M\textsuperscript{29}, then isn't IVGID's 2.36 acres underneath the Parasol building worth a like amount?

In other words, \textit{local property owners have given away a parcel of real property worth $2M-$3M, having nothing to do with furnishing recreational facilities to their properties, to Parasol, for a paltry $1/year for up to the next 83 years!}

And this isn't sufficient for the principles behind Parasol. Now they want a bail out of massive proportions coupled with the right to conduct their business at essentially no cost to them! If this isn't a massive waste of public assets, then the undersigned doesn't know what is.

\textbf{The Subject Lands Were Originally Encumbered With Covenants, Conditions and Restrictions ("the CC&Rs") Which Prohibited Their Use in Perpetuity "Only for Park and Recreational and Related Purposes, and for no Other Purposes" Whatsoever\textsuperscript{36}:} because Rec Fees were being used to purchase this property. Moreover, paragraph 18(b) of the purchase agreement was "contingent upon (IVGID) obtaining final court approval of th(e purchase) agreement prior to the close of escrow,"\textsuperscript{37} or IVGID's "waive(r) in writing" of this contingency. I have made a public records request upon Susan Herron for examination of that court approval, identity of the case number for which that approval was sought, and/or evidence of any written waiver of this approval by IVGID, and Susan has provided NOTHING. Therefore as far as the undersigned is concerned, \textit{IVGID's purchase of this land for the }

\begin{footnotesize}
\begin{itemize}
\item See page 303 of the 4/25/2017 Board packet.
\item See page 267 of the 4/25/2017 Board packet.
\item See page 180 of the 5/10/2017 Board packet.
\item In other words, an action to determine the validity of proposed governmental action.
\end{itemize}
\end{footnotesize}
purpose represented was invalid from day one. And it remains capable of invalidation today if beyond IVGID's powers.

Deceitfully, the IVGID Board Retroactively Modified the CC&Rs So it Could Give Away the Public's Lands to Parasol: Unbelievably, 22 years after IVGID's purchase of these 26.6 acres, a former IVGID Board decided to give away the public's subject 2.36 acres to Parasol. Even though Parasol's intended use would clearly be in violation of the CC&Rs, did that stop Parasol and the Board from this giveaway? Of course not! Putting aside the question of whether CC&Rs which impact persons other than the parties to a land purchase can be modified without providing notice and the opportunity to be heard to all persons impacted, the original seller of this land (Boise-Cascade) no longer existed. So how could Parasol and IVGID accomplish their proposed CC&R modification?

Since all that remained of Boise Cascade was a servicing arm [Gardena Service Company ("GSC") which had no power to change the prior deed's use restrictions, let alone 22 years after the fact, IVGID chose to pay this servicing arm with more public moneys to modify the property's CC&Rs. Thus on July 1, 1999, paragraph 1 of those use restrictions was modified to now read as follows:

"The property shall be used only for park and recreational and related purposes and for no other purposes except for the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or...Parasol Foundation legal successors."³⁸

³⁸ See page 182 of the 5/10/2017 Board packet.
to right this wrong by discussing nothing further with Parasol other than Parasol's rescission of that lease, at no cost whatsoever to the public. And that's exactly what it should do.

Because Legal Counsel's Alleged "Legal Authority"\textsuperscript{39} For the IVGID Board to Enter Into the Proposed "Lease Agreement Amendment" \textit{IGNORES} the Consequences of the CC&Rs, its So Called, Opinion \textit{ISN'T WORTH THE PAPER IT IS WRITTEN ON AND SHOULD BE SUMMARILY DISMISSED}: IVGID's proposed use of the Parasol building violates the CC&Rs because it is neither restricted to "use (by)... the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation's legal successors," nor "used only for park and recreational and related purposes and for no other purposes.

