MINUTES
REGULAR MEETING OF FEBRUARY 8, 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, February 8, 2017 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

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

Also present were District Staff Members Director of Finance Gerry Eick, Communications Coordinator Misty Moga, Information Technology Manager James Russell, Diamond Park Ski Resort Manager Mike Bandelin, Director of Human Resources Dee Carey, Director of Public Works Joe Pomroy, Parks and Recreation Director Indra Winquest, and Director of Asset Management Brad Johnson.

Members of the public present were Pete Todoroff, Steve Dolan, and others.

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

C. PUBLIC COMMENTS*

Sarah McKimmy, Community Manager for Incline Property Management, said fulltime residents cannot dispose their waste if there is a dumpster on property and they are considered commercial. She said Waste Management has not serviced our community properly. These owners should not be penalized when disposing of their waste. Please work with Waste Management to resolve this issue; the refuse program for those residents is to dispose of their waste at the transfer station. We should not have to accommodate Waste Management.

Steve Pulver said he is the President of Bitterbrush Homeowners Association. He said they have a similar problem that Ms. McKimmy spoke about. There was a
serious problem in January and February with waste and recycling disposal due to the weather. He said he has letters from the owners where they couldn't take the trash to the transfer station. He said when we looked at the franchise agreement, condominiums are under residential and shouldn't be commercial; it needs to be clarified as we need to go under multifamily customers. Both IVGID and Waste Management need to work to get it resolved so our single family customers can use the transfer station. In the franchise agreement regarding disruption of service, Waste Management is supposed to notify the District if they have problems. He said they aren't getting any information.

Frank Wright said you don't represent the people in this community; you sit up there proud of the fact a citizen of this community has to fight for a public record. Your official response is that he vomited all over the paper. He said he read Mr. Katz legal brief and it was very well written. You are incompetent to say a member of a community vomited on paper. He asked for public comment and asked about the beaches. He said Chairwoman Wong can't wait to get her money. You have no right to represent the community. A lady just spoke about the Waste Management and you won't do anything because you live in District 26 Mr. Guinasso. Mr. Guinasso told Mr. Wright that his comments will be cut off because they are slanderous and asked him to move to another topic. Trustee Callicrate said, as a point of order, if this is public comment, it's their time to make their comment to the Board and that he would like to hear it in its entirety. Mr. Guinasso said absolutely not. Mr. Wright thanked Trustee Callicrate and said the issue here is that the Board doesn't represent us.

Aaron Katz said because we have cut down the amount of meetings to one and because you have cut public comment, there isn't a reason to stay after public comment. It hurts our community because you don't get input. He spoke about General Business Item F.4 – Budget Review Process. All three new Trustees said if you were elected you would want zero based budget thus do what you promised to the community. Budget isn't based on the Recreation Fee. On Item F.3 – Legacy Projects, nobody wants a $2.5 million dollar club house at the golf course and Staff throws this to you as a legacy project because Staff wants it; throw it away. Former Trustee Wolfe was clear when he was on the Board - it's a pipe dream. The Recreation Fee is to pay for processing and refurbishing recreation buildings not the administration building so don't use the Recreation Fee and get rid of this project. On Item F.2 – new water and sewer rates - he is disturbed about this and that the Board needs to understand the elements as preferential and discrimination. Staff has stacked the rates to benefit them. Residents use twenty thousand gallons and we are assessed a 65% increase which is unfair. We are subsidizing the utilities with the Recreation Fee. General
Manager Pinkerton is going around talking about uncommitted reserves; set up a separate account.

Pete Todoroff said he is the Chair of the Citizen Advisory Board and he wants to speak about the Waste Management issue. He said he went to the Washoe County Board of Commissioners meeting and they were supposed to vote to have a contract with Waste Management. They have worse problems than up here. Mr. Todoroff said Bret Hansen was going to contact him. After the Commissioner's meeting, Mr. Hansen's boss was supposed to contact him and he never did. Mr. Todoroff said he received an email from a resident regarding the fact that Waste Management had picked up recycling and not trash. The Waste Management contract was not approved in Reno. There is competition with another company in Vegas called Republic. The Chairman said Republic should come up to Reno and make a bid. Another item is that we need more housing. We have all these office spaces, realtors, lawyers, and doctors need these spaces. Tim Carlson stepped up to the plate and he is doing that same thing. He said he congratulated him and that he is plugging this person. He said he will get the word out about housing up here.

Paul Reynolds thanked the Board for their services they provide and those provided by other community agencies. He is thankful for his services and then he thanked the Diamond Peak team and their leader. The Public Works Department should be complimented for what they do. He said he found his driveway packed with snow, lock cover was up, and renters had gone to the wrong house. He said when they leave town, they turn off the water. He said they had found it was turned on and a week's worth of water was in the house. He said they received a check from the rental people. Thank you also to the Washoe County Sheriff as they stopped to ask if they needed help when installing a security light. He also wants to thank the post office. Nellie came in wearing her ski clothes with no lights and she put mail in the boxes yet someone had the audacity to complain about not getting mail.

