

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance, Accounting, Risk Management and Information
Technology

SUBJECT: Approval of District's Debt Management Policy as previously
approved, by reference, on May 21, 2015, and at the request of the
State of Nevada

DATE: August 7, 2015

I. RECOMMENDATION

Staff is recommending that the Board of Trustees makes a motion to approve the attached Incline Village General Improvement District Debt Management Policy for the Fiscal Year June 30, 2015, Filed July 2015, as submitted to State of Nevada Department of Taxation Local Governments Division and the Washoe County Debt Commission.

II. BACKGROUND

Since 2008, the District has filed the annual report for its Debt Management Policy based on information rooted in Board Policy and Practice statements for Debt Management. The annual filing has also included information directly from the process of developing the District's Board approved budget and Board accepted audit report.

The Department of Taxation has discussed the process by which the report is prepared and assembled. They suggest that the District add a step which accepts the Debt Management Policy document in its entirety each year rather than rely on a series of steps or actions. This recommendation is intended to meet this request. Going forward, District Staff will plan to bring the document forward each June or July for approval and ordering it to be filed as it is due August 1.

III. FINANCIAL IMPACT AND BUDGET

There are no individual impacts from the Debt Management Policy document itself as the contents are all derived from the bonding, audit or budget processes. The most significant matter for the agencies that receive it are to identify any changes in bonding for the most immediate completed or coming fiscal years.

IV. ALTERNATIVES

The District used to have a financial consultant prepare the Policy document. That does not seem practical as the District manages its own Board Policy, Practices and audit reports and has successfully prepared the reports since 2008.

V. COMMENTS

Going forward, the natural order for the Debt Management Policy will be Staff preparation, presentation to the Board for acceptance and ordering it to be filed and filing with the identified agencies by the due date of August 1. The Nevada Department of Taxation has indicated in this transition, there will be no consequence on their part of approval of the document coming subsequent to the filing by August 1, 2015. If under the current process, the Board requests information to be changed, an amended filing can be assembled for 2015.

**Incline Village General
Improvement District,
Incline Village, Nevada**

**Debt Management Policy
For the Fiscal Year June 30, 2015**

Filed July 2015



Executive Summary

This Debt Management Policy was created to fulfill the requirements of NRS 350.013 for the year ended June 30, 2015. The Incline Village General Improvement District (the District) is generally limited in the bonds it can issue by its statutory debt limit and the amount of revenue available to pay debt service on bonds. This policy discusses the outstanding and proposed debt of the District, its ability to afford such debt and other items relating to the issuance of the bonds of the District.

For the fiscal year ending June 30, 2015, the District has \$2,395,000 of general obligation recreation revenue debt outstanding, \$2,847,000 of general obligation medium term debt and \$4,604,578 in utility general obligation revenue debt. There is also an outstanding debt with the State of Nevada Revolving Fund, in the form of revenue pledged loan contracts, of \$1,961,089. These total \$11,807,667.

The District presently has approximately \$728,287,009 of statutory debt limit available based on the final 2014-15 Redbook Assessed Valuation of \$1,456,574,018. This results in over \$716,000,000 as available.

Since the District is not involved with providing the types of infrastructure that can utilize substantial portions of a debt limit, the District's Board of Trustees has adopted Policy 14.1.0 and Practice 14.2.1 to set an internal debt limit. This internal determination is generally based on maintaining a debt service ratio over the term of an issue that reflects affordability within the District's operations. The internal limit establishes minimum debt service coverage for Utilities at 1.75 and for Community Services at 1.5 times coverage. For the year ending June 30, 2016 the Utility Fund budget indicates coverage of 6.8 times, largely because the District is accumulating an additional \$2,000,000 a year for a future capital project. Without that component of net revenue the coverage would still be over 3.6 times. For the year ending June 30, 2016 the Community Services Fund budget indicates coverage of 2.9 times. There is no separate limit set for the Beach Fund however it is assumed the Community Service minimum of 1.5 applies. For the year ending June 30, 2016 the Beach Fund budget indicates coverage of 31.3 times. The budget for the fiscal year ending June 30, 2016, adopted on May 21, 2015, does not contemplate the issuance of any bonds in that year.

Table of Contents

Affordability of Existing, Authorized and Proposed Gen. Obligation Debt	3
General Obligation Debt Limit Statutory Reference	3
General Obligation Debt Comparisons	3
Affording the District's Existing Gen. Obligation Bonded Indebtedness	3
Sources Available to Pay Existing, Authorized Future and Proposed General Obligation Bond Indebtedness	4
General Obligation Debt Limit for the District	4
General Obligation Debt Comparisons	5
Outstanding and Authorized General Obligation Debt	6
General Obligation Bonds Supported by Recreation Revenues	6
General Obligation Bonds Supported by Utility Revenues	6
Method of Sale	7
Operational Costs of Future Capital Projects	8
Capital Improvement Plan	8
Chief Financial Officer of the District	8
Appendix A	
Debt Service Schedules by Type and Repayment Source	A 1 to 6
Appendix B	
State of Nevada Forms Reporting Five-Year Capital Improvement Plan Summary	B 1 to 2

Prepared by: Incline Village General Improvement District Finance and Accounting

Nevada Revised Statutes (NRS) require certain content as a part of the District's Report on Debt Management. These include:

Affordability of Existing, Authorized and Proposed General Obligation Debt

NRS 350.013 1.(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;

NRS 350.013 1.(c)(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt.

General Obligation Debt Limit Statutory Reference

NRS 350.013 1.(c)(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit.

General Obligation Debt Comparisons

NRS 350.013 1.(c)(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state.

NRS 350.013 1.(c)(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all property within the boundaries of the municipality.

Affording the District's Existing General Obligation Bond Indebtedness

The use of proceeds from the District's bonded indebtedness has been for recreation and utility service infrastructure. Prior to adopting plans to acquire this infrastructure the District studied and developed a plan for identified revenue sources to be used for the repayment of the bond principal and interest. Examples of these sources include an element of water and sewer user fees that are specifically stated for capital expenditure including debt service for such assets. The Recreation and Beach Facility Fee charged to the individual benefited parcels included elements for capital items and related debt service.

None of the presently outstanding bond issues use a tax levied on the assessed valuation of property in the District to meet debt service requirements. Each issue has been or will be repaid from the identified resources developed from user fees or the Recreation and Beach Facility Fee which is collected on specified parcels within the District's boundaries.