Recreational Programming Doesn't Need Another Building With a Cost of Millions of Dollars Because it \textit{ALREADY LOSES HUNDREDS OF THOUSANDS OF DOLLARS ANNUALLY!} Because the CC&Rs limit use of the land under which the Parasol building sits to "park and recreation" purposes, \textit{disingenuously}, IVGID staff have skewed their presentation to represent that acquisition of the building is necessary because it \textit{could}\textsuperscript{40} be used for recreation programming purposes. Listen to these alleged "imminent" recreation needs:

"The commercial kitchen at (the Parasol building) \textit{could} be used for cooking classes, wine pairing seminars, and as part of the curriculum for children's camps."\textsuperscript{41}

"Youth and senior programs \textit{could} take advantage of the meeting space"\textsuperscript{42} which could allow Aspen Grove "to be better configured for social functions."\textsuperscript{41}

The Parasol building "\textit{could} address th(e alleged) need for...arts and crafts and enrichment programs."\textsuperscript{43}

"Staff space at the Recreation Center \textit{could} be moved to the (Parasol building) and reconfigured for fitness use."\textsuperscript{41}

\textsuperscript{39} See pages 4-6 of the 5/10/2017 Board packet.

\textsuperscript{40} It "\textit{could}" be used or it "necessary" to be used?"

\textsuperscript{41} See page 268 of the 4/25/2017 Board packet.

\textsuperscript{42} Here we have evidence of another staff misrepresentation. If you examine section XXIV(B) of the current lease with Parasol (see pages 345 to the 4/25/2017 Board packet) you will see IVGID \textit{ALREADY} has the right to use portions of the building as if it were a "community collaborator." The fact IVGID currently doesn't use the building for the alleged youth and senior programming meeting space it covets, is evidence these alleged "needs" are nothing more than staff concoctions.

\textsuperscript{43} See page 269 of the 4/25/2017 Board packet.
IVGID operates nearly 100 programs under the umbrella of "recreation," NONE of which break even. Does anyone have an idea of the revenues these programs generate? Unfortunately, other than senior management, the answer is NO!

Because Mr. Pinkerton claims to be so "transparent," let's look at his transparent disclosures to the Department of Taxation. I have attached IVGID's latest preliminarily budgeted revenue and expenditure disclosures for Community Services as Exhibit "C" to this written statement. For "community programming" I have placed a circle around this year's $1,257,000 and next year's $1,266,772 numbers. BUT THESE NUMBERS ARE NOT LIMITED TO COMMUNITY PROGRAMMING. As you will see, THEY DECEITFULLY INCLUDE RECREATION CENTER REVENUES.

So WHAT IS THE REVENUE JUST FOR PROGRAMMING? IVGID will not disclose these numbers because if the public knew how poor they were, they would not stand for offering these programs at local property owners' expense.

Let's look at the expenses IVGID staff assign to community programming. Again we see there is no stand alone number. Instead, there is a number which expressly includes the Rec Center. And that number for this year is nearly $2.23 MILLION, and for next year it is $2.315 MILLION (again, I have placed circles around both of these numbers).

In Other Words, IVGID is Currently Losing Nearly $1 MILLION Annually Just in Recreation Center (Including Programming) Endeavors!

Actually, Including Capital and Debt Service Expenditures, IVGID is Spending Nearly $1.3 MILLION More Than the Revenues it Assigns to Recreation Programming Including the Recreation Center: As part of IVGID's 2017-18 tentative budget, staff has created a Facility Fee reconciliation spreadsheet. I have attached this spreadsheet as Exhibit "D" to this written statement.

I have placed circles around the overspending/need for subsidy around the categories Youth, Family and Senior Programming as well as the Recreation Center. Add up the numbers for yourself and you will see totals $1.3 MILLION of overspending annually!

If We're Losing Over $1.3 Million Annually on Community Programs and Recreation at the Recreation Center, Why Do We Want to Spend Many Millions More on Parasol's Building? Yet IVGID staff is trying to tell us there is a need for more money losing community programs and more money losing facilities that allegedly perform the services the Recreation Center performs. This is insanity.

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44 See pages 69-70 to the 4/13/2017 Board packet.
45 This is why I state that IVGID's reported "Community Programming" revenues include the Rec Center as well.
46 See pages 88 to the 4/13/2017 Board packet.
IVGID's Staff's Alleged Need for More Community Programming Space is Nothing More Than a Thinly Veiled Excuse for Replacement Administrative Office Space That Cannot Legitimately Paid For With Our Rec Fee: IVGID already has a building for community programming; the Recreation Center. Given essentially none of the nearly 100 programs staff operates out of the Recreation Center operates at a revenue neutral or on a positive cash flow basis, shouldn't we look behind staff's creative labeling to learn of the real purpose? And when we do we see the purpose is new fancy digs for Mr. Pinkerton and company. But according to the CC&Rs, the Parasol Building cannot be used for this purpose. And staff knows this to be the case.