Margaret Martini asked, in regards to the Waste Management, what kind of oversight are they getting because there is none. She said she ordered a bear proof can and hasn't gotten it. She said she has been charged for it and it hasn't appeared. She said she won't pay the bill until she gets the adjustments. There needs to be oversight of Waste Management. There are a lot of people who ordered bear totes who have been overcharged and had not received a credit. Whoever signed that agreement needs to look into this. The competence level of this company and IVGID establishment is zero.
D. APPROVAL OF AGENDA (for possible action)

The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

Trustee Callicrate asked for clarification about combining agenda items as he thought that the general public might be confused. District General Counsel Guinasso said this statement is in regard for flexible items and it would be to put public on notice. The Board doesn’t change content but can change the order of items. He would have to hear a specific request to combine items and that it would be adjudicated on case to base basis. Chairwoman Wong said the statement was for flexibility based on the weather, speakers and to be flexible to make those adjustments. District General Counsel Guinasso said the Attorney General uses this to manage the agenda to be flexible.

E. PRESENTATIONS*

E.1. Director of Community Services Sharon Heider – Verbal Update on Community Services activities

Director of Community Services Sharon Heider gave a verbal update on Community Services activities and went over upcoming events.

F. GENERAL BUSINESS (for possible action)

F.1. Review, discuss, and possibly award a procurement contract, in the amount of $448,000.00, to Club Car, LLC for eighty (80) electric golf carts to be located at the Championship Golf Course and review, discuss, and possibly authorize a four year municipal lease agreement, to finance the procurement of eighty (80) electric golf carts to be located at the Championship Golf Course, with California First National Bank in the amount of $484,713.60 (Requesting Staff Members: Director of
Community Services Sharon Heider and Director of Golf
Michael McCloskey)

Director of Community Services Heider thanked Director of Asset Management Johnson for conducting the bid, Director of Finance Eick for preparing the finance item, and Director of Golf McCloskey for finding the best fit for our clientele. Director of Community Services Heider said our existing fleet is five years old and we have gotten full use out of these carts. The District has 75 carts but have the room for 80 carts. In the past, we attempted to reduce funds and get only 75 carts. The battery life was promised to perform better and that wasn’t the case. 75 carts put us in a pinch thus Staff would like to go to an 80 cart fleet. Director of Community Services Heider then went over the specifics of the equipment and noted that the GPS system the District currently hasn’t can’t be supported anymore and concluded by stating that the action items are listed separately, but in interest of time, the Board can combine them into one action. Due to leasing, this requires a 4/5 vote.

Trustee Callicrate said it is a little confusing and that there is a difference of $36,000 for lease versus purchase. Director of Finance Gerry Eick said it’s the difference between $448,000 and $484,000 and that is the interest factor and time built into the payments. We would execute this via municipal lease and it has been the District’s practice not to do the purchase option. The Board has to authorize for the entire agreement but we won’t pay the entire $448,000. Trustee Callicrate said he appreciated the clarification.

Trustee Horan asked the current carts. Director of Community Services Heider said they are leased and that the only purchased items were the GPS systems. Trustee Horan said battery replacement plays into this option. Director of Community Services Heider said yes and that Staff explored that option and if we do not go out for new carts then the replacement battery is a substantial cost. The current equipment isn’t in great shape. Our options are using the deteriorating products or get new products. This option takes us out of the business of replacing the batteries and maintenance. Director of Golf McCloskey added that the previous lease had an energy limitation and that the new lease has a four year bumper to bumper warranty and noted that there is a reason for that warranty at that time frame.
Trustee Morris inquired about the residual value of the GPS systems. Director of Golf McCloskey said due to age of system itself, its antiquated with towers, Wi-Fi and the mountains and that it's not as good as the new system, with the proposed fleet, that uses satellite technology.

Trustee Dent asked if it was the Department of Taxation that requires 4/5 vote to pass the leasing portion of this item and what is the timeframe as section 8 discussed that the request be submitted to State. Director of Finance Eick said he spoke about timing with Department of Taxation and that he will report back to the Board before the March 8, 2017 meeting.

Trustee Horan moved to award a procurement contract to Club Car, LLC totaling $448,000.00 for eighty (80) electric golf carts for the Championship Golf Course, authorize a four year municipal lease agreement with California First National Bank to fund the electric golf cart procurement totaling $484,713.60 (24 payments of $14,596.40 [$87,578.40 annually] and a $134,400.00 end of term balloon payment) and authorize Staff to execute all procurement and lease documents based on a review by General Counsel and Staff. Trustee Morris seconded the motion.