Sources Available to Pay Existing, Authorized Future and Proposed General Obligation Bond Indebtedness

The District's annual operating budget process considers the use of resources in an order of priority. User fees and the Recreation and Beach Facility Fee are set at levels to assure the proper coverage of debt service requirements from each activity for its related bond(s). The capital improvement charges, which are a part of utility rates, are adopted by ordinance and are established in a process that allows public notice and input, before setting a schedule for the coming several years and forward. The District's elected Board of Trustees adopts utility rates through an ordinance amendment. The Recreation and Beach Facility Fee is set each year and includes a matter of public notice and hearing before adoption in connection with the fiscal operating budget.

The assumptions for rate of collection have proven to be at adequate levels so that amounts realized are sufficient to meet intended needs including debt service requirements.

The 5 Year Capital Project Summary approved May 21, 2015 for the period July 1, 2015 through June 30, 2020 includes projects that may require bond issues. These include the Diamond Peak Master Plan (not yet approved or authorized) for \$6,450,000 and Community Services projects (not yet approved or authorized) totaling \$6,950,000. The potentially bonded projects are scheduled during a period from 2017 to 2020. Neither of these issues would significantly affect the District's Debt Limit.

General Obligation Debt Limit

State statutes limit the amount of indebtedness to no more than 50% of the District's total assessed valuation. Based on the reported 2014-2015 assessed valuation of \$1,456,574,018 the available debt limit is \$728,287,009. With an outstanding balance of \$11,807,667 as of June 30, 2015, this leaves approximately \$716,479,342 available. Other factors to be considered include District revenues, market conditions and the types of projects to be funded.

Prepared by: Incline Village General Improvement District Finance and Accounting

General Obligation Debt Comparisons

The District's general obligation bonds are issued pursuant to NRS Chapter 350 and Chapter 318. The District's general obligation bonds constitute direct and general obligations of the District and the full faith and credit of the District is pledged to the payment of the principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of property taxes. The bonds are payable from the general property taxes on all taxable property in the District. The bonds are secured by certain pledged revenues. The general obligation bonds are payable by the District from any source legally available; at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds, including net pledged revenues, are insufficient, the District is obligated to levy a general tax on all taxable property within the District for payment of the general obligation bonds, subject to the limitations provided in the constitution and the statutes of the State of Nevada (the State).

In any year in which the total property taxes levied within the District by all applicable taxing units (e.g., the State, the County, the District, the school district, any city or any special district) exceed such property tax limitations, the reduction to be made by those units must be in property taxes levied for purposes other than the repayment of their bonded indebtedness, including interest on such indebtedness.

Nevada statutes provide that no act concerning the District's bonds or their security may be repealed, amended or modified in such manner as to impair adversely the bonds or their security until all of the bonds have been discharged in full or provision for their payment and reception has been fully made.

The District currently has no outstanding general obligation debt paid by the levy of a specific property tax. Principal and interest on the District's debt are payable from the various net pledged revenues of the District. There is no impact on the property tax rate so long as the net pledged revenues are sufficient to pay debt service.

Outstanding General Obligation Debt as of June 30, 2015

Issue	Issue Date	Maturity Date	Amount Issued	Outstanding
Medium-Term General Obligation Bonds Recreation				
2008 Recreation Improvement (Diamond Peak)				
	06/18/08	06/01/18	7,000,000	<u>\$2,395,000</u>
	Total Medium-Term GO Debt			<u>2,395,000</u>
General Obligation Revenue Bonds Recreation				
2012 Recreation and Refunding				
	07/18/12	03/01/23	3,475,000	<u>2,847,000</u>
	Total GO Revenue Recreation Debt			<u>2,847,000</u>
	Total Recreation Revenue Support Debt			<u>5,242,000</u>
State of Nevada - State Water Pollution Revolving Fund				
Water Pollution CS32-0404	08/01/06	01/01/26	3,000,000	<u>1,961,089</u>
	Total GO Revenue Utility Debt			<u>1,961,089</u>
	Total Bond Debt			<u>7,203,089</u>
State of Nevada Revolving Funds (Loan Contracts with Utility Revenue Pledge)				
Water Pollution C32-0204	10/28/02	01/01/23	1,720,380	903,241
Drinking Water IVGID-1	09/09/04	07/01/25	1,687,282	1,012,874
Drinking Water DW1201	03/16/12	01/01/32	3,000,000	<u>2,688,463</u>
	Total Loan Contracts with Revenue Pledge			<u>4,604,578</u>
	Total Debt Outstanding			<u>\$11,807,667</u>

Prepared by: Incline Village General Improvement District Finance and Accounting

Method of Sale

NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt;

Bonds can generally be sold at a competitive sale, negotiated sale or to be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing bonds. A day and time are chosen for the sale and bonds are awarded to the firm offering the lowest true interest cost on the bonds ("TIC"). The TIC is the discount rate which results in the present value of the future debt service payments equal to the bid for the bonds.

Negotiated Sale – A firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of the sale, interest rates and other terms of the bonds are negotiated with the Underwriter.

Private Placement – A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the District to be sold at competitive sale. For most District general obligation bonds, a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the District would consider a negotiated sale or private placements. Such circumstances include, but are not limited to;

- 1) Bonds issued with a variable rate of interest
- 2) Bonds rated below A- or not rated
- 3) Very small or very large bond issues
- 4) Unstable or highly volatile markets
- 5) Bonds with unusual security or structure

The District will follow the requirements of NRS 350.155 in choosing a method for its bonds. If the District determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for the District. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure and marketing plan.

Prepared by: Incline Village General Improvement District Finance and Accounting

Operational Costs of Future Capital Projects

NRS 350.013 1.(c)(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

The District has prepared a Capital Improvement Plan, which is summarized and attached as Appendix B. The plan includes projects which affect general revenues as well as charges for services. These were all considered as a part of the process of developing the District's operating budget for the year ending June 30, 2015. Only projects scheduled for completion by that date are actually authorized. The remainder of the plan represents an intention for year 2 through 5. As such the approved projects for the year ending June 30, 2015 do not affect the property tax rate. No projects intended in years 2 through 5 contemplate an effect on the property tax rate to those related years.