Even if IVGID Needs Replacement Administrative Office Space, it Does Not Require the Parasol Building's 31,500 Square Feet. Stated Differently, it Doesn't Need is Another Under Utilized Asset: According to IVGID staff\(^\text{47}\) the current administration building ("8,500 of improved space and 3,500 of unimproved storage space") "is undersized relative to current District needs as it relates to office space, meeting space and IT/server facilities." But NOWHERE does staff tell us how "undersized" the building really is? Before we acquire the 31,500 Parasol building, wouldn't it be prudent to learn how much administrative office space we really need?

Whatever that number, the undersigned is confident we DON'T need anywhere near 31,500 square feet. So why are we intentionally considering the acquisition of far more space than we actually require? Again staff is setting local property owners up for the familiar "under-utilized asset" scenario where IVGID's footprint unnecessarily and irresponsibly grows larger and larger.

And if IVGID Needs Replacement Administrative Office Space, Why is it That This Need is Not Reflected on the Most Current 5 Year Summary of Capital Improvement Projects ("CIPs")? I have attached as Exhibit "E" to this written statement the most recent (2017/18) 5 Year Project Summary statement for general fund CIPs prepared in conjunction with this fiscal year's preliminary budget\(^\text{48}\). I have placed an asterisk next to the portion addressing general fund CIPs. Notably, nowhere does staff identify major renovation or replacement of the current administration building. If it were such an imminent need wouldn't staff have so identified it? The fact it hasn't is evidence the argument we need to spend $5.5M or more on the Parasol building for our administrative office needs is another misrepresentation!

Parasol Has No Possible Suitor for its Building Other Than IVGID: Since Parasol doesn't own the land under the current building, it cannot sell the building to ANYONE. Since the current lease and CC&Rs prohibit assignment to anyone other than Parasol or its successors, the current lease cannot be sold to anyone. Since the current lease prohibits use other than as Parasol's non-profit center, the current lease cannot be transferred to anyone. Simply stated, there is no one anyone other than IVGID who can possibly take over Parasol's building or the current lease. In other words, the

\(^{47}\) See page 7 of the 5/10/2017 Board packet.

\(^{48}\) See page 13 of the 4/13/2017 Board packet.
building's improvements have a fair market value of NOTHING! Why then does IVGID propose paying Parasol anything? Again, this is insanity.

Parasol's Purported "Appraisal" of the Fair Market Value of its Building is NO APPRAISAL WHATSOEVER: Take a look at "the (stated) purpose of the appraisal...to estimate the replacement cost new less depreciation of the" Parasol building. This is NOT an appraisal of the building's fair market value! According to The Appraisal Institute (http://www.appraisalinstitute.org/) in their basic text: The Appraisal of Real Estate, 13th Ed., at p.23, fair market value of an interest in real estate is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Given there is no possible arm's length buyer for Parasol's building, it has a fair market value of NOTHING!

Moreover, the appraisal "fudges" on its determination of depreciation. Notwithstanding the building is years old, the appraisal only depreciates 8 years worth of use "due to (the alleged) excellent maintenance and upkeep." Had the appraisal applied a full 15 years worth of depreciation, the estimate improvement value would be appreciably less.

Moreover still, the appraisal, by its very terms, was never intended for the purpose for which it is being presented. "The intended use of this report is to assist the Parasol...Board...in internal decision making relative to the replacement cost...less depreciation...of the...Parasol (building). Any other use or user of this appraisal requires the prior written authorization of this appraisal firm." Does the Johnson Valuation Group know that its appraisal is being used to represent the market value of the subject leasehold improvements? Has it given its prior written authorization for use of its appraisal for this different purpose?

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49 See pages 373-434 of the 4/25/2017 Board packet.
50 See page 380 of the 4/25/2017 Board packet.
51 "The Appraisal Institute is a global professional association of real estate appraisers, with nearly 19,000 professionals in almost 60 countries throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide" (see http://www.appraisalinstitute.org/about/).
52 See page 421 of the 4/25/2017 Board packet.
Why then submit an estimate of the building’s replacement cost? It is irrelevant!