Trustee Horan asked about the balloon payment. Director of Community Services Heider said for the next lease it would be part of bid requirement that they would absorb the balloon payment. Chairwoman Wong thanked the Teesters and said that she was concerned about the reduction of lease and the increase in carts and what that means financially and customer service. Chairwoman Wong said she received feedback about the carts dying, there being not enough carts, and inaccuracies with the current systems; this is the correct way to go on our Championship Golf Course.

Acting District Clerk Misty Moga conducted a roll call vote to determine if a 4/5 vote was achieved in order to satisfy the requirement as required by the State of Nevada, Department of Taxation. On roll call, Trustees Matthew Dent, Tim Callicrate, Peter Morris, Phil Horan and Kendra Wong voted in favor of the motion; the motion was unanimously passed.

F.2. Utility Rate Study Presentation - 2017: review, discussion and possible direction (Requesting Staff Member: Director of Public Works Joe Pomroy)
Director of Public Works Joe Pomroy reviewed the materials included in the packet and presented the PowerPoint presentation which was also included in the packet.

Trustee Dent asked about the export pipeline and when did the District start collecting funds towards replacing that pipeline. Director of Public Works Pomroy said, in 2011, we started increasing the CIP rate in sewer to start collecting for effluent pipeline. The District used to fund 25% and the United States Army Corp of Engineers funded 75%. Then we got notices in 2010 that the cost shares would be more like 45% and 55%. So, in 2011 and 2012, we started ramping up savings. With the recession and other things happening in Congress, the District said it needed to be prepared to fully fund this project. Up to 2014, the District started putting aside 100% of the District's share which equates to accumulating $2 million dollars a year. In 2011, the District raised the sewer rate by $14 a month just for effluent pipeline project. Trustee Dent asked how much money has been spent to-date on Phase Two. Director of Public Works Pomroy said close to one million dollars. Trustee Dent asked when this project will start. Director of Public Works Pomroy responded that we will identify critical work and early investigation work and repairs in a twelve month time frame. The District expects to replace 13,000 feet of pipeline in an eight year window and that the District would like to co-locate the pipeline with the bike path thus we can reduce the total project cost from $20 million to $15 million. If we can make repairs and wait 5-8 years, we can accumulate the funds with the bike path project on the other side of Sand Harbor. If we go outside the 5 year timeline, we will have to replace it ourselves. Trustee Dent said the CAFR said 6 miles of pipeline will cost $15 Million dollars; this memo said 6 miles of pipeline costs $23 million. Director of Public Works Pomroy said the total cost of replacing the export pipeline would be $23 Million, but if we can co-locate, it will be in the $15 Million dollar range. Trustee Dent asked what we roughly have in reserves as of June 30, 2016. Director of Public Works Pomroy said there is $12 Million in Utility Special Fund; $11 Million for Capital Improvement Project which is comprised of two projects: $10 million for the effluent export project, $1 million for storage building at Public Works which we don't expect to spend in 2017-18.

Trustee Dent said, referring to page 38, budget for 2017/2018, capital is $4.4 million, but on page 41, it is $4.8 million. Director of Public Works Pomroy said $4.4 million is capital expenses, with $300,000 in debt.
Trustee Dent said the District set aside $2 million for the export pipeline; this year we aren't going to that. Part of the rate increase that went into effect back in 2011-12 was for the pipeline, we are change course now, it appears we asked the community for money we don't plan on spending. Director of Public Works Pomroy said $1 million will go directly toward the effluent/export system, and $1 million will be diverted to sewer projects. The District will pause for one year; we will do repairs and won't raise rates.

Trustee Dent said the District has projected the need for $23 million in five years to pay for pipeline and we have only accumulated $10 million. When it comes to United States Army Corp of Engineers or grants, where are we in determining how much we will need? Director of Public Works Pomroy said we will accumulate $2 million per year until we get to $15 Million. If the bike path moves forward and we can co-locate and lower expenses, we can look at the CIP rate and adjust the rate. We have to complete the project and get reimbursement to get the money back. We would lower rates as the project was completed. $23 Million of pipeline would take 3-4 years and we could collect monies in subsequent years. District General Manager Pinkerton referred to the CAFR, as Director of Public Works Pomroy said, the project will cost at least $15 Million.

Trustee Morris said we have $10-11million; we will be collecting an extra $2 million in next couple years, but will have to spend $23 Million. Director of Public Works Pomroy said we will need $13 Million for 6-7 years after 2018, we will be still collecting.

Chairwoman Wong asked where Diamond Peak falls in the meter sizes. Director of Public Works Pomroy said they are 8-inch but the buildings at Diamond Peak might have a mixture of meter sizes.

Chairwoman Wong thanked Director of Public Works Pomroy for his comprehensive presentation and said what you laid out is reasonable and logical presentation to follow.

Trustee Dent, referencing agenda packet page 21, said regarding the monthly water and sewer rates compared to other GIDs that the next time Staff does this portion, can it provide how many users each of the other Districts have as that would give a better picture of usage. Director of Public Works Pomroy said he can send that information to the Trustees.
Trustee Morris made a motion to give Staff direction to prepare documents for Ordinance 2 and Ordinance 4 amendments for a one year average 3.4% utility rate increase. Trustee Horan seconded the motion. Chairwoman Wong asked for any further comment, hearing none, called the question - the motion was passed unanimously.

F.3. 2017/2018 Capital Improvement Budget District “Legacy” Project Presentation - review, discussion and possible direction/action (Requesting Staff Member: Director of Asset Management Brad Johnson)

Director of Asset Management Brad Johnson gave an overview of the submitted materials.

Trustee Dent asked if the projects are in any particular order and/or prioritization. Director of Asset Management Johnson said we will speak to that during our prioritization discussion; we will do a deep dive on the Incline Beach House in March; the Administration Building has no significant planning or solution; and the big three will be Ski Way pavement, culvert, and Mountain Golf Course clubhouse.

Director of Asset Management Johnson reviewed the past Board planning discussions. Chairwoman Wong asked about past Board timelines. Director of Asset Management Johnson said we knew we had aging infrastructure, but we didn’t have a plan. He said, over time, we would develop an implementation plan, and that is where we are today.

Director of Asset Management Johnson reviewed the Incline Beach House; the Administration building; and Ski Way pavement concept schedule.

Chairwoman Wong asked about the pre-design phase and the Diamond Peak Master Plan process. Director of Asset Management Johnson said traffic and noise, as it relates to the Master Plan, will be part of larger environment analysis, pre-design is largely drive by winter operations, summer will have lower traffic and that the overall circulation enhancement and the concerns and feedback of our neighbors will go into the pre-design; they are on concurrent paths.

Director of Asset Management Johnson reviewed the Diamond Peak culvert and the Mountain Golf Course Clubhouse.
Trustee Dent asked about the $3.4 million estimate in Option 1 and if that is on a limited budget. Director of Asset Management Johnson said yes, the architect didn’t agree with Global Golf Associates findings as they said they had more cost effective findings. Its unlikely Option 1 is going to happen and that Options 2 and 3 are essentially the same with different topography. Option 2 is minimal approach with cart storage and Option 3 has more leverage with underground cart storage; it would require demolishing the current structure during the season.

Director of Asset Management Johnson gave a Legacy Project Summary.

Trustee Callicrate thanked Director of Asset Management Johnson for the presentation and said he agrees with the culvert and paving and that he receives both telephone calls and text messages about Diamond Peak parking and it needs to be addressed. Trustee Callicrate said he understands the culvert project needs to go first and asked if we can move it up as an as soon as possible project because 2019 isn’t too far away but we need to address this because it is a nightmare and thank God no one has been killed. We need to streamline one project with the current funding. We need it to be fast tracked to this summer and next summer as it is an emergency. Director of Asset Management Johnson said there is at least one year of permitting left with Nevada Division of Wildlands, Washoe County and the Tahoe Regional Plan Agency but that Staff can accelerate the schedule to do this project in 2018 instead of 2019. Trustee Callicrate said in the interim, we need a concrete barrier against the mountain side to allow people to get up and down and to separate the people from traffic and while it is not the perfect fix, we need to get it and then blast out this project as soon as possible. Director of Asset Management Johnson said with the Ski Way implementation, we could combine them and bid as a single scope which would be much larger and much more complex. It would require quicker design and public input. If Board asked me to get this project developed, he said he could have a plan for implementation for 2018. He said it’s about where does $5 Million in cash come from unless the Board wants to go into debt. Chairwoman Wong said we backed ourselves into a corner. Trustee Callicrate it was prior to us getting on the Board. Chairwoman Wong said it was as we were coming on the Board so let’s take responsibility for it.

Chairwoman Wong asked if we could get the Mountain Golf Course input during the Community Services Master Plan input process so we don’t
have to continue the process. She said she gets questions about what are we doing and when are we doing it. It would be nice to show it's on our radar and it hasn't been abandoned. Director of Asset Management Johnson said he would defer to the Director of Community Services. He said there are references in the current plan so the consultants are well aware of what is happening at the Mountain Golf Course.

Trustee Morris said he agrees with prioritizations and that the biggest thing he has heard is the traffic during a major ski season. The pavement needs to be done and he is concerned about traffic flow and safety. He hopes we could improve that area, from a safety perspective, and access for Tyrolian as they have suffered greatly this year. Director of Asset Management Johnson said there is no silver bullet from a CIP standpoint. The safety study reconfigures the parking and traffic flows and we are going to sacrifice parking by one-third which will cause more illegal parking. If you reconfigure the parking, you force them up Ski Way. When you have free throughput, the speed will continue. When remove congestion, you remove the traffic calming nature. There may be operational adjustments made now with more boots on the ground but it's a higher dollar fix.

Trustee Morris asked if it is sensible to put in electric golf charts; would the steep slopes of the golf course allow for electric carts. Director of Asset Management Johnson responded because of elevation changes, the electric carts couldn't meet the demands. With tremendous investment in battery technology, carts are robust; regenerative breaking gives charge into cart. Moving forward, whenever we implement, electric carts are a viable options. Electric is now viable option if we had the charging infrastructure.

Trustee Callicrate asked for more detail about electric golf carts. Director of Asset Management Johnson said the ion battery is now entering the golf industry and that the golf cart industry is moving toward that ion battery. Trustee Callicrate asked if near years, could we have Tesla sponsor golf carts; great partnership with cutting edge technology. Director of Asset Management Johnson said the branding partnerships will be up to the Director of Community Services. Trustee Callicrate said that club house is a wreck.

Trustee Horan said he agreed with prioritization timing and that he too is concerned about the Diamond Peak culvert. He said risk of failure can pose significant problems. He asked what the synergy is by doing culvert
and paving together. Director of Asset Management Johnson said you want to do the underground work for the culvert first and then do the pavement over the top. Trustee Horan asked if it is under the pavement. Director of Asset Management Johnson said yes, some spots will be under pavement. A specialty firm would do the culvert; small amount of excavation and earth work and patch work, but not significant economy to scale. Trustee Horan asked about the bandwidth of professional Staff. Director of Asset Management Johnson said we are comfortable, have a competent team, are managing the process, and would likely hire a construction manager to oversee the project and communicate with Staff. During a busy summer, District Staff are roving managers and dedicated to day-to-day inspections.

Trustee Morris said we need to do the culvert because it’s falling apart. He asked about fish habitat and federal source funds to help. Director of Asset Management Johnson said we looked at it, it’s not ideal fish habitat due to elevation change. There are a number of fish barriers that prevent the fish from getting there. However, that does make the project easier.

Trustee Callicrate made a motion to direct Staff to apply the following approach to “Legacy” project planning:

- Continue implementation planning and budgeting for the following projects in the upcoming 5-year CIP (in descending order of funding priority based on infrastructure condition):
  - Diamond Peak Culvert
  - Ski Way Paving
  - Incline Beach House
- Slow Mountain Golf Course project implementation
  - Address capital maintenance at both Clubhouse and Maintenance Building as necessary
  - Implement Americans with Disabilities Act compliance and electric cart charging as CIP funding allows (Option 6)
  - Postpone building replacements
- Continue evaluating options for Administration Building
  - Address capital maintenance as necessary

Trustee Dent seconded the motion. Chairwoman Wong asked for any further comments, hearing none, called the question - the motion was passed unanimously.
F.4. 2017/2018 Budget Review Process - review, discussion and possible direction/action (Requesting Staff Member: General Manager Steve Pinkerton)

District General Manager Pinkerton gave an overview of the submitted materials.

Trustee Callicrate thanked the General Manager for the in-depth overview. He takes issue with the bias against a zero based budget and that he is concerned about, in the past three budget cycles, that the Board hasn’t been told how much it costs to open the door and turn on the lights. He wants the basics, mid, and top of the line. Also, so he can answer the questions posed by the community, what does it cost to operate the Chateau and/or the Golf Course with basic operation and the associated costs. He said he will vote against the budget again this year if that’s what you present because every year it goes up and the Board needs it drilled down simply. He wants to know what it takes to operate and the revenue. He is looking at how much it costs to operate per venue, where we can cut, and wages for employees which go up every year. He knows these numbers are there and he won’t vote on a take-it-or-leave-it basis.

Chairwoman Wong asked General Manager Pinkerton how hard it would be to separate fixed and variable rate and noted that the District is a service organization thus we need personnel to run a ski resort.

General Manager Pinkerton spoke about fixed costs to maintain the buildings. Chairwoman Wong asked that the General Manager define the fixed costs and determine what those fixed costs are and said it doesn’t have to be in detail however she wants people to understand the fixed and variable. General Manager Pinkerton said Staff can do that but that it’s not exact. Trustee Callicrate said produce the fixed costs and look to see the different service levels and costs associated with it. There are a lot of people in the community who don’t know. Some people don’t understand what they are paying for in their $830. General Manager Pinkerton said when Staff brings back operations, on March 8, we can bring back something. Chairwoman Wong said spend up to twenty hours on pulling these numbers.

Trustee Dent thanked Trustee Callicrate and Chairwoman Wong. He said he got excited about 8,000 line items in the budget. He said he spent 15 years in construction, running $80 Million projects. Initial start up takes
time and that a deep dive is what Trustee Callicrate is looking for. To say this takes too much time or rant against it doesn’t do justice. We need to take the time to go through each venue and line item. We may want to see the differences each year and we will continue to ask. The community will still want to know these numbers.

General Manager Pinkerton said certain members of the public want to see every check written and that’s not efficient. He said the Board used to have to approve check runs at each Board meeting. Trustee Callicrate said he isn’t interested in that. He said, to Trustee Dent’s point, maybe we take a portion of Community Services and say here is last year and what we are projecting for upcoming year via the use of some software. He said it’s hypothetical but these things come up each year. There has to be better continuity and baseline. We need to choose two to three areas to review down to a five year period and thoroughly vet it out. It should be a constant situation. Chairwoman Wong said let’s table that as we could accomplish that with popular reporting. There isn’t time to go through that much detail and that the timeframe is tight as it is. Trustee Callicrate said we typically get pushed up against time. He said for the next budget cycle, we need technology, we know the projects, maintenance, and that we are not taking on anything new. Instead of seventeen months or seven months, corporations can put together their budgets in months, they take the prior, add new, and spit out new budget, and go onto new situations. It seems we get backed up against the time frame, scramble, and amend budgets. Trustee Callicrate said he hopes this comes across really drilled down.

Chairwoman Wong said it is not an arbitrary timeline rather it is set by the State of Nevada and priorities are for 2018/2019 budget cycle and that the Board needs to discuss priorities. She said augmentations are filed for expenses for Diamond Peak and that they aren’t surprises. Trustee Callicrate said $95,000 was filed for beaches and that is what he meant. He said it’s frustrating since we both got on the Board as it seems to be status quo. He said please drill down and that he wants to see this done. Chairwoman Wong said the time to control that is in the next cycle.

Trustee Morris asked what happens if we don’t approve the budget as he doesn’t want the Board to get to the approval dates and not approve the budget. General Manager Pinkerton said you have to approve the budget. Trustee Dent said he is excited about the 8,000 line item budget.
Trustee Horan made a motion to accept the following budget process:

Draft Budget Public Release – February 17
Service Level Alternatives Review – February 22
   (Parks/Beaches only)
Operating Budget Review – March 8
Capital Improvement Project Tour – March 17
Capital Improvement Project Budget Review – March 21
Draft Budget Consideration – April 12
Final Budget Consideration – May 24

Trustee Dent seconded the motion. Chairwoman Wong asked for comments, receiving none, she called the question; the motion was unanimously passed.

F.5. 2017 Board of Trustees Work Plan - review and discussion with next action tentatively slated for the next Board of Trustees meeting (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong said she is going to ask District Clerk Herron to send the work plan items to each Board member so each member can prioritize them. At the next meeting, the Board can go through them and set direction, with priorities, for the 2018/2019 cycle.

G. DISTRICT STAFF UPDATE

G.1. General Manager Steve Pinkerton

- Monthly Financials
- Information Technology
- Washoe County Community Area Plan
- Washoe County Snow Removal

General Manager Pinkerton gave an overview of the above items.

Chairwoman Wong said she did notice the pedestrian paths were cleared near the schools and asked if the Board could get an update on the timeline on when they can fill potholes. Trustee Dent said when you have follow up discussions with Washoe County, please let them know that
there are some paths that have yet to be touched located on Country Club and Lakeshore.

G.2. Diamond Peak Ski Resort General Manager Mike Bandelin - Verbal update on the Diamond Peak Ski Resort ski season

Diamond Peak Ski Resort General Manager Mike Bandelin gave the following report:

On Saturday, January 28, we didn’t exhibit our best effort for parking for customers and community members. Customers found non designated and private property to park. He said he understand and let community know he will work to provide safe parking and roadway. January produced great numbers: 40,000 visits, 54% above average and 2\textsuperscript{nd} January on record. Record snowfalls and record visits with 5 record weekdays and 5 record weekends, record Martin Luther King Jr. Day, record first weekend in January and 4\textsuperscript{th} weekend in January. On the 28\textsuperscript{th} and 29\textsuperscript{th}, the youth ski race had racers from all over the region. Thanks to DPSEF held a well executed event, except for parking. Season pass sales - 3,900 passes, 45% resident passes. Season-to-date, we have issued 5,600 tickets to residents. 500 more private lessons over last year during Martin Luther King Jr. Day weekend. 18% January customers used rentals. 100% mountain open in January, groom 6,000 miles. In 56 operating days, we have had 80,000 skier visits to date. Please view the event calendar for fun events in February and March.

Chairwoman Wong thanked Diamond Peak Ski Resort General Manager Bandelin for his honest report including challenges and shortfalls and where we should improve; Chairwoman Wong asked if we should have a budget augmentation. Director of Finance Eick said a remarkable thing has happened this season, augmentation is about total expenditures, and we had a remarkable January without the expenditures. Yes, it is possible and if we continue to increase demands, it is certain we will have to augment.

Trustee Morris said he heard from people there has been more than a few lift issues and asked about the mechanical issues. Diamond Peak Ski Resort General Manager Bandelin said we had some days and times, during wind events, when he deemed something was unsafe for Crystal
Express so yes, we have had days deemed unsafe and there were malfunctions.

Trustee Morris said we could do with more Staff as we have open spots for temporary staff and asked if we will see that impact for the rest of the season. Diamond Peak Ski Resort General Manager Bandelin said there is a housing shortage. We have plans in place to give best possible experience to our customers. He said we want to roll out new ideas for traffic controls to help on Ski Way.

Trustee Dent congratulated Diamond Peak Ski Resort General Manager Bandelin on his presentation.

Trustee Callicrate asked what is the peak number of skiers on the hill, as far as optimal experience, to handle at one time. Diamond Peak Ski Resort General Manager Bandelin said studies and data by SE Group show the comfortable carrying capacity for trail and lifts is 2,400 people. He said there are multipliers that go into that number. We do have days that go over 2,400. Trustee Callicrate said we don't want to cut out revenues and cut it off but we may want to look at yield pricing and limit how many people can come up. Make it exclusive for those days where there are 3,200 and it's maxed out. The community is ecstatic and you and your team have done a phenomenal job.

H. APPROVAL OF MINUTES (for possible action)

1. Regular Meeting of December 14, 2016

2. Regular Meeting of January 18, 2017

Chairwoman Wong asked for any changes to the December 14, 2016 minutes; receiving none, deemed them accepted as submitted.

Chairwoman Wong asked for any changes to the January 18, 2017 minutes; receiving none, deemed them accepted as submitted.
I. REPORTS TO THE IYVID BOARD OF TRUSTEES*

I.1. District General Counsel Jason Guinasso

District General Counsel Guinasso said that they are taking action on the payment owed by Mr. Katz and that there is some litigation going on regarding that recovery effort. He then reminded the Board not to communicate with either Mr. Katz and/or Ms. Miller until the litigation is complete and it wouldn't be appropriate to have conversation with either of them.

District General Counsel Guinasso said that he wanted to follow up on the training that was begun and asked that we put a date, on the long range calendar, to complete that training.

District General Counsel Guinasso said that he is applying for one of thirteen 13 seats that needed to be filled in the Second Judicial Court. He said his application can reviewed on the Nevada Commission website and that the process takes place on March 13 and that the Governor will appoint to someone to the open seat. He said Mr. Reese will be here more if he is appointed to the open seat. He said in the mean time, he will continue to be part of the meetings.

Trustee Callicrate spoke about the Nevada Legislature and potential lobbying and said that he is confused about updates to the Board and that the Board will have to hear all information regarding settlements before actions are taken. Trustee Callicrate told District General Counsel Guinasso to bring back updates if it's of importance to this Board and that the Board will determine action. District General Counsel Guinasso said it was clear from the last discussion and that there are rules that restrict that. We don't take private or public action that isn't supported by this Board and that we can bring back potential bills for your consideration and your action.

Trustee Dent asked current policy states that if decision has to be made between Board meetings, the General Manager has the authority to make that decision. District General Counsel Guinasso said that is true however he said he wants to daylight and discuss items early in the process with this Board before we take a position.
I. 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 Dent said it's his responsibility as Trustee and Treasurer, to report a deeply troubling discrepancy on the 2016 CIP Report. This report provides the Board and public with a financial breakdown of how capital improvement project funds were spent. The glaring discrepancy in the report is due to a new format, changed by Staff without Board approval, which omits categories that represent upward of 1 million dollars. The omitted categories include: projects added, projects cancelled, and projects opened early. These categories are necessary for us to know how capital improvement project funds were spent. It has been five weeks since the General Manager and Senior Staff was asked to provide this necessary and required information. Instead, the General Manager used the IVGID Attorney to assist him in dodging his obligation to provide this information. He is deeply concerned about why this information is not being provided and why public funds are being used on legal counsel to help the General Manager avoid providing the information to the Board and public. Why is the General Manager sending incomplete and/or incorrect reports to the Board? Why is the General Manager not providing the missing information requested by Trustees? Why has the General Manager instructed Senior Staff to redirect all matters pertaining to this information request to him? Why is the General Manager wasting limited resources on having the IVGID attorney review and advice about how to respond to information requested by Trustees? Based on IVGID’s $10,000 per month expense on legal fees, how involved is IVGID’s attorney when it comes to day to day operations? The Board and public should be deeply concerned about the 2016 CIP report’s lack of transparency and the General Manager’s inability to produce the missing information. With more than $50 Million in planned infrastructure projects we need to understand exactly how project funds have been spent before moving forward. In order to resolve this problem and prior to beginning the next budget season, it seems only fitting to agendize the 2016 CIP Report for review and discussion at our next board meeting. General Manager Pinkerton please put this on the agenda for the February 22nd Board meeting. Trustee Dent thanked Staff for the presentation. He said instead of lengthy presentations, we had discussed executive summaries with supplemental information for drill downs. We could get through the meetings much quicker with these.
Trustee Dent then gave an update to the Board from the Nevada League of Cities. One bill draft request made it out of caucus and it pertains to general improvement district that maintain their own roads. The Nevada League of Cities will be voting on 3% or 8% property tax. Some municipalities haven’t been funded after the recession. They haven’t received the revenue and we will be voting on that. He said either he will abstain on that vote or agendize it so we can speak regarding that issue.

Chairwoman Wong said the Nevada League of Cities has a Chairs and Mayors committee to discuss property tax. Mayors and Chairs committee didn’t decide to take a stance on sanctuary cities topic. She asked the General Manager to add it to our discussion.

Trustee Horan said he wanted to address the issue raised by Ms Newman and Mr. Dobler in a letter sent to the District regarding the accounting and reporting for punch card transactions. He said he was speaking for himself and not other members of the Board. This is not the first time that Mr. Dobler has raised this issue in letters to Staff, our auditors and State regulators. In fact, District Staff has met with Mr. Dobler in an effort to explain the process used by the District. Mr. Dobler has refused to accept the explanation. This most recent letter was also copied to our auditors and the State regulators. This most recent letter states that the Audit Committee and the Trustees have failed to respond to these concerns. He said he would like to point out to the community that the Audit Committee and the Trustees specifically addressed this concern as well as others raised by Mr. Dobler, Ms. Newman and others in the community including the applicability of Special Revenue accounting, compliance with GASB 33, 34 and 54, treatment of exchange versus non exchange transactions etc. at the audit meeting held on December 14, 2016. During the December 14 Audit Committee meeting he asked Mr. Carter "Since I know you were copied on many of the statements received from the community would you please confirm that the questions mentioned earlier were considered in the review and statement of an unmodified opinion?" His answer was yes. The build up to our current practices has evolved over time and included feedback from audit firms, their audit partners and their technical review departments. Our reports have gone to the State Local Government Finance Committee and the Department of Taxation at several levels. Our practices are in compliance with the States' Guidance letter on Special Revenue and Exchange Funds issued October 27, 2015. This is validated by the unmodified opinion letter in the Audit Report. There is no question that the District has made accounting practice choices which
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may differ from the opinions of others in the community. It is one thing to disagree with Staff, it is another thing to accuse Staff of fraud. To suggest that these are fraudulent is not acceptable. Our Finance Director and his Staff is very knowledgeable, professional and well regarded by their professional peers. We have listened to the opinions of the community members but have concluded that the accounting and reporting practices of the District comply with the appropriate accounting and regulatory requirements.

J. CORRESPONDENCE RECEIVED BY THE DISTRICT*

Acting District Clerk Misty Moga reported that correspondence had been received from Mike Abel, Aaron Katz and Greg Flanders it has been distributed, and will be included, in hard copy, in the next Board packet.

K. 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.

Frank Wright said that the public speakers don’t have to face the Board as there is no NRS statute rather it is covered by freedom of speech. What you did was wrong. Mr. Guinasso is not elected and should never speak to him as he has no place to tell me to shut off and sit down. He has three minutes to speak and yet you stand up, as an attorney, and have cost this Board five thousand dollars in Open Meeting Law violations. You don’t understand the Open Meeting Laws. For you to become a judge would be horrific. We had a phony survey and Flashvote wouldn’t put it out. Our General Manager found another company that allowed IVGID to write the questions and then they calculated and wrote up the answers. It was in the newspaper to validate IVGID. It sounded good. We have phony financials and you are in business so how much does it cost to you operate your daily budget and employees.

Ms. Martini said that was remarkable spin on financials. She expressed a huge thanks to Trustees Callicrate and Dent to ask for the concrete details of expenses. There are no reasons these figures aren’t readily available. Quickbooks will give you all you want if you put it in correctly. She said she hopes Trustees Dent and Callicrate will hold the line. There is no reason not to obtain this information in a heartbeat and that if they can’t get the information, who can. The community members need to know. It’s pretty
basic accounting principles. It's a no brainer. She can't understand why IVGID finds it difficult to find it out. It's unbelievable as to why it's not available.

Mr. Dolan he said you all risk verbal abuse thus he would ask that the Board consider asking for a public opinion after each issue. Trustee Callicrate, lipstick would help the pig, specifically the Mountain Golf Course. He said he was on the citizen advisory committee and he doesn't know what happened to it and that he hopes it still exists. Global Golf Advisors gave bad recommendations such that it got absurd so they dialed it back. The architect group provided option 5 and we thought option 6 would be good considering the time. Mr. Dolan said they never saw the additional options. He said he supports Director of Asset Management Johnson's outline to capital expenditure. ADA keeps popping up and he thinks the Board needs to watch that issue.

Pete Todoroff said he wrote letter to Washoe County and that he is having Morgan Beryl come to the Citizens Advisory Board to talk about transportation and Tahoe Regional Planning Agency come on March 27. He also asked Washoe County's Eva Krause about the community plan.

L.  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 Trustee Horan said that he would like to discuss the topic of trash at some point in the future as we need to recognize where we are and what could have been done better.

M.  ADJOURNMENT (for possible action)

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

Respectfully submitted,

Misty A. Moga
Acting District Clerk