



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at **6:00 p.m.** on **Thursday, April 29, 2021** in the Boardroom at 893 Southwood Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 4:00 p.m. on Thursday, April 29, 2021) or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF TRUSTEES*
- C. INITIAL PUBLIC COMMENTS* - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*

- 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.

- E. DISTRICT GENERAL MANAGER'S UPDATE – **pages 4 - 14**
- F. REVIEW OF THE LONG RANGE CALENDAR (*for possible action*) – **page 15**
- G. DISTRICT GENERAL COUNSEL UPDATE (*for possible action*)

There is no District General Counsel update for this agenda.

- H. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.
 - 1. Audit Committee Chairman Matthew Dent – Verbal Report on Audit Committee Meeting of April 29, 2021
- I. CONSENT CALENDAR (*for possible action*) (In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar". A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting. A unanimous affirmative vote shall be recorded as a favorable motion and approval of each individual item included on the Consent Calendar.)

There are no Consent Calendar items for this agenda.

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of April 29, 2021 - Page 2

J. GENERAL BUSINESS (*for possible action*)

1. Review, Discuss, and Possibly Authorize or approve: – **pages 16 - 203**
 - (A) Four contracts for the Burnt Cedar Swimming Pool and Site Improvement Project - Fund: Beaches; Project 3970BD2601. Vendor: CORE Construction in the amount of \$3,845,865 which includes adding alternates #1, #2, #3, #4, Tri-Sage Consulting in the amount of \$69,500, Reno Tahoe Geo Associates, Inc. in the amount of \$21,000, TSK Architects in the amount of \$105,680;
 - (B) Resolution Number 1886 authorizing a budget augmentation of \$174,000 and budget reallocation of \$214,190 in support of the Burnt Cedar Swimming Pool Renovation Project

(Requesting Staff Member: Engineering Manager Nathan Chorey)
2. Review, discuss, and possibly authorize or approve: – **pages 204 - 383**
 - (A) Two contracts for the Recreation Center Upstairs Lobby Restrooms Remodel - 2020/2021 Capital Improvement Project: Fund: Community Services; Division: Water; Project 4884BD1902. Vendor: Avail Construction in the amount of \$159,832.40 **and** Ward-Young Architecture in the amount of \$20,487;
 - (B) An additional \$52,556 be authorized from the Community Services Fund Balance to increase the project budget; **and**
 - (C) Resolution Number 1885 authorizing a budget augmentation of \$52,556 from available resources within the Community Service Capital Fund (550) Fund Balance to augment the Recreation Center Restroom Remodel project budget

Requesting Staff Member: Engineering Manager Nathan Chorey
3. Review, discuss and possibly approve an emergency resolution (Resolution Number 1884) that temporarily limits access to the beaches, located in Incline Village, Nevada known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach, provides for possible occupancy limits, provides discretion to limit, restrict, and/or cancel any and all group picnic reservations, place a limit on the purchase of punch cards, and provides for a method to make necessary and immediate changes with a communication process to the Board of Trustees – Effective Date April 29, 2021; End Date December 31, 2021 (Requesting Staff Members: District General Manager Indra Winqest and Parks & Recreation Superintendent Shelia Leijon) – **pages 384 - 393**
4. Review, discuss and possibly approve recommended Beach Venue Rates to include Adult Beach Guest Access, Kayak Storage, Paddleboard Storage, Daily Boat Launch Fee, Season Pass Watercraft Launch Fee, **and** review, discuss and possibly approve revisions to the Season Watercraft Launch Pass Form (Requesting Staff Members District General Manager Indra Winqest and Parks & Recreation Superintendent Shelia Leijon) – **pages 394 - 398**
5. Review, discuss, and possibly approve a new current year CIP Project (# 4588RS2101) to convert Tennis Court #9 to four dedicated Pickle Ball courts, to be funded from the reallocation of capital funding originally approved for Tennis Court Re-surfacing (CIP #4588RS1401), in the amount of \$17,600. (Requesting Staff Members: District General Manager Indra Winqest and Parks & Recreation Superintendent Sheila Leijon) – **pages 399 - 403**
6. Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities; Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$12,000, and authorize budget augmentation of \$146,550 within the District's Utility Fund (Fund 200), to support total project costs (Requesting Staff Member: Director of Public Works Brad Underwood) – **pages 404 - 427**

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Agenda for the Board Meeting of April 29, 2021 - Page 3

- 7. Review, discuss and provide feedback on potential revisions to selected Board Policies and Practices: – **pages 428 - 496**
 - (A) Capitalization Policy - (Board Policies 8.1.0 and 9.1.0, and Board Practice 2.9.0)
 - (B) Capital Planning, Capital Budgeting and Capital Expenditures (Board Policy 12.1.0 and 13.1.0 and Board Practice 13.2.0)
 - (C) Fund Balance Policy - (Board Policy 7.1.0 and Board Practice 7.2.0)
 - (D) Working Capital Policy - (Board Policy 19.1.0 and Board Practice 19.2.0), and
 - (E) Central Services Overhead - (Board Policy 18.1.0 and Board Practice 18.2.0)(Requesting Staff Member: Director of Finance Paul Navazio)

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

- 1. Meeting Minutes of April 14, 2021 – **pages 497 -544**

L. REPORTS* *(Reports are intended to inform the Board and/or public)*

There are no Reports for this agenda.

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

N. ADJOURNMENT *(for possible action)*

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Monday, April 26, 2021 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of April 29, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

- 1. IVGID Anne
- 2. Incline Village
- 3. Crystal Bay Post
- 4. Raley's Shopping
- 5. Incline Village
- 6. IVGID's
- 7. The Chateau at Incline Village

SUSPENDED – STATE OF NEVADA EXECUTIVE DEPARTMENT, DECLARATION OF EMERGENCY, DIRECTIVES 006, 016, 018, 021, 026, AND 029.

- Vorderbruggen Building (Administrative Offices)
- Post Office
- Office Center
- Branch of Washoe County Library
- Recreation Center

/s/ **Susan A. Herron, CMC**
Susan A. Herron, CMC
District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: *Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Michaela Tonking.*

Notes: *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.*

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

**NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ...10. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.*

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: Review, discuss and possibly approve an emergency resolution (Resolution No. 1884) that temporarily limits access to the beaches, located in Incline Village, Nevada known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach, provides for possible occupancy limits, provides discretion to limit, restrict, and/or cancel any and all group picnic reservations, place a limit on the purchase of punch cards, and provides for a method to make necessary and immediate changes with a communication process to the Board of Trustees – Effective Date April 29, 2021; End Date December 31, 2021

DATE: April 20, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to adopt Resolution 1884 – an emergency resolution that temporarily limits access to the beaches, located in Incline Village, Nevada known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach, provides for possible occupancy limits, provides discretion to limit, restrict, and/or cancel any and all group picnic reservations, place a limit on the purchase of punch cards, and provides for a method to make necessary and immediate changes with a communication process to the Board of Trustees – Effective Date April 29, 2021; End Date December 31, 2021

II. BACKGROUND

At the June 23, 2020 Board meeting, the Board of Trustees unanimously adopted Resolution 1881 (attached). This resolution was written at the request of the Board of Trustees. The emergency resolution's purpose was to allow for the safe, prudent and respectful management of the District's restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach during a global pandemic (COVID-19). The emergency resolution contributed to several key public safety and health aspects, as follows, during unprecedented conditions. It helped to ensure the health and safety of:

- a. District's front line employees;

Review, discuss, and possibly approve Resolution 1881 -2-
An emergency resolution that temporarily limits access to the beaches, located in Incline Village, Nevada known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach, provides for possible occupancy limits, provides discretion to limit, restrict, and/or cancel any and all group picnic reservations, place a cap on the purchase of punch cards, and provides for a method to make necessary and immediate changes with a communication process to the Board of Trustees – Effective Date April 29, 2021; End Date December 31, 2021

April 20, 2021

- b. District's residents and their guests;
- c. The environment to recreate; and
- d. A safe environment in the event of an emergency.

III. ALTERNATIVES

- A. Approve with required revisions made during this meeting.
- B. Bring back at the May 5, 2021 meeting with requested revisions.

IV. COMMENTS

On March 12, 2020, the Governor of the State of Nevada issued a Declaration of Emergency to facilitate the State's response to the COVID-19 pandemic. Following this declaration, the Governor has issued multiple emergency directives. Incline Village General Improvement District has taken steps since these emergency directives were issued to maintain the health and safety of our employees, our residents, and all that enjoy Incline Village and Crystal Bay, Nevada. The draft resolution is a targeted effort, with specific definitions and time periods, to continue that public safety and health effort.

Our communication plan to get this information out to the members of our community and the public, for their safe enjoyment of our venues, is as follows:

- a. Parcel Owner Email Communication
- b. Printed copies available upon request
- c. Posted on IVGID's website
- d. Posted, as feasible, on social media channels, venue e-flyers
- e. Press release

Attachment:

- 1. Resolution 1881



POLICY AND PROCEDURE RESOLUTION NO. 140

RESOLUTION 1884

AN EMERGENCY RESOLUTION THAT TEMPORARILY LIMITS ACCESS TO THE BEACHES, LOCATED IN INCLINE VILLAGE, NEVADA KNOWN AS INCLINE BEACH, BURNT CEDAR BEACH, SKI BEACH AND HERMIT BEACH, PROVIDES FOR POSSIBLE OCCUPANCY LIMITS, PROVIDES DISCRETION TO LIMIT, RESTRICT AND/OR CANCEL ANY AND ALL GROUP PICNIC RESERVATIONS, PLACE A LIMIT ON THE PURCHASE OF PUNCH CARDS, AND PROVIDES FOR A METHOD TO MAKE NECESSARY AND IMMEDIATE CHANGES WITH A COMMUNICATION PROCESS TO THE BOARD OF TRUSTEES – EFFECTIVE DATE APRIL 29, 2021; END DATE DECEMBER 31, 2021

WHEREAS, the world is experiencing a global pandemic (COVID-19) which has resulted in an unprecedented Government response to protect public health and keep communities safe from the spread of disease and death, including several Executive Directives issued by the State of Nevada Governor Steve Sisolak, evolving guidelines issued by the Centers for Disease Control, and Federal recommendations issued by the President of the United States of America;

WHEREAS, the Incline Village General Improvement District has the responsibility of managing the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada;

WHEREAS, the significant risks presented by the threat of disease and death as a result of contracting COVID-19 require the Board of Trustees to manage beach access in a manner that will mitigate the risks presented by the current public health crisis;

WHEREAS, the Board of Trustees has determined that temporarily limiting access to IVGID restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada in a manner consistent with current and evolving State and Federal Guidelines regarding public gatherings is necessary to protect the health and safety of the property owners, residents, guests, and visitors to Incline Village and Crystal Bay;

WHEREAS, this necessary and important action was agendized and discussed at the Board of Trustees meeting of April 29, 2021 which was publicly noticed and where public comment was solicited and received; and



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THEREFORE, BE IT RESOLVED, the following temporary measures, effective April 29, 2021, shall be implemented with an ending date of December 31, 2021:

- (1) Recreation Picture Pass holders, with beach access, shall be allowed access to all restricted beaches upon presentation of their active Recreation Picture Pass;
 - a. Once granted access, all Recreation Picture Pass holders are required to keep their Recreation Picture Pass with them while present at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada.
- (2) Recreation Punch card holders, with beach access, shall be allowed access to all restricted beaches upon presentation of their active Recreation Punch card;
 - a. Once granted access, all Recreation Punch card holders are required to keep their Recreation Punch card with them while present at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada.
 - b. Recreation Punch Cards must have the full value of access available on the card.

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- c. Recreation Picture Pass holders may pay for guest access by credit card. Recreation Picture Pass holders is required to be present with the guest upon entrance.
- (3) Effective April 29, 2021, Recreation Punch cards may **NOT** be exchanged for Recreation Punch Card exchange passes.
- (4) Parcel owners are able to purchase up to a total of five (5) additional Recreation Punch cards on their parcels at a cost of one-fifth (1/5) of the total applicable Facility Fee. This limit is consistent with Ordinance 7 and required to limit occupancy at District facilities.
- (5) In order to ensure the health and safety of the community during this time of a pandemic, occupancy may be limited, up to complete closure, by District Staff with the approval of the District General Manager, at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada. In the event of this happening, the District's website will be updated so that the community will be aware.
- (6) Reaffirm that the District General Manager has the discretion to restrict and/or cancel any and all group picnic reservations.
- (7) Section 71 of Ordinance 7 allows the General Manager to adopt, amend, or rescind rules consistent with that ordinance and furthers authorizes the General Manager to interpret and administer Ordinance 7. Consistent with that delegation, the General Manager may enforce and administer Ordinance 7 and this Resolution and may adopt such rules as may be necessary to do so. The General Manager shall consult with the Chair of the



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Board of Trustees when doing so and shall notify the Board of Trustees of any such rules.

This is a necessary public health and safety resolution under current circumstances and it is our expectation that everyone will cooperate, be respectful and understanding, and maintain social/physical distancing.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 29th day of April, 2021, by the following vote:

AYES, and in favor thereof, Trustee
NOES,
ABSENT,

Sara Schmitz
Secretary, IVGID Board of Trustees



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WHEREAS, the world is experiencing a global pandemic (COVID-19) which has resulted in an unprecedented Government response to protect public health and keep communities safe from the spread of disease and death, including several Executive Directives issued by the State of Nevada Governor Steve Sisolak, evolving guidelines issued by the Centers for Disease Control, and Federal recommendations issued by the President of the United States of America;

WHEREAS, the Incline Village General Improvement District has the responsibility of managing the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada;

WHEREAS, the significant risks presented by the threat of disease and death as a result of contracting COVID-19 require the Board of Trustees to manage beach access in a manner that will mitigate the risks presented by the current public health crisis;

WHEREAS, the Board of Trustees has determined that temporarily limiting access to IVGID restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada in a manner consistent with State and Federal Guidelines regarding public gatherings is necessary to protect the health and safety of the property owners, residents, guests, and visitors to Incline Village and Crystal Bay;

WHEREAS, this necessary and important action was agendized and discussed at the Board of Trustees meeting of June 23, 2020 which was publicly noticed and where public comment was solicited and received; and



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THEREFORE, BE IT RESOLVED, the following temporary measures, effective June 24, 2020, shall be implemented with an ending date of December 31, 2020:

- (1) Recreation Pass holders, with beach access, shall be allowed access to all restricted beaches upon presentation of their active Recreation Pass;
 - a. Once granted access, all Recreation Pass holders are required to keep their Recreation Pass with them while present at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada.
- (2) Recreation Punch card holders, with beach access, shall be allowed access to all restricted beaches upon presentation of their active Recreation Punch card;
 - a. Once granted access, all Recreation Punch card holders are required to keep their Recreation Punch card with them while present at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada.
 - b. Punch cards are the only accepted method of guest access payments.
- (3) Effective June 24, 2020, Recreation Punch cards may **NOT** be exchanged for Recreation Punch Card exchange passes. All Recreation Punch Card



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exchange passes that have been issued prior to June 24, 2020 will be honored.

- (4) Parcel owners are able to purchase additional Recreation Punch cards on their parcels at a cost of one-fifth (1/5) of the total Facility Fee, presently at eight hundred and thirty dollars (\$830), or at a per Recreation Punch card cost of one hundred and sixty-six dollars (\$166).
- (5) In order to ensure the health and safety of the community during this time of a pandemic, occupancy may be limited, up to complete closure, by District Staff with the approval of the Interim District General Manager, at the restricted access beaches known as Incline Beach, Burnt Cedar Beach, Ski Beach and Hermit Beach all located within Incline Village, Nevada. In the event of this happening, the District's website will be updated so that the community will be aware.
- (6) Reaffirm that the Interim District General Manager has the discretion to restrict and/or cancel any and all group picnic reservations.
- (7) Given that the Interim District General Manager presently has all the powers of the day-to-day operations of the Incline Village General Improvement District as defined by Resolution 1480 and has been working effectively and efficiently in consultation with the Board of Trustees Chairman, should an emergency require a change to this resolution during its specified time frame, the Interim District General Manager shall work solely in consultation with the Board of Trustees Chairman to make any emergency required changes. Following such change, the Interim District General Manager shall,



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in a timely manner, electronically make the entire Board of Trustees aware of the change made as an informational item only.

This is a necessary public health and safety resolution under current circumstances and it is our expectation that everyone will cooperate, be respectful and understanding, and maintain social/physical distancing.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 23rd day of June, 2020, by the following vote:

AYES, and in favor thereof, Trustee Kendra Wong, Tim Callicrate, Matthew Dent, Sara Schmitz, and Peter Morris
NOES, None
ABSENT, None

/s/ Kendra Wong
Kendra Wong
Secretary, IVGID Board of Trustees

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
District General Manager

FROM: Shelia Leijon
Superintendent of Parks & Recreation

SUBJECT: Review, discuss and possibly approve recommended Beach Venue Rates to include Adult Daily Beach Guest Access, Kayak Storage, Paddleboard Storage, Daily Boat Launch Fee, Season Pass Watercraft Launch Fee, and review, discuss and possibly approve revisions to the Season Watercraft Launch Pass Form

DATE: April 29, 2021

I. RECOMMENDATION

1. That the Board of Trustees makes a motion to approve the following recommended rates for 2021-2022 Incline Beach Operations including:
 - Adult Daily Beach Guest Access - \$15 per adult (non-peak/peak)
 - Kayak Storage - \$275 – *beginning May 1, 2022*
 - Paddleboard Storage - \$195 – *beginning May 1, 2022*
 - Daily Boat Launch Fee - \$22 per launch
 - Season Watercraft Launch Pass Fee - \$195 per annual launch pass
2. That the Board of Trustees makes a motion to approve the 2021 Annual Watercraft Launch Pass form effective May 1, 2021.

II. BACKGROUND

The following is an accounting of Incline Beach Operation fees as they pertain to:

- Beach access
- Kayak and paddleboard storage
- Watercraft individual and pass launch fees

Beach Access

FEE	2018	2019	2020	Proposed
Adult Daily Beach Access (non-peak/peak)	\$12/\$15	\$12/\$15	\$12/15	\$15

The adult daily beach access fees increased from \$10 to \$12 in 2012. The fee then remained flat until 2016 when the peak season/holiday pricing of \$15 was introduced. Staff proposes to simplify the dual pricing structure by carrying the peak pricing fee of \$15 throughout the entire beach season.

The child access fee, age 6 to 17, has remained flat at \$5 since 2016. There is no proposed increase to the child access fee.

Kayak and Paddleboard Storage Fees

VESSEL TYPE	2018	2019	2020	Proposed
Kayak	\$250	\$250	\$250	\$275
Paddleboard	\$175	\$175	\$175	\$195

Kayak and paddleboard fees have been unchanged since the inception of the service in 2004. The proposed changes include an approximate 10% fee increase and provide a calendar year-round option, as opposed to the summer/year round storage options, that were previously available.

Watercraft Launch Fees

FEE	2018	2019	2020	Proposed
Daily Watercraft Launch	\$18	\$18	\$20	\$22
Annual Pass Watercraft Launch	\$160	\$160	\$160	\$195

Daily watercraft launch and Season Pass Watercraft Launch pricing has seen little change over the past decade. Staff proposes a 10% increase to daily launch fees and approximately 20% to the annual pass fee however the Pass will now be an annual pass rather than a seasonal pass. In 2020, the pass holder launched their watercraft on average 10 times during the season.

The following table provides a comparison of boat launch options and pricing in the Lake Tahoe Basin.

Basin Boat Ramp Comparison

RAMP	Daily Launch (Res/non res)	Pass (Res/non res)
Cave Rock & Sand Harbor	\$20/\$25	\$250
Tahoe Vista	\$15/\$25	\$150/\$275
Lake Forest	\$15/\$20	\$265/\$375

Additionally, Staff proposes that the Season Watercraft Launch Pass form be revised to reflect the following:

- Name change from Season Watercraft Launch Pass to Annual Watercraft Launch Pass
- Term revision from seasonal to annual, covering a term of 12 months, May 1 – April 30
- Adding language outlining the use of the boat ramp as follows:

“I understand launching my vessel at the boat ramp is a privilege, reserved for Incline Village residents with beach access, for personal use. Annual Watercraft Launch Passes are not available for commercial use.. Boat ramp privileges may be revoked in the event of noncompliance”.

III. FINANCIAL IMPACT AND BUDGET

The financial impact of the changes noted above is approximately \$70,000 in increased revenue to the overall Beach budget.

IV. ALTERNATIVES

Alternatives to accepting Staff recommended increases include:

- Approve recommendations with changes made by the Board of Trustees during the April 29, 2021 meeting.
- Keep pricing as it is; no change

V. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

Review, discuss and possibly approve recommended Beach Venue Rates to include Adult Beach Guest Access, Kayak Storage, Paddleboard Storage, Daily Boat Launch Fee, Season Watercraft Launch Fee, and review, discuss and possibly approve revisions to the Season Watercraft Launch Pass Form

Attachment I - Current Season Watercraft Pass Application



Incline Village Parks & Recreation Department
 980 Incline Way, Incline Village, NV 89451
 PH: 775.832.1310 FAX: 775.832.1380
 EMAIL: parksandrec@ivaid.org On the Web: www.inclinerecreation.com

2021 Season Watercraft Launch Pass – \$160

Season Pass valid May 1 – October 31

One (1) Daily Launch Pass may be applied toward Season Pass purchase. Must show receipt and purchase Season Pass by July 15.

IVGID Pass #: _____ Email: _____

Last Name: _____ First Name: _____

Phone (Main): _____ Cell or Other: _____

Watercraft Make: _____

Vessel Number: _____ State: _____

Commercial Vessel(circle one): Yes / No

PAYMENT OPTIONS:		Total Amount Due: \$ _____
Payment Method:	<input type="checkbox"/> Credit Card <input type="checkbox"/> Cash <input type="checkbox"/> Check # _____	
Credit Card Number: _____	Expiration Date: _____	Billing Zip Code: _____
Card Type:	<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express	
Signature: _____	Date: _____	

This Section Only - Office Use:	Total Amount Collected: \$ _____	Date Collected: _____	Sticker #: _____
--	----------------------------------	-----------------------	------------------

WAIVER OF LIABILITY - PLEASE READ & INITIAL BEFORE SIGNING

I understand there are inherent risks in the use of a boat ramp for the launching and recovering of a boat of any dimension. The inherent risks include, but are not limited to: the deposit of algae at or below the water line, which could cause a slippery surface; the sudden and unexpected increase in wind velocity; low water levels that could damage boats, trailers, and / or land vehicles; and the collision between boats, trailers, and /or land vehicles used in the launching and recovering of boats resulting in personal injury and/or property damage.

I understand that Incline Village General Improvement District (IVGID) is not responsible for posting high wind warnings or small craft warnings and that if such warnings are posted, it is solely intended as a service and may or may not be the condition at that instance in time. I understand that it is my responsibility, and mine alone, to determine the wind conditions and whether it is advisable to launch, recover or use the boat ramp for any reason.

I understand and agree that any bodily harm, death, or loss of personal property and expenses thereof as a result of my use of the boat ramp are my responsibility and do hereby release and hold harmless IVGID, its officers, agents and employees from any and all claims, demands, or liability of any kind.

I understand all trailers must be attached to a vehicle at all times when parked on IVGID property.

I understand launching my vessel at the boat ramp is a privilege and may be revoked in the event of non-compliance.

I hereby agree, having read and understood the above agreement and release (see other side), that by signing this form and agreement, I may be surrendering valuable rights. I do sign this release freely and voluntarily. Apply season pass sticker to front left windshield of the boat to which it is assigned. Season pass is non-refundable and not transferable. Vessel registration must be in applicant's name.

 Signature

 Date

Review, discuss and possibly approve recommended Beach Venue Rates to include Adult Beach Guest Access, Kayak Storage, Paddleboard Storage, Daily Boat Launch Fee, Season Watercraft Launch Fee, and review, discuss and possibly approve revisions to the Season Watercraft Launch Pass Form

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April 21, 2021

Attachment II - Revised Annual Watercraft Launch Pass effective April 30, 2021



Incline Village Parks & Recreation Department
 980 Incline Way, Incline Village, NV 89451
 PH: 775.832.1310 FAX: 775.832.1380
 EMAIL: parksandrec@ivgid.org On the Web: www.inclinecreation.com

2021 Annual Watercraft Launch Pass – \$195

Annual Pass valid May 1 – April 30

One (1) Daily Launch Pass may be applied toward Season Pass purchase. Must show receipt and purchase Season Pass by July 15.