Moreover, if Parasol No Longer Operates its Center it is Required to Turnover its Building to IVGID for NOTHING: if you examine paragraph IV(A) of the lease between IVGID and Parasol\(^{53}\) it is quite clear that the public's land can ONLY be used "for the purposes of conducting thereon a Nonprofit Center, and related facilities, activities, seminars, workshops, lectures, and occasional fund raising events. Lessee shall not use or permit said premises, or any part thereof, to be used for any other purpose or purposes without the express prior written consent of" IVGID. And should Parasol fail to operate the building or significantly reduce its use from what was contemplated in Parasol's Long-term Business Plan, or should its primary use of the building change for purposes other than as intended, or should Parasol's primary use of the property differ from that originally intended, according to paragraph XIII(B)(8) of that lease states that the property, expressly including all improvements thereon (i.e., the building), shall revert to IVGID's full use and ownership without our payment of ANYTHING. Why then does IVGID propose paying Parasol anything?

Parasol's Proposal Has Nothing to Do With Modifying the Ground Lease, and Everything to Do With Bailing Parasol Out Financially: It has an asset without a value to any ready, willing and able purchaser. So why does IVGID have to bail Parasol out?

Moreover, Where is the Money Going to Come From? Forgetting about the initial up front $1.6M payment, Parasol's proposal is for the payment of $3.9M in principal and another $606,830 in interest over a 5 year period. That is nearly $1M/year for the next 5 years. From where will this additional yearly expenditure come? At the end of the day our Rec Fee! When do we realize that staff cannot continue the massive over spending it engages in and keep our Rec Fee level? Our Rec Fee IS going to increase as a result of this purchase! And for what?

Conclusion: If Parasol no longer intends to conform to the current lease's restrictions, then it must give up the building for no "adequate consideration for the remaining life of the building('s) improvements." If it is not willing to accept this consequence, then it must use the building as originally intended without any other compensation for the lease's remaining term. In fact, this entire transaction should be set aside because where does IVGID get off charging local property owners to acquire property supposedly to be used for park and recreation purposes only, and then give it away to anyone? Now that the Board has the opportunity to make things right, and I and others I know demand that is exactly what it does. Please remember that the ends do not justify the means.

And You Wonder Why the Recreation and Beach Facility Fees are as High as They Are? I’ve now provided more answers. Respectfully, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).

\(^{53}\) That lease appears at pages 276- of the 4/25/2017 Board packet.
### Girls on the Run - Sierras

**Business Entity Information**

<table>
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<th>Status:</th>
<th>Active</th>
<th>File Date:</th>
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<td>Type:</td>
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<td>Qualifying State:</td>
<td>CA</td>
<td>List of Officers Due:</td>
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<td>Managed By:</td>
<td></td>
<td>Expiration Date:</td>
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<td>NV Business ID:</td>
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**Additional Information**

Central Index Key: 

**Registered Agent Information**

<table>
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<tr>
<th>Name:</th>
<th>SARA HOLM</th>
<th>Address 1:</th>
<th>695 SADDLEHORN DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address 2:</td>
<td></td>
<td>City:</td>
<td>INCLINE VILLAGE</td>
</tr>
<tr>
<td>State:</td>
<td>NV</td>
<td>Zip Code:</td>
<td>89450</td>
</tr>
<tr>
<td>Phone:</td>
<td></td>
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<tr>
<td>Mailing Address 1:</td>
<td></td>
<td>Mailing Address 2:</td>
<td></td>
</tr>
<tr>
<td>Mailing City:</td>
<td></td>
<td>Mailing State:</td>
<td>NV</td>
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<tr>
<td>Mailing Zip Code:</td>
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<tr>
<td>Agent Type:</td>
<td>Noncommercial Registered Agent</td>
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**Financial Information**

- No Par Share Count: 0
- Capital Amount: $0

No stock records found for this company

**Officers**

- **Director - KYLIE BERTELSON**
  - Address 1: 3370 HEIGHTS DR.
  - City: RENO
  - Zip Code: 89503
  - Status: Active