Capital Improvement Plan

NRS 350.013 1.(d) Either:

- (1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay debt; or*
- (2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.*

SEE APPENDIX B

Chief Financial Officer of the District

NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

The Chief Financial Officer of the Incline Village General Improvement District:

Gerald W. Eick, CPA CGMA
Director of Finance, Accounting, Risk Management and Information
Technology
Incline Village General Improvement District
893 Southwood Blvd
Incline Village, NV 89451
Direct Phone 775-832-1365 FAX 775-832-1122

Prepared by: Incline Village General Improvement District Finance and Accounting

Debt Management Policy June 30, 2015

Incline Village General Improvement District
2008 Recreation Improvement Bonds

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
12/01/15			\$ 72,425	\$ 72,425	
06/01/16	\$ 760,000	4.0%	72,425	832,425	\$ 904,850
12/01/16			57,225	57,225	
06/01/17	790,000	7.0%	57,225	847,225	904,450
12/01/17			29,575	29,575	
06/01/18	845,000	7.0%	29,575	874,575	904,150
Total	<u>\$ 2,395,000</u>		<u>\$ 318,450</u>	<u>\$ 2,713,450</u>	<u>\$ 2,713,450</u>

Debt Management Policy June 30, 2015

Incline Village General Improvement District
Recreation Refunding Series 2012

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
09/01/15	\$ 324,000	2.25%	\$ 32,029	\$ 356,029	
03/01/16			28,384	28,384	\$ 384,413
09/01/16	333,000	2.25%	28,384	361,384	
03/01/17			24,637	24,637	386,021
09/01/17	342,000	2.25%	24,637	366,637	
03/01/18			20,790	20,790	387,427
09/01/18	350,000	2.25%	20,790	370,790	
03/01/19			16,852	16,852	387,642
09/01/19	361,000	2.25%	16,852	377,852	
03/01/20			12,791	12,791	390,643
09/01/20	368,000	2.25%	12,791	380,791	
03/01/21			8,651	8,651	389,442
09/01/21	378,000	2.25%	8,651	386,651	
03/01/22			4,399	4,399	391,050
09/01/22	391,000	2.25%	4,399	395,399	
					395,399
Total	<u>\$ 2,847,000</u>		<u>\$ 265,037</u>	<u>\$ 3,112,037</u>	<u>\$ 3,112,037</u>

Debt Management Policy June 30, 2015

Incline Village General Improvement District
 2006 State Revolving Fund Loan
 Clean Water Loan CS32-0404

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
07/01/15	\$ 77,048	2.725%	\$ 26,720	\$ 103,768	
01/01/16	78,098	2.725%	25,670	103,768	\$ 207,536
07/01/16	79,162	2.725%	24,606	103,768	
01/01/17	80,241	2.725%	23,527	103,768	207,536
07/01/17	81,334	2.725%	22,434	103,768	
01/01/18	82,442	2.725%	21,326	103,768	207,536
07/01/18	83,566	2.725%	20,203	103,769	
01/01/19	84,704	2.725%	19,064	103,768	207,537
07/01/19	85,858	2.725%	17,910	103,768	
01/01/20	87,028	2.725%	16,740	103,768	207,536
07/01/20	88,214	2.725%	15,554	103,768	
01/01/21	89,416	2.725%	14,353	103,769	207,537
07/01/21	90,634	2.725%	13,134	103,768	
01/01/22	91,869	2.725%	11,899	103,768	207,536
07/01/22	93,121	2.725%	10,648	103,769	
01/01/23	94,389	2.725%	9,379	103,768	207,537
07/01/23	95,676	2.725%	8,093	103,769	
01/01/24	96,979	2.725%	6,789	103,768	207,537
07/01/24	98,300	2.725%	5,468	103,768	
01/01/25	99,640	2.725%	4,129	103,769	207,537
07/01/25	100,997	2.725%	2,771	103,768	
01/01/26	102,373	2.725%	1,395	103,768	207,536
Total	\$ 1,961,089		\$ 321,812	\$ 2,282,901	\$ 2,282,901

Debt Management Policy June 30, 2015

Incline Village General Improvement District
State Revolving Fund Loan
Clean Water Loan CS32-0204

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
07/01/15	\$ 50,091	3.14375%	\$ 14,198	\$ 64,289	
01/01/16	50,879	3.14375%	13,410	64,289	\$ 128,578
07/01/16	51,678	3.14375%	12,611	64,289	
01/01/17	52,491	3.14375%	11,798	64,289	128,578
07/01/17	53,316	3.14375%	10,973	64,289	
01/01/18	54,154	3.14375%	10,135	64,289	128,578
07/01/18	55,005	3.14375%	9,284	64,289	
01/01/19	55,870	3.14375%	8,419	64,289	128,578
07/01/19	56,748	3.14375%	7,541	64,289	
01/01/20	57,640	3.14375%	6,649	64,289	128,578
07/01/20	58,546	3.14375%	5,743	64,289	
01/01/21	59,466	3.14375%	4,823	64,289	128,578
07/01/21	60,401	3.14375%	3,888	64,289	
01/01/22	61,350	3.14375%	2,939	64,289	128,578
07/01/22	62,315	3.14375%	1,974	64,289	
01/01/23	63,294	3.14375%	995	64,289	128,578
Rounding	(3)				
Total	\$ 903,241		\$ 125,380	\$ 1,028,624	\$ 1,028,624

Debt Management Policy June 30, 2015

Incline Village General Improvement District
 State Revolving Fund Loan
 Drinking Water IVGID-1

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
07/01/15	\$ 41,216	3.082%	\$ 15,608	\$ 56,824	
01/01/16	41,851	3.082%	14,973	56,824	\$ 113,648
07/01/16	42,496	3.082%	14,328	56,824	
01/01/17	43,150	3.082%	13,673	56,823	113,647
07/01/17	43,815	3.082%	13,009	56,824	
01/01/18	44,491	3.082%	12,333	56,824	113,648
07/01/18	45,176	3.082%	11,648	56,824	
01/01/19	45,872	3.082%	10,952	56,824	113,648
07/01/19	46,579	3.082%	10,245	56,824	
01/01/20	47,297	3.082%	9,527	56,824	113,648
07/01/20	48,026	3.082%	8,798	56,824	
01/01/21	48,766	3.082%	8,058	56,824	113,648
07/01/21	49,517	3.082%	7,306	56,823	
01/01/22	50,281	3.082%	6,543	56,824	113,647
07/01/22	51,055	3.082%	5,769	56,824	
01/01/23	51,842	3.082%	4,982	56,824	113,648
07/01/23	52,641	3.082%	4,183	56,824	
01/01/24	53,452	3.082%	3,372	56,824	113,648
07/01/24	54,276	3.082%	2,548	56,824	
01/01/25	55,112	3.082%	1,712	56,824	113,648
07/01/25	55,962	3.082%	862	56,824	56,824
Rounding	1				
Total	\$ 1,012,874		\$ 180,429	\$ 1,193,302	\$ 1,193,302

Debt Management Policy June 30, 2015

Incline Village General Improvement District
2012 State Revolving Fund Loan
Drinking Water DW1201