IVGID Pass #: _____ Email: _____

Last Name: _____ First Name: _____

Phone (Main): _____ Cell or Other: _____

Watercraft Make: _____

Vessel Number: _____ State: _____

PAYMENT OPTIONS:		Total Amount Due: \$ _____
Payment Method:	<input type="checkbox"/> Credit Card <input type="checkbox"/> Cash <input type="checkbox"/> Check # _____	
Credit Card Number: _____	Expiration Date: _____	Billing Zip Code: _____
Card Type:	<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express	
Signature: _____	Date: _____	
This Section Only - Office Use: Total Amount Collected: \$ _____ Date Collected _____ Sticker #: _____		

WAIVER OF LIABILITY - PLEASE READ & INITIAL BEFORE SIGNING

I understand launching my vessel at the boat ramp is a privilege, reserved for Incline Village resident's with beach access, for personal use. Annual Watercraft Launch Passes are not available for commercial use. Boat ramp privileges may be revoked in the event of noncompliance.

I understand there are inherent risks in the use of a boat ramp for the launching and recovering of a boat of any dimension. The inherent risks include, but are not limited to: the deposit of algae at or below the water line, which could cause a slippery surface; the sudden and unexpected increase in wind velocity; low water levels that could damage boats, trailers, and / or land vehicles; and the collision between boats, trailers, and /or land vehicles used in the launching and recovering of boats resulting in personal injury and/or property damage.

I understand that Incline Village General Improvement District (IVGID) is not responsible for posting high wind warnings or small craft warnings and that if such warnings are posted, it is solely intended as a service and may or may not be the condition at that instance in time. I understand that it is my responsibility, and mine alone, to determine the wind conditions and whether it is advisable to launch, recover or use the boat ramp for any reason.

I understand and agree that any bodily harm, death, or loss of personal property and expenses thereof as a result of my use of the boat ramp are my responsibility and do hereby release and hold harmless IVGID, its officers, agents and employees from any and all claims, demands, or liability of any kind.

I understand all trailers must be attached to a vehicle at all times when parked on IVGID property.

I hereby agree, having read and understood the above agreement and release (see other side), that by signing this form and agreement, I may be surrendering valuable rights. I do sign this release freely and voluntarily. Apply season pass sticker to front left windshield of the boat to which it is assigned. Watercraft Launch pass is non-refundable and not transferable. Vessel registration must be in applicant's name.

 Signature

 Date

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: Review, discuss, and possibly approve a new current year CIP Project (#4588RS2101) to convert Tennis Court #9 to four dedicated Pickle Ball courts, to be funded from the reallocation of capital funding originally approved for Tennis Court Re-surfacing (CIP #4588RS1401), in the amount of \$17,600.

DATE: April 29, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to re-appropriate \$17,600 from 2020/21 Capital Project #4588RS1401, Resurface Tennis Courts 8 -11 budgeted at \$17,600 to a new Capital Project (CIP #4588RS2101) to convert court 9, at the IVGID Tennis & Pickle Ball Center, to four (4) dedicated Pickle Ball courts.

II. BACKGROUND

In the Fiscal Year 2020/2021 budget, the Tennis Center has a capital project for the resurfacing of tennis courts 8, 9, 10 and 11. The amount appropriated for the current year project is \$17,600. In 2018/19, court 11 was converted to a dedicated Pickle Ball court, and then in 2019/20, court 10 was converted to a dedicated Pickle Ball court. After evaluating the court conditions coming off a low impact winter, the contractor has determined that based on the recent conversions of courts 10 and 11 and the current condition of both courts 8 and 9, the scheduled court resurfacing is not necessary this current year. Staff will work with the contractor to re-adjust the court resurfacing schedule for courts 8 through 11 in the multi-year Capital Improvement Program.

At the same time, as a result of the continuing significant growth of Pickle Ball popularity in the Incline Village/Crystal Bay community, Staff supports the desire of the Pickle Ball Community to convert court 9 into four (4) additional dedicated pickle ball courts similar to what has been done on former tennis courts 10 and 11. Staff and the Pickle Ball Community are confident this will result in increased utilization and potential revenue opportunities at the Tennis & Pickle Ball Center. Currently, court 9 is primarily used for youth tennis programming which could continue hence if court 9 were to be converted to Pickle Ball Courts, it would be

Review, discuss, and possibly approve a new current -2-
year CIP Project (#4588RS2101) to convert Tennis
Court #9 to four dedicated Pickle Ball courts, to be funded
from the reallocation of capital funding originally approved
for Tennis Court Re-surfacing (CIP #4588RS1401), in the
amount of \$17,600.

April 29, 2021

available for multi-use for Pickle Ball play and Tennis Programming providing for more flexibility for utilization.

Growth in Pickle Ball popularity and play is expected to continue and utilization is expected to continue to increase. Staff is planning to implement pricing increases for Pickle Ball play for the 2021 season to right size pricing and provide for more revenue to aid in the overall effort to invest in the Tennis & Pickle Ball Center. This effort would support this expected growth and provide an increased level of service at the Tennis & Pickle Ball Center.

If approved, the proposed project would preclude the need to include the Court #9 Pickle Ball conversion project in next year's (FY2021/22) Capital Improvement Program Budget.

III. FINANCIAL IMPACT

The estimated cost of converting Tennis Court #9 to four Pickle Ball courts is approximately \$17,000. No funding is currently provided in the FY2020/21 for this project; however, the current year capital budget includes funding in the amount of \$17,600 for re-surfacing of tennis courts 8-11 (CIP # 4588RS2101), through Community Services Capital Fund (Fund 580) appropriations.

If approved by the Board of Trustees, the Staff recommendation authorize the establishment of a new capital project to convert Tennis Court #9 to four Pickle Ball courts through deferral of the funded Tennis Court resurfacing project, and reallocation of \$17,600 to the new Pickle Ball Court conversion project. This re-allocation would support the construction cost estimate of \$17,000 plus a 3.5% construction contingency.

IV. ALTERNATIVES

- A. Approve with the required revisions.
- B. Not approve and include a new project in the 2021/22 Capital Program Plan.

IV. ATTACHMENTS

- A. 2020/21 Capital Data Sheet for Resurfacing of Courts 8 -11
- B. Draft Data Sheet for Conversion of Court 9 to Pickle Ball
- C. Pickle Ball Conversion Proposal from Color Crafters Inc.



Project Summary

Project Number:	4588RS1401
Title:	Resurface Tennis Courts 8-9-10-11
Project Type:	E - Capital Maintenance
Division:	88 - Tennis
Budget Year:	2021
Finance Option:	
Asset Type:	RS - Recreation System
Active:	Yes

Project Description			
Resurface courts 8-9-10-11 on a 6-year cycle.			
Project Internal Staff			
Parks & Recreation Superintendent will supervise and inspect contractor installed project			
Project Justification			
The surface material is affected by factors of usage and weather and should be expected to be maintained every 6 years.			
Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2021			
Resurface Courts 8 - 11	17,600	0	17,600
Year Total	17,600	0	17,600
2027			
Resurface Courts 8 - 11	19,000	0	19,000
Year Total	19,000	0	19,000
2033			
Resurface Courts 8 - 11	20,500	0	20,500
Year Total	20,500	0	20,500
	57,100	0	57,100
Year Identified	Start Date	Est. Completion Date	Manager
2012			Director of Parks and Recreation
			Project Partner



Project Summary

Project Number:	4588RS2101
Title:	Tennis Center Pickle Ball Court Conversion
Project Type:	C - Capital Improvement - New Initiatives
Division:	88 - Tennis
Budget Year:	2021
Finance Options:	
Asset Type:	RS - Recreation System
Active:	Yes

Project Description				
Conversion of court 9 from a traditional Tennis Court to 4 Pickle Ball Courts. Includes strip existing surface, repaint for Pickle Ball play, fill any court cracks, installation of permanent net systems, installation of a divider net for separation and safety.				
Project Internal Staff				
Project Justification				
This is significant demand for pickle ball. This project allows for expanded capacity and play.				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2021				
Pickle Ball Conversion	17,600	0	17,600	
Year Total	17,600	0	17,600	
	17,600	0	17,600	
Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2021			Parks & Rec.Superintendent	



COLOR-CRAFTERS, INC.
LAKE TAHOE

TENNIS COURT SPECIALTY CONTRACTORS
P.O. BOX 6691 • INCLINE VILLAGE, NV 89450 • 831-0388
775-741-1994

Proposal

Page No. of Pages

PROPOSAL SUBMITTED TO INCLINE VILLAGE PARKS & RECREATION		PHONE 832-1343	DATE 3/25/21
STREET 964 Incline Way		JOB NAME COURT #9 CONVERSION	
CITY, STATE AND ZIP CODE INCLINE VILLAGE, NV 89450		JOB LOCATION Tennis Complex	
ARCHITECT	DATE OF PLANS	JOB# 309-21	JOB PHONE

We hereby propose to furnish materials and labor necessary for the completion of

CONVERT COURT #9 TO 4 PICKLEBALL

Supply and install 4 set of pickleball net posts set in sleeves. Equipment to match those on courts #10 and #11. Supply and install 4 pickleball nets.

Remove existing tennis net posts. Use resulting sleeves to install 6' posts to install court dividing netting matching divider on court #10.

Grind and patch all court surface defects and sand smooth. Wash surface prior to coating.

Apply 3 coat resurfacing system to entire surface. First coat being a heavily sanded Acrylic Resurfacer, followed by 2 NOVA COMBINATION Color Coats. Court colors and striping to match those on #10 and #11.

WE PROPOSE hereby to furnish material and labor – complete in accordance with above specifications, for the sum of:

Seventeen thousand and 0/100 dollars (\$ 17,000.00)

Payment to be made as follows:

upon completion of this project

All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature _____

Michael Stapleton
Note This proposal may be
withdrawn by us if not accepted within _____ days.

ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

Signature _____

Date of Acceptance: _____

Signature _____

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
District General Manager

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities; Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$12,000, and authorize budget augmentation of \$146,550 within the District’s Utility Fund (Fund 200), to support total project costs.

STRATEGIC PLAN: Long Range Principle #5 – Assets and Infrastructure

DATE: April 22, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Award Emergency Construction Contract for Reconstruction of Sewer Pump Station #13 – Fund: Utilities; Vendor: San Joaquin Electric in the amount of \$89,500.
2. Award Emergency Construction Contract for Reconstruction of Sewer Pump Station #13 – Fund: Utilities; Vendor: Burt and Burt, Inc. in the amount of \$12,000.
3. Authorize a budget augmentation of \$146,550. within the District’s Utility Fund (Fund 200), anticipated to be fully-reimbursed by insurance proceeds, to support the reconstruction of Sewer Pump Station #13.
4. Authorize Staff to execute the contract documents.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

III. BACKGROUND

- Sunday, February 21st at 10:00 a.m. – Vehicle crashes into Sewer Pump Station (SPS)#13 destroying all of the electrical control panels and power box.
- Sunday, February 21st – Public Works crews monitor SPS#13 24/7 until a temporary fix to get one pump operational can be completed. To prevent sanitary sewer overflow Public Works staff operate the Vactor truck evacuating the wet well and transporting the effluent to SPS#12 on a 24/7 basis.
- Monday, February 22nd – San Joaquin Electric (SJE) is hired and worked with Public Works staff to provide temporary power to one sewer pump through the use of an electric generator.
- Tuesday, February 23rd – Public Works Staff and SJE are successful in getting a single pump operational under electric generator power. At 7:00 am, Public Works crews cease 24/7 monitoring and evacuating and transporting the effluent from SPS#13 to SPS#12.
- February 22nd - March 24th – SJE and Public Works collaborate on a permanent solution and received a proposal for \$89,500 to perform the necessary electrical work.
- Separately, Public Works has received a proposal for \$14,000 to complete the required demo work, re-pouring the concrete pad, installing bollards, and replacing the damaged shade structure and paint as needed/required.
- Upon Board of Trustees approval, Staff will issue a notice to proceed to the appropriate contractors to facilitate the required repairs.
- IVGID's Safety Specialist is working with all parties involved to process an insurance claim.

Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$12,000.

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April 22, 2021

Emergency action to authorize this contract with SJE and Burt & Burt is necessary as the required electrical equipment to complete the permanent repair has a 10 - 12 week lead time. Preparing bid documents, publicly advertising, and bidding the project will add 60 - 120 days to this project. As stated above, the temporary repair to SPS#13 only provides power to a one (1) pump. SPS#13 typically operates with two pumps, one pump in lead and the second pump in lag position. Should a sewer overflow occur it is highly probable that raw sewage would enter Lake Tahoe.



Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$12,000.



IV. BID RESULTS

This item is not subject to competitive bidding within the meaning of Nevada Revised Statute (NRS) 338.001 as described in subsection (b) Awarded to meet an emergency which results from a natural or artificially created disaster and which threatens the health, safety or welfare of the public.

V. FINANCIAL IMPACT AND BUDGET

The table below presents the anticipated expenditures for reconstruction of SPS#13.

Task	Cost
San Joaquin Electric	\$89,500.00
Burt and Burt, Inc.	\$12,000.00
IVGID staff expenses incurred through April 21, 2021	\$25,045.20
Anticipated additional IVGID staff expenses	\$20,000.00
SPS #13 Reconstruction Total	\$146,545.20

Staff will use existing appropriations pending anticipated reimbursement from the insurance claim.

Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$12,000.

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April 22, 2021

VI. ALTERNATIVES

None proposed.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

Attachments:

- San Joaquin Electric, Short Form Agreement and proposal
- Burt and Burt, Inc., Short Form Agreement and proposal

SHORT FORM AGREEMENT

Between

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

and

SAN JOAQUIN ELECTRIC, INC.

for

CONSTRUCTION SERVICES

This Agreement is made as of date between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "Owner," and **SAN JOAQUIN ELECTRIC, INC.**, hereinafter referred to as "Contractor." Owner intends to complete the Project(s) as described in the Contract Documents and as amended from time to time, hereinafter referred to as the "Project."

ARTICLE 1 – PRELIMINARY MATTERS

- 1.1** Contractor shall perform the following tasks:
Services as described in the Contract Documents included with this Agreement, basically consisting of furnishing and installing a new control panel pedestal with the following components: 100-amp, 480-volt 3 phase meter main service, 100-amp automatic transfer switch, 3 KVA transformer, 50 amp panel board, 2 – Allen Bradley SMC Flex soft starters, breakers, terminal blocks and miscellaneous wiring for a complete and functional control panel for the items in the District's damaged Sewage Pumping Station 13.
- 1.2** All documentation, drawings, reports, and invoices submitted for this project will include IVGID PO Number TBD.
- 1.3** The Project will begin on or about date and be completed by date (equipment procurement has a 9- to 11-week lead time).

ARTICLE 2 – CONTRACT DOCUMENTS: INTENT, AMENDING, REFUSE

- 2.1** This Agreement consists of the following Contract Documents:
- A. This Short Form Agreement, pages 1 through 8, inclusive
 - B. Contractor's proposal submitted March 23, 2021
 - C. By reference herein, Contractor to follow requirements of the Incline Village Ordinances and the *Standard Specification for Public Works Construction* (aka the Orange Book)
- 2.2** In order to induce Owner to enter into this Agreement, Contractor makes the following representations:
- A. Contractor has examined and carefully studied the project details and technical specifications, and any other related data identified in the Contract Documents.
 - B. Contractor has visited the site and become familiar with and is satisfied as to the general, local, and site conditions that may affect cost, progress, and performance of the Project.

- C. Contractor is familiar with and is satisfied as to all federal, state, and local laws and regulations that may affect cost, progress, and performance of the Project.
- D. Contractor has obtained and carefully studied (or assumes responsibility for having done so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and underground facilities) at or contiguous to the site which may affect cost, progress, or performance of the Project or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including applying the specific means, methods, techniques, sequences, and procedures of construction, if any, expressly required by the Contract Documents to be employed by Contractor, and safety precautions and programs incident thereto.
- E. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Project at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- F. Contractor is aware of the general nature of work to be performed by Owner and others at the site that relates to the work, as indicated in the Contract Documents.
- G. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- H. Contractor has given Owner's representative written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Owner's representative is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the work.

ARTICLE 3 – INSURANCE REQUIREMENTS

- 3.1 **Commercial Insurance:** Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her agents, representatives, employees, or subcontractors. Contractor shall purchase General Liability, Auto Liability, Workers' Compensation, and Professional Liability Insurance (if applicable) coverage as required. Contractor shall have a Certificate of Insurance issued to the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT naming it as additional insured, indicating coverage types, amounts and duration of the policy. All certificates shall provide for a minimum written notice of thirty (30) days to be provided to District in the event of material change, termination or non-renewal by either Contractor or carrier.
- 3.2 **General Liability:** Contractor shall purchase General Liability including appropriate Auto Liability with a \$1,000,000 combined single limit per occurrence, for bodily injury, personal injury and property damage.
- 3.3 **Workman's Compensation:** It is understood and agreed that there shall be no Industrial Insurance coverage provided for the Contractor or any Subcontractor by the District; and in view of NRS 616.280 and 617.210 requiring that Contractor comply with the provisions of Chapters 616 and 617 of NRS, Contractor shall, before commencing work under the

provisions of this Agreement, furnish to the District a Certificate of Insurance from an admitted insurance company in the State of Nevada.

ARTICLE 4 – CONTRACTOR’S RESPONSIBILITIES

4.1 Equal Employment and Non-Discrimination

In connection with the Services under this Agreement, Contractor agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

4.2 Licenses

Contractor shall have a Washoe County business license, and all appropriate Contractor’s licenses and certifications for the services to be performed.

4.3 Construction Dumpsters

Contractor is to be aware of District’s Ordinance 1, the Solid Waste Ordinance, and pay specific attention to Section 4.5, Dumpster Use, Location and Enclosure. Any construction dumpster on the job site that is not properly enclosed shall be a fully locking roll-top, and is to remain locked and secured at all times.

4.4 Working Hours

Working hours, including equipment “warm up,” shall occur between 8 a.m. and 7 p.m. Monday through Friday. Only emergency work may occur on Saturdays, with prior approval of Owner.

4.5 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement.

4.6 Contractor’s General Warranty and Guarantee

- A. Contractor warrants and guarantees to Owner that all work will be in accordance with the Contract Documents and will not be defective. Owner’s representative and its Related Entities shall be entitled to rely on representation of Contractor’s warranty and guarantee.
- B. Contractor’s warranty and guarantee hereunder excludes defects or damage caused by:
 - 1. Abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 - 2. Normal wear and tear under normal usage.
- C. Contractor’s obligation to perform and complete the Project in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of work that is not in accordance with the Contract Documents or a release of Contractor’s obligation to perform the work in accordance with the Contract Documents:
 - 1. Observations by Owner’s representative;

2. Recommendation by Owner's representative or payment by Owner of any progress or final payment;
3. The issuance of a certificate of substantial completion by Owner's representative or any payment related thereto by Owner;
4. Use or occupancy of the Project or any part thereof by Owner;
5. Any review and approval of a shop drawing or sample submittal or the issuance of a notice of acceptability by Owner's representative;
6. Any inspection, test, or approval by others; or
7. Any correction of defective work by Owner.

4.7 Correction Period

- A. If within two years after the date of substantial completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any work is found to be defective, or if the repair of any damages to the land or areas made available for Contractor's use by Owner or permitted by laws and regulations as contemplated in Article 8.5 is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
 1. Repair such defective land or areas; or
 2. Correct such defective work; or
 3. If the defective work has been rejected by Owner, remove it from the Project and replace it with work that is not defective, and
 4. Satisfactorily correct or repair or remove and replace any damage to other work, to the work of others or other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective work corrected or repaired or may have the rejected work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Project, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective work (and damage to other work resulting therefrom) has been corrected or removed and replaced under this Article 4.7, the correction period hereunder with respect to such work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this Article 4.7 are in addition to any other obligation or warranty. The provisions of this Article 4.7 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitation or repose.

4.8 Indemnification

- A. Indemnification of Owner by Contractor: To the extent permitted by law, Contractor agrees to indemnify and hold Owner and each of its officers, employees, agents, and representatives harmless from any claims, damage, liability, or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability, or costs are caused by Contractor's negligent acts, errors or omissions or by the negligent acts, errors, or omissions of Contractors, subcontractors, agents, or anyone acting on behalf of or at the direction of Contractor.
- B. Contractor's obligation to hold harmless and indemnify Owner shall include reimbursement to Owner of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by Owner's personnel shall be charged to Contractor at the then-current rate charged for such services by the private sector.
- E. Nothing herein shall prevent Owner or Contractor from relying upon any Nevada statute or case law that protects Owner or Contractor with respect to liability or damages. This Provision shall survive the termination, cancellation, or expiration of the Agreement.

ARTICLE 5 – OWNER'S RESPONSIBILITIES

- 5.1 Owner shall do the following in a timely manner so as not to delay the services of Contractor:
 - A. Designate in writing a person to act as Owner's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define Owner's policies and decisions with respect to Contractor's services for the Project.
 - B. Assist Contractor by placing at Contractor's disposal existing data, plans, reports, and other information known to, in possession of, or under control of Owner which are relevant to the execution of Contractor's duties on the PROJECT. Also, provide all criteria and full information as to Owner's requirements for the Project, including design criteria, objectives, and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

ARTICLE 6 – PAYMENT TO CONTRACTOR AND COMPLETION

6.1 Basis and Amount of Compensation for Basic Services

- A. Time and Materials. Owner shall pay Contractor for the Project as follows:
 - 1. Compensation shall be as indicated in Attachment A, billed on a time and materials basis, with a total anticipated amount of **Eighty-Nine Thousand Five Hundred Dollars (\$89,500.00)** ("Contract Price").

6.2 Payment Procedures

- A. Submittal and Processing of Payments –
 - 1. Invoices shall be sent to invoices@ivgid.org with a copy to rlr@ivgid.org.
 - 2. Upon final completion and acceptance of the Project, Owner shall pay the Contract Price, as recommended by Owner's representative.

ARTICLE 7 – DISPUTE RESOLUTION

7.1 Arbitration

This Agreement to engage in alternate dispute resolution (“ADR”) pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Article 16 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe. Any dispute arising under this contract will be sent to mediation. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA’s Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

Owner and Contractor are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help Owner and Contractor reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

Owner and Contractor shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the Owner or Contractor fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either Owner or Contractor may then initiate judicial proceedings by filing suit. Owner and Contractor will share the cost of mediation equally unless agreed otherwise.

ARTICLE 8 – MISCELLANOUS

8.1 Successors and Assigns

- A. The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by law, their assigns, to the terms, conditions, and covenants of this Agreement.
- B. Neither Owner nor Contractor shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated by law or the effect of this limitation may be restricted by law.
- C. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Contractor from employing such independent professional associates, subcontractors, and

Contractors as Contractor may deem appropriate to assist in the performance of Services.

- D. Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Owner and Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Contractor and not for the benefit of any other party.

8.2 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

8.3 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

8.4 Extent of Agreement

This Agreement, including all Exhibits, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by Owner with respect to the Project or Contractor's services.

8.5 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

OWNER:
INCLINE VILLAGE G. I. D.
Agreed to:

CONTRACTOR:
Agreed to:

By: _____
Brad B. Underwood, P. E.
Director of Public Works

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

Date

Reviewed as to Form:

Joshua Nelson
District General Counsel

If Contractor is a corporation, attach evidence of authority to sign.

Date

Owner's address for giving notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Div. Phone

Contractor's address for giving notice:

San Joaquin Electric					
IVGID Sewer Pump Station #13 Repair Proposal					
Item of Work	Materials	Labor Trade	Labor Hours	Labor Rate	Labor Total Cost
Main Control Panel (\$19,200 labor)	\$28,300	Engineer	40	\$200	\$8,000
		Electrician	76	\$100	\$7,600
		Field startup tech	8	\$150	\$1,200
		Cad operator	16	\$150	\$2,400
Automatic Transfer Switch	\$3,800	incl.			
3 KVA Transformer	\$500	incl.			
Panelboard	\$700	incl.			
Soft Starters	\$6,200	incl.			
Circuit Breakers	\$3,200	incl.			
Panel Wiring	\$500	incl.			
Conduit & Wiring to Pump Station (11,900 labor)	\$5,500	Electrician	95.2	\$125	\$11,900
County Permit (1,000 labor)	\$2,500	Project Manager	6.67	\$150	\$1,000
Emergency Work (3,200 labor)		Foreman Electrician	21.33	\$150	\$3,200
Demo (3,000 labor)		Electrician	24	\$125	\$3,000
Totals	\$51,200				\$38,300
Total Estimate Based On Time & Material	\$89,500				
Note: Invoices shall be provided to IVGID for all materials to meet insurance requirements					
Signed: <i>Wade Johnson</i>					
Print: Wade Johnson		DATE: 4-21-21			

🌀 **SHORT FORM AGREEMENT** 🌀

Between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
BURT & BURT, INC.
for
CONSTRUCTION SERVICES

This Agreement is made as of date between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "Owner," and **BURT & BURT, INC.**, hereinafter referred to as "Contractor." Owner intends to complete the Project(s) as described in the Contract Documents and as amended from time to time, hereinafter referred to as the "Project."