- **Director - JENNIFER CROKE**
  - Address 1: 405 SONDARIO CT
  - City: RENO
  - Zip Code: 89521
  - Status: Active

- **Director - GAYLE HURD**
  - Address 1: 50 CASSAS CT.
  - City: RENO
  - Zip Code: 89511
  - Status: Active
<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Address 1</th>
<th>Address 2</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
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<tbody>
<tr>
<td>Director</td>
<td>CATHERINE O'MARA</td>
<td>984 KIMBAL DR.</td>
<td></td>
<td>RENO</td>
<td>NV</td>
<td>89503</td>
<td>USA</td>
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<tr>
<td>President</td>
<td>AMY SMITH</td>
<td>10196 WINTER CREEK LOOP</td>
<td></td>
<td>TRUCKEE</td>
<td>CA</td>
<td>96161</td>
<td>USA</td>
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<tr>
<td>Director</td>
<td>SARAH WINTERS</td>
<td>P.O. BOX 32</td>
<td></td>
<td>TRUCKEE</td>
<td>CA</td>
<td>96161</td>
<td>USA</td>
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<tr>
<td>Secretary</td>
<td>KENDRA WONG</td>
<td>774 MAYS BLVD, #10-294</td>
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<td>INCLINE VILLAGE</td>
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<td>USA</td>
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<td>Treasurer</td>
<td>KENDRA WONG</td>
<td>774 MAYS BLVD, #10-294</td>
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<td>INCLINE VILLAGE</td>
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<td>89451</td>
<td>USA</td>
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**Actions/Amendments**

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<thead>
<tr>
<th>Action Type</th>
<th>Document Number</th>
<th># of Pages</th>
<th>Date</th>
<th>Effective Date</th>
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<td>Foreign Qualification</td>
<td>20110910667-93</td>
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<td>12/20/2011</td>
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<td>Miscellaneous</td>
<td>20110910668-04</td>
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<td>12/20/2011</td>
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<td>Initial List</td>
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<td>12/20/2011</td>
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<td>Annual List</td>
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</tr>
</tbody>
</table>
Where is Exhibit "X" to the Proposed Parasol Modified Lease?

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Horan Phil <horan_trustee@ivgid.org>, Morris Peter <morris_trustee@ivgid.org>, Callicrate Tim Trustee <callicrate_trustee@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: Where is Exhibit "X" to the Proposed Parasol Modified Lease?
Date: May 6, 2017 10:34 AM

To Chairperson Wong and the Other Honorable Members of the IVGID Board -

WHERE IS EXHIBIT "X" TO THE PROPOSED PARASOL MODIFIED LEASE?

Inadvertant?
Incompetent?
Intentional?
Fully Transparent?

How can any of you seriously consider any of this without Exhibit "X"?

Or did each of you receive this exhibit and the rest of the public didn't?

I ask you continue this subject matter until the next regular meeting so staff can fulfill its obligation to provide the public with a copy of the missing Exhibit "X" and allow the public sufficient time to study it.

For Pinkerton to have represented we are buying 80% of the exclusive use of the building is a distortion of the truth at best, and an intentional deceit by a fiduciary (this is called CONSTRUCTIVE FRAUD attorney Guinasso) at the worst ["based on the space allocations in the proposed lease agreement amendment, 80% of the office space and meeting facilities...would be for the beneficial (BUT NOT EXCLUSIVE) use of IVGID. Approximately half of THAT SPACE would also be available to non-profits for periodic (rather than FULL NON-EXCLUSIVE) use"]. Just so you know, Parasol is proposing that FAR LESS than 80% of the usable space of this building is being sold to IVGID for $5.5M of indebtedness plus interest at the rate of 4-1/2% per annum. It appears that only roughly 56% of office space is being conveyed. And Parasol retains the right to use AT LEAST 11,270 square feet of shared area, 8-10 storage spaces (estimated to be at least 50% of the 2,400 square feet of storage space), the 554 square feet of kitchen space, the 906 square feet of restroom space, and who knows whatever else we cannot determine without Exhibit "X." And for what? $1/year!

If this doesn't represent a theft of public assets, I don't know what does.

And you're seriously considering any of this?