Date	Original Value	Coupon	Interest	Total Payment	Fiscal Year Payment
07/01/15	\$ 64,559	2.390%	\$ 32,127	\$ 96,686	
01/01/16	65,330	2.390%	31,356	96,686	\$ 193,372
07/01/16	66,111	2.390%	30,575	96,686	
01/01/17	66,901	2.390%	29,785	96,686	193,372
07/01/17	67,700	2.390%	28,985	96,686	
01/01/18	68,509	2.390%	28,176	96,686	193,372
07/01/18	69,328	2.390%	27,358	96,686	
01/01/19	70,157	2.390%	26,529	96,686	193,372
07/01/19	70,995	2.390%	25,691	96,686	
01/01/20	71,843	2.390%	24,843	96,686	193,372
07/01/20	72,702	2.390%	23,984	96,686	
01/01/21	73,571	2.390%	23,115	96,686	193,372
07/01/21	74,450	2.390%	22,236	96,686	
01/01/22	75,340	2.390%	21,346	96,686	193,372
07/01/22	76,240	2.390%	20,446	96,686	
01/01/23	77,151	2.390%	19,535	96,686	193,372
07/01/23	78,073	2.390%	18,613	96,686	
01/01/24	79,006	2.390%	17,680	96,686	193,372
07/01/24	79,950	2.390%	16,736	96,686	
01/01/25	80,905	2.390%	15,781	96,686	193,372
07/01/25	81,872	2.390%	14,814	96,686	
01/01/26	82,851	2.390%	13,835	96,686	193,372
07/01/26	83,841	2.390%	12,845	96,686	
01/01/27	84,843	2.390%	11,843	96,686	193,372
07/01/27	85,856	2.390%	10,830	96,686	
01/01/28	86,882	2.390%	9,804	96,686	193,372
07/01/28	87,921	2.390%	8,765	96,686	
01/01/29	88,971	2.390%	7,715	96,686	193,372
07/01/29	90,035	2.390%	6,651	96,686	
01/01/30	91,110	2.390%	5,576	96,686	193,372
07/01/30	92,199	2.390%	4,487	96,686	
01/01/31	93,301	2.390%	3,385	96,686	193,372
07/01/31	94,416	2.390%	2,270	96,686	
01/01/32	95,544	2.390%	1,142	96,686	193,372
Total	<u>\$ 2,688,463</u>		<u>\$ 598,858</u>	<u>\$ 3,287,322</u>	<u>\$ 3,287,322</u>

FIVE YEAR CAPITAL IMPROVEMENT PLAN

(Per NRS 354.5945)

ENTITY: Incline Village GID

Minimum level of expenditure for items classified as capital assets

\$5,000

DATE: Fiscal Year 2015-2016

Minimum level of expenditure for items classified as capital projects

\$10,000

		FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Fund:	General Fund					
Capital Improvement:	Equipment & Buildings	70,000	94,700	10,000	472,800	3,357,800
Funding Source:	General Revenues	Gen. Revenues	Gen. Revenues	Gen. Revenues	Gen. Revenues	Gen. Revenues
Completion Date:	Within each fiscal year					
Fund Total		\$70,000	\$94,700	\$10,000	\$472,800	\$3,357,800

		FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Fund:	Community Services Fund					
Capital Improvement:	Equipment & Buildings	3,732,296	5,044,045	6,094,178	8,129,000	6,649,725
Funding Source:	Gen. Revenue, Charge for Services & Debt	Gen. Rev., Charges	Gen. Rev., Charges Possibly Debt			
Completion Date:	Within each fiscal year					
Fund Total		\$3,732,296	\$5,044,045	\$6,094,178	\$8,129,000	\$6,649,725

		FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Fund:	Beach Fund					
Capital Improvement:	Equipment & Buildings	203,000	328,410	1,665,000	102,000	0
Funding Source:	Charges for Services	Charges for Services	Charges for Services	Charges for Services Fund Balance	Charges for Services	Charges for Services
Completion Date:	Within each fiscal year					
Fund Total		\$203,000	\$328,410	\$1,665,000	\$102,000	\$0

List of Funding Sources:

- Property Tax - Gen. Revenues
- Charges for Services
- Debt
- Grants
- Other (Please Describe)

Appendix B-1

FIVE YEAR CAPITAL IMPROVEMENT PLAN

(Per NRS 354.5945)

ENTITY: Incline Village GID

Minimum level of expenditure for items classified as capital assets

\$5,000

DATE: Fiscal Year 2015-2016

Minimum level of expenditure for items classified as capital projects

\$10,000

		FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Fund:	Utility Fund					
Capital Improvement:	Equipment & Buildings	4,573,387	4,140,650	3,652,800	3,995,520	3,701,500
Funding Source:	Charges for services	Charges for Services	Charges for Services	Charges for Services	Charges for Services	Charges for Services
Completion Date:	Within each fiscal year					
Fund Total		\$4,573,387	\$4,140,650	\$3,652,800	\$3,995,520	\$3,701,500

		FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Fund:	Internal Service Fund					
Capital Improvement:	Equipment & Buildings	0	45,600	75,500	14,000	0
Funding Source:	Charges for services		Charges for Services	Charges for Services	Charges for Services	
Completion Date:	Within each fiscal year					
Fund Total		\$0	\$45,600	\$75,500	\$14,000	\$0

List of Funding Sources:

- Property Tax - Gen. Revenues
- Charges for Services
- Debt
- Grants
- Other (Please Describe)

Appendix B-2

Herron, Susan

From: Devon Reese [DReese@rkglawyers.com]
Sent: Monday, August 10, 2015 10:46 AM
To: Herron, Susan
Subject: FW: NRS 350.013 and NRS 354.5945 - IVGID

Please circulate to the Trustees.

DEVON T. REESE
ATTORNEY AT LAW
DREESE@RKGLAWYERS.COM



936 Southwood Blvd., Suite 301
Incline Village, Nevada 89451
p. 775.832.6800

190 W. Huffaker Lane, Suite 402
Reno, Nevada 89511
p. 775.832.6800

2300 W Sahara Ave., Suite 800
Las Vegas, NV 89102
p. 702-856-4333

Please Note:

The information contained in this E-mail and/or attachments may contain protected health, legally privileged, or otherwise confidential information intended only for the use of the individual(s) named above. If you, the reader of this message, are not the intended recipient, you are hereby notified that you may not further disseminate, distribute, disclose, copy or forward this message or any of the content herein. If you have received this E-mail in error, please notify the sender immediately and delete the original

From: Kelly Langley
Date: Monday, August 10, 2015 at 10:28 AM
To: "s4s@ix.netcom.com"
Subject: RE: NRS 350.013 and NRS 354.5945 - IVGID

Mr. Katz,

- In regard to your comments below, please note that I have requested IVGID put on their agenda to approve the Debt Management Plan as submitted to the Department of Taxation. This request was done late last week after review of the agenda and minutes of the meeting where IVGID stated it had been approved. I had requested that it be an action item on the agenda, and that it be approved separately. I have been told that it will be done within the next month. Once this has been received by the Department of Taxation, I would be happy to provide you with a copy of the minutes along with the agenda. Historically, the policy has been filed each year, and information that needed to be updated has been done and deemed to be complete. The Debt Management Policy was approved in 2008. Additionally, these reports have been submitted to the Department of Taxation in a timely fashion, and are not considered "delinquent" as you mentioned below.