ARTICLE 1 – PRELIMINARY MATTERS

1.1 Contractor shall perform the following tasks:

Services as described in the Contract Documents included with this Agreement, basically consisting of demolition and repair of IVGID's Sewage Pump Station 13, located in Crystal Bay, Nevada.

1.2 All documentation, drawings, reports, and invoices submitted for this project will include **IVGID PO Number TBD.**

1.3 The Project will begin on or about date and be completed by date.

ARTICLE 2 – CONTRACT DOCUMENTS: INTENT, AMENDING, REFUSE

2.1 This Agreement consists of the following Contract Documents:

- A. This Short Form Agreement, pages 1 through 9, inclusive
- B. Contractor's Bid submitted on April 20, 2021
- C. Original Request for Proposals
- D. By reference herein, Contractor to follow requirements of the Incline Village Ordinances and the *Standard Specification for Public Works Construction* (aka the Orange Book)

2.2 In order to induce Owner to enter into this Agreement, Contractor makes the following representations:

- A. Contractor has examined and carefully studied the project details and technical specifications, and any other related data identified in the Contract Documents.

- B. Contractor has visited the site and become familiar with and is satisfied as to the general, local, and site conditions that may affect cost, progress, and performance of the Project.
- C. Contractor is familiar with and is satisfied as to all federal, state, and local laws and regulations that may affect cost, progress, and performance of the Project.
- D. Contractor has obtained and carefully studied (or assumes responsibility for having done so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and underground facilities) at or contiguous to the site which may affect cost, progress, or performance of the Project or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including applying the specific means, methods, techniques, sequences, and procedures of construction, if any, expressly required by the Contract Documents to be employed by Contractor, and safety precautions and programs incident thereto.
- E. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Project at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- F. Contractor is aware of the general nature of work to be performed by Owner and others at the site that relates to the work, as indicated in the Contract Documents.
- G. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- H. Contractor has given Owner's representative written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Owner's representative is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the work.

ARTICLE 3 – INSURANCE REQUIREMENTS

- 3.1 **Commercial Insurance:** Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her agents, representatives, employees, or subcontractors. Contractor shall purchase General Liability, Auto Liability, Workers' Compensation, and Professional Liability Insurance (if applicable) coverage as required. Contractor shall have a Certificate of Insurance issued to the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT naming it as additional insured, indicating coverage types, amounts and duration of the policy. All certificates shall provide for a minimum written notice of thirty (30) days to be provided to District in the event of material change, termination or non-renewal by either Contractor or carrier.

- 3.2 **General Liability:** Contractor shall purchase General Liability including appropriate Auto Liability with a \$1,000,000 combined single limit per occurrence, for bodily injury, personal injury and property damage.
- 3.3 **Workman's Compensation:** It is understood and agreed that there shall be no Industrial Insurance coverage provided for the Contractor or any Subcontractor by the District; and in view of NRS 616.280 and 617.210 requiring that Contractor comply with the provisions of Chapters 616 and 617 of NRS, Contractor shall, before commencing work under the provisions of this Agreement, furnish to the District a Certificate of Insurance from an admitted insurance company in the State of Nevada.

ARTICLE 4 – CONTRACTOR’S RESPONSIBILITIES

4.1 Equal Employment and Non-Discrimination

In connection with the Services under this Agreement, Contractor agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

4.2 Licenses

Contractor shall have a Washoe County business license, and all appropriate Contractor’s licenses and certifications for the services to be performed.

4.3 Construction Dumpsters

Contractor is to be aware of District’s Ordinance 1, the Solid Waste Ordinance, and pay specific attention to Section 4.5, Dumpster Use, Location and Enclosure. Any construction dumpster on the job site that is not properly enclosed shall be a fully locking roll-top, and is to remain locked and secured at all times.

4.4 Working Hours

Working hours, including equipment “warm up,” shall occur between 8 a.m. and 7 p.m. Monday through Friday. Only emergency work may occur on Saturdays, with prior approval of Owner.

4.5 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement.

4.6 Contractor’s General Warranty and Guarantee

- A. Contractor warrants and guarantees to Owner that all work will be in accordance with the Contract Documents and will not be defective. Owner’s representative and its Related Entities shall be entitled to rely on representation of Contractor’s warranty and guarantee.

- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
 - 1. Abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 - 2. Normal wear and tear under normal usage.

- C. Contractor's obligation to perform and complete the Project in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the work in accordance with the Contract Documents:
 - 1. Observations by Owner's representative;
 - 2. Recommendation by Owner's representative or payment by Owner of any progress or final payment;
 - 3. The issuance of a certificate of substantial completion by Owner's representative or any payment related thereto by Owner;
 - 4. Use or occupancy of the Project or any part thereof by Owner;
 - 5. Any review and approval of a shop drawing or sample submittal or the issuance of a notice of acceptability by Owner's representative;
 - 6. Any inspection, test, or approval by others; or
 - 7. Any correction of defective work by Owner.

4.7 Correction Period

- A. If within one year after the date of substantial completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any work is found to be defective, or if the repair of any damages to the land or areas made available for Contractor's use by Owner or permitted by laws and regulations as contemplated in Article 8.5 is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
 - 1. Repair such defective land or areas; or
 - 2. Correct such defective work; or
 - 3. If the defective work has been rejected by Owner, remove it from the Project and replace it with work that is not defective, and
 - 4. Satisfactorily correct or repair or remove and replace any damage to other work, to the work of others or other land or areas resulting therefrom.

- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective work corrected or repaired or may have the rejected work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out

of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.

- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Project, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective work (and damage to other work resulting therefrom) has been corrected or removed and replaced under this Article 4.7, the correction period hereunder with respect to such work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this Article 4.7 are in addition to any other obligation or warranty. The provisions of this Article 4.7 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitation or repose.

4.8 Indemnification

- A. Indemnification of Owner by Contractor: To the extent permitted by law, Contractor agrees to indemnify and hold Owner and each of its officers, employees, agents, and representatives harmless from any claims, damage, liability, or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability, or costs are caused by Contractor's negligent acts, errors or omissions or by the negligent acts, errors, or omissions of Contractors, subcontractors, agents, or anyone acting on behalf of or at the direction of Contractor.
- B. Contractor's obligation to hold harmless and indemnify Owner shall include reimbursement to Owner of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by Owner's personnel shall be charged to Contractor at the then-current rate charged for such services by the private sector.
- E. Nothing herein shall prevent Owner or Contractor from relying upon any Nevada statute or case law that protects Owner or Contractor with respect to liability or damages. This Provision shall survive the termination, cancellation, or expiration of the Agreement.

ARTICLE 5 – OWNER'S RESPONSIBILITIES

- 5.1 Owner shall do the following in a timely manner so as not to delay the services of Contractor:
 - A. Designate in writing a person to act as Owner's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define Owner's policies and decisions with respect to Contractor's services for the Project.

- B. Assist Contractor by placing at Contractor's disposal existing data, plans, reports, and other information known to, in possession of, or under control of Owner which are relevant to the execution of Contractor's duties on the PROJECT. Also, provide all criteria and full information as to Owner's requirements for the Project, including design criteria, objectives, and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

ARTICLE 6 – PAYMENT TO CONTRACTOR AND COMPLETION

6.1 Basis and Amount of Compensation for Basic Services

- A. Time and Materials. Owner shall pay Contractor for the Project as follows:
 - 1. Compensation shall be as indicated in Attachment A, billed on a time and materials basis, with a total anticipated amount of **Twelve Thousand Dollars (\$12,000.00)** ("Contract Price").

6.2 Payment Procedures

- A. Submittal and Processing of Payments –
 - 1. Invoices shall be sent to invoices@ivgid.org with a copy to rlr@ivgid.org.
 - 2. Upon final completion and acceptance of the Project, Owner shall pay the Contract Price, as recommended by Owner's representative.

ARTICLE 7 – DISPUTE RESOLUTION

7.1 Arbitration

This Agreement to engage in alternate dispute resolution ("ADR") pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Article 16 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe. Any dispute arising under this contract will be sent to mediation. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA's Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

Owner and Contractor are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help Owner and Contractor reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

Owner and Contractor shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the Owner or Contractor fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either Owner or Contractor may then initiate judicial proceedings by filing suit. Owner and Contractor will share the cost of mediation equally unless agreed otherwise.

ARTICLE 8 – MISCELLANEOUS

8.1 Successors and Assigns

- A. The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by law, their assigns, to the terms, conditions, and covenants of this Agreement.
- B. Neither Owner nor Contractor shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated by law or the effect of this limitation may be restricted by law.
- C. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Contractor from employing such independent professional associates, subcontractors, and Contractors as Contractor may deem appropriate to assist in the performance of Services.
- D. Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Owner and Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Contractor and not for the benefit of any other party.

8.2 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

8.3 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

8.4 Extent of Agreement

This Agreement, including all Exhibits, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by Owner with respect to the Project or Contractor's services.

8.5 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

OWNER:
INCLINE VILLAGE G. I. D.
Agreed to:

By:
Brad B. Underwood, P. E.
Director of Public Works

Date

Owner's address for giving notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Div. Phone

CONTRACTOR:
BURT & BURT, INC.
Agreed to:

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

If Contractor is a corporation, attach evidence of authority to sign.

Contractor's address for giving notice:
BURT & BURT, INC.
P. O. Box 1461
Crystal Bay, Nevada 89402
530-546-1012

BURT & BURT, INC.**IVGID Sewer Pump Station #13 Repair Proposal**

Item of Work	Materials	Equipment	Labor Trade	Labor Hours	Labor Rate	Labor Total Cost
Demo Existing Roof Structure & concrete pad (\$2,505)	\$390	\$615	Laborer	10	\$75	\$750
			Laborer	10	\$75	\$750
Form and Pour New Concrete Pad Base (1,500)	\$520	\$150	Laborer	6	\$75	\$450
			Laborer	6	\$75	\$450
Backfill 3/4" Base & Compact (1,500)	\$600	\$150	Laborer	5	\$75	\$375
			Laborer	5	\$75	\$375
Roof Structure Concrete Footings (2,000)	\$800	\$150	Laborer	7	\$75	\$525
				7	\$75	\$525
Roof Steel Material & Welding (3,000)	\$1,920	\$300	Laborer	3	\$75	\$225
			Welder	4	\$120	\$480
Service Truck, Labor, Cleanup (1,500)		\$750	Laborer	10	\$75	\$750
Totals	\$4,230	\$2,115				\$5,655

Total Estimate Based On Time & Material \$12,000

Note: Invoices shall be provided to IVGID for all materials to meet insurance requirements

Signed:



Date:

April 20 2021

Printed:

David Burt

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
District General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Review, discuss and provide feedback on potential revisions to selected Board Policies and Practices

DATE: April 29, 2021

I. RECOMMENDATION

Staff recommends that the Board of Trustees review, discuss and provide feedback on potential revisions to selected Board Policies and Practices, including:

- 1) Capitalization Policy – (Board Policies 8.10 and 9.10, and Board Practice 2.9.0)
- 2) Capital Planning / Capital Budgeting/Capital Expenditures – (Board Policies 12.1.0 and 13.1.0, and Board Practice 13.2.0)
- 3) Fund Balance Policy – (Board Policy 7.1.0 and Board Practice 7.2.0)
- 4) Working Capital Policy – (Board Policy 19.1.0 and Board Practice 19.2.0)
- 5) Central Services Overhead – (Board Policy 18.1.0 and Board Practice 18.2.0)

II. BACKGROUND

The Board of Trustees and General Manager have identified the need to update Board policies, procedures and practices as a priority initiative. Specific policies have been identified by the Board of Trustees, third-party review of District policies and practices, management's review of internal controls and, most recently, during recent Board budget workshops.

Staff has initiated a review of Board policies and practices, as well as internal Accounting and Financial Procedures that have a direct impact in the development of the FY2021/2022 budget, including update to the District's Five-Year Capital

Improvement Plan. This review includes areas highlighted during the series of Board Budget Workshops as well as third-party review of selected accounting and financial reporting practices.

At their meeting of March 10, 2021, the Board authorized the re-allocation of up to \$40,000 in available General Fund appropriations to support the review and update of selected Board Policies and Procedures, specifically to support engagement of outside consultant(s) to assist in this process.

At that time, Staff identified the priority areas for review of selected Board Policies and Practices with a focus on those policies/practices with direct implications for staff's work in the development of the FY2021/22 annual budget, as follows:

- Policy 6.1.0 Adoption of Financial Practices
 - Staff Lead with Board of Trustees input (6.1.2.1 -Revenues/Pricing Policies)

- Policy 7.1.0/Practice 7.2.0 - Fund Balance
Policy 19.1.0 / Practice 19.2.0 – Working Capital
 - Solicit assistance from Government Finance Officers' Association (GFOA);
 - Incorporate input from on-going Raftelis review regarding Utility operations

- Policies 8.1.0, 9.1.0/ Board Practice 2.9.0 - Capitalization Thresholds/Useful Life of Capital Assets; Policies 12.1.0 and 13.1.0 – Capital Project Planning and Capital Budgeting
 - Solicit Assistance from Moss Adams, LLP to provide “best practices”, identify areas for revision and propose updated policy language.
 - Review with District's newly-designated Independent Auditor

- Policies 18.1.0, Practice 18.2.0 – Central Services Cost Allocation
 - Staff Lead with assistance from District's newly-designated Independent Auditor

Also at the Board of Trustees meeting on March 10, 2021, Trustee Tonking was identified, as Board Treasurer, to serve as Board liaison to this effort.

III. DISCUSSION

This memo is intended to provide the Board of Trustees with a preliminary assessment of selected, current Board Policies and Practices in relation to best practices, and identifies potential areas for updates and revisions.

Based on Board of Trustees feedback as well as additional consultation with outside consultants as well as the District's newly-designated Independent Auditor, formal revisions to the referenced Board Policies and Practices are anticipated to be brought back to the Board of Trustees for formal approval as early as May 26, 2021 (concurrent with budget adoption), but no later than June 21, 2021 (prior to the start of the new fiscal year on July 1, 2021).

IV. FISCAL ANALYSIS

There is no direct fiscal impact from the recommendations contained in this memorandum.

Staff is developing a set of recommendation for Board consideration in conjunction with the FY2021/2022 budget process, utilizing existing funding (up to \$40,000 from the General Fund) authorized by the Board for this purpose. Any unused funding at the end of the fiscal year are anticipated to be re-appropriated for possible use during FY2021/22 for ongoing review and update of Board Policies and Practices.

Attachments:

I - Capitalization Policy

Background / Preliminary Recommendations (DRAFT)
Board Policy 8.1.0 and 9.1.0
Board Practice 2.9.0
Best Practices / Guidelines

II - Capital Planning / Capital Budgeting / Capital Expenditures

Background / Preliminary Recommendations (DRAFT)
Board Policy 12.1.0 and 13.1.0
Board Practice 13.2.0
Best Practices / Guidelines

III - Fund Balance / Working Capital Policy

Background / Preliminary Recommendations (DRAFT)
Board Policy 7.1.0 and 19.1.0
Board Practice 7.2.0 and 19.2.0
Best Practices / Guidelines

Review, discuss and provide feedback on
potential revisions to selected Board Policies
and Practices

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April 29, 2021

IV - Central Services Overhead Policy

Background / Preliminary Recommendations (DRAFT)

Board Policy 18.1.0

Board Practice 18.2.0

Best Practices / Guidelines

I - Capitalization Policy

- Background / Preliminary Recommendations (DRAFT)
- Board Policy 8.1.0 and 9.1.0
- Board Practice 2.9.0
- Best Practices / Guidelines

CAPITALIZATION POLICY

Board Policy 8.1.0

Board Policy 9.1.0

Board Practice 2.9.0

Background:

- Board Policy 8.1.0 relates to “Establishing Estimated Useful Life of Capital Assets
- Board Policy 9.1.0 relates to Appropriate Capitalization Threshold for Capital Assets
- Board Practice 2.9.0 relates to Capitalization of Fixed Assets
 - Capitalization Threshold: Equipment = \$ 5,000
 Structures / Improvements = \$10,000
 - Useful Life 3+ years (All assets categories)

Best Practices and Resources:

- GFOA provides guidance on best practices for development of policies related to Capitalization Thresholds as well as Estimating Useful Life of Capital Assets
- Moss Adams, LLP Identified several observations and recommendations related to capital asset accounting in their report, “Evaluation of Certain Accounting and Reporting Matters,” dated January 14, 2021, to include:
 - District’s policies and practices should be revised to acknowledge different stages to a project, definition of costs incurred in each stage, consistent with established and accepted governmental accounting practices.
 - The District should expense expenditures for feasibility studies and master plans. Policies should be revised to address the few circumstances where preliminary engineering, architectural, or design costs are actually utilized in a capital project and eligible for capitalization.
 - Board policies and practices should be revised to provide for capitalization of expenditures that truly increase service capacity, and further, that provide the criteria to be followed in making the increased service capacity decision on expenditures by nature or function of the different asset types versus expenditures that should be expensed.
- Staff has reviewed sample Capitalization Policies provided by consultants, the District’s Independent Auditor and comparable public agencies.

CAPITALIZATION POLICY

Preliminary Recommendations:

- 1) It is recommended that Board Policies 8.1.0 and 9.1.0 be consolidated into a single, comprehensive Capitalization Policy to include direction related to:
 - a. Capitalization Thresholds
 - b. Estimated Useful Life of capital assets
 - c. Definition of capital expense to be capitalized versus repair and maintenance costs to be expensed in period incurred
 - d. Distinction of costs incurred at various phases of capital project life-cycle to inform expensing of costs incurred prior to establishment of formal project definition, scope and financing plan. *(Cross-reference to Board Policy 13.1.0 and Board Practice 13.2.0)*

- 2) Board Practice 2.9.0 should be updated to reflect:
 - a. Updated numbering sequence (previously Practice 9.2.0)
 - b. Specific Capitalization Thresholds for ALL asset types
 - c. Default Estimated Useful Life for All asset types
 - d. Application of distinction between capital costs to be capitalized and repairs and maintenance costs to be expensed
 - e. Definition of pre-planning costs to be expensed versus capitalized

- 3) The updated capitalization policy will also need to reflect implementation of GASB 87, related to leases, which are required – as of 7/1/21 - to be reported as “intangible assets” and depreciated of the remaining lease term(s).

CAPITALIZATION POLICY (Sample)

Policy Overview

Capital assets include land, improvements to land, water rights, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, construction in process (CIP), and all other tangible or intangible assets that are used in operations, that have initial useful lives extending beyond one year and meets the capitalization threshold.

The District classifies capital assets in the following groups for financial reporting:

- Land
- Buildings and structures
- Venue Improvements
- Service Infrastructure
- Equipment and Vehicles
- Construction in progress

The District’s capitalization threshold shall be as follows:

<u>ASSET CLASS</u>	<u>CAPITALIZATION THRESHOLD</u>	
Land	All	
Building and Structures	\$10,000	\$ 25,000
Venue Improvements	\$10,000	\$ 10,000
Service Infrastructure.....	\$10,000	\$ 25,000
Equipment and Vehicles	\$ 5,000	\$ 10,000

Capital assets purchased by the District are recorded at cost. Capital assets donated to the District are recorded at fair value on the date accepted.

Items should only be capitalized if they have an estimated useful life of ~~greater than two~~ three years of more.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>YEARS</u>
Buildings and Structures	10-40
Venue Improvements	10-25
Service Infrastructure	5-40
Equipment and Vehicles	3-20

Capital projects will be capitalized if they meet one of the following criteria:

- The project is creating a new asset for the District
- The project significantly extends the useful life of an asset beyond what was originally established as the estimated useful life for that asset and/or significantly increases the service capacity of the asset.

Improvements, replacement and major repairs of all capital assets, which were approved on the basis that the alterations or repairs achieve greater future benefits such as improving efficiency or materially extending the useful life of the asset should be capitalized. Expenditures that simply maintain a given level of service should be expensed.

Three major categories of costs subsequent to original construction or acquisition are incurred relative to capital assets:

- Improvements - an improvement is the substitution of a better component for which possesses superior performance capabilities, whereas a replacement is the substitution of a similar component.
- Replacement -- a replacement, which is a substitution of a component of the asset with one of similar quality is to be expensed. On rare occasions, a replacement can be considered improvements and be capitalized if it meets certain established criteria.
- Maintenance - certain activities budget as capital projects will be expensed as repair and maintenance expenses if they meet one of the following criteria:
 - The activity is performed on a regular and recurring basis to keep the District's assets in their normal operating condition over the course of the originally-established useful life.
 - The project represents a repair activity that restores an asset to its original condition.

Capital Project Planning

Major capital projects, as defined in Board Policy 12.1.0, will often (but not always) be managed through the application of distinct project phases. These may include:

- Project Definition
- Planning
- Feasibility
- Design
- Construction

Costs incurred in pre-planning phases, including Master Plans and Project Feasibility Studies that explore potential capital projects should be expensed. Once a master-planning site-specific feasibility study results in a defined project, with a specific scope and cost, and the Board determines that a financing plan is to be developed for inclusion in the District's Capital Improvement Budget, costs associated with the capital project are to be capitalized.

To facilitate the tracking of capital project costs to be expensed versus capitalized, the District will consider establishing separate capital project codes to distinguish between phases where costs will be expensed and those capital project phases where costs are to be capitalized.

Capital project costs to be capitalized will be reported as Construction In Progress until the capital project is completed and the capital asset is placed into service.



Accounting, Auditing and Financial Reporting
Establishing the Estimated Useful Lives of Capital Assets
Policy 8.1.0

POLICY. The best source of relevant information on the estimated useful lives of the District's capital assets comes from its own past experience with similar assets. In situations where the documentation of the District's own past experience, for a given type of capital asset, is not adequate for this purpose, the District will consider the experience of other governments, professionally determined specifications, and private-sector enterprises. The District will make whatever adjustments are needed to estimated useful lives that were obtained from others to ensure that such estimates are appropriate to its own particular circumstances. It is especially important to consider the potential effect of each of the following factors when depending on the experience of others:

- 1.0 Quality.** Similar assets may differ substantially in quality, and hence in their useful lives, because of differences in materials, design and workmanship.
- 2.0 Application.** The useful life of a given type of capital asset may vary significantly depending upon its intended use.
- 3.0 Environment.** Environmental conditions in the Tahoe Basin include climate and regulatory sources. Conditions can be defined by the Tahoe Regional Planning Agency, the United States Forest Service Basin Management Unit and the North Lake Tahoe Fire Protection District. The service life of some capital assets used in connection with highly regulated activities could be affected by these agencies codes or best management practices.
- 4.0 Life Cycle Considerations.** The vast majority of the District's capital assets are used in conjunction with programming activities. Useful lives reflect the amount of utilization that will be consumed by an operating period and could affect the care and condition needed for services rendered by those venues. The District should also consider the possibility of varying useful lives for components of larger assets, both for capitalization and to reflect the appropriate life cycle maintenance interval for such components.



Accounting, Auditing and Financial Reporting
Establishing the Estimated Useful Lives of Capital Assets
Policy 8.1.0

- 5.0 Maintenance.** The potential effect of each of the factors just described may be mitigated or exacerbated as a consequence of the District's evaluation of capital asset care and condition, as well as the approach to maintenance and replacement policy. Once established, estimated useful lives for major categories of capital assets should be periodically compared with the District's actual experience and appropriate adjustments should be made to reflect this experience.



Accounting, Auditing and Financial Reporting
Establishing Appropriate Capitalization Threshold for Capital Assets
Policy 9.1.0

POLICY. The District will consider the following guidelines in establishing capitalization thresholds:

- 1.0** Potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service.
- 2.0** Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- 3.0** In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item.
- 4.0** In establishing capitalization thresholds, when the District is a recipient of federal awards, then federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement will prevail.
- 5.0** Capitalization of buildings and infrastructure should consider the use of componentization as a way to reflect the varying life cycle considerations of mechanical, structural elements, and wear items that may require different cycles of maintenance and replacement from the main asset being capitalized. The significance of such componentization takes precedent over the \$5,000 threshold, and thus smaller amounts may be listed to facilitate proper asset management.