Susan, please make sure this e-mail appears as an attachment/written statement to the formal written minutes of the May 10, 2017 regular IVGID Board meeting.

Respectfully submitted, Aaron Katz
EXHIBIT "C"
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>(1) ACTUAL PRIOR YEAR ENDING 6/30/2016</th>
<th>(2) ESTIMATED CURRENT YEAR ENDING 6/30/2017</th>
<th>(3) TENTATIVE APPROVED</th>
<th>(4) FINAL APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes for Services</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Championship Golf Course</td>
<td>3,488,228</td>
<td>3,580,000</td>
<td>3,587,462</td>
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</tr>
<tr>
<td>Mountain Golf Course</td>
<td>645,128</td>
<td>894,000</td>
<td>883,870</td>
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<tr>
<td>Facilities (Chateau &amp; Aspen Grove)</td>
<td>275,195</td>
<td>350,000</td>
<td>308,225</td>
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<tr>
<td>SSI</td>
<td>10,025,972</td>
<td>9,800,000</td>
<td>8,288,215</td>
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<td>Community Programming</td>
<td>1,264,177 (1)</td>
<td>1,287,000</td>
<td>1,266,772 (1)</td>
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<tr>
<td>Parks</td>
<td>169,421</td>
<td>164,500</td>
<td>167,500</td>
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<td>Tennis</td>
<td>156,533</td>
<td>164,500</td>
<td>167,500</td>
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<tr>
<td>Recreation Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>Punch Cards Utilized</td>
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<td>-</td>
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<tr>
<td>Facility Fee</td>
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<td>Championship Golf Course</td>
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<td>579,196</td>
<td>794,818</td>
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<td>441,828</td>
<td>508,028</td>
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<td>Facilities (Chateau &amp; Aspen Grove)</td>
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<td>486,374</td>
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<td>SSI</td>
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<td>696,468</td>
<td>221,238</td>
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<td>1,294,274</td>
<td>1,284,652</td>
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<td>147,797</td>
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<td>863,595</td>
<td>1,380,940</td>
<td>1,076,592</td>
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<tr>
<td>Other miscellaneous</td>
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<td>Operating Grants</td>
<td>18,440</td>
<td>17,000</td>
<td>17,000</td>
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<td>Investment income</td>
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<td>46,000</td>
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<td>Cell Tower Leases</td>
<td>115,764</td>
<td>86,400</td>
<td>86,400</td>
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<tr>
<td>Sale of Assets</td>
<td>34,405</td>
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<td>Interfund services (green spaces)</td>
<td>21,058</td>
<td>23,500</td>
<td>91,000</td>
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<td>Intergovernmental (IV high school fields)</td>
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<td>30,000</td>
<td>31,100</td>
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<td>Miscellaneous other</td>
<td>41,034</td>
<td>4,000</td>
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<tr>
<td>One time</td>
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<td>Recovery of capital costs</td>
<td>238,815</td>
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<td>Subtotal</td>
<td>22,166,508</td>
<td>21,575,760</td>
<td>20,026,514</td>
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*OTHER FINANCING SOURCES (specify)

| Transfers in (Schedule 1) From general fund | 400,000 |

*SUBTOTAL OTHER FINANCING SOURCES* | 400,000 |

**BEGINNING FUND BALANCE**

| Prior Period Adjustments |  |
| Residual Equity Transfers |  |
| **TOTAL BEGINNING FUND BALANCE** | 5,367,755 |
| **TOTAL AVAILABLE RESOURCES** | 27,524,263 |

Incline Village General Improvement District

COMMUNITY SERVICES SPECIAL REVENUE FUND

[FORM 4404LGF]