- The Department primarily reviews the Debt Management Policy submitted with the Indebtedness Report to see if all 7 requirements of the policy have been addressed. Below are the instructions that we provide to the Entity:

Has your local government updated its debt management policy? (Per NRS 350.013)

If **No**, please provide a brief explanation.

- A. Discuss the ability of your entity to afford existing and future general obligation debt.
- B. Discuss your entity's capacity to incur future general obligation debt without exceeding the applicable debt limit.
- C. Discuss the general obligation debt per capita of your entity as compared with the average for such debt of local governments in Nevada.
- D. Discuss general obligation debt of your entity as a percentage of **assessed valuation** of all taxable property within the boundaries of your entity.
- E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
- F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
- G. Discuss the operating costs and revenue sources with each project.

- Additionally, via separate e-mail, I will provide you prior years debt management plans which were filed with the Department in previous years. These are too big for me to send in one file. This was approved by the Board in 2008. Many local governments have outside consultants complete this requirement for them.
- IVGID has NOT issued any debt under 350.582. Understand my reference to NRS 350.582 was to help you understand that IVGID could issue such debt to be paid back by special revenue other than ad valorem taxes.
- IVGID hasn't issued "General Obligations" which are required to make repayment of the bonds using property tax (ad valorem). The "General Obligations/Revenue Bonds" has a revenue source other than property tax (ad valorem). The Property Tax Rate that IVGID levies is intended for operating purposes, NOT to repay Debt.

Again, the prior years Debt Management Policies as submitted will be sent to you under separate e-mails.

Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Friday, August 07, 2015 1:31 PM
To: Kelly Langley
Subject: RE: NRS 350.013 and NRS 354.5945 - IVGID

Thank you for your response Ms. Langley:

Let's start with NRS 350.013(1) which states that "on or before August 1 of each year, *the governing body of a municipality* which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations...*shall* submit to the Department of Taxation ("the DOT") and the commission...(c) A written statement of the debt management policy of the municipality."

The Debt Management Policy for the fiscal year ending June 30, 2015 which IVGID staff have submitted to the DOT was *never* adopted by the IVGID BOT. It is a unilateral concoction of Gerry Eick.

Just to be sure of my facts, I made a public records request of IVGID's Public Records Officer, Susan Herron, asking for the BOT's minutes where the subject Debt Management Policy was adopted. She has produced none which is a nice way of saying the Policy was never adopted by the IVGID Board.

How can the DOT accept such a document which we now see is delinquent?

Moreover, I did ask you some time ago for copies of the last four years worth of IVGID Debt Management Policies. Assuming any were filed with the DOT, I'm pretty sure they too were unilateral concoctions of either Gerry Eick or Ramona Cruz before him. And if that's the case, we now have five years worth of Policies which are delinquent.

And if that's the case, do you even care? And if you do, what do you intend to do about it?

Let's move the source of payment for general obligation bonds ("GOBs"). You state that "as of June 30, 2015 IVGID's Indebtedness Report reflects the following outstanding debt:

General Obligation/Revenue Supported	\$ 2,847,000
--------------------------------------	--------------

Medium Term Obligations

\$ 2,395,000

Revenue Bonds

\$ 6,565,667"

Before I go further, please note that conspicuously absent from the above is "special obligation" indebtedness ("a municipal security issued pursuant to NRS 350.582").

NRS 350.580 (to which you refer) addresses "general obligations" and instructs that "the municipality may issue as general obligations any of the following types of municipal securities...4. Bonds...payable from taxes, or payable from taxes and additionally securing such payment by a pledge of net revenues or gross revenues, as the governing body may determine."

You accurately state that "NRS 350.580 and NRS 350.582 make it very clear that general obligations may be payable from taxes, or...from taxes and additionally securing payment by pledge of net revenues or gross revenues as the governing body may determine."

But you don't seem to grasp the difference between "payment" and "security for payment." What NRS 350.080 makes very clear is that GOBs are to be paid from taxes whether or not additionally secured by a pledge of other revenues. However, securing such payment from a source other than taxes does NOT mean GOBs are supposed to be payable from a source other than taxes. It's like a personal guarantee. Demand for payment is not made against the guarantor of another's obligation until the creditor has first proceeded against the obligor directly and any security he/she has posted (such as the full faith and credit of an issuing governmental agency in the case of GOBs). Only when the creditor is unsuccessful in securing payment from his/her obligor, may it proceed against the guarantor/the guarantor's security.

Since the taxes IVGID is budgeted to receive are well in excess of the servicing costs on its outstanding recreation GOBs, there will be no need to rely upon IVGID's other revenues regardless of the fact they all in essence additionally secure these GOBs. In other words, it is crystal clear that NRS 350.580 instructs that IVGID's GOBs are to be paid from taxes.

This is in accord with NRS 350.0045 which instructs that "if the governmental entity is authorized to levy taxes...general obligation debt...is l(to be)...payable from...those taxes."

And it is also in accord with NRS 318.325(1) which instructs that the GOBs a GID "may issue on its behalf and in its name (are those)...payable from general (ad valorem) property taxes" whether or not "additionally secured by a pledge of and lien on net revenues."

Your reference to NRS 350.582 is mistaken given it addresses "special obligations" which as I have observed, have not been issued by IVGID.

Nevertheless, if IVGID's recreation GOBs were "special obligations," all NRS 350.582 says is that "special obligation municipal securities may be payable from...net pledged revenues...if expressly...provided in any act supplemental hereto?" So my question to you is where is the "act supplemental" which entitles a GID to pay GOBs from net pledge revenues?

IVGID isn't a form of general government. It's not a municipality. It cannot do everything a county, city or town can do. There is nothing in NRS 244 which states that a county is limited to issuing GOBs payable from ad valorem taxes. Why not? Because it is a form of general government.

Similarly, there is nothing in NRS 266 which states that a city is limited to issuing GOBs payable from ad valorem taxes. Why not? Because it is a form of general government.

But when it comes to GIDs, that's not the case. And for this reason the Legislature has deemed it fit to restrict the kinds of GOBs a GID may issue to those payable from ad valorem taxes (again see NRS 318.325).

And as a consequence, everything now seems to fit into the NRS 350 puzzle. IVGID need first secure Debt Management Commission ("DMC") approval [see NRS 350.014(1)]. And why? Because the DMC's task is to insure that a GID is not required to increase its ad valorem taxes so it can service GOBs to a level which exceeds the maximum statutory overlapping tax rate [see NRS 350.014(4)(b)(4)].