**Accounting, Auditing and Financial Reporting
Capitalization of Fixed Assets
Practice 2.9.0**

RELEVANT POLICIES: 8.1.0 Establishing the Estimated Useful Lives of Capital Assets and 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets

1.0 ACCOUNTING CONTROL

The capitalization threshold for all asset classes shall be identified during the budget process each fiscal year by the Finance and Accounting staff and approved by the Board of Trustees as part of the adoption of the annual Debt Management Policy, including the Five Year Capital Improvement Plan and its statement on Minimum level of expenditure.

1.1 The capitalization threshold per item shall be:

<u>ASSET CLASS</u>	<u>MINIMUM COST</u>
Equipment	\$ 5,000.00
Structures and Land Improvements ...	\$10,000.00

1.2 In addition to cost, all of the following criteria shall also be used:

1.2.1 The normal useful life of the item is three or more years.

1.2.2 The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class.

1.2.3 The item will not be substantially reduced in value by immediate use.

1.2.4 In case of repair or refurbishment that will be capitalized, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature.



**Accounting, Auditing and Financial Reporting
Capitalization of Fixed Assets
Practice 2.9.0**

- 1.2.5 The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).
- 1.2.6 The utilization of componentization of assets under the project, to provide a more appropriate management of an assets care, condition and associate maintenance or replacement, takes precedent over the stated thresholds under section 1.1.

2.0 PHYSICAL CONTROL

All fixed assets acquired either as operating or capital expenditures will be identified as IVGID property and recorded. Such items represent a value to the operations that have an ongoing usefulness to justify safeguarding them from loss or abuse. The items should be expected to be in service at least two years and can be readily assigned to a function or activity as responsible for its care and condition.



BEST PRACTICES

Capitalization Thresholds for Capital Assets

State and local governments should adhere to appropriate guidelines for capitalization thresholds.

The term capital assets is used to describe assets that are used in operations and that have initial lives extending beyond a single reporting period. Capital assets may be either intangible (e.g., easements, water rights, licenses, leases) or tangible (e.g., land, buildings, building improvements, vehicles, machinery, equipment and infrastructure).

As a practical application of the materiality principle, not all tangible capital-type items with useful lives extending beyond a single reporting period are required to be reported in a government's statement of net position. Items with extremely short useful lives (e.g., less than 2 years) and/or of small monetary value are properly reported as an "expense" or "expenditure" in the period in which they are acquired.

When outlays for capital-type items are, in fact, reported on the statement of net position, they are said to be capitalized. The monetary criterion used to determine whether a given capital asset should be reported on the statement of net position is known as the capitalization threshold. A government may establish a single capitalization threshold for all of its capital assets, or it may establish different capitalization thresholds for different classes of capital assets. In selecting capitalization thresholds, governments should be able to report and depreciate substantially all capital asset value while eliminating the cost of tracking a large number of small-value items.

A government's threshold for capitalization does not need to be calculated in the same way that the government would measure the asset, if it is ultimately capitalized, for reporting in accordance with GAAP. For example, a government's capitalization policy may be to determine whether improvements to an office building (primarily plumbing and electrical upgrades) meet a dollar threshold (\$20,000) before including the cost of new window and floor treatments, which will be part of the improvements, because it does not consider those to be "core costs" of the asset improvement. For assets constructed by a government's own employees, the dollar threshold might distinguish between direct costs (time spent by construction workers, architects and engineers on that project) and indirect costs (allocated costs of the capital improvements department of public works).¹

The capitalization threshold should not be the only factor used when determining if an item should be capitalized. A government should be cognizant of whether similar items are capitalized in order to be consistent in reporting. For example, assume a government, with a capitalization threshold of \$10,000, purchases two pieces of similar equipment. Item A was purchased three years ago for \$11,000, and item B was purchased in the current year for \$9,000. The government also incurred its own direct costs (time spent by construction workers, architects and engineers on that project) and indirect costs (allocated costs of the capital improvements department of public works) for both items, which increased the values of the items to \$13,000 for item A, and \$11,000 for item B. Without the inclusion of the government's own costs, item B would not have been capitalized, while other similar items would be capitalized because they were purchased at a higher price. In this case, the government may choose to capitalize item B for the sake of consistent treatment.

Capitalization is, of its nature, primarily a financial reporting matter. That is, a government's principal concern in establishing specific capitalization thresholds ought to be the anticipated information needs of the users of the government's external financial reports. While it is essential to maintain control over all potentially capitalizable items, there are more efficient means than capitalization for accomplishing this objective in the case of a government's smaller tangible capital-type items. Furthermore, practice has demonstrated that capital asset management systems that attempt to incorporate data on numerous smaller items are often costly and difficult to maintain and operate.

Recommendation:

GFOA recommends that state and local governments adhere to the following guidelines for capitalization thresholds:

- Establish minimum cost and useful-life based thresholds to avoid the cost of capitalizing immaterial items;
- Establish a minimum capitalization threshold of \$5,000 for any individual item;
- Establish a minimum capitalization threshold of at least a two-year useful life for any individual item;
- Consider establishing different dollar capitalization thresholds for different classes of capital assets (i.e. land, infrastructure, buildings and improvements, and equipment);
- Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be

to eliminate a significant portion of total capital assets (e.g., books of a library district);

- Governments should perform a periodic review of their capitalization thresholds;
- In establishing capitalization thresholds, governments that are recipients of federal awards should be aware of federal capitalization thresholds requirements; and
- Governments should exercise control over potentially capitalizable items that fall under the operative capitalization threshold but require special attention.

1) Note that while indirect costs pertaining only to capital projects should be capitalized, general overhead costs such as human resources services or the commissioner's office staff of an agency not exclusively performing capital work should not be allocated to capital projects and capitalized. [Accounting for Capital Assets, A Guide for State and Local Governments, Stephen J. Gauthier, GFOA, 2008].

This best practice was previously titled Establishing Capitalization Thresholds for Capital Assets.



Estimated Useful Lives of Capital Assets

PRIMER

Generally accepted accounting principles (GAAP) require, in most cases, that capital assets be depreciated. Depreciation is the systematic and rational allocation of the historical cost of a capital asset over its useful life. The estimated useful life assigned to a capital asset will directly affect the amount of depreciation expense reported each period in an accrual-based operating statement. Therefore, it is important to the quality of financial reporting that governments establish reasonable estimates of the useful lives of all of their depreciable capital assets.

The best source of relevant information on the estimated useful lives of a government's capital assets normally is its own past experience with similar assets. In situations where the documentation of a government's own past experience for a given type of capital asset is not adequate for this purpose, a government should profit as much as possible from the experience of other governments, private-sector enterprises, and applicable engineering professional standards and guidelines from other associations. At the same time, a government should make whatever adjustments are needed to estimated useful lives that were obtained from others to ensure that such estimates are appropriate to its own particular circumstances. It is especially important that a government consider the potential effect of each of the following factors when depending on the experience of others:

- **Quality.** Similar assets may differ substantially in quality, and hence in their useful lives, because of differences in materials, design and workmanship. For example, an asphalt road will not have the same useful life as a concrete road. Likewise, the depth of the material used for paving purposes, as well as the quality of the underlying base, will also affect the useful life of a road;
- **Application.** The useful life of a given type of capital asset may vary significantly depending upon its intended use. For example, a residential street may be expected to have a longer useful life than a major arterial thoroughfare because of differences in the type and volume of traffic; and
- **Environment.** Environmental differences among governments can have an important impact on the useful lives of their respective capital assets. For instance, the useful life of a road in a climate subject to extremes in temperature is likely to be different from that of a similar road located in a more temperate climate. Also, regulatory obsolescence may shorten the service life of some capital assets used in connection with highly regulated activities (e.g., utilities).

The potential effect of each of the factors just described may be mitigated or exacerbated as a consequence of a government's maintenance and replacement policy. For example, the potential for road damage is increased in a cold environment when cracks are not promptly repaired, because water settling in the cracks will expand and contract, thereby accelerating the initial deterioration represented by the crack itself.

Once established, estimated useful lives for major categories of capital assets should be periodically compared with a government's actual experience and appropriate adjustments should be made to reflect this experience. Useful lives of capital assets should also be adjusted when circumstances warrant a change. In addition to capital asset impairments, other factors may trigger a government to consider the need to change an asset's estimated useful life. For example, the breakdown of a vehicle may trigger a government to change the useful life of similar vehicles. If the intended use of an asset changes, the useful life may also have to be adjusted. For example, if a vehicle used by the water department for water meter readings starts to be used for hauling heavy materials for the public works department, its estimated useful life should be reconsidered and possibly shortened.

Depreciation is a financial reporting concept. Therefore, all of the considerations just discussed are only of concern to the extent that they could have a material impact on a government's financial statements.

II - Capital Planning / Capital Budgeting / Capital Expenditures

- Background / Preliminary Recommendations (DRAFT)
- Board Policy 12.1.0 and 13.1.0
- Board Practice 13.2.0
- Best Practices / Guidelines

CAPITAL PLANNING, CAPITAL BUDGETING and CAPITAL EXPENDITURES

Board Policy 12.1.0

Board Policy 13.1.0

Board Practice 13.2.0

Background:

- Board Policy 12.1.0 relates to “Multi-Year Capital Planning”
- Board Policy 13.1.0 relates to “Capital Project Budgeting”
- Board Practice 13.2.0 relates to “Capital Expenditures”

Best Practices and Resources:

- GFOA provides guidance on best practices for development of Capital Planning policies and Capital Budget Presentation
- Moss Adams, LLP Identified several observations and recommendations related to capital planning, and capital budgeting in their report, “Construction Advisory Fact Validation Report”, December 21, 2020, to include:
 - Implement and finalize policies and procedures defining processes for master planning, reporting, scope definitions and prioritization, and communication efforts.
 - Implement policy and procedures for the competitive solicitation of professional services
 - Continue development of ongoing project-level budget-to-actual expenditure reporting

Preliminary Recommendations

(Subject to review and recommendations from outside consultant)



Capital Planning Multi-Year Capital Planning Policy 12.1.0

POLICY. The District will prepare and adopt comprehensive multi-year capital plans to ensure effective management of capital assets. A prudent multi-year capital plan identifies and prioritizes expected needs based on a community's strategic plan, establishes project scope and cost, details estimated amounts of funding from various sources, and projects future operating and maintenance costs. The capital plan should cover a period of at least five years, preferably ten or more.

1.0 Identify needs. The first step in the District's capital planning is identifying needs. The District has a commitment to the maintenance of its existing infrastructure. The District's Multi-Year Capital Plan will use information including development projections, strategic plans, comprehensive plans, facility master plans, regional plans, and citizen input processes to identify present and future service needs that require capital infrastructure or equipment. In this process, attention will be given to:

- 1.1 Capital assets that require repair, maintenance, or replacement that, if not addressed, will result in higher costs in future years.
- 1.2 Infrastructure improvements needed to support new development or redevelopment.
- 1.3 Projects with revenue-generating potential.
- 1.4 Improvements that support economic development.
- 1.5 Changes in policy or community needs.

2.0 Determine costs. The full extent of project costs should be determined when developing the multi-year capital plan. Cost issues to consider include the following:

- 2.1 The scope and timing of a planned project should be well defined in the early stages of the planning process.
- 2.2 The District should identify and use the most appropriate approaches, including outside assistance, when estimating project costs and potential revenues.



**Capital Planning
Multi-Year Capital Planning
Policy 12.1.0**

- 2.3 For projects programmed beyond the first year of the plan, the District should consider cost projections based on anticipated inflation.
- 2.4 The ongoing operating costs associated with each project should be quantified, and the sources of funding for those costs should be identified.
- 2.5 A clear estimate of all major components required to implement a project should be outlined, including land acquisition needs, pre-design, design, and construction or acquisition, contingency and post-construction costs.
- 2.6 Recognize the non-financial impacts of the project (e.g., environmental) on the community.

3.0 Prioritize capital requests. The District continually faces extensive capital needs and limited financial resources. Therefore, prioritizing capital project requests is a critical step in the capital plan preparation process. When evaluating projects the District will:

3.1 Categorize each submittal under Project Types:

3.1.1 Major Projects

- A non-recurring project with scope and management complexity with a project budget greater than \$1,000,000 and a 25-year minimum asset life.

3.1.1.1 New Initiatives

- A project that creates a new amenity or significantly expands an existing facility with new programming, operations or capacities.

3.1.1.2 Existing Facilities

- A project that maintains, renews, and re-invests in existing facilities without significantly adding new programming, operations or capacities.



Capital Planning
Multi-Year Capital Planning
Policy 12.1.0

3.1.2 Capital Improvement

- A non-recurring project with some scope and management complexity with a project budget generally less than \$1,000,000.

3.1.2.1 New Initiatives

3.1.2.2 Existing Facilities

3.1.3 Capital Maintenance

- A generally recurring project at an existing facility with limited scope and management complexity and a project budget less than \$1,000,000.

3.1.4 Rolling Stock

- On-going projects for the replacement of vehicles, heavy and light duty wheeled and tracked machinery, tractors, mowers, trailers, etc.

3.1.5 Equipment & Software

- On-going replacement of non-rolling stock and non-building system equipment (kitchen, ski rental, uniforms, furniture, serviceware, etc.), information technology hardware and software.

3.2 Prioritize Projects under these criteria:

3.2.1 Priority 1 are projects that address Existing Facilities or replace existing assets via Capital Maintenance, Rolling Stock, or Equipment & Software projects that have reached or are near the end of useful life and are necessary to meet existing programming, operations, or capacities that the community wants, needs and uses.

3.2.2 Priority 2 are New Initiative projects that address existing facilities and assets that have reached or are



**Capital Planning
Multi-Year Capital Planning
Policy 12.1.0**

near the end of useful life in order to expand existing programming, operations, or capacities to meet the community's wants, needs and uses.

- 3.2.3 Priority 3 are New Initiative projects that create new amenities that are wanted by the community and will be funded by new sources.
- 3.2.4 Priority 4 are New Initiative projects that create new amenities that are wanted by the community and will be funded by existing sources.
- 3.3 Ongoing consideration of Project Types and Prioritization by District Staff will consider:
 - 3.3.1 Reflect the relationship of project submittals to financial and governing policies, plans, and studies.
 - 3.3.2 Allow venues to provide a prioritization recommendation.
 - 3.3.3 Incorporate input and participation from major stakeholders and the general public.
 - 3.3.4 The condition assessment of existing assets as it relates to asset life-cycle, industry best practices, manufacturer's guidelines, safety, and the aesthetic character of the facility.
 - 3.3.5 Adhere to legal and regulatory requirements and/or mandates.
 - 3.3.6 Anticipate the operations and operating budget impacts resulting from capital projects.
 - 3.3.7 Apply analytical techniques, as appropriate, for evaluating potential projects (e.g., return on service,



**Capital Planning
Multi-Year Capital Planning
Policy 12.1.0**

payback period, cost-benefit analysis, cash flow modeling).

3.3.8 Re-evaluate capital projects approved in previous multi-year capital plans.

3.3.9 The availability of outside funding (e.g. grants, direct community contribution, in-kind contribution, public private partnership) to support completion of a capital project.

4.0 Develop financing strategies. The District recognizes the importance of establishing a viable financing approach for supporting the multi-year capital plan. Financing strategies should align with expected project requirements while sustaining the financial health of the District. The capital financing plan should:

- 4.1 Anticipate expected revenue and expenditure trends, including their relationship to multi-year financial plans.
- 4.2 Prepare a flow of resources projection of the amount and timing of the capital financing and expenditure
- 4.3 Continue compliance with all established financial policies.
- 4.4 Recognize appropriate legal constraints.
- 4.5 Consider and estimate funding amounts from all appropriate funding alternatives.
- 4.6 Ensure reliability and stability of identified funding sources.
- 4.7 Evaluate the affordability of the financing strategy, including the impact on debt ratios, taxpayers, ratepayers, and others.



Capital Planning Capital Project Budgeting Policy 13.1.0

POLICY. The District will prepare and adopt a formal capital budget as part of their annual budget process. The capital budget will be directly linked to, and flow from, the Multi-Year Capital Improvement Plan. It may be necessary to modify projects approved in the capital plan before adopting them in a capital budget. Modifications may be necessary based on changes in project scope, funding requirements, or other issues. If these modifications are material, the District will consider the impacts these may have on its multi-year capital and financial plans. The capital budget should be adopted by formal action of the Board of Trustees, either as a component of the operating budget or as a separate capital budget. It will comply with all state and local legal requirements.

- 1.0 Preparing and Adopting the Capital Budget. The capital budget will include the following information:
 - 1.1 A definition of capital expenditure for the District.
 - 1.2 Summary information of capital projects by fund, function, venue/service or activity.
 - 1.3 A schedule for completion of the project, including specific phases of a project, estimated funding requirements for the upcoming year(s), and planned timing of or acquisition, pre-design, design, and construction or acquisition activities and transition to complete operation.
 - 1.4 Descriptions of the general scope of the project, including expected service and financial benefits to the District.
 - 1.5 A description of any impact the project will have on the current or future operating budget.
 - 1.6 Estimated costs of the project, based on recent and accurate sources of information.
 - 1.7 Identified funding sources for all aspects of the project, specifically referencing any financing requirements for the upcoming fiscal year.
 - 1.8 Funding authority based either on total estimated project cost, or estimated project costs for the upcoming fiscal year. Consideration should be given to carry-forward funding for projects previously authorized.



**Capital Planning
Capital Project Budgeting
Policy 13.1.0**

- 1.9 Any analytical information deemed helpful for setting capital priorities.

The District needs a greater level of detail and information for non-routine capital projects than for routine projects. For non-routine projects, the capital budget should thoroughly describe the impact on the operating budget, number of additional positions required, tax or fee implications, and other financial or service impacts.

- 2.0 Reporting on the Capital Budget. The District recognizes the importance of timely and accurate reporting on projects adopted in the capital budget. Management, Trustees, and citizens should all have the ability to review the status and expected completion of approved capital projects. Periodic reports will be issued routinely on all on going capital projects. The reports will compare actual expenditures to the original budget, identify level of completion of the project, and enumerate any changes in the scope of the project, and alert management to any concerns with completion of the project on time or on schedule.



**Capital Planning
Capital Expenditures
Practice 13.2.0**

RELEVANT POLICIES: 1.1.0 Strategic Planning, 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting

1.0 AUTHORITY

Decision-making responsibilities and duties on capital projects shall be allocated by the General Manager to specific members of the IVGID staff as provided herein. The staff member so assigned may delegate "duties" to another, but shall remain "responsible" for their actions pertaining to the project.

A Project Manager will usually be a representative of the IVGID department which will acquire or construct the project. The Project Manager may seek the input or assistance of a representative of the IVGID department that will utilize the capital asset. A planner, analyst, designer, or construction representative usually reports to the Project Manager as an employee or through a contract for services.

2.0 CAPITAL PROJECT FINANCING RESOURCES

Financial management of capital projects is controlled through a system including the Multi-Year Capital Improvement Plan and each fiscal year's Capital Improvement Project Budget. The ability to pay for the costs of a project will be based on identifiable and predictable financing resources at the time of acquisition.

2.1 Establishment. A capital project's financing resources may be established by action of the Board of Trustees by the adoption of a Capital Project Report. Financing resources may be established for each fund; for each program; or for each project or group of projects. The preference is on each project to facilitate calculating the affects of each project on the Multi-Year Capital Improvement Plan.

2.2 Status. All financing resources identified and received for a Capital Improvement Project shall be held in cash or



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investments and shall constitute an element of fund balance or net position until expended or released by an action of the Board of Trustees.

- 2.3 Interest.** Investment earnings on a project's financing resources shall accrue to the project to the extent they were included in the Capital Improvement Project Data Sheet or are deemed needed for possible project cost adjustments. In any project where part of the financing resources came from bond proceeds, the investment earnings must be attached to the project in order to determine and comply with IRS arbitrage regulations.
- 2.4 Expenditures.** Funds identified as financing resources may only be expended by action of the Board of Trustees according to the District's Capital Improvement Project Budget. Projects carrying over from one fiscal year to another are expected to be identified during each budget process to extend spending authority and facilitate completion of the construction or acquisition of the capital assets. The General Manager has the authority to redirect the design or specifications affecting up to an aggregate of \$50,000 if it does not exceed the total approved cost of the project.
- 2.5 Exclusivity.** All financing resources identified for a project, are considered exclusively for expenditures related to that project. No expenditures or obligations shall be made related to that project which cumulatively exceeds the available balance in identifiable and predictable financing resources.
- 2.6 Changes.** The amount of funds in identifiable and predictable financing resources may be increased or decreased by action of the Board of Trustees, provided that no decrease shall occur which causes the unexpended financing resources for any project to fall below the cumulative total of obligations outstanding pertaining to the project.



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- 2.7 Close-out.** Upon completion or termination of a project, the unexpended financing resources for that project may be closed out by the General Manager, except when a previous action by the Board of Trustees, designates where the unexpended amount, if any, shall be transferred.

3.0 PROJECT LIFE CYCLE

Projects shall be managed in relation to the following typical project life cycle:

- 3.1 Definition.** The process of developing a document which describes a specific project, in terms of location, function, cost, and other parameters. Approval of a Capital Project Data Sheet means the project has been "**defined.**"
- 3.2 Planning.** The process of developing documents which identify the location and function of projects, in relation to other projects and existing facilities. Approval of a project plan document within an approved Capital Project Summary means the project has been "**planned.**"
- 3.3 Feasibility.** The process of analyzing the practicality of a project, in terms of capital financing and cost, operating revenue and cost, environmental and permit conditions, and other factors. Acceptance information stated on the Capital Project Data Sheet as a feasibility report, means the project has been "**justified.**"
- 3.4 Scheduling.** The process of developing an outline identifying the cost, timing and financing of the capital project. All capital project expenditures shall be evaluated through a Multi-Year Capital Improvement Plan and authorized for expenditure through a specific fiscal year's Capital Improvement Plan Budget. Inclusion of a project within an approved Multi-Year Capital Improvement Plan means the project has been "**scheduled.**"



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- 3.5 Funding Identified.** The process by which funds are identified, as either planned or set aside to underwrite capital costs. Identification of predictable financing resources for inclusion of a project in a specific fiscal year's Capital Improvement Plan Budget means the project has been "**funded.**"
- 3.6 Design/Specification.** The process of determining the size, specifications, acquisition/construction methods, and other factors prerequisite to construction or acquisition, including the selection of the designers. Approval of final design means the project has been "**designed.**"
- 3.7 Construction/Acquisition.** The process entails constructing or acquiring a project's assets, including the selection of contractors or vendors. Approval of final payment means the project has been "**completed.**"
- 3.8 Requirements.** All projects may not be subject to all phases, or be phased in the same order. However, all capital projects shall be defined. All capital projects shall be scheduled and have funding identified, prior to design/specification. All construction projects shall be planned. All construction projects shall be justified, prior to design/specification.

3.8.1.0 Definition

3.8.1.1 Trustees Responsibility: Relate District needs identified through the Strategic Plan to capital projects placed on the Multi-Year Capital Improvement Plan. **Duties:** Consider project definitions as part of Capital Improvement Project Budget submittal.

3.8.1.2 General Manager Responsibility: Ensure capital projects developed for consideration by the Board of Trustees relate to strategies and actions



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developed under the District's Strategic Planning Process. **Duties:** Approve capital project definitions.

3.8.1.3 Staff Duties: Prepare an accurate and up to date Capital Project Data Sheet, containing statement of project cost, schedule, location, financing, and other factors.

3.8.2.0 Planning

3.8.2.1 Trustees Responsibility: Ensure adequate planning basis for capital improvement projects. **Duties:** Define general goals, constraints, and directions. Award and execute planning contracts according to Nevada Revised Statutes. Establish public input process. Review and approve final plan.

3.8.2.2 General Manager. Responsibility: Ensure all issues are addressed and plans are coordinated with the Multi-Year Capital Improvement Plan. **Duties:** Review and approve planning scope. Approve requests for proposals on consulting contracts. Approve planning methods and planning team. Provide guidance to Project Manager during planning.

3.8.2.3 Project Manager. Responsibility: Administration, quality and accuracy. **Duties:** Define specific objectives, alternatives, criteria, and scope. Prepare requests for proposals and administer selection process for planning team. Prepare planning contracts. Recommend approval for and executing planning contracts. Coordinate project with, public, staff, and General Manager. Review and approve progress reports, make substantive and procedural decisions during planning process, and



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recommend preferred alternatives and final plans to the General Manager and Board of Trustees.

3.8.2.4 Engineering and Staff. Duties: Provide input to planning scope, methods, analysis, conclusions, and recommendations.

3.8.2.5 Planner Duties: Conduct analysis and produce planning documents and reports, for review by Project Manager.

3.8.3.0 Feasibility

3.8.3.1 Trustees. Responsibility: Ensure feasibility of capital improvement projects prior to design and construction. **Duties:** Determine when feasibility studies are required. Identify issues to be addressed. Award and execute consulting contracts according to Nevada Revised Statutes.. Review and accept the final "Capital Improvement Project Budget" as a basis for decision-making.

3.8.3.2 General Manager. Responsibility: Ensure critical issues are addressed and conservative approach to feasibility is applied. **Duties:** Review and approve study scope. Approve requests for proposals on consulting contracts. Approve study methods and team. Provide guidance to the Project Manager during study.

3.8.3.3 Project Manager. Responsibility: Administration, quality and accuracy. **Duties:** Define specific concerns, alternatives, criteria, and scope. Prepare requests for proposals and administer selection process for study team. Prepare study contracts. Recommend award and execute study contract. Coordinate project with, staff and General



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Manager. Review and approve progress reports, make substantive and procedural decisions during study process, and approve conclusions and recommendations.

3.8.3.4 Finance, Engineering, and Staff. Duties: Provide input to study contract, scope, methods, analysis, conclusions, and recommendations.

3.8.3.5 Analyst. Duties: Conduct analysis and produce study documents and reports for review by the Project Manager.

3.8.4.0 Scheduling

3.8.4.1 Trustees. Responsibility: Prioritization and prudent investment of capital assets. **Duties:** Review and approve Multi-Year Capital Improvement Plan considering financing programs, priorities and needs and validity to proceed as scheduled. Approve project amendments and substitutions according to District purchasing policies.

3.8.4.2 General Manager. Responsibility: Validate scheduling in terms of sound financial planning and the ability to construct or acquire the capital assets. **Duties:** Review, revise and recommend capital improvement projects to the Board of Trustees.

3.8.4.3 Engineering Staff. Responsibility: Accuracy of cost projections and coordination of project scheduling. **Duties:** Identify capital project scheduling issues correlated to timing of expenditures and acquisition of the capital assets. Coordinate input of operating staff receiving the capital asset.



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3.8.4.4 Finance Staff Responsibility: Adequacy of identifiable and predictable financing resources to meet the timing of expenditures. **Duties:** Analyze alternative financing schemes and prepare capital financing program coordinated with appropriate Capital Improvement Project Budget and the Multi-Year Capital Improvement Plan.

3.8.5.0 Funding

3.8.5.1 Trustees. Responsibility: Adequate identifiable and predictable financial resources exist for the project prior to the approval to proceed. **Duties:** Establish appropriate identifiable predictable financing resources are available. Increase and decrease funding level.

3.8.5.2 General Manager Responsibility: Approve recommendations for project to proceed and increases in project financing resources beyond levels identified in Capital Project Report, prior to submitted to Board. **Duties:** Review updated financial analysis for the capital project with Finance Staff for adequate financing resources and cash flows. Approve close-out upon project termination or completion.

3.8.5.3 Project Manager. Responsibility: Accuracy. **Duties:** Assemble and update project cost estimates.

3.8.5.4 Finance Staff. Responsibility: Administration of project finances. **Duties:** Produce periodic report on capital project financing resources, obligations and expenditures. Recommend periodic action to establish, increase, decrease, and close out



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financing resources. Consider the current affects of projects on the Capital Improvement Project Budget and the Multi-Year Capital Improvement Plan.

3.8.5.5 Engineering Staff. Duties: Coordinate estimates of project cost for periodic funding report.

3.8.6.0 Design/Specification

3.8.6.1 Trustees. Responsibility: General oversight of project design and specifications. **Duties:** Award and execute design contract according to Nevada Revised Statutes. Review and accept regulatory permit conditions on construction projects, if \$50,000 or more.

3.8.6.2 General Manager. Responsibilities: Ensure design and specifications correlate to defined capital project. **Duties:** Approve design methods and team. Provide guidance to Project Manager during design. Review and approve final design/specification reports on projects. Review and accept regulatory permit conditions.

3.8.6.3 Project Manager. Responsibility: Administration, detailed oversight and design functionality. **Duties:** Prepare scope of services and requests for proposals for design services. Administer selection process for design team. Prepare design contracts. Recommend for award and execute design contracts. Assemble cost estimates; prepare project budget and budget revisions. Prepare project schedule and schedule revisions. Approve project budget and budget revisions. Approve project schedule and schedule revisions. Establish, execute, and administer arrangements for surveys, analysis, environmental



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studies, and other forms of technical support. Supervise designers. Establish functional and performance requirements. Coordinate activities of designers with the balance of the technical team, and operating staff. Present major design alternatives and issues. Provide direction to on major design alternatives and issues. Review and approve ongoing design reports and documents. Sign all regulatory permits and permit applications. Review, approve, and correct ongoing design reports and documents, including all technical specifications. Prepare construction contract forms. Assemble and submit regulatory permit applications and coordinate regulatory process. Approve all requests for payment.

3.8.6.4 Designer Duties: Analysis of design alternatives. Preparation of plans and specifications. Preparation of support material for permit applications, and other contract documents. Coordination of various members of the design team. Preparation of cost estimates.

3.8.7.0 Construction/Acquisition

3.8.7.1 Trustees. Responsibility: General oversight of contract awards, major payments and acceptance of capital assets constructed or acquired. **Duties:** Award and execute construction/acquisition contract according to Nevada Revised Statutes. Approve change orders cumulatively exceeding 10% of construction contract or \$50,000, whichever is the greater.

3.8.7.2 General Manager. Responsibility: Ensure contracts and requests for payments submitted to the Board of Trustees for approval meet the



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requirements outlined in the Capital Improvement Project Budget. **Duties:** Approve change orders cumulatively not exceeding 10% of construction contract or \$50,000. Upon substantial completion, approve release of retention for Construction projects.

3.8.7.3 Project Manager Responsibility: Detailed oversight. **Duties:** Recommend award and execute construction/acquisition contracts. Recommend approval of change orders. Recommend release of retention to General Manager and Board of Trustees. Recommend approval of the final payment. Administer bid process. Recommend contract award. Coordinate final contract preparation, including insurance, bonding, and certificates. Establish, administer and execute arrangements for inspection and testing. Supervise construction representatives. Review all inspection, testing and construction observation reports. Serve as District's representative to contractor and regulatory agencies. Approve all shop drawings. Approve requests for equals. Approve all certificates for payment. Update construction schedule.

3.8.7.4 Construction Representative. Duties: Observe construction and testing. Prepare construction observation reports. Advise Project Manager of deficiencies when noted. Notify Project Manager of deviations from plans and specifications. Prepare and execute notice to proceed.



BEST PRACTICES

Capital Planning Policies

Governments should develop and adopt capital planning policies that take into account their unique organizational characteristics including the services they provide, how they are structured, and their external environment.

Policies designed to guide capital planning help to assure that each jurisdiction's unique needs are fully considered in the capital planning process. Effective policies can also help a government to assure the sustainability of its infrastructure by establishing a process for addressing maintenance, replacement, and proper fixed asset accounting over the full life of capital assets. In addition, capital planning policies can strengthen a government's borrowing position by demonstrating sound fiscal management and showing the jurisdiction's commitment to maximizing benefit to the public within its resource constraints.

Good capital planning policies can lead to the development of a capital plan that is consistent with best practices; however, they do not constitute the capital plan itself. Rather, capital planning policies establish a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and an end result.¹ Ideally, such policies also include guidelines for coordinating capital projects and promoting sound, long-term operational and capital financing strategies.

To create a sustainable capital plan, the finance officer and other participants in the capital planning process need to consider all capital needs as a whole, assess fiscal capacity, plan for debt issuance, and understand impact on reserves and operating budgets, all within a given planning timeframe. Capital planning policies provide an essential framework for managing these tasks and for assuring that capital plans are consistent with overall organizational goals.

GFOA recommends that governments develop and adopt capital planning policies that take into account their unique organizational characteristics including the services they provide, how they are structured, and their external environment.

Capital planning policies should provide, at minimum:

1. A description of how an organization will approach capital planning, including how stakeholder departments will collaborate to prepare a plan that best meets the operational and financial needs of the organization.
2. A clear definition of what constitutes a capital improvement project.²
3. Establishment of a capital improvement program review committee and identification of members (for example, the finance officer or budget officer, representatives from planning, engineering, and project management, and, as deemed appropriate, operations departments most affected by capital plans, along with a description of the responsibilities of the committee and its members.
4. A description of the role of the public and other external stakeholders in the process. (The level and type of public participation should be consistent with community expectations and past experiences.)
5. Identification of how decisions will be made in the capital planning process including a structured process for prioritizing need and allocating limited resources
6. A requirement that the planning process includes an assessment of the government's fiscal capacity so that the final capital plan is based on what can realistically be funded by the government rather than being simply a wish list of unfunded needs.
7. A procedure for accumulating necessary capital reserves for both new and replacement purchases.
8. A policy for linking funding strategies with useful life of the asset including identifying when debt can be issued and any restrictions on the length of debt.³
9. A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies.
10. A process for funding to ensure that capital project funding is consistent with legal requirements regarding full funding, multi-year funding, or phased approaches to funding.
11. A requirement that the plan include significant capital maintenance projects.
12. Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle changes and amendments to the plan.

Notes:

- 1 See GFOA Best Practices on capital planning. (Multi-Year Capital Planning (2006) and The Role of Master Plans in Capital Improvement Planning (2008)
- 2 See GFOA's Best Practice, Establishing Appropriate Capitalization Thresholds for Capital Assets
- 3 Capital planning policies should be consistent with or reference an organization's debt policies

References:

- GFOA Best Practice, Asset Maintenance and Replacement, 2010
- GFOA Best Practice, Understanding Your Continuing Disclosure Responsibilities, 2010
- GFOA Best Practice, Disaster Preparedness, 2008
- GFOA Best Practice, Multi-Year Capital Planning, 2006
- GFOA Best Practice, Establishing Appropriate Capitalization Thresholds for Capital Assets, 2006



BEST PRACTICES

Capital Budget Presentation

Governments should incorporate a number of appropriate guidelines when presenting its capital budget.

GFOA has several best practices that should be incorporated into the presentation of the capital budget. These best practices include (1) capital planning policies, (2) master plans and capital improvement planning, (3) multi-year capital planning, (4) capital asset management, (5) communicating capital improvement strategies, and (6) capital project monitoring and reporting. In addition, the capital presentation should include a summary/highlights section, project detail on major capital items, and operating impacts. An exceptional capital presentation enhances the transparency and accountability to citizens. It gives a broader context for citizens to understand major components of the capital budget.

GFOA recommends that governments incorporate the following guidelines when presenting the capital budget

1. **Capital planning policies.** Capital planning policies should be included as part of the overall financial policy section of the entity. The policies essentially set up the "ground rules" on how the organization will approach capital planning. Capital planning policy items may include such items as a clear definition of capital projects, the role of the various stakeholders in the process, financing policies (debt options versus pay as you go), funding sources, multi-year requirements, legal requirements, and monitoring oversight.
2. **Master plans and capital improvement planning.** The presentation of the capital section should include a linkage with how CIP decisions relate to master plans. This can be done through diagrams, tables, and/or discussion.
3. **Multi-year capital planning.** The capital budget should have a direct link to the multi-year capital improvement plan. The multi-year capital plan should identify needs, determine financial impacts, prioritize, and include a comprehensive financial plan. In addition, assumptions for sources and uses need to be identified. This would include contingencies as well.
4. **Capital asset management.** Major categories under capital asset management include condition ratings and service reliability. Presenting this information can be a good selling point for aspects of the capital program.
5. **Communicating capital improvement strategies.** The strategy of the capital improvement plan needs to be communicated to stakeholders with corresponding feedback. This can be done through a clear message and the use of various presentation methodologies including signage, press articles, website, social media, interest groups, public meetings, use of media, and a budget document.
6. **Capital project monitoring and reporting.** When presenting capital planning information, there is a need to decide what data is relevant for both the internal and external stakeholders. Systems need to be in place to make sure that the data presented for projects is accurate for both timing and dollars.
7. **Highlights/Summary.** The capital presentation should focus on both sources and uses. The government should indicate the total dollar amount of capital expenditures for the budget year and for the multi-year plan. The capital plan sources and uses summary should include all projects (regardless of fund) that fit within the government's definition of capital expenditures. This information can be presented by fund, category, priority, strategic goal, or geographic location. The government should identify the funding sources for the same time period as expenditures. Pie charts are useful for identifying components, while bar charts show specific trends (historical and future). A budget overview or separate budget in brief could be included that presents both operating and capital highlights. Capital projects should be broken out between recurring and non-recurring. Recurring capital projects are those that 1) are included in almost every budget and 2) have a regular replacement cycle. Capital projects could be grouped by category, department, type, function, or funding. Unfunded projects should be summarized.
8. **Individual Capital Project Detail.** Including individual capital project detail for major projects can be a very effective communication tool. To avoid placing excessive detail in the capital section of the budget document, consideration may be given to placing the additional information on the web or in a separate capital document. Detail for major projects should include:
 - a. **Description.** For significant and/or non-recurring capital expenditures, the document should concisely describe these items (i.e. indicate the project's purpose and funding sources) and indicate the amount appropriated for the project during the budget year(s).
 - b. **Timetable.** Showing a timetable for different phases of a project is very informative. Capital project schedules can be presented on the individual sheets.
 - c. **Graphics.** Legible graphic illustrations (pictures or maps) can add value to a capital project presentation.
 - d. **Links to Other Plans.** Governments may consider indicating on the individual capital project sheets what specific goals that the capital project is fulfilling.
 - e. **Revenue and Expenditure Estimates.** The individual project dollar estimates should be broken out by revenue type and expenditure component.
9. **Operating Impacts.** Governments should discuss and quantify the operating impact of capital projects. The impacts should be identified on an individual project basis, but may be summarized.
 - a. **Policies:** A specific policy on operating impacts should be included under the capital section in the financial policies of the government. A rule might be established that the capital improvement program may not be submitted/approved until specific dollar impacts are noted.
 - b. **Assumptions.** Items to consider when making assumptions include:
 - i. Timeframe to determine when costs, savings or revenue will start. For example, first-year startup costs will likely differ from costs in successive years when savings may be realized.
 - ii. Various anticipated phases of the project.
 - iii. In-house or external operations.
 - iv. Type of work being done.
 - v. Whether the costs, savings, or revenues are recurring or non-recurring. For example, replacement and maintenance costs may occur on alternating or periodic years rather than annually over the life of a capital asset. A government should analyze the cycles for such up-keep costs and plan accordingly.
 - c. **Classification.** Operating impacts can be classified into one of three elements or a combination of the three. These include increased revenues, increased expenditures or additional cost savings. When possible, included specific dollar quantification with accompanying discussion of the impact.
 - i. Increased revenues may be the result of additional volume, like opening a new train line, a new swimming pool, or a sports facility.
 - ii. Increased expenditures are often the result of a new facility, like a school building, fire station, etc. This would result in additional headcount and associated expenditures. Expenditures can be broken out by component.

iii. Savings may result from a number of items such as more efficient energy savings, more productive software, and lower maintenance and repair expenditures.

III - Fund Balance / Working Capital Policy

- Background / Preliminary Recommendations (DRAFT)
- Board Policy 7.1.0 and 19.1.0
- Board Practice 7.2.0 and 19.2.0
- Best Practices / Guidelines

FUND BALANCE AND WORKING CAPITAL

Board Policy 7.1.0
Board Practice 7.2.0
Board Policy 19.1.0
Board Practice 19.2.0

Background -

- Board Policy 7.1.0 relates to “Appropriate Level of Fund Balance”
 - GFOA and GAAP guidelines and definitions
- Board Practice 7.2.0 relates to “Appropriate Level of Fund Balance”
 - Minimum requirement under NAC 354.650
- Board Policy ~~17.1.0~~ relates to “Appropriate Level of Working Capital”
 - GFOA and GAAP guidelines and definitions
- Board Practice ~~17.2.0~~ relates to “Appropriate Level of Working Capital”
 - Operating Working Capital = 25% of Operating Expenses
 - Debt = 1-year interest expense
 - Capital = 1-year of 3-year average depreciation

Best Practices and Resources:

- GFOA provides guidance on best practices for development of policies related to Unrestricted Fund Balance and Appropriate Level of Working Capital for Enterprise Funds.
 - Based on “risk” to be mitigated
- Best practices suggest that formal fund balance policies be established to provide for:
 - Appropriate level of fund balance
 - Appropriate use(s) of established reserves, and
 - Guidelines for replenishment of reserves when used.
- Fund Balance – General Fund
 - Nevada Administrative Code (NAC 354.650) establishes a (minimum) fund balance of 4% of operating expenditures for public agencies; the NAC further provides for notification/explanation to be provided to the Department of Taxation in the event that reported fund balances fall below 4% of actual expenditures.
 - The GFOA acknowledges that the appropriate level of fund balance for the General Fund should take into account each government’s own unique circumstances, but recommends general-purpose governments maintain an unrestricted fund balance of no less than 2-months of regular general fund revenues or general fund expenditures.

- Working Capital – Enterprise Funds
 - GFOA recommends that government’s target for working capital be no less than 45-days of annual operating expenses (1.5 months).
 - The District has contracted with an outside consultant (Raftelis) to review the Public Works operations and capital asset management and provide recommendations, to include appropriate level of working capital to inform update of Board Policy 17.1.0 and Board Practice 17.2.0.

Preliminary Recommendations:

- 1) It is recommended that Board Policy 7.1.0, Board Practice 7.2.0, Board Policy 17.1.0 and Board Practice 17.2.0 be updated to establish a target minimum fund balance(s) as well as incorporate fund balance policy language consistent with GFOA guidelines for best practices
- 2) It is recommended that Board Policy 17.1.0 and Board Practice 17.2.0 related to Appropriate Levels of Working Capital be updated to establish appropriate level of working capital for the District’s Enterprise Funds, informed by pending recommendations from the review of the District’s utility operations by third-party consultant.
 - a. Debt Service should be reviewed in relation to bond covenants; usually require annual revenues equal to 100-120% of annual debt payments, which have priority over operating expenses
 - b. Policy should distinguish between Capital Reserve (as a % of annual capital budget or depreciation) and Capital Asset Replacement fund (as a percentage of five-year CIP).
- 3) Staff is reviewing the applicability of establishing a Working Capital policy for its Internal Service Funds; while reported as Enterprise Funds, these funds activities are generally self-funded with year-end adjustments made to clear fund balances.
- 4) Board Practices 7.2.0 and 17.2.0 should also be updated to reflect the transition of the District’s Community Services Fund and Beach Fund from Special Revenue Funds to Proprietary (Enterprise) Funds.
- 5) Consideration should be given to consolidating updates to Policies 7.1.0 and 17.1.0 as well as Practices 7.2.0 and 17.2.0 to provide for a comprehensive Policy and related Practice related to appropriate levels of fund balance and working capital across all District funds.

Appropriate Level of Fund Balance
Practice 7.2.0 / Practice 19.2.0
(Sample Update)

PRACTICE. It is the practice of the Incline Village General Improvement District, hereinafter referred to as the District, to maintain Fund Balance in the General Fund and each governmental or proprietary fund type in a manner which provides for contractual, bond and customer service obligations, while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations.

This policy/practice establishes the minimum level of funding to be maintained in reserve within the fund balance of the District’s governmental and proprietary funds, defines the conditions under which these funds can be utilized, and provides a timeline for replenishment of reserve funds, when utilized.

1.0 Scope

This Practice shall apply accounting principals as forth in Governmental Accounting Standards Board (GASB) Statement 54 considering the unique characteristics of the District. To that end the following measurements will apply to each fund or type:

2.0 Appropriate Level of Fund Balance and Working Capital

General Fund

The policy of the District shall be to maintain a minimum funds balance within the General Fund of ___ % to provide for economic uncertainty, fluctuations in General Fund revenues and unforeseen events that may require of unbudgeted expenditures.

In no case shall the fund balance for the District’s General Fund fall below the 4% of expenditures required under Nevada Administrative Code Section 354.

The appropriate level of fund balance to be maintained in reserve within the District’s General Fund shall be reviewed annually

Proprietary Fund Types:

Measurements of target working capital fund balances with Stabilization Arrangements:

Community Services Operations - 25% of operating expenses
Debt Service - One year’s payments (or as set by debt coverage ratio established in bond documents)

(Capital Expenditure – 1 year of a 3 year average depreciation)

Beach Operations - 25% of operating expenses
Debt Service - One year’s payments *(or as set by debt coverage ratio established in bond documents)*
(Capital Expenditure – 1 year of a 3 year average depreciation)

Utilities Operations - 25% of operating expenses
Debt Service - One year’s payments *(or as set by debt coverage ratio established in bond documents)*
Capital Expenditure – 1 year of a 3 year average depreciation

Internal Services Operations - ~~25%~~ ____ % of operating expenses

Operating expenses for these calculations do not include depreciation or interest expense since they are covered by separate definitions.

The appropriate level of working capital to be maintained in reserve within the District’s enterprise funds shall be reviewed annually.

Governmental Activities:

~~Workers Compensation SIR – Stated Deductible~~

3.0 Appropriate Use of Fund Balances and Working Capital Held in Reserve

The targeted level of fund balance and working capital established by Board policy and practice serves to address significant short-term issues, including unexpected revenue shortfalls, higher than anticipated expenditures, or unforeseen emergencies.

It is the intent of the Board of Trustees to limit the use of reserved fund balances to address unanticipated, non-recurring needs. Fund balances should not be applied to recurring annual operating expenditures. Fund balances may, however, be applied buffer the impacts of a loss or reduction in revenues to allow time for the District to restructure its operations, but such use will only take place in the context of a Board-approved long-term financial plan.

4.0 Excess Fund Balance or Working Capital

At the end of each fiscal year, the Finance Department will report on the audited year-end budgetary fiscal results. Should actual revenues exceed expenditures, including contractual obligations and carry-forward items, a year-end surplus shall be reported.

Any year-end operating surplus which results in unrestricted fund balances in excess of the targeted fund balances established by the Board, shall be deemed available for allocation to specific needs, subject to Board action. These include:

- 1) Payments toward unfunded liabilities, deferred maintenance and asset replacement, or other non-recurring needs.*
- 2) Transfer to other funds, as deemed appropriate, to offset year-end deficits within those funds*
- 3) Allocation to capital projects with shortfalls in funding sources and/or to provide matching funds for awarded grants.*
- 4) Re-appropriation within the subsequent year's operating budget to provide for one-time, non-recurring needs.*

5.0 Replenishment of Fund Balances or Working Capital

If the General Fund fund balance reserve or Enterprise Fund Working Capital reserve are required to be drawn-down below the minimum level established by Board policy, a plan will be developed and implemented to replenish fund balances. Replenishing fund balances will be a priority use of one-time resources, and minimum fund balances will be restored within a maximum of two fiscal years.

6.0 Definition of Stabilization Arrangement

(To be updated in conjunction with pending Utility Rate Study)

In conformity with GASB Statement 54, the District will establish a stabilization arrangement only when it includes:

- 2.0.1 Recognition of the authority by which the arrangement is established including resolution, ordinance or other action.
- 2.0.2 When to make additions to the stabilization amount
- 2.0.3 When stabilization amounts can be spent
- 2.0.4 That a balance will be reported at each fiscal year end.

7.0 Other Classifications

The District will apply other classifications and accounting standards under GASB 54 including the use of Non-spendable, Restricted, Committed, Assigned, Unassigned and Unrestricted when presenting either a Statement of Net Assets or other forms of fund balance in its financial reports.



Budgeting and Fiscal Management Appropriate Level of Fund Balance Policy 7.1.0

POLICY. The District will maintain a formal practice on the level of Fund Balance that should be maintained in the General and Special Revenue Funds.

The adequacy of Unassigned Fund Balance in the General Fund should be assessed based upon the District's own specific circumstances. (Nevertheless, the Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain Unassigned Fund Balance in their General Fund of no less than five to fifteen percent of regular General Fund operating revenues.) The Nevada Administrative Code (NAC 354.650) requires a budgeted fund balance of 4%, based on the actual expenditures of the General Fund's previous fiscal year.

Building "stabilization arrangements" in the General Fund is an acknowledged purpose in response to revenue shortfalls and unanticipated expenditures.

The District employs the term "fund balance" to describe the net position of governmental funds calculated in accordance with Generally Accepted Accounting Principles (GAAP) at the individual fund level. Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis. In both cases, fund balance is intended to serve as a measure of the financial resources available for use in a governmental fund type.

Financial reporting distinguishes restricted fund balance from unassigned and unrestricted fund balance. Typically, only the latter is available for spending. A "stabilization arrangement" indicates a designated portion of unassigned or unrestricted fund balance is subject to an action by the governing body concerning the use of that amount.



**Budgeting and Fiscal Management
Appropriate Level of Fund Balance
Practice 7.2.0**

RELEVANT POLICIES: 1.1.0 Strategic Planning, 7.1.0 Appropriate Level of Fund Balance, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management

PRACTICE. It is the practice of the Incline Village General Improvement District, hereinafter referred to as the District, to maintain Fund Balance in the General Fund and each governmental or proprietary fund type in a manner which provides for contractual, bond and customer service obligations, while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations.

1.0 SCOPE

This Practice shall apply accounting principals as forth in Governmental Accounting Standards Board (GASB) Statement 54 considering the unique characteristics of the District. To that end the following measurements will apply to each fund or type:

General Fund

The General Fund must meet the minimum balance requirements under Nevada Administrative Code Section 354.650.

Special Revenue Funds

Community Services; 25% of a fiscal years' operating expenditures (based on the current adopted budget) other than capital expenditure and debt service.

Beach Enterprise; 25% of a fiscal year's operating expenditures (based on the current adopted budget) other than capital expenditure and debt service.

Proprietary Fund Types:

Measurements of target fund balances:



**Budgeting and Fiscal Management
Appropriate Level of Fund Balance
Practice 7.2.0**

Utilities.....Operations - 25% of operating expenses for the fiscal year based on the current adopted budget.
**

Internal Services.....Operations - 25% of operating expenses for the fiscal year based on the current adopted budget.
**

Workers Compensation.....An amount equal to the State of Nevada required deposit, plus sufficient resources to cover the last determined open exposure for prior claims, if not covered by purchased insurance or a termination insurance policy.

** Operating expenses for these calculations do not include depreciation or interest expense since they are covered by separate definitions.

2.0 Definition of Stabilization Arrangement

In conformity with GASB Statement 54, the District may establish a stabilization arrangement only when it includes:

- 2.0.1 Recognition of the authority by which the arrangement is established including resolution, ordinance or other action.
- 2.0.2 When to make additions to the stabilization amount
- 2.0.3 When stabilization amounts can be spent
- 2.0.4 That a balance will be reported at each fiscal year end.

3.0 Other Classifications

The District will apply other classifications and accounting standards under GASB 54 including the use of Nonspendable, Restricted, Committed, Assigned, Unassigned and Unrestricted when presenting either a Statement of Net Position or other forms of fund balance in its financial reports.



Budgeting and Fiscal Management Appropriate Level of Working Capital Policy 19.1.0

POLICY. The District will maintain a formal practice on the level of working capital that should be maintained in the Enterprise (Utility) Fund.

Enterprise Funds distinguish between current and non-current assets and liabilities. It is possible to take advantage of this distinction to calculate Working Capital (i.e., current assets less current liabilities). The measure of working capital indicates the relatively liquid portion of total Enterprise Fund capital, which constitutes a margin or buffer for meeting obligations. It is essential that the District maintain adequate levels of working capital in its Enterprise Funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees. Working Capital is a crucial consideration, too, in long-term financial planning. Credit rating agencies consider the availability of working capital in their evaluations of continued creditworthiness. Likewise, laws and regulations may speak to appropriate levels of working capital for some Enterprise Funds.

The Government Finance Officers Association (GFOA) recommends that local governments adopt a target amount of working capital to maintain in each of their Enterprise Funds. The District's targets will be formally described in the Practice as adopted and amended as needed.

Working capital is defined as current assets minus current liabilities; the District will consider certain characteristics of working capital that affect its use as a measure. Specifically, the "current assets" portion of working capital includes assets or resources that are reasonably expected to be realized in cash (e.g., accounts receivable) or consumed (e.g., inventories and prepaid expenses) within a year.

Stability of revenues and expenses are also considerations for an accurate calculation of working capital. The District will consider the adequacy of Working Capital in its Enterprise Funds during each annual budget process. The majority of such consideration will be established by the predictability of the revenues to be received from users. Building Working Capital in the Enterprise Funds is an acknowledged purpose in response to revenue shortfalls and unanticipated expenditures, debt service requirements and planning for capital expenditures.



**Budgeting and Fiscal Management
Appropriate Level of Working Capital
Policy 19.1.0**

The District employs the term “Net Position” for Enterprise Funds, calculated in accordance with Generally Accepted Accounting Principles (GAAP). Financial reporting distinguishes Restricted from Unrestricted Net Position. Typically, only the latter is available for spending. Working Capital for operating needs should be sourced from Unrestricted Net Position. The District has debt service and capital expenditure needs that extend beyond one year. Therefore, amounts outside of the calculation of Working Capital may develop for those purposes. As such these may also be considered elements of both Restricted and Unrestricted Net Position.



**Budgeting and Fiscal Management
Appropriate Level of Working Capital
Practice 19.2.0**

RELEVANT POLICIES: 1.1.0 Strategic Planning, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management, 19.1.0 Appropriate Level of Working Capital

PRACTICE. It is the practice of the Incline Village General Improvement District, hereinafter referred to as the District, to maintain Working Capital in each Enterprise Fund in a manner which provides for contractual, bond and customer service obligations, while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations.

1.0 SCOPE

This Practice shall apply accounting principals as forth in Generally Accepted Accounting Principles (GAAP) considering the unique characteristics of the District. To that end the following measurements will apply to each fund:

- Strength of collections of accounts receivable, to the extent they can be converted to cash within a timeframe expected for use in the District's operations.
- Historical consumption of inventories and prepaid expenses, to the extent they can be utilized to support operations within the timeframe of the District's budget cycle.
- Levels and flow of annual operating expenses. At no time will the calculation consider less than 45 days operating needs. However, any amount over 90 days needs must be specifically supported and approved in writing by the District's General Manager.
- Support by the General Fund. This includes shared expenses and operating transfers that represent Central Services Cost Allocations.
- Control over rates and revenues.
- Asset age and condition, whether there is a chance of extra ordinary repairs or a replacement under the Capital Improvement Plan.
- Volatility of expenses and the ability to control fixed and variable costs.



**Budgeting and Fiscal Management
Appropriate Level of Working Capital
Practice 19.2.0**

- Management plans for Working Capital including any inherent affects of Restricted Net Position or items extending beyond one year that would normally not be covered by Working Capital.
- Debt Service or Multi-Year Capital Plan needs identified as current requirements.

2.0 Definition of Target amounts for Working Capital as measured each Fiscal Year End

Utilities

Operations – 45 to 90 days of operating expenses**

Debt Service – up to one year's payments of interest expense, since current maturities of long term debt are already considered in determining working capital, when classified as a current liability.

Capital Expenditure – up to 1 year of a 3 year average depreciation

** Operating expense excludes depreciation and interest.

3.0 Other Accumulation of Resources

The District may accumulate other resources in support of Debt Service or the Multi-Year Capital Plan in addition to Working Capital since these needs extend beyond the measurement period of one year.



BEST PRACTICES

Fund Balance Guidelines for the General Fund

Governments should establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.¹ While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.³ Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.⁴ In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment.

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;

4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Notes:

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

*This best practice was previously titled *Appropriate Level of Unrestricted Fund Balance in the General Fund*.*



BEST PRACTICES

Working Capital Targets for Enterprise Funds

Local governments should adopt a target amount of working capital to maintain in each of their enterprise funds. Additionally, governments should use working capital as the measure of available margin or buffer in enterprise funds.

Enterprise funds distinguish between current and non-current assets and liabilities. It is possible to take advantage of this distinction to calculate working capital (i.e., current assets less current liabilities). The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

It is essential that a government maintain adequate levels of working capital in its enterprise funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees.

Working capital is a crucial consideration, too, in long-term financial planning. Credit rating agencies consider the availability of working capital in their evaluations of continued creditworthiness. Likewise, laws and regulations may speak to appropriate levels of working capital for some enterprise funds.

GFOA recommends that local governments adopt a target amount of working capital to maintain in each of their enterprise funds. Ideally, targets would be formally described in a financial policy and/or financial plan.

GFOA recommends that governments use working capital as the measure of available margin or buffer in enterprise funds. Although as previously stated, working capital is defined as current assets minus current liabilities, government finance officers should be aware of certain characteristics of working capital that affect its use as a measure. Specifically, the portion of working capital includes assets or resources that are reasonably expected to be realized in cash (e.g., accounts receivable) or consumed (e.g., inventories and prepaids) within a year, which leads to two considerations for an accurate calculation of working capital:

- **Strength of collection practices.** An appropriate allowance for uncollectibles should be established and the amount of the receivable that is expected to be collected in cash within one year should be determined in a manner that is consistent with the collection practices of the government. If the accounts receivable collection practices of the enterprise fund are inconsistent or weak, then less of the accounts receivable amount should be reported as current assets.
- **Historical consumption of inventories and prepaids.** The amount of inventories and prepaids included in current assets should be a realistic estimate of the amount that will be consumed in one year based on a historical usage pattern and current operating levels (inventories) or based on the time periods to which the items relate (prepaids).
- **Support from general government.** Some enterprise funds may be supported by general taxes or transfers from a general government. These enterprise funds may require lower levels of working capital if they are supported by these contributors. For a heavily subsidized enterprise fund the 45-day minimum working capital recommendation contained in this Best Practice might be met through support from the general government, if a financial buffer or cushion for the enterprise fund is to be provided by the general government (or other outside contributor).
- **Transfers out.** If the enterprise fund is expected to make a transfer to the general government or to some other fund, then this sort of claim on the enterprise fund's assets may call for higher levels of working capital to maintain flexibility. Transfers could include an enterprise fund's contributions to overhead/support functions, subsidies granted to other operations, or any other transfer of resources. Regardless of the rationale of the transfer, governments should take into account the claim on working capital when setting a target amount.
- **Cash cycles.** Does the enterprise fund experience large peaks and valleys in its cash position during the year? For example, a water enterprise fund may experience significantly higher levels of cash on hand during the summer months compared to the winter. Volatile cash cycles call for higher levels of working capital. Another consideration is the length of the billing cycle. A longer billing cycle would call for higher levels of working capital because the enterprise fund will have longer durations between major infusions of cash.
- **Customer concentration.** Is the enterprise fund dependent on a few customers for a large portion of its revenues or is the customer base diversified? For example, a port enterprise fund may be dependent on a few major shippers or commerce in a niche product. Lower customer concentration may mean that the enterprise fund can safely operate with lower levels of working capital.
- **Demand for services.** Does the enterprise fund face a steady demand for service or is demand potentially volatile, thereby leading to volatility in of income? For example, the demand for utility services is steady compared to demand for air travel. Also consider the impact of competitive position on demand. Direct competitors or the availability of reasonable substitutes could lead to greater volatility in demand for the enterprise fund's services. More volatility implies greater need for working capital margins.
- **Control over rates and revenues.** Does the enterprise fund have the ability to change rates, implement new charges, or otherwise raise revenues from its customers in a simple fashion? For example, transit enterprise funds are often constrained from raising rates by political pressure. Other enterprise funds may be subject to a rate control board. Those that face competitors in their market may have less effective control over their rates and revenues. More revenue constrained enterprise funds may need higher levels of working capital.
- **Asset age and condition.** What is the age and condition of the enterprise fund's infrastructure? Older infrastructure has greater exposure to extraordinary repair needs. Enterprise funds with newer and/or well maintained capital assets may be able to operate with less working capital than other enterprise funds.
- **Volatility of expenses.** Are the expenses of the enterprise fund volatile or does the enterprise fund have a high degree of control over its expenses? For example, the expenses of a solid waste enterprise fund tend to be fairly stable throughout the year. In another example, water or sewer enterprise funds may be more vulnerable to large expense spikes from extreme weather. Enterprise funds with more stable expenses can safely operate with less working capital than other enterprise funds.
- **Control over expenses.** Consider the enterprise fund's level of fixed and variable costs and the ability to reduce variable costs in response to lower revenues. For instance, if a convention center does not book an event, it does not need to hire temporary help and incur other expenditures in support of the event. An enterprise fund with a high percentage of operational costs which vary depending upon revenues or operating levels may operate with lower levels of working capital.
- **Management plans for working capital.** Working capital includes assets, which can include both truly unrestricted resources and resources that have internal limitations placed upon them (e.g., board-designated) and/or that may be committed for future capital spending. These amounts may appear as unrestricted on the balance sheet but, in actuality, may be unavailable in the future to serve as a buffer or

tool to help manage financial risk. If these types of limitations exist, the working capital target should be adjusted to arrive at an amount that represents a true amount available as a tool to manage financial risk.

- **Separate targets for operating and capital needs.** Depending on the nature of the enterprise fund, governments might also consider designating separate targets for operating and capital needs, especially when the enterprise fund is very capital intensive. For example, there might be a separate amount identified for equipment replacement or debt service. In such a case, targets should be separately evaluated based on the particular features of the isolated amounts.
- **Debt position.** Enterprise funds often carry significant amounts of debt, which is used to acquire capital assets. The amount and type of debt an enterprise fund carries can have important ramifications for working capital targets. For example, an enterprise fund with a large amount of variable rate debt may need additional buffer to manage the risk associated with interest rate volatility. In addition, uneven and increasing or lump-sum debt principal payments to be made in future years may raise the amount of working capital that the enterprise fund should maintain. Viewing the amount of working capital in this broader context will help ensure that resources are available to make debt payments as they come due.

Notes:

¹The recommendation is to use annual operating expenses which include depreciation expense. If, however, annual depreciation expense is significantly more or less than the anticipated capital outlays of the next period to be paid from working capital consideration should be given to adjusting the benchmark. An appropriate adjusted benchmark may be annual operating expenses - annual depreciation expense + capital outlays of the next period to be paid from working capital.

* Subject to the exception for heavily subsidized enterprises, described later in this Best Practice.

*This best practice was previously titled *Determining the Appropriate Levels of Working Capital in Enterprise Funds*.*

IV - Central Services Overhead Policy

- Background / Preliminary Recommendations (DRAFT)
- Board Policy 18.1.0
- Board Practice 18.2.0
- Best Practices / Guidelines

CENTRAL SERVICES OVERHEAD

Board Policy 18.1.0

Board Practice 18.2.0

Background

- Board Policy 18.1.0 relates to “Adoption of Central Services Cost Allocation Plan ”
 - Establishes that cost allocation plan will be developed to determine billing rates on allowable costs of services provided by the General Fund to other departments, divisions and funds.
 - Establishes that the cost allocation plan will be reviewed annually during the budget process, and provides that the annual cost allocation plan will be filed with the Department of Taxation
 - Establishes that the related Practice (18.2.0) should specify: costs allowed, allocation method, and billing rates
- Board Practice 17.2.0 relates to “Central Services Cost Allocation Plan”
 - Identifies costs allowed, allocation method and billing rates
 - Costs to be determined in accordance with GAAP and approve by Board
 - Identifies costs that MAY be included
 - Allocation method provides that costs will be allocated to Enterprise Funds, and NOT to General Fund and Internal Service Funds
 - Allocations will be based on budget data (either statistic or amount)
 - Monthly billings will be charged based on budgeted amounts
 - June billings (accounting period 12) will be adjusted such that total charges for the fiscal year will not exceed actual costs

Best Practices and Resources

- GFOA, GASB provide guidance and best practices related to Central Services Cost Allocation plans, methodology and accounting practices
- NRS provides specific requirements related to application of Central Services Cost allocations to Enterprise Funds

Preliminary Recommendations

- 1) It is recommended that Board Policy 18.1.0 and Board Practice 18.2.0 be updated to include language related to:
 - a. Basis for allocating costs (FTW, Personnel Costs, Operating Costs)

b. Accounting for charges to users of General Fund services
(revenue or cost off-sets in General Fund)

- 2) Consideration should be given to transitioning from charging budgeted “amounts” each month versus use of “billing rates” (expressed as a central services overhead rate).
- 3) Need procedure to ensure that annual (or monthly) charges for central services do not exceed actual costs incurred.



Budgeting and Fiscal Management
Adoption of Central Service Cost Allocation Plan
Policy 18.1.0

POLICY. The District will maintain practices in conformity with the Nevada Revised Statute Section 354.107 (Regulations) and 354.613(c) (Enterprise Funds Cost Allocation), including:

- 0.1 Central Service Cost Allocation Plan for accumulating, allocating and developing billing rates on allowable costs of services provided by the District's General Fund to departments, divisions and Funds.
- 0.2 This Policy and related Practice can only be modified by a non-consent agenda item during a regular meeting of the Board of Trustees.

The District's adopted other Financial Policies (6.1.0) that should be used to frame major practice initiatives and be summarized in the budget document. This Policy is specific to the equitable distribution of general, overhead, administrative and similar costs incurred by the District's General Fund in the process of supporting the operation of the District funds.

The underlying practice, along with any others that may be adopted for other financial purposes, will be reviewed during the budget process. The Finance and Accounting staff should review the practices to ensure continued relevance and to identify any gaps that should be addressed with new practices. The results of the review should be shared with the Board of Trustees during the review of the proposed budget. Each budget year, the current Central Service Cost Allocation Plan will be filed with the Nevada Department of Taxation as required.

Practice categories that should be considered for development, adoption and regular review are as follows:

- 0.1.1 Costs Allowed
- 0.1.2 Allocation Method
- 0.1.3 Billing rates for services provided



**Budgeting and Fiscal Management
Central Service Cost Allocation Plan
Practice 18.2.0**

RELEVANT POLICY: 18.1.0 Adoption of Central Service Cost Allocation Plan

1.0 COSTS ALLOWED

- 1.0.1 Costs will be determined in accordance with generally accepted accounting principles and approved by the Board of Trustees as part of the annual budget process, including any budget augmentation.
- 1.0.2 Costs incurred by a department, division or Fund specifically associated with their activities and operation will be Direct Costs to those departments, divisions or Funds.
- 1.0.3 Costs incurred for a common or joint purpose, benefitting more than one objective, will be considered Indirect Costs. These Indirect Costs must be necessary and reasonable for proper and efficient performance and administration.
- 1.0.4 Costs incurred may include, without limitation:
 - 1.0.4.1 Legislative costs for the Board of Trustees
 - 1.0.4.2 Legal Costs
 - 1.0.4.3 General Administration
 - 1.0.4.4 Emergency Services
 - 1.0.4.5 Public Relations
 - 1.0.4.6 Property Management
 - 1.0.4.7 Grants Management
 - 1.0.4.8 Contract, Procurement and Accounts Payable
 - 1.0.4.9 Grounds and Building Maintenance
 - 1.0.4.10 Budgeting, Accounting, Payroll and Audit
 - 1.0.4.11 Human Resources and Risk Management
 - 1.0.4.12 Information Technology and Communications
 - 1.0.4.13 Warehouse and Storage

Effective for the year ended June 30, 2012 upon
acceptance by the Board of Trustees
Adopted February 29, 2012



**Budgeting and Fiscal Management
Central Service Cost Allocation Plan
Practice 18.2.0**

1.0.5 Applicable Credits

1.0.5.1 Applicable Credits will reduce the total costs allowed, when the credit relates directly to a transaction included in total costs.

1.0.6 Costs allowed should be deemed reasonable, ordinary and necessary for the operation of an Enterprise Fund.

2.0 ALLOCATION METHOD

2.0.1 The District's Proprietary Funds include both Enterprise and Internal Service Funds. The Internal Service Funds have and will continue to develop specific billing rates for services based on individual units of service to each department, division or Fund. Enterprise Funds will be billed an annual allocation of Indirect Costs Allowed, net of applicable credits, as evidenced by the adopted budget. The General Fund and Internal Service Funds be allocated a portion of these costs, but will not be billed, as it would only add a layer to recalculating their related rates and charges to the other funds.

2.0.2 The proportion of the allocation will be based on budget data in the form of statistics or amounts.

2.0.3 The basis of the allocation will be scheduled in support of current rates and be presented to the Board of Trustees in conjunction with establishing the Operating Budget for each fiscal year.

2.0.4 The Allocation Method for each Cost will be appropriate in relation to the cost's objective or measurement.



**Budgeting and Fiscal Management
Central Service Cost Allocation Plan
Practice 18.2.0**

3.0 BILLING RATES

- 3.0.1 Monthly billings will be recorded and paid from the Enterprise Funds to the General Fund, based on a total as adopted with the District's Annual Operating Budget, including any Board approved amendments or budget augmentation.
- 3.0.2 The June billing each year, may be adjusted such that the total charges to the Enterprise Funds, for the fiscal year ending that respective June, does not exceed the actual allowed incurred costs net of actual applicable credits. The District may bill less than the budgeted total for a fiscal year, but in no case can the total billing exceed the total approved with the adoption of the District Annual Operating Budget for that fiscal year, including any Board approved amendments or budget augmentation.
- 3.0.3 Payment for billings will be considered completed by an entry in the general ledger for the District, through the Cash Clearing Fund, with appropriate amounts posted to the General Fund and the respective Enterprise Fund(s).



BEST PRACTICES

Indirect Cost Allocation

When considering the allocation of indirect costs, governments should consider: Who should perform the allocation?, What factors need to be considered if an external party is involved?, How often should an external cost allocation occur?, and What factors need to be considered if an allocation is performed internally?

In addition to the direct cost of providing services, governments also incur indirect costs. Such indirect costs include shared administrative expenses where a department or agency incurs costs for support that it provides to other departments/agencies (e.g., legal, finance, human resources, facilities, maintenance, technology). Certain important management objectives can be served by allocating these indirect costs (measuring the cost of government services, establishing fees and charges, charging back the cost of internal services to departments/agencies, and requesting reimbursements under federal and state grants, when allowed). Regardless of the purpose of an indirect cost allocation, a systematic and rational methodology should be used to calculate the amounts allocated.

The Government Finance Officers Association (GFOA) encourages governments to allocate their indirect costs. There are a number of issues a government needs to address in connection with indirect cost allocation. Because of the varied reasons for which indirect cost allocations are performed, a one-size-fits-all approach typically is not possible. Therefore, the GFOA recommends that governments considering the allocation of indirect costs consider the following:

1. *Who should perform the allocation?* An indirect cost allocation can be performed either by the government's own staff or by an external party. Specific factors that should be considered in choosing between the two include:
 - In certain political environments, a government's constituents may be more accepting of an externally prepared cost allocation;
 - The optimal choice may depend on the purpose of the cost allocation (for example, departmental chargebacks vs. grant reimbursement);
 - Regardless of who prepares the cost allocation, management needs to be involved in the process and knowledgeable about the methodology used;
2. *What factors need to be considered if an external party is selected to perform the allocation?* If an external party is engaged to perform a cost allocation, the government should consider the following:
 - The need for independence may prevent the financial statement auditor from serving in this role;
 - The selected preparer should have knowledge and experience that is specifically relevant to the purpose for which the cost allocation will be used;
 - The government should obtain ownership of the final work product;
 - The government's staff should obtain at least a basic understanding of the process used to prepare the cost allocation;
 - The contract for services with the preparer should state whether the preparer will assist in negotiating with a grant provider, if necessary, and which party (the government or the preparer) would be responsible for any indirect costs that are ultimately disallowed; and
 - The government is responsible for having a system in place that ensures that data are appropriately classified in the accounting system.
3. *How often should an externally performed cost allocation take place?* An indirect cost allocation should be used for a maximum of three years (unless a law or regulation requires a shorter period). Moreover, an even shorter interval may be necessary based on the following considerations:
 - Complexity of the calculation;
 - Changes in grant requirements;
 - Purpose for which the allocation is to be used;
 - Implementation of a new enterprise resource planning (ERP) system;
 - A change in the government's administration; or
 - A structural change in the government.
4. *What factors need to be considered if a cost allocation is to be performed by the government's own staff?* If indirect cost allocation is to be performed by the government's own staff, a team approach normally is preferable. That team should consist of stakeholders from the government's departments/agencies and should have a designated team leader to make decisions when there are differing positions on the team and it is not possible to reach consensus. In addition:
 - The internal staff that works on the project should have knowledge and experience that is specifically relevant to the purpose for which the indirect cost allocation will be used. Likewise, it is important that internal staff be aware of all applicable laws and regulations if the cost allocation is to be used as the basis for requesting reimbursement under a grant;
 - The government should develop an educational process to ensure that the staff involved remain knowledgeable;
 - Agencies/departments of the government should be responsible for using classifications that identify direct costs to the greatest extent possible to maximize the amount recovered from grant providers, when applicable (as should also be true for externally prepared cost allocations); and
 - Data should be captured and documented contemporaneously to avoid audit problems that could otherwise arise as a result of subsequent data changes.
5. *Should the government use an indirect cost allocation plan or an overhead percentage rate?* There are pros and cons to using either an indirect cost allocation plan or an overhead percentage rate for recouping indirect costs, regardless of whether cost allocations are performed by an external party or by the government's own staff. Since an indirect cost allocation plan involves a greater level of detail and more complex calculations, a government should consider whether increased cost recovery from grantors would justify the extra effort.

Notes:

1 For example, a cost allocation used to chargeback costs to governmental departments/agencies may need to take place more frequently.

This best practice was previously titled Taking Advantage of Indirect Cost Allocations.

MINUTES

REGULAR MEETING OF APRIL 14, 2021 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Tim Callicrate on Wednesday, April 14, 2021 at 6:00 p.m. This meeting was conducted virtually via Zoom.

The presentation of the *Loss Control Excellence Program Award* was made by Marshall Smith, POOL/PACT Risk Manager. Chairman Callicrate congratulated the team and thanked Mr. Smith and the team for this recognition.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees Tim Callicrate, Sara Schmitz (absent), Matthew Dent, Kendra Wong, and Michaela Tonking.

Also present were District Staff Members Director of Finance Paul Navazio, Director of Community Services/Golf Darren Howard, Director of Public Works Brad Underwood, Engineering Manager Nathan Chorey, Interim Director of Human Resource Erin Feore, and General Manager Diamond Peak Ski Resort Mike Bandelin.

No members of the public were present in accordance with State of Nevada, Executive Directive 006, 016, 018, 021, 026 and 029.

C. INITIAL PUBLIC COMMENTS*

Dick Warren said he got thinking about the dynamics of Incline, specifically the interactions between the Board, Staff, the Public, and the Department of Taxation. It occurred to him that of these 4 organizations, the Public is doing a better job than the other three. One might disparage the Public, since they seem to be so negative about what IVGID does. But that is their right, they have an obligation to speak freely to the Board if they feel it is necessary. Most Trustees view public comments that are negative as not as important to those comments that are positive. But the frustrating part is that when members of the Public espouse something that is wrong with IVGID, no one ever comes back to point out why that accusation is incorrect, or correct. As an example, recently Aaron Katz asked the Board to agendize whether Recreational Facilities should be privatized. This was not well-

received. GM Indra came back and said "...I am not going to recommend to the Board to place this on the agenda....I do not agree that this is in the best interest of the Community nor what the majority of the Community would want..." Really? GM Indra is so clued into the Community that he understands how they think? Perhaps one should let the idea float to the Board and find out how the Community really feels. He suspects that Indra does not speak for the entire Community, but he certainly speaks for the communities within Incline Village that support him; think Golf Clubs, Community Programs that benefit others at the expense of Parcel Owners, etc. As we all know, Indra is good at giving OPM (Other People's Money, specifically the Parcel Unit Owners Rec Fees) to others (his friends within Incline) without making sure that he runs competent Venues. Those Rec Fees do tend to make the Venues look good, so why worry about how incompetent those Venues are run since the Rec Fees cover the inefficiencies of IVGID? Now that's why we have a Board, they should be making sure that IVGID is being run properly. But is that going on? He does not think so, when was the last time a Trustee asked a particularly probing question of Indra or his Managers. Many times he has mentioned, why doesn't the Board ask Staff, "Have you thought about outsourcing this function?" As an example, the Golf Venue is horribly run, but why are the Trustees so hesitant to ask these kinds of questions? Over the years the Department of Taxation has received many critical comments relating to the operations of IVGID, but have they ever stepped in to find out what's going on? Not at all, they just sit there and do nothing. This is the quandary, the Public is doing their job, Staff is not because the Board is afraid of Staff, and the Department of Taxation does nothing even if "problems" are communicated to them. The only heroes are the "Malcontents", those worthless, insufferable members of the Public that dare to challenge the Staff. And do they get support from the Board? No way Jose, the Board is nothing more than a rubber stamp for IVGID. The Board sucks. Thank you.

Margaret Martini said going over the agenda there are several items that need to be clarified: F.1 Why are we spending more and more money to hinder the release of information that has been deemed public by a neutral Court Master selected by the judge? This is a gross misuse of our IVGID recreation fee and it has been since the onset. There is no reason that these documents should be so secret and protected by the staff and board members of IVGID. How much more money are we going to throw at this and how much time will be spent. This is tantamount to concealment of information that potentially could be used in a criminal indictment which could make the concealment a criminal offense by the Board. You Board members are all participants and could be held responsible BY VOTING TO CONTINUE TO SUPPORT these legal actions. Just release the documents per the Court Masters order. Why are we concealing? Why are Board members not cooperating? Each and every one of you board members have the ability to review

those documents so you can't claim that you had no idea that there is criminal activity. If you don't thoroughly review them, it is negligence and if you continue to fund this lawsuit you are engaging in a coverup which in itself is a criminal offense. If there is damning information, and their surely must be, then let's just get it over with and face the consequences and stop paying more and more attorney fees to continue this concealment charade. Enough is enough OUR MONEY AND TIME. Why are you considering a budget that is totally flawed? Why would you even consider it? It is a revisit of the CAFR debacle. Present even though it is not ready for prime time. Then the board is expected to accept the content of a document that they know is incorrect and should not be accepting on behalf of the community. The whole financial dept is beginning to look like another Jerry Eick debacle. Why are we paying Navazio to give us the same kind of misstated financial information? We are going backward instead of forward in cleaning up the financial mess this district is in. Why isn't it on the agenda to hire a litigator to define the beach access? That was heavily discussed and now we are getting short on time to have the correct information. We have to hire a litigator because the current attorney for IVGID is not competent to give the information needed and the information that he does give he refuses to put in writing. The beach deed is a precious document and needs to be protected as it gives great value to our property. This is just another effort to shove something important under the carpet. Agree, say it, and don't deliver seems to be the new/old norm. Business as usual at IVGID.

Aaron Katz said he has several written statements to submit to be attached to the minutes. You don't approve a tentative budget that you know is faulty. You don't know every buried expense that Staff has proposed to you and we have been asking for how long to get this information. Staff is at fault. They have had months to submit meaningful budgets and they have failed. Instead we get dog and pony show presentations. He and others have pointed out and objected. Now your backs are up against a wall and you are being told no harm, no foul because a tentative budget is nothing more than a placeholder. It can be modified without prejudice well he wrote to each of you proving this representation is false. The tentative budget becomes the final if you are unable to agree on a final and if you modify the tentative you have to explain why. Are you going to tell the truth? Staff told you that the tentative budget is nothing more than a placeholder? He doesn't think so. Now, go to the proposed tentative budget, go to page 49 in the Board packet, proposed sources and uses is for the Community Service Fund, operating expenses proposed to increase 25% from last year's budget. Personnel costs are scheduled to increase 6.5%. Go to page 84 of the Board packet, proposed sources and uses for the Beach Fund, operating expenses are proposed to increase 10.2% over last year's budget. Personnel costs alone, proposed up 11.5%. Look at the Rec Fee and the Beach Fee in both funds – they are flat – nearly \$7 million of intentional overspending. Expenses at the Parks, not transferred to the General

Fund even though those facilities are available to the general public whether or not parcel owners and the \$672,646 of subsidies equals \$82 per parcel owner that they continue to be required to pay. This budget is garbage and it needs to end. Either refuse to approve the proposed tentative budget or reduce budget expenses by \$1 million in Community Services Fund and \$500,000 in the Beach Fund and tell our GM to figure it out. Stop forcing local parcel owners to subsidize the incompetence of Staff and the recreation user fees by the takers in our community. We have already discussed this – the golfers.

D. APPROVAL OF AGENDA (for possible action)

Chairman Callicrate asked for changes to the agenda; none were requested thus the agenda was approved as submitted.

E. REVIEW OF THE LONG RANGE CALENDAR (for possible action)

District General Manager Winquest went over the long range calendar; he recommended moving the meeting scheduled for Wednesday, April 28 to Thursday, April 29 or Tuesday, April 27 and went over the items tentatively scheduled for that meeting. This would move the Audit Committee meeting and Trustee Dent will work through that movement. Chairman Callicrate said moving to Thursday, April 29 works for him. Trustee Wong said that works for her however she would like to make it more permanent. District General Counsel Nelson said that Thursdays work for him. Trustee Tonking said she can't do April 29 but all other Thursdays are fine. Trustee Dent said he is fine and that he will talk to the Audit Committee members. Trustee Tonking said that she is available on Tuesday, April 27. District General Manager Winquest then said that a budget workshop is scheduled for May 5 and asked if we could start earlier in the day and suggested a 12 noon start and asked that everyone set aside three to four hours for that workshop. Trustee Dent said he could make 3:30 p.m. work as a start time and closer to 4 p.m. the better.

F. DISTRICT GENERAL COUNSEL UPDATE (for possible action)

**F.1. District General Counsel Joshua Nelson – Mark Smith vs IVGID:
Case No. CV18-01564 – Board requested payment record update
– informational only**

District General Counsel Nelson said that the Board requested an updated spreadsheet which is included in the Board packet. There were no questions from the Board of Trustees regarding this information.

G. REPORTS TO THE BOARD*

G.1. Tri-Strategies Verbal Legislative Update (for possible action)

Eddie Ableser and Paul Klein gave a brief overview of the submitted report and provided the following update:

- ✓ ACR4 – April 20 is the deadline to move from the Assembly to Senate, not seen this bill move yet.
- ✓ AB63 – Bill has moved and passed the Assembly unanimously.
- ✓ SB22 – Has an exception relating to deadlines, is a 2/3 bill, and hasn't moved through the process.
- ✓ AB276 – This bill was heard, hasn't move through the process, and was opposed by many cities and towns.
- ✓ Two special sessions will be occurring – one on the census and redistricting and one dealing with the American Recovery package and that allocation. The Governor's office is currently soliciting how to spend these dollars and now is the time to consider submitting a proposal and they could assist with that submittal.

District General Manager Winquest said that he has been getting updates and feedback and has not authorized them to push in any direction any legislation and stated that the District is in good shape right now with their monitoring. He is going to do some work on the stimulus as he thinks there is an opportunity to possibly take advantage of that funding but he won't do anything until we get direction from the Board. Chairman Callicrate said thank you and that he had no additional questions. Trustee Wong said for the stimulus – can you send us guidelines for what they are considering as there are lots of things that it would be great to get monies to support. Mr. Ableser said there is a document that can be provided and noted that the State wanted to do a lot with infrastructure. It is one shot funding and single expense funding is something they want to invest in. Chairman Callicrate asked that the Board get this information. Mr. Ableser confirmed that direction.

G.2. Treasurers Report (for possible action)

G.2.A. Payment of Bills (for possible action)

Trustee Tonking said she looked at the financials and will reach out to the Director of Finance to get a couple of questions answered. There were no

concerns on the payments included in the packet. The Board had no questions.

H. CONSENT CALENDAR (for possible action)

H.1. Golf Rates – Conformed to the Board of Trustees request made at their March 31, 2021 Board of Trustees meeting (Requesting Staff Member: Director of Community Services/Golf Darren Howard)

Trustee Wong made a motion to approve the Consent Calendar item. Trustee Tonking seconded the motion. Chairman Callicrate called the question and the motion was passed unanimously.

I. GENERAL BUSINESS (for possible action)

I.1. Receipt of Fiscal Year 2021/2022 Tentative Budget (Requesting Staff Member: District General Manager Indra Winquest and Director of Finance Paul Navazio)

District General Counsel Nelson gave a brief reminder of the agenda item and noted that it is the receipt of the tentative budget. District General Manager Winquest gave a brief introduction to the submitted materials. Director of Finance Paul Navazio gave an overview of the tentative budget via a PowerPoint presentation which will be posted on the website after the meeting. The following comments/questions were made/asked during the presentation:

Trustee Dent: Reference agenda packet pages 131/132 – he would like to get clarity on this list because, as examples, neither the Waste Management or the CMAR contracts are listed.

Director of Finance Navazio: Staff has had this discussion with the State of Nevada and there are two forms on contracts; one is focused on contracts for professional services and what doesn't need to be included are capital projects contracts. There is a narrow definition and it is services that can't be provided by employees. Staff can revisit this with the State of Nevada to ensure compliance.

Trustee Dent: It seems like the contract with Waste Management would fall under that category.

Director of Finance Navazio: Waste Management is a franchise agreement and thus is technically not a contract for services however he will follow up on that point.

Trustee Dent: Reference agenda packet page 39 – Services and Supplies – this has increased, why?

Director of Finance Navazio: The budget and actuals were reduced because of COVID-19 and that he needs to look at the detail as it is the broadest category. The biggest increase is in moving a significant amount of the computer licenses and subscriptions, almost \$300,000, into services and supplies and that agenda packet page 137 is where the line items are.

District General Manager Winquest: For Fiscal Year 2019/2020, fourth quarter, we cut out all spending as that is when COVID-19 hit and that this is based on the pre-COVID-19 budget of 2019/2020.

Trustee Dent: What is the timeline for the Raftelis report?

Director of Finance Navazio: Sometime before the end of June and that he thinks that a Request for Quotation is being drafted for a rate consultant. The longer we delay, the sharper the rate increase. The Board of Trustees had had discussion about capital and should the Board of Trustees proceed with a plan to issue some debt for the pipeline project, any increase would be offset by the capital component assuming that the Board of Trustees would be comfortable with debt over a 30 year +/- repayment schedule. Staff is working towards that goal.

Trustee Dent: Reference agenda packet page 57 – Do we have a sources and uses sheet for Facilities?

Director of Finance Navazio: Yes, it was provided in the supplemental information, page 61A.

Director of Finance Navazio completed his presentation and there were no further comments.

Trustee Wong made a motion to receive a report on the Tentative Budget for FY2021-22 to be filed with the Department of Taxation (Form 4404LGF) by April 15, 2021, as required by NRS 354.596 and schedule a follow-up Board budget workshop to inform revisions to the Tentative Budget prior to consideration of the District's Final Budget for FY2021/22. Trustee Tonking seconded the motion. Chairman Callicrate asked for comments, none were made so he called the question – the motion was unanimously passed.

J. APPROVAL OF MINUTES (for possible action)

J.1. Meeting Minutes of March 31, 2021

District Clerk Susan Herron said that the minutes and the packet have been updated on the website with complete statements from Mr. Katz. Chairman Callicrate asked for any other changes; none were received so the minutes were approved as revised.

K. REPORTS* (Reports are intended to inform the Board and/or public)

There are no Reports for this agenda.

L. FINAL PUBLIC COMMENTS*

Margaret Martini passed on her opportunity to speak.

M. ADJOURNMENT (for possible action)

The meeting was adjourned at 8:11 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Aaron Katz – Written statement to be included in the written minutes of this April 14, 2021 regular IVGID Board meeting – Agenda item C – Public Comments – The tens of thousands of dollars of our Recreation (“RFF”) and Beach (“BFF”) facility fees which are needlessly spent on membership dues in all sort of third party organizations – here the Incline Village Crystal Bay Community & Business Association

Submitted by Aaron Katz – Written statement to be included in the written minutes of this April 14, 2021 regular IVGID Board meeting – Agenda item C – Public Comment – Ski Way and the Tyrolean Village Homeowners’ Association

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Submitted by Aaron Katz – Written statement to be included in the written minutes of this April 14, 2021 regular IVGID Board meeting – Agenda item I(1) – Receipt of Staff’s proposed 2021-22 tentative budget

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF
THIS APRIL 14, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM
I(1) – RECEIPT OF STAFF’S PROPOSED 2021-22 TENTATIVE BUDGET**

Introduction: Here staff propose the Board receive staff’s “Tentative Budget for FY2021-22” and direct it “be filed with the Department of Taxation (“NDOT”)...by April 15, 2021 (tomorrow) as required by NRS 354.596¹, and schedule a follow-up Board budget workshop to...revis(e)...the Tentative Budget...(because) there remain...a number of outstanding budget issues that (require)... further discussion...prior to presenting a final budget for Board approval in late May.”² Because I object to the approval of this Tentative Budget, this written statement is submitted.

Possible Open Meeting Law (“OML”) Violation: In contrast to the action staff propose the Board take at tonight’s meeting (see above), listen to their description at item I(1) of the agenda:

“Receipt of Fiscal Year 2021/2022 Tentative Budget.”³

The Board doesn’t need an agenda item designation to merely “receive” staff’s proposed Tentative Budget. It only needs to agendize general business items for “possible action.” Given NRS 354.596 instructs that

“(1) The governing body shall cause to be prepared, on appropriate forms prescribed by the Department of Taxation...a tentative budget for the ensuing fiscal year...(and 2) on or before April 15, a copy of the tentative budget must be submitted: (a) To the Department of Taxation,”

the action the Board needs to take is formal *approval* of a tentative budget, and *submittal* to the NDOT. But as described above, that’s not what the agenda states.

Given NRS 241.020(3)(d)(1)⁴ instructs that

“Notice of all meetings must...include...an agenda consisting of: (1) a *clear and complete statement of the topics scheduled to be considered* during the meeting,”

the question I raise is whether the agenda clearly and completely states that possible action includes *approval* of a tentative budget, and direction that staff actually *submit* the same to the NDOT?

¹ Go to <https://www.leg.state.nv.us/division/legal/lawlibrary/NRS/NRS-354.html#NRS354Sec596>.

² See pages 030-031 of the packet of materials prepared by staff in support of this Board meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0414_-_Regular_-_Searchable_.pdf (“the 4/14/2021 Board packet”).]

³ See page 02 of the 4/14/2021 Board packet.

⁴ Go to <https://www.leg.state.nv.us/nrs/nrs-241.html#NRS241Sec020>.

Approval of the proposed budget for submittal to the NDOT would certainly be “possible action” requiring agendaization. But that’s not what has been agendaized. For this reason, if the Board makes a motion to approve a Tentative Budget and direct staff to have it filed with the NDOT (something I fully expect to happen), it will be taking action beyond the “clear and complete” description in the agenda and IMO committing a likely OML violation. Therefore it should not.

Moreover, the Board Should Not Approve a Tentative Budget it Knows is Faulty: Staff has had months and months to propose an acceptable Tentative Budget. Notwithstanding, I and others have criticized staff for not conscientiously addressing the problems with past budgets and how staff propose they be replicated here via its “baseline budget.” But our criticisms have been ignored. And now the public is facing adoption of an admittedly faulty tentative budget only because it is due tomorrow. I say that since staff created the problem, let them deal with the consequences. *Do not pass a tentative budget you know is faulty.* It’s irresponsible.

Staff’s Opinion That There is No Adverse Consequence to Passage of a Faulty Tentative Budget is Wrong: Staff states that there is no adverse consequence to approving a knowingly faulty tentative budget because its “filing does not commit or restrict the District from modifying the budget prior to adoption of the final FY2021-22 Budget.”⁵ But that’s not an accurate assessment. NRS 354.598(2)⁶ states as follows:

“Should the governing body fail to adopt a final budget that complies with the requirements of law and the regulations of the Committee on Local Government Finance on or before the required date (June 1), the budget adopted and used for certification of the combined ad valorem tax rate by the Department of Taxation for the current year (the tentative budget), adjusted as to content and rate in such a manner as the Department of Taxation may consider necessary, *automatically becomes the budget for the ensuing fiscal year.* (And) when a budget has been so adopted by default, *the governing body may not reconsider the budget without the express approval of the Department of Taxation.*”

Faced with the possibility that the Board may not be able to agree upon modifications to the subject faulty tentative budget, there is a consequence to adopting the subject tentative budget, and its not good. For this reason there should be no approval of a tentative budget until it is right.

Do You Realize Staff’s Proposed Tentative Budget *Increases* Total Community Services Operating Expenses Over Last Fiscal Year’s Budget by Over 25%? That’s right! A proposed \$22,717,841 for FY2021-22 versus \$18,149,871 for FY2020-21⁷.

⁵ See page 030 of the 4/14/2021 Board packet.

⁶ Go to <https://www.leg.state.nv.us/division/legal/lawlibrary/NRS/NRS-354.html#NRS354Sec596>.

⁷ See page 049 of the 4/14/2021 Board packet.

Do You Realize Staff's Proposed Tentative Budget *Increases* Community Services Personnel Expenses Over Last Fiscal Year's Budget by Over 6.5%? That's right! A proposed \$9,673,113 for FY2021-22 versus \$9,082,964 for FY2020-21⁷.

Do You Realize Staff's Proposed Tentative Budget *Increases* Recreation Facility Fees ("RFFs") Over Last Fiscal Year's Budget by Over 202%? That's right! A proposed \$5,331,950 for FY2021-22 versus \$1,763,645 for FY2020-21⁷.

Do You Realize Staff's Proposed Tentative Budget *Increases* Total Beach Operating Expenses Over Last Fiscal Year's Budget by Over 10.2%? That's right! A proposed \$2,101,620 for FY2021-22 versus \$1,906,299 for FY2020-21⁸.

Do You Realize Staff's Proposed Tentative Budget *Increases* Beach Personnel Expenses Over Last Fiscal Year's Budget by Over 11.5%? That's right! A proposed \$1,150,884 for FY2021-22 versus \$1,032,023 for FY2020-21⁸.

Do You Realize Staff's Proposed Tentative Budget *Increases* Beach Facility Fees ("BFFs") Over Last Fiscal Year's Budget by Nearly 112%? That's right! A proposed \$1,394,640 for FY2021-22 versus \$658,580 for FY2020-21⁸.

Even if There is No Proposed Increase in the Combined RFF/BFF, There is No Reduction:

And Notwithstanding, Staff Propose That the Community Services Fund Balance Will Increase by Nearly \$1.8 Million: Take a look at page 094 of the 4/14/2021 Board packet. This is a statement of income, expenses and change in net position. Do you see the budgeted net income after budgeted expenses of \$1,778,789? This means that in order to create a balanced budget, staff propose assessing local parcel/dwelling unit owners nearly \$1.8M *more* in RFFs than necessary! ***Now why would any Board which cared about the interests of local parcel/dwelling unit owners do anything like this?***

Stated Differently, Why Would Any of You Ever, Ever, Ever Vote to Irresponsibly *Increase* Staff's Overspending AGAIN While Unnecessarily Keeping the Combined RFF/BFF Flat?

And What Happened to Shifting Park Overspending to the General Fund and Eliminating the RFF Subsidy For Parks Given Staff's Proposed Tentative Budget Subsidizes \$672,646 of Overspending With the RFF⁹? Didn't you tell the public Trustee Schmitz that because user fees are not charged to access and use the District's public parks, and they're available to be accessed and used by the general public as a whole rather than just the owners of those parcels/dwelling units which are assessed the RFF, the expenses associated with those parks should be assigned to the District's General Fund and financed by the *ad valorem* and consolidated taxes assigned to that fund?

⁸ See page 084 of the 4/14/2021 Board packet.

⁹ See page 077 of the 4/14/2021 Board packet.

What happened? Staff proposes that \$672,646 of the RFF be assigned to the Parks sub-fund to subsidize a comparable amount of overspending. That's \$82/parcel/dwelling unit owner!

I guess what the Board is really telling local parcel/dwelling unit owners is what former Finance Director Gerry Eick told us in the past. That is that we should consider our involuntary RFF contribution to be our substitute for a user fee.

Where's the Comprehensive Line Item Disclosure of Each and Every Proposed Expense That is Included in the Community Services and Beach Tentative Budgets? Yes at pages 134-173 of the 4/14/2021 Board packet staff have a cursory attempt to provide a line item disclosure of income and expenses assigned to the District's various funds. But the disclosure is inadequate. I and others I know have requested disclosure of each and every such budgeted expense. How else can I and others in our community see what has been budgeted for employee donuts and meals charged to their District procurement (credit) cards because they've had a tough week?

Where's the Elimination of Marketing? I and others have been asking that this expenditure of some \$1 million annually be eliminated altogether! If the District's recreational venues are supposed to be primarily for "the inhabitants...of (Incline Village, Crystal Bay) and of the State of Nevada" as NRS 318.015(1) instructs, why are local parcel/dwelling unit owners being *involuntarily* assessed to promote those venues to the world's tourists?

Where's the Elimination of Wasteful Capital Improvement Projects ("CIPs")? \$50,000 for so called electrical improvements to the Mountain Course maintenance building¹⁰ which are really nothing more than unnecessary improvements required to accommodate electric powered carts should the Board seek to consider their use in the future, \$90,000 worth of dumpster enclosures (\$45,000/each) at Aspen Grove¹⁰ and Burnt Cedar Beach¹¹, \$15,000 worth of playground equipment (\$7,500/each) at the beaches¹¹ and Preston Field¹², \$720,000 of locker room improvements at the Recreation Center¹², \$32,000 for a replacement for a four (4) year old (2017) compact Chevrolet SUV¹², \$53,000 for fitness equipment (which essentially never wears out yet gets summarily replaced year-after-year) at the Recreation Center¹², \$32,000 of upstairs bathroom remodels at the Recreation Center¹², \$75,000 for a community dog park which neither exists nor is budgeted to exist in the next year¹², \$500,000 of Ski Way pavement replacement we all know isn't going to take place in the next year¹², etc., etc. CIPs like these are nothing more than a wish list we all know are not only unnecessary, but will not be prosecuted in the next year. In other words notwithstanding they would be simple to excise and thus reduce the RFF/Beach Facility Fee ("BFF"), our staff will never, never, suggest the same.

¹⁰ See page 105 of the 4/14/2021 Board packet.

¹¹ See page 107 of the 4/14/2021 Board packet.

¹² See page 106 of the 4/14/2021 Board packet.

Conclusion: So what have we learned? Staff have done little present a half way acceptable tentative budget. They've done nothing towards suggesting a zero based budget, nor reducing unnecessary and wasteful costs. They've done nothing towards reducing the RFF/BFF. Instead, start out with last year's wasteful budget and simply add on for perceived cost of living increases. Yet when it comes to personnel costs, there can be no cost cutting nor outsourcing. And then to add insult to injury, staff propose budgeting for a RFF subsidy which includes nearly \$1.8 million than required. And this is supposed to be acceptable? The only way to reduce meaningful expenditure reductions is to reduce revenues and let staff deal with the consequences. However, that means not approving the proposed tentative budget.

And to those asking why our Recreation ("RF") and Beach ("BFF") Facility Fees are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

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**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF
THIS APRIL 14, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM C
– PUBLIC COMMENT – SKI WAY AND THE TYROLEAN VILLAGE HOME-
OWNERS’ ASSOCIATION**

Introduction: At the Board’s October 14, 2020 meeting I submitted a written statement which gave a history and an analysis of the upcoming problems with the pavement at Diamond Peak and Ski Way¹ which according to staff, the latter “is at (the) end of (its) structural life and must be reconstructed.”²

In that written statement I outlined how on June 29, 1976 the IVGID Board exercised an option to purchase what is Diamond Peak today³ from Japan Golf Promotion (U.S.A.), Inc.⁴ (“JGP”). That purchase included the portion of Ski Way from its intersection at First Green Drive to the entrance to today’s Tyrolian Village (renamed Tirol Drive).

I outlined that Tyrolian Village is a PUD⁵ consisting of 322 or more detached dwelling units⁶, and its primary point of ingress begins at the northeastern end of Ski Way at the intersection with Tirol Drive.

¹ See pages 228-242 of the packet of materials prepared by staff in anticipation of the Board’s November 18, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/1118_-_Regular_-_Searchable.pdf (“the 11/18/2020 Board packet”)].

² See page 14 of the packet of materials prepared by staff in anticipation of the Board’s October 14, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/1014_-_Regular_-_Searchable.pdf (“the 10/14/2020 Board packet”)].

³ “In 1985...Ski Resort Manager Jurgen Wetzstein led the development of the upper mountain (at Ski Incline) and oversaw the addition of the mile-long Crystal Quad chairlift...Because its skiing terrain changed so dramatically with the addition of mostly advanced runs on the upper mountain, the resort’s name was changed to ‘Diamond Peak at Ski Incline’...As time passed, the name ‘Diamond Peak’ stuck and ‘Ski Incline’ was retired to the history books” (see <https://www.diamondpeak.com/about/diamond-peak-history>).

⁴ JGP purchased Ski Incline from Boise Cascade Home and Land Corporation (“Boise Cascade”) in 1973.

⁵ In Incline Village this is a nice name for a detached dwelling unit condominium development known as a “planned unit development” or “PUD.”

⁶ Although it is difficult to definitively determine the number of dwelling units within Tyrolian Village, I did come across a building permit application on the TRPA web site (go to <https://parcels.laketahoeinfo.org/Parcel/FactSheet/126-540-31>) for construction of a garage on common property. In the discussion of that application, it is recited that there are 322 parcels connected to this common property.

For years the residents, guests and invitees of Tyrolean Village have been using the subject portion of Ski Way for their access into and out of their development. And they've paid nothing for its maintenance and repair. Because this is terribly unfair to the 7,900 or so other Incline Village/Crystal Bay property owners within IVGID's boundaries as they have been made to pay for that maintenance and repair, and at the instance of our General Manager ("GM"), members of the Tyrolean Village HOA ("TVHOA") apparently held a meeting with staff the first of the year to discuss these inequities. TVHOA representatives gave staff a January 22, 2021 letter directed to trustees⁷ which outlined their position on the subject matter, and that letter is the purpose of this written statement.

Reiterated History of the Subject Roadway: On September 24, 1959 two CPAs from Oklahoma (Eugene Jordan and Arthur Wood) exercised an assigned option (assigned by John Maloney) to purchase 9,000+ acres of mostly pristine, undeveloped land (what is known today as Incline Village, NV.) from legendary George Whittel, Jr.⁸ Within a month the land was transferred to fifty (50) or so investors through their entity Crystal Bay Development Co. ("CBDC") In anticipation, the principals of CBDC and their attorney, Robert McDonald, were successful in lobbying the State Legislature to allow for the creation of general improvement districts ("GIDs") via the General Improvement District Law⁹. By the next year (1960), CBDC was successful in subdividing a portion of these lands into 1,700 residential lots¹⁰, and by the next year (1961) the principals of CBDC were successful in lobbying the Washoe County Board of Commissioners into creating the Incline Village General Improvement District, effective June 1, 1961¹¹. There was no such thing as Tyrolean Village (which according to the Tyrolean Village web site¹² did not come into existence until 1968).

According to the Diamond Peak web site, today what is known as Diamond Peak (initially it was known as Ski Incline) didn't open its doors for business until November 19, 1966¹³. According to former Incline Village resident and historian Ken Kidwell, Ski Incline was owned at the time by CBDC because on June 4, 1967, CBDC sold all of its remaining Incline Village properties but for the beaches¹⁴

⁷ That letter is attached as Exhibit "A" to this written statement.

⁸ Go to <https://ivgid101.com/early-years-2/>.

⁹ See NRS 318.010.

¹⁰ Go to <https://www.clubtahoe.com/history-of-incline-village/>.

¹¹ Go to <https://www.yourtahoeplace.com/ivgid/about-ivgid/history-of-ivgid>.

¹² Go to <https://tyroliavillage.org/2018/11/14/tyrolian-village-50th-anniversary-continues/>.

¹³ See <https://www.diamondpeak.com/about/diamond-peak-history>.

¹⁴ Apparently the beaches were transferred to Incline Development, Inc., the successor to CBDC (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/Beach_Deed.pdf).

to Boise Cascade Home & Land Corporation¹⁵ (“Boise Cascade”). Given the minutes of the IVGID Board’s June 13, 1968 meeting reflect that Incline Village, Inc.’s vice-president and GM, Donald Marek was introduced to the Board to discuss future subdivision development; and according to long time resident and former IVGID Trustee Gail Krolick’s Alpine Realty web site, “Boise Cascade...bought out the Crystal Bay Development” Co.¹⁶; I presume Boise Cascade took title to its Incline Village properties through its development entity, Incline Village, Inc.

The minutes to the IVGID Board’s June 13, 1968 meeting reflect that Mr. Marek’s introduction was for purposes of “acquaint(ing)...Board members with the cluster planning concept of development¹⁷ (envisioned)...for...future (Incline Village) subdivision” development. Given the proximity in time, I presume that development was Tyrolean Village. At the time the primary thoroughfare into/ out of what would become Tyrolean Village was and is currently along the portion of Ski Way acquired by IVGID when it purchased Ski Incline from JGP (see discussion below).

The History of the Subject Portion of Ski Way: When IVGID purchased Ski Incline, the portion of Ski Way included in that purchase was privately owned. This fact tells me that this portion of Ski Way has always been privately owned. In 1966 when Ski Incline was constructed by CBDC; in 1967 when Ski Way and what would become Tyrolean Village were sold to Boise Cascade; in 1968 when Tyrolean Village was first developed; in 1973 when Ski Incline was sold to JGP¹⁸; and, in 1976 when Ski Incline was sold to IVGID. Although shortly after the District acquired Ski Incline staff made an attempt to secure county dedication of the subject portion of Ski Way¹⁹, its application was denied because the road did not meet Washoe County specifications²⁰.

The TVHOA’s Assertion the Subject Portion of Ski Way Was Originally a County Road is Not Supported by Fact: In the TVHOA letter attached as Exhibit “A” to this written statement, Mr. McManus asserts his belief “that TVA was created while Ski Way was a (Washoe) county road and as such (its) maintenance obligation was the responsibility of the county at that time.” However I and others I know find these statements to be incredulous given Mr. McManus admits that “we have reviewed our files and have found no contract or property deed obligation” either in favor of the TVAHOA, or Washoe County! Moreover, the history of the subject portion of Ski Way reveals it has always been a private roadway. Without evidence that the subject portion of Ski Way at any time

¹⁵ See page 380 of the packet of materials prepared by staff in anticipation of the Board’s September 23, 2015 meeting [“the 9/23/2015 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-23-2015.pdf)].

¹⁶ Go to <http://alpinerealtytahoe.com/area-resources/>.

¹⁷ I presume this to be “Planned Unit Development” (“PUD”) which is so prevalent in Incline Village.

¹⁸ See <https://ivgid101.com/how-and-when-ivgid-acquired-diamond-peak/>.

¹⁹ See the minutes of the IVGID Board’s February 24, 1977 meeting.

²⁰ See the minutes of the IVGID Board’s May 26, 1977 meeting.

belonged to Washoe County, Mr. McManus' "belief" is nothing more than speculation and as such, it is unenforceable.

The TVHOA's Assertion the District Has Entered Into an Agreement With Some Unidentified Third Party to Maintain, Repair and Plow the Subject Portion of Ski Way is Not Supported by Fact: In the TVHOA letter attached as Exhibit "A" to this written statement, Mr. McManus declares that "the maintenance obligation (of the subject portion of Ski Way i)s the responsibility of" IVGID because of some agreement the District allegedly entered into with some unidentified third party "to takeover maintenance of that portion of the road...after the creation of TVA." However I and others I know find these statements to be incredulous given Mr. McManus admits "we have reviewed our files and have found no contract or property deed obligation" either in favor of the TVAHOA, or IVGID! Moreover, I have made a public records request to examine any such agreement and have been advised by Ms. Herron that none exists. Without evidence of such an agreement, Mr. McManus' declaration is nothing more than speculation and as such, it is unenforceable.

The TVHOA's Assertion it Was Intentionally Excluded From the Alleged Agreement the District Entered Into to Maintain, Repair and Plow the Subject Portion of Ski Way is Not Supported by Fact: In the TVHOA letter attached as Exhibit "A" to this written statement, Mr. McManus asserts that "TVA was purposefully excluded from the maintenance and snow removal agreement" referenced above. However, I and others I know find this assertion to be incredulous given the lack of any evidence that such an agreement exists. Without evidence of such an agreement, Mr. McManus' assertion is nothing more than speculation and as such, it is unenforceable.

The TVHOA's Assertion its Financial Condition Precludes its Contribution Towards the Maintenance, Repair and Plowing of the Subject Portion of Ski Way is Irrelevant: In the TVHOA letter attached as Exhibit "A" to this written statement, Mr. McManus asserts "TVA's financial condition...preclude(s its) ability to subsidize any construction even if it (i)s deemed necessary and prudent." However, I and others I know are aware of no legal theory which exempts the TVHOA from the financial obligation to pay for the maintenance, repair and plowing of a roadway which in part if not in whole specially benefits (to the exclusion of the overwhelming majority of other property owners within the boundaries of IVGID) the owners, residents, guests and invitees of property located within TVHOA.

The TVHOA's Assertion "Current Economic Uncertainties" Preclude its Contribution Towards the Maintenance, Repair and Plowing of the Subject Portion of Ski Way by Way of Special Assessment is Irrelevant: In the TVHOA letter attached as Exhibit "A" to this written statement, Mr. McManus similarly asserts that "given the current economic uncertainty a special assessment is not feasible." However for the reasons stated above, I and others I know are aware of no legal theory which exempts the TVHOA from the passing a special assessment which creates funds to pay for the maintenance, repair and plowing of a roadway which in part if not in whole specially benefits the owners, residents, guests and invitees of property located within TVHOA.

For the Reasons Stated, the TVHOA's Refusal to Contribute Towards the Maintenance, Repair and Plowing of the Subject Portion of Ski Way is Arrogant: In my mind it makes the owners of these properties "takers." In other words, they demand that their neighbors subsidize the cost of their ingress and egress into/out of Tyrolean Village. This is a mentality which plagues this community it simply needs to end!

Given IVGID Possesses the Express Powers to Furnish Streets and Roadways, and to Charge Rates, Tolls and Charges For Their Use, the Board Should Immediately Establish Tolls For Tyrolean Village Homeowners'/Their Tenants', Guests' and Invitees' Use of the Subject Portion of Ski Way: Given the County Board granted IVGID the power "to build roads within the District to Washoe County specifications,"²¹ NRS 318.116(7) expressly instructs that the District may "furnish...streets and alleys, as provided in NRS 318.120." NRS 318.120(1) instructs that "the board shall have the power to grade and regrade and to surface and to resurface streets, alleys and public highways, and parts thereof...and to acquire street and alley improvements necessary and incidental thereto. NRS 318.120(2) instructs that "such street, alley and public highway improvements may include, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, driveway inlets, curb cuts, curbs, sidewalks, gutters, valley gutters, catch basins, culverts, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, artificial lights and lighting equipment, grade separators, traffic separators, traffic-control equipment, off-street parking facilities and structures, parkways, canals and other water type streets, or any combination thereof." NRS 318.145 instructs that "the board shall have the power to operate, maintain and repair the improvements acquired by the district, including, without limitation, the maintenance and repair of dedicated streets and alleys and the removal of snow therefrom."

And given NRS 318.197(1) expressly instructs that "the board may fix, and from time to time increase or decrease...refuse rates, tolls or charges other than special assessments, including, but not limited to, service charges...for services or facilities furnished by the district," "IVGID is empowered to determine what facilities and services it should offer (and)...it may set rates, tolls and fees to be charged for the provision of those facilities and services."²²

The Board owes local parcel owners the fiduciary duty to charge Tyrolean Village homeowners, renters, guests and invitees tolls for their use of the subject portion of Ski Way. Again I ask our GM and Board chairperson to agendize for possible action by the Board the assessment of those tolls.

²¹ Go to <https://www.yourtahoeplace.com/ivgid/about-ivgid/history-of-ivgid>.

²² Go to <https://www.yourtahoeplace.com/ivgid/about-ivgid>.

Conclusion: As I stated at the Board's October 14, 2020 meeting, before the Board embarks upon another \$5.3 million²³ or greater boondoggle at local property/dwelling unit owners' expense, it needs to conduct a comprehensive study as to the rights and obligations of Tyrolian Village's property/dwelling unit owners. It also needs to investigate what's necessary to bring Ski Way up to Washoe County specifications so it can be dedicated to the County to shift the cost of maintenance and repair from local property/dwelling unit owners. The arrogant attitude of TVHOA members which is displayed in the January 22, 2021 letter attached as Exhibit "A" to this written statement is stunning and in my opinion needs to be addressed equally stunningly.

And For Those Asserting How Much of a "Cash Cow" Diamond Has Been to IVGID Over the Last Several Years, Now That You Know the Truth, What Kind of Cow Do You Think it is Now?

To those asking why our Recreation ("RFF")/Beach ("BFF") Facility Fees are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

²³ See page 56 of the packet of materials prepared by staff in anticipation of the Board's October 14, 2020 meeting ["the 10/14/2020 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/1014_-_Regular_-_Searchable.pdf)].

EXHIBIT "A"

TYROLIAN VILLAGE ASSOCIATION, INC.

PO Box 5913 • Incline Village, NV 89450
(775) 831-5428

January 22, 2021

Incline Village General Improvement District
893 Southwood Blvd
Incline Village, NV 89451

Dear IVGID Trustees:

Representatives of the Tyrolian Village Association, Inc.'s ("TVA") Board of Directors (Michael Richardson and myself) and TVA's Manager, Vojko Lapanja, meet with Indra Winqest and Nathan Chorey to review the proposed changes to Ski Way between Fairway and the TVA entrance currently being discussed by the IVGID Trustees. Following that meeting, we presented the proposed changes to the full TVA Board and TVA homeowners in attendance. The following is a summary of the consensus opinions expressed during the meeting. Please note these are only a summary of opinions of the participants at the meeting and not an official statement or resolution from TVA.

Roundabout at Ski Way and Fairview

The Board and homeowners were highly supportive of changes to this intersection. It was a general consensus that this intersection is currently highly dangerous and changes are needed to improve the safety of the intersection. It was noted that most of the year, it not possible to see the road markings and drivers unfamiliar with the intersection do not know when or where to yield. Most homeowners indicated that they believe this intersection maybe the most dangerous in Incline Village.

Roundabout at the bottom of the Diamond Peak parking lot

The Board and homeowners were highly concerned about the impact of a roundabout if it were built at this intersection. While the intersection does have significant issues, the general consensus was that the area is very narrow and there is concern that a safe and effective roundabout could not be built in this area. Further concerns were noted regarding the ability for proper snow removal of such a narrow roundabout to occur and some residents noted that it may result in significant traffic issues within the roundabout as guests visiting Diamond Peak may use the roundabout as a drop off area. Several residents indicated that the proposed roundabout appears to be smaller than the area where roundabouts were built on Highway 28 in Kings Beach which have been notoriously known as causing more problems than they have solved.

Roundabout above Diamond Peak at the Entrance of TVA

The Board and homeowners in attendance were unanimous in their opposition to a roundabout at this location. The primary opposition was a concern that requiring even a slight turn for residents of TVA into the roundabout as they come down the hill at Ski Way during the winter could be highly dangerous. Our speed limit is currently 15 miles per hour within TVA but even at those speeds there was a concern that it would be difficult to begin a turn into a roundabout during the winter months when ice maybe on the roads and such a roundabout would likely increase traffic in this area as more Diamond Peak guests would try to use the upper Diamond Peak parking lot and if it was full would use the roundabout while currently such traffic is very limited. Additional matters of concern were 1) the

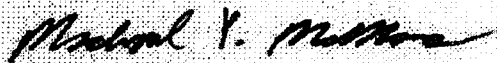
narrow space available to build a roundabout at the location as well as 2) a concern that construction maybe a challenge due to erosion issues on the hill above the road as well as along the creek on the other side of the road. The same concerns about the ability to provide proper snow removal were also echoed for this roundabout. In addition, the cost of such a roundabout did not seem to be supported by the extremely limited benefits to Incline Village and TVA residents it would provide.

It has also come to our attention that certain residents of Incline Village have suggested that TVA should be responsible for a portion of the maintenance of Ski Way and/or a portion of any changes made to Ski Way. TVA disagrees that any obligation exists. We have reviewed our files and have found no contractual or property deed obligation and per our research we believe that TVA was created while Ski Way was a county road and as such the maintenance obligation was the responsibility of the county at that time and supported by the payment of property taxes by TVA homeowners. We believe the agreement for IVGID to takeover maintenance of that portion of the road occurred after the creation of TVA and as such TVA was purposefully excluded from the maintenance and snow removal agreement as it would be punitive to make TVA residents pay an additional cost above and beyond the property taxes our residents pay for a change that was benefiting IVGID (ie Diamond Peak).

In addition, TVA's financial condition would preclude our ability to subsidize any construction even if it was deemed necessary and prudent and given the current economic uncertainty a special assessment is not feasible.

If you have any questions or would like to discuss the views of the TVA Board, please feel free to call me directly at 775-298-1550 or Vojko Lapanja, TVA's Manager, at 775-831-5345.

Sincerely,



Michael McManus

President

Tyrolian Village Association, inc.

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS APRIL 14, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – THE TENS OF THOUSANDS OF DOLLARS OF OUR RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES WHICH ARE NEEDLESSLY SPENT ON MEMBERSHIP DUES IN ALL SORTS OF THIRD PARTY ORGANIZATIONS – HERE THE INCLINE VILLAGE CRYSTAL BAY COMMUNITY & BUSINESS ASSOCIATION

Introduction: IVGID staff repeatedly tell the Board and the public that the purpose of the RFF/BFF are to make the public’s recreational and beach facilities “available” to be accessed and used by the owners/occupants of those parcels/dwelling units involuntarily assessed¹. However, that’s not true. As I have demonstrated so many times before², they pay for the difference between budgeted revenues and intentional overspending selectively assigned by staff to the District’s Community Services and Beach Funds, respectively. In fact, ever since former Finance Director Gerry Eick invented the term “smoothing,”³ the RFF/BFF have paid for *more* than simply that difference⁴. After all, how else can one explain the steady increase in Community Services and Beach Fund balances⁵? And one

¹ See pages 107-116 of the packet of materials prepared by staff in anticipation of the Board’s May 27, 2020 meeting [“the 5/27/2020 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-27-2020.pdf)].

² The latest being page 339 of the packet of materials prepared by staff in anticipation of the Board’s July 22, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0722_-_Regular_-_Searchable.pdf (“the 7/22/2020 Board packet”)] which made reference to: footnote 5 at pages 468-469 of the packet of materials prepared by staff in anticipation of the Board’s April 10, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-10-19.pdf (“the 4/10/2020 Board packet”)]; and, pages 82-83 of the packet of materials prepared by staff in anticipation of the Board’s June 13, 2018 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-13-2018.pdf (“the 6/13/2018 Board packet”)].

³ Fiscal year 2010-11 marked the inauguration of Mr. Eick’s reference to “what has become known as ‘smoothing.’ This is an initiative (Mr. Eick invented)...during development of the 5 year capital plan, to schedule projects in a way to provide reasonably level amounts for capital expenditure thus leading to not changing the total (RFF and BFF) from year to year [see page 3 of the 2015 Comprehensive Annual Financial Report {https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015CAFR_Report_IVGID_.pdf (“the 2015 CAFR”)}.

⁴ See pages 138-145 of the packet of materials prepared by staff in anticipation of the Board's July 20, 2017 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-20-17.pdf ("the 7/20/2017 Board packet")]

⁵ See pages 267-268 of the 7/22/2020 Board packet. On June 30, 2011 the unrestricted balance assigned by staff to the District’s Community Services Fund was \$4,226,167 [see page 25 of the CAFR ending June 30, 2011 (“the 2011 CAFR”)]. Yet as of June 30, 2020, staff had estimated this fund’s balance would total \$12,360,444 [see page 24 of the packet of materials prepared by staff in

category of those expenditures is the many dozens of memberships in all sorts of third party organizations having nothing to do with making recreational and beach facilities available to be used by *anyone*! For this reason I made a public records request on July 21, 2020 to examine records evidencing:

- “1. All third party group or organization wherein IVGID was a member in 2019;
2. To the extent not already included in paragraph 1 above, any IVGID department or venue which in 2019 was a member of a third party group or organization;
3. To the extent not already included in paragraphs 1 or 2 above, any IVGID employee which in 2019 was a member of a group or organization wherein IVGID paid or reimbursed the employee's membership dues in that group or organization;
4. The yearly membership dues paid or reimbursed by IVGID in each such group or organization identified in paragraphs 1, 2 and 3 above; and,
5. Any additional fees paid to or associated with in any manner whatsoever any such group or organization identified in paragraphs 1, 2 and 3 above, together with records evidencing the reasons for such payments. Examples but not limitations of such fees would extend to continuing education, meetings, conferences, lodging associated therewith, transportation associated therewith, food associated therewith, per diem associated therewith, etc.”

My intent was to discover the many dozens of third party organizations I believed IVGID was/is a member of for which the RFF/BFF are used to pay yearly membership and