Last Revised 12/12/2016
<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>(1) ACTUAL PRIOR YEAR ENDING 9/30/2016</th>
<th>(2) ESTIMATED CURRENT YEAR ENDING 6/30/2017</th>
<th>(3) TENTATIVE APPROVED</th>
<th>(4) FINAL APPROVED</th>
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<tbody>
<tr>
<td>Championship Golf Course</td>
<td></td>
<td></td>
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<tr>
<td>Salaries and Wages</td>
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<td>1,287,000</td>
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<td>Employee Benefits</td>
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<td>Subtotal Championship Golf Course</td>
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<td>3,888,100</td>
<td>3,878,954</td>
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<td>Mountain Golf Courses</td>
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<tr>
<td>Salaries and Wages</td>
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<td>371,200</td>
<td>381,148</td>
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<tr>
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<td>112,100</td>
<td>111,183</td>
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<td>Services and Supplies</td>
<td>519,404</td>
<td>503,300</td>
<td>546,132</td>
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<td>Subtotal Mountain Golf Course</td>
<td>987,694</td>
<td>1,006,600</td>
<td>1,038,457</td>
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<td>Facilities (Chateau and Aspen Grove)</td>
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<td>Salaries and Wages</td>
<td>83,750</td>
<td>82,000</td>
<td>88,677</td>
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<td>Employee Benefits</td>
<td>40,272</td>
<td>45,000</td>
<td>48,788</td>
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<td>Services and Supplies</td>
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<td>218,750</td>
<td>217,742</td>
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<tr>
<td>Subtotal Facilities</td>
<td>432,171</td>
<td>445,750</td>
<td>497,064</td>
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<tr>
<td>S11</td>
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<tr>
<td>Salaries and Wages</td>
<td>2,464,345</td>
<td>2,375,000</td>
<td>2,644,098</td>
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<td>934,104</td>
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<td>Services and Supplies</td>
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<td>3,275,000</td>
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<td>Subtotal S11</td>
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<td>Community Programming (Including Rec Center)</td>
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<tr>
<td>Salaries and Wages</td>
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<td>1,082,970</td>
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<td>Employee Benefits</td>
<td>260,483</td>
<td>303,000</td>
<td>325,416</td>
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<td>Services and Supplies</td>
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<td>843,000</td>
<td>857,868</td>
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<td>Subtotal Community Programming</td>
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<td>2,192,000</td>
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<tr>
<td>Salaries and Wages</td>
<td>289,079</td>
<td>263,000</td>
<td>263,654</td>
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<td>Employee Benefits</td>
<td>75,324</td>
<td>107,000</td>
<td>85,071</td>
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<tr>
<td>Services and Supplies</td>
<td>351,207</td>
<td>404,050</td>
<td>430,024</td>
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<tr>
<td>Subtotal Parks</td>
<td>715,504</td>
<td>814,050</td>
<td>880,749</td>
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<td>Tennis</td>
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<td>Salaries and Wages</td>
<td>135,651</td>
<td>134,000</td>
<td>148,310</td>
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<td>25,000</td>
<td>26,248</td>
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<td>Services and Supplies</td>
<td>94,699</td>
<td>95,325</td>
<td>102,069</td>
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<td>Subtotal Tennis</td>
<td>258,670</td>
<td>254,325</td>
<td>276,637</td>
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<td>Community Services Administration</td>
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<tr>
<td>Salaries and Wages</td>
<td>148,547</td>
<td>141,000</td>
<td>142,542</td>
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<tr>
<td>Employee Benefits</td>
<td>50,267</td>
<td>48,000</td>
<td>53,704</td>
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<td>Services and Supplies</td>
<td>118,729</td>
<td>165,900</td>
<td>232,400</td>
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<tr>
<td>Subtotal Comm. Serv. Administration</td>
<td>315,543</td>
<td>356,900</td>
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<tr>
<td>Subtotal</td>
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<tr>
<td>OTHER USES</td>
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<tr>
<td>CONTINGENCY (not to exceed 3% of Total Expenditures)</td>
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<td>0</td>
<td>0</td>
<td>475,000</td>
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<td>TOTAL COMMITMENTS &amp; FUND BALANCE</td>
<td></td>
<td></td>
<td></td>
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</table>

Incline Village General Improvement District

COMMUNITY SERVICES SPECIAL REVENUE FUND

Page: 22
Schedule B-13
## Incline Village General Improvement Facility Fee Reconciliation by Parcel and Venue Component