If a GID can so easily circumvent the requirement that GOBs be repaid from ad valorem taxes, then why have a DMC? Why require it to secure DMC approval before issuing GOBs? It makes no sense.

So you see, NRS 350.582 does NOT "make it very clear" that IVGID's recreation GOBs can be paid from revenue sources other than ad valorem taxes as long as those taxes are adequate to pay the servicing costs on those GOBs.

Now that you see that what I say is supported by the above-referenced NRS provisions, what do you intend to do about it?

We had this discussion some time ago. You represented to me that the DOT exists, in part, to protect the residents of Nevada. If that's the case, why is it so difficult to get your Division to stop IVGID from: allowing unelected staff to prepare Debt Management Policies never approved by its governing BOT, and allowing unelected staff to use a revenue source other than ad valorem taxes to pay the servicing costs on recreation GOBs (thus freeing up those taxes to pay for upper management salaries and benefits which is what they're currently being spent on)?

I look forward to your substantive responses together with the last four years worth of IVGID Debt Management Policies.

Thank you for your cooperation. Aaron Katz

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

From: Kelly Langley

Sent: Aug 5, 2015 10:38 AM

To: "s4s@ix.netcom.com"

Subject: RE: NRS 350.013 and NRS 354.5945 - IVGID

Mr. Katz,

As with any communication, if deemed to require legal assistance, I can address it with the Department's AG or Attorney. I believe I can properly address your concerns. You provided me the IVGID Debt Management Policy Link – have I read it, or do I intend to read it? This policy is required by NRS to be filed with the Department of Taxation, and IVGID has complied with this requirement, so it wasn't necessary to provide me with the link, but to answer your question, Yes I have read the document.

Your question regarding debt issued by GID's is it limited to those repaid by ad valorem taxes – absolutely not. NRS 350 encompasses all municipal obligations, not just those that are approved by the voters to be retired solely by ad valorem taxes. As an example, NRS 350.580 and NRS 350.582 make it very clear that general obligations may be payable from taxes, or payable from taxes and additionally securing payment by pledge of net revenues or gross revenues as the governing body may determine.

There are various types of indebtedness:

- **General Obligation Bonds** – Those bonds approved by the voters to be retired solely by an ad valorem tax levy
- **General Obligation/Revenue Bonds** – Bonds issued as general obligations that are repaid in whole or in part from non-ad valorem revenues and/or issues sold as general obligations and additionally secured with pledged revenues
- **General Obligation Special Assessment Bonds** – Bonds payable from the proceeds of special assessments and additionally secured by the full faith and credit of the local government
- **Medium-Term Obligations** (More than one year but no more than ten years) – general obligation bonds, negotiable notes or lease/purchase agreements issued pursuant to NRS 350.087 through NRS 350.095
- **Revenue Bonds** – Bonds that pledge specific revenues for the repayment of the obligation. These revenues are the sole source of repayment, are not backed by the full faith and credit of the government entity, and do not count against the statutory debt limit
- **Other lease/purchases**
- **Mortgages**
- **Warrants**
- **Special Assessment Bonds**
- **Other debt**

Incline Village GID debt does NOT contain any of the General Obligation Debt that is approved by the voters to be retired solely by an ad valorem tax levy. IVGID's debt is composed of General Obligation/Revenue Supported; Medium-Term Financing, and Revenue Bonds.

As of June 30, 2015 IVGID's Indebtedness Report reflects the following outstanding debt:

General Obligation/Revenue Supported	\$ 2,847,000
Medium Term Obligations	\$ 2,395,000
Revenue Bonds	<u>\$ 6,565,667</u>
Total Indebtedness as of 6/30/15	\$11,807,667

This debt reflected above has been reduced from the prior year reported **Total Indebtedness as of 6/30/14: \$14,047,943**

Respectfully,

Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Wednesday, August 05, 2015 8:52 AM
To: Kelly Langley
Subject: RE: NRS 350.013 and NRS 354.5945 - IVGID

Thank you.

You know, these are legal issues. Should they be addressed to the Department's attorney(s) rather than you? And if so, who is that person and is it appropriate for me to raise my questions to that person?

Are a GID's GOBs issued pursuant to NRS 318 and 350 limited to those repaid by ad valorem taxes? Seems to me this is a pretty straightforward question.

Thank you, Aaron Katz

-----Original Message-----
From: Kelly Langley
Sent: Aug 5, 2015 8:28 AM
To: "s4s@ix.netcom.com"
Subject: RE: NRS 350.013 and NRS 354.5945 - IVGID

Mr. Katz,
Thank you for your recent e-mail regarding IVGID. I will look into your concerns and get back to you within the next week.

Kelly Langley, CTP

Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]
Sent: Tuesday, August 04, 2015 2:42 PM
To: Kelly Langley
Subject: Re: NRS 350.013 and NRS 354.5945 - IVGID

Hello Ms. Langley -

So IVGID has posted its latest debt management policy for the fiscal year ending June 30, 2015 on its web site (go to [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015.6.30 Debt Management Policy as Filed.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015.6.30%20Debt%20Management%20Policy%20as%20Filed.pdf)). Have you read it? If not, do you intend to read it?

BTW, this plan appears to be another concoction of IVGID staff. I have gone back to the minutes of the IVGID Board's May 21, 2015 meeting where the 2015-16 budget and conceptual framework of the 5 Year Capital Summary for fiscal Year 2016-2017 through 2019-2020 (to be used for the District 2015 Debt Management Report) were approved (see https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-24-2015_Rev_1.pdf), and I can tell you that the debt management policy itself was not approved.

Nevertheless, at page 4 the policy speaks of "Sources Available to Pay Existing, Authorized Future and Proposed General Obligation Bond Indebtedness." There staff tells us that "user and the Recreation and Facility are at levels to assure the proper coverage of debt requirements from each activity for its related bond(s)." This is a deceitful means of representing that ALL the servicing requirements for our recreation general obligation bonds ("GOBs") are payable from invalid (what you think are valid) Recreation ("the RFF") and Beach ("BFF") facility fees. If you don't believe me I suggest you examine IVGID's latest (2014) CAFR (<https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014CAFReport.pdf>). Go to page 75 where you will find a 10 year history of the RFF/BFF, and what they allegedly pay. There you will see that just as I have represented, the RFF/BFF pay ALL the servicing costs on our recreation GOBs.

Moreover, consider the following statement which also appears on page 5 of IVGID's debt management policy: "Principal and interest on the District's debt are payable from the various net pledged revenues of the District." What "net pledged revenues?" The RFF/BFF of course because according to NRS 318.197(1) they may be "pledge(d)...for the payment of any indebtedness or special obligations of the district." IVGID staff may equate the "pledge of revenue" as security with actual payment, but I and others I know certainly do not. What do you think?

Now go to NRS 350.0045 and read the definition of GOBs: "debt that is legally payable from general revenues, as a primary or secondary (secondary to recreational facility user fees rather than involuntary RFFs/BFFs) source of repayment, and is backed by the full faith and credit of a governmental entity."

Page 5 of IVGID's debt management policy states that: "The District's GOBs are issued pursuant to NRS Chapter 350 and Chapter 318."

With this admission in mind consider that: "if the governmental entity is authorized to levy taxes, (then GOB debt is to be paid) by those taxes." Since IVGID levies an ad valorem tax (NRS 318.225), shouldn't its GOB debt be paid from those taxes?

Now look at NRS 318.325(1): "Subject to the limitations and other provisions in this chapter, a board of any district may issue on its behalf and in its name at any time or from time to time...the following types of securities in accordance with the provisions of the Local Government Securities Law...(a) General obligation bonds and other general obligation securities payable from general (ad valorem) property taxes;(b) General obligation bonds and other general obligation securities payable from general (ad valorem) property taxes, the payment of which securities is additionally secured by a pledge of and lien on net revenues." Doesn't this mean that the GOBs a GID issues are to be payable from ad valorem taxes?

Now let's return to page 5 of the debt management policy where IVGID represents its GOBS: "are payable from general property taxes on all property in the District." But this is an outright misrepresentation of fact! As I have demonstrated, page 5 of the debt management policy also states that principal and interest on the District's debt are payable from the RFF/BFF.

Let's return to NRS 350.013(1). Two of the pieces of data which must be disclosed in IVGID's debt management policy are: "(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State; and, (4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality." Why do we care about IVGID's general obligation debt if it is payable from sources other than ad valorem taxes?

Let's go to NRS 350.014(1): "Before any...issuance of general obligation bonds pursuant to subsection 4 of NRS 350.020...the proposed incurrence or levy must receive the favorable vote of two-thirds of the members of the (debt service) commission of each county in which the municipality is situated." Why do we care about debt management commission approval if IVGID's general obligation debt is payable from sources other than ad valorem taxes?

The point here is that IVGID is circumventing the protections of the NRS insofar as its recreation GOBs are concerned, by paying their servicing costs with the RFF/BFF rather than ad valorem taxes. For this reason it can assert at page 5 of the debt management policy that: "there no impact on the property tax rate so long as net pledged revenues are sufficient to pay debt service." This makes the RFF/BFF de

facto ad valorem taxes to the extent they repay GOBs which now allows IVGID to exceed the statutory maximum of ad valorem taxation. Or stated differently, there is in essence no limit (yes there is a limit but since it exceeds half a billion dollars, in essence this is no limit) on the amount of GOB indebtedness IVGID can incur.

And the Dept of Taxation doesn't care about any of this?

Aaron Katz

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

From: Kelly Langley

Sent: Jul 21, 2015 10:51 AM

To: "s4s@ix.netcom.com"

Subject: NRS 350.013 and NRS 354.5945

NRS 350.013 Municipalities to submit annually statement of current and contemplated general obligation debt and special elective taxes, statement of debt management policy, plan for capital improvement or alternate statement and certain information regarding chief financial officer; update of information; exceptions.

1. Except as otherwise provided in this section, on or before August 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the Department of Taxation and the commission:

(a) A complete statement of current general obligation debt and special elective taxes, and a report of current debt and special assessments and retirement schedules, in the detail and form established by the Committee on Local Government Finance.

(b) A complete statement, in the detail and form established by the Committee on Local Government Finance, of general obligation debt and special elective taxes contemplated to be submitted to the commission during the fiscal year.

(c) A written statement of the debt management policy of the municipality, which must include, without limitation:

(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;

(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State;

(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

(5) Policy regarding the manner in which the municipality expects to sell its debt;

(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

(d) Either:

(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or

(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

2. The governing body of a municipality may combine a statement or plan required by subsection 1 with the corresponding statement or plan of another municipality if both municipalities have the same governing body or the governing bodies of both municipalities agree to such a combination.
3. Except as otherwise provided in subsection 4, the governing body of each municipality shall update all statements and plans required by subsection 1 not less frequently than once each fiscal year.
4. In a county whose population is 100,000 or more, the governing body of each municipality shall update all statements and plans required by subsection 1 not less often than once each fiscal year and not more often than twice each fiscal year, except that a municipality may update a statement or plan required by subsection 1 more often than twice each fiscal year:
 - (a) If the governing body determines, by a two-thirds vote, that an emergency requires that a statement or plan be updated;
 - (b) To include an item related to:
 - (1) An installment purchase that does not count against a debt limit; or
 - (2) An obligation for which no additional property tax is expected;
 - (c) To update the purpose of a special elective tax without changing the rate of the special elective tax; or
 - (d) To comply with the requirements of subsection 5 of NRS 268.625 or subsection 1 of NRS 350.091.
5. The provisions of this section do not apply to the Reno-Tahoe Airport Authority so long as the Authority does not have any general obligation bonds outstanding and does not issue or propose to issue any such bonds. At least 30 days before each annual meeting of the commission, the Authority shall submit to the Department of Taxation a written statement regarding whether the Authority is planning to propose to issue any general obligation bonds before the next following annual meeting of the commission.
(Added to NRS by 1971, 942; A 1977, 538; 1993, 2656; 1995, 147, 308, 766; 2001, 880, 2304; 2005, 125)

NRS 354.5945 Capital improvement plan: Preparation and submission; filing for public inspection; limitation on amount of expenditures; required contents; reconciliation of capital outlay; exemption.

1. Except as otherwise provided in subsection 7, each local government shall annually prepare, on a form prescribed by the Department of Taxation for use by local governments, a capital improvement plan for the fiscal year ending on June 30 of that year and the ensuing 5 fiscal years.
2. On or before August 1 of each year, each local government shall submit a copy of the capital improvement plan of the local government to the:
 - (a) Department of Taxation;
 - (b) Debt management commission of the county in which the local government is located; and
 - (c) Director of the Legislative Counsel Bureau.
3. Each local government shall file a copy of the capital improvement plan of the local government for public record and inspection by the public in the offices of:
 - (a) The clerk or secretary of the governing body; and
 - (b) The county clerk.
4. The total amount of the expenditures contained in the capital improvement plan of the local government for the next ensuing fiscal year must equal the total amount of expenditures for capital outlay set forth in the final budget of the local government for each fund listed in that budget.
5. The capital improvement plan must include the estimated or actual revenues and expenditures for each capital project and the estimated or actual date for completion of each capital project.
6. The capital improvement plan must reconcile the capital outlay in each fund in the final budget for the first year of the capital improvement plan to the final budget in the next ensuing fiscal year. The reconciliation must identify the minimum level of expenditure for items classified as capital assets in the final budget and the minimum level of expenditure for items classified as capital projects in the capital improvement plan. The reconciliation of capital outlay items in the capital improvement plan must be presented on forms created and distributed by the Department of Taxation.
7. Local governments that are exempt from the requirements of the Local Government Budget and Finance Act pursuant to subsection 1 of NRS 354.475 are not required to file a capital improvement plan.
(Added to NRS by 1999, 832; A 2001, 1798; 2003, 802; 2005, 128, 1402)

*Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706*

klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: Kelly Langley
Sent: Tuesday, July 21, 2015 9:08 AM
To: 's4s@ix.netcom.com'
Subject: RE: IVGID 2015-16 Budget

Mr. Katz,

I didn't see that there were additional questions below in your earlier e-mail. I haven't processed the 5 year capital improvement plans but will make it available as soon as I can – I just wanted you to understand it isn't due until 8/1, and as such, I have been working on other deadlines. Regarding the other previous years I will make sure you have available all years that we have in our office which is usually 4-5 years worth. I will get you the NRS and NAC's for your ease. I have a meeting to get to, and will attempt to get you some of this information ASAP following the meeting, and will keep you posted if there are any delays/ Thank you

Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]
Sent: Tuesday, July 21, 2015 8:53 AM
To: Kelly Langley
Subject: RE: IVGID 2015-16 Budget

You DID tell me the current plan isn't due until August 1.

But I believe it has already been filed. If this be the case, then you're telling me you can't answer whether it was sent in and whether I can have a copy? I don't understand.

And whether the plan for this year has or has not been filed, what does it have to do with the last four years' worth of plans? Are you going to make them available to me for my examination?

And what about my request for NRS and NAC provisions which create the filing requirement? Are you going to share these with me?

Thank you, Aaron Katz

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

From: Kelly Langley
Sent: Jul 21, 2015 8:45 AM
To: "s4s@ix.netcom.com"
Subject: RE: IVGID 2015-16 Budget

I attempted to let you know is that the 5-year capital improvement plan is not due until 8/1/15, and therefore I can't answer if it was sent in at this time.

Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]
Sent: Tuesday, July 21, 2015 8:27 AM
To: Kelly Langley
Subject: RE: IVGID 2015-16 Budget

Thank you Ms. Langley -

So maybe I have my terminology wrong.

When staff presented its materials to the IVGID Board seeking adoption of a 2015-16 budget, on May 21, 2015, was one of the pages this page 99 to which I have referred? So whether it was or was not technically part of the budget, my question is whether the page was submitted to the Dept. of Taxation as part of IVGID's "5-year capital improvement plan?"

The minutes of that meeting [which appear at page 358 (see https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-24-2015_Rev_1.pdf)] recite that the Board approved the "Incline Village General Improvement District's Capital Improvement Project Budget for Fiscal Year 2015-2016 [i.e., Year 2015-16 (ONLY) from the 5 Year Capital Summary]" and insofar as "fiscal Year(s) 2016-2017 through 2019-2020" are concerned, it approved the same (but) as a "conceptual framework of the 5 Year Capital Summary...[to be used (ONLY) for the

District 2015 Debt Management Report]." In other words, the Board did NOT approve a 5 year capital improvement plan. If you doubt these statements, all you need do is follow the discussion between Mr. Eick, the Board and the attorney and you will see it was made very, very clear that only one year's capital improvement plan was being approved, and that in no way were future Boards in any manner obligated.

That said, how does this reality comport with IVGID's requirement it file an updated written statement of its debt management policy, 5-year capital improvement plan, and indebtedness report? And shouldn't the statement include the source of all outstanding capital improvement expenditures? You'll note that the page 99 we're talking about evidences a nearly \$30M deficiency with no disclosure whatsoever as to the projected source(s) of funding to satisfy this deficiency. Isn't the Dept. of Taxation concerned about where the money is going to come from to satisfy this level of unfunded expenditures?

I realize August 3 is less than two weeks away, but has IVGID filed its updated written statement of its debt management policy, 5-year capital improvement plan, and indebtedness report with the Dept. of Taxation for the current year? If so, can you please provide me with copies?

And while we're on the subject, can you please provide me with copies of IVGID's updated written statement of its debt management policy, 5-year capital improvement plan, and indebtedness report filed with the Dept. of Taxation for the last four years?

And can you please share with me the NRS statutes and NAC regulations which mandate that each year by August 1 IVGID file with the Dept. of Taxation its updated written statement of its debt management policy, 5-year capital improvement plan, and indebtedness report? I want to learn the precise filing requirements and the reasons therefore.

Finally, I don't recall these updated written statements ever before being included in IVGID's CAFRs. Am I mistaken? Assuming I'm not, why wouldn't it be a requirement that statements like these be included in their CAFRs? As you will recall, page 41 of the latest IVGID CAFR (<https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014CAFReport.pdf>) includes a statement of outstanding indebtedness and future debt servicing requirements both insofar as principal and interest. Wouldn't you think that this would be the perfect place to include the updated written statements we're talking about in the name of full disclosure? If so, why isn't it there?

Thank you for your anticipated cooperation, Aaron Katz

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

From: Kelly Langley
Sent: Jul 20, 2015 9:24 AM
To: "s4s@ix.netcom.com"
Subject: RE: IVGID 2015-16 Budget

Mr. Katz,
Municipalities with outstanding debt or proposed debt must file an updated written statement of the entity's debt management policy and a 5-year capital improvement plan, along with the Indebtedness report must be filed with the Department of Taxation on or before August 1st. Because August 1st is a weekend, these must be filed no later than August 3rd this year. These reports are not usually filed with the budget as they have different filing requirements.

*Kelly S Langley, CTP
Nevada Department of Taxation
Supervisor, Local Government & Finance
1550 College Parkway #115
Carson City, NV 89706
klangley@tax.state.nv.us*

775.684-2073 Office
775.636.0101 Cell

CONFIDENTIALITY STATEMENT:

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Thursday, July 16, 2015 11:00 PM
To: Kelly Langley
Subject: IVGID 2015-16 Budget

Hello Ms. Langley -

Aaron Katz here from Incline Village.

Can you please confirm or deny what I am about to share with you?

On May 21, 2015 the IVGID Board approved its 2015-16 budget. This link ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT Packet Reg 5-21-2015.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Reg_5-21-2015.pdf)) will take you to the Board packet submitted in support of general business matters on the agenda that day.

Please go to page 99 of that packet (5 year project summary for capital improvement projects) and tell me whether Mr. Eick submitted it along with the rest of the budget in the form indicated.

Thank you for your cooperation.

Aaron Katz