<table>
<thead>
<tr>
<th>Components per Parcel</th>
<th>Per Parcel Facility Fee</th>
<th>Total Facility Fee</th>
<th>Amount per Venue Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Capital</td>
<td>Debt Service</td>
</tr>
<tr>
<td>Recreation Facility Fee charged to 8,194 Parcels</td>
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</tr>
<tr>
<td>Golf - Championship</td>
<td>$ 22</td>
<td>$ 51</td>
<td>$ 24</td>
</tr>
<tr>
<td>Golf - Mountain</td>
<td>40</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>Facilities</td>
<td>18</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>Diamond Peak Ski</td>
<td>(200)</td>
<td>114</td>
<td>113</td>
</tr>
<tr>
<td>Youth &amp; Family Programming</td>
<td>26</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Senior Programming</td>
<td>20</td>
<td>-</td>
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</tr>
<tr>
<td>Recreation Center</td>
<td>81</td>
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<tr>
<td>Comm. Services Admin</td>
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<td>60</td>
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<tr>
<td>Parks</td>
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<td>Tennis</td>
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<tr>
<td>Recreation Allocation</td>
<td>$ 215</td>
<td>$ 330</td>
<td>$ 160</td>
</tr>
</tbody>
</table>

Beach Facility Fee charged to 7,756 Parcels

Beach Allocation  

<table>
<thead>
<tr>
<th>Operating</th>
<th>Capital</th>
<th>Debt Service</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 85</td>
<td>$ 39</td>
<td>$ 1</td>
<td>$ 125</td>
</tr>
<tr>
<td>$ 969,500</td>
<td>$ 659,260</td>
<td>$ 302,484</td>
<td>$ 7,756</td>
</tr>
</tbody>
</table>

## Previous Fiscal Years

### Recreation Facility Fee Allocation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating</th>
<th>Capital</th>
<th>Debt Service</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$ 250</td>
<td>$ 320</td>
<td>$ 160</td>
<td>$ 730</td>
</tr>
<tr>
<td>2015-16</td>
<td>$ 266</td>
<td>$ 308</td>
<td>$ 156</td>
<td>$ 730</td>
</tr>
<tr>
<td>2014-15</td>
<td>$ 211</td>
<td>$ 303</td>
<td>$ 216</td>
<td>$ 730</td>
</tr>
<tr>
<td>2013-14</td>
<td>$ 239</td>
<td>$ 277</td>
<td>$ 214</td>
<td>$ 730</td>
</tr>
<tr>
<td>2012-13</td>
<td>$ 258</td>
<td>$ 199</td>
<td>$ 273</td>
<td>$ 730</td>
</tr>
<tr>
<td>2011-12</td>
<td>$ 211</td>
<td>$ 230</td>
<td>$ 274</td>
<td>$ 715</td>
</tr>
</tbody>
</table>

(Reserves: $190 + $49 Reserves)  
(Reserves: $183 + $75 Reserves)  
(Reserves: $171 + $40 Reserves)

(2004 Rec Bond matured 10/2014)  
(2003 Rec Bond matured 3/2013)

### Beach Facility Fee Allocation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating</th>
<th>Capital</th>
<th>Debt Service</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$ 75</td>
<td>$ 24</td>
<td>$ 1</td>
<td>$ 100</td>
</tr>
<tr>
<td>2015-16</td>
<td>$ 75</td>
<td>$ 24</td>
<td>$ 1</td>
<td>$ 100</td>
</tr>
<tr>
<td>2014-15</td>
<td>$ 65</td>
<td>-</td>
<td>$ 35</td>
<td>$ 100</td>
</tr>
<tr>
<td>2013-14</td>
<td>$ 63</td>
<td>-</td>
<td>$ 37</td>
<td>$ 100</td>
</tr>
<tr>
<td>2012-13</td>
<td>$ 66</td>
<td>$ 17</td>
<td>$ 17</td>
<td>$ 100</td>
</tr>
<tr>
<td>2011-12</td>
<td>$ 98</td>
<td>-</td>
<td>$ 17</td>
<td>$ 115</td>
</tr>
</tbody>
</table>

(2004 Rec Bond matured 10/2014)  
(2003 Rec Bond matured 3/2013)
Recreation tax is to pay for our recreation. Not for a building that has "0" value.
Parasol Has Paid

$17,000

17 Years

(A dollar a year)

Parasol Has Generated

60 Million

On Our Lands

Check out Parasol's Website
Parcel owners have lost -

1.6 to 2 million in lost interest on the value of the land.
What is the building worth — "Nothing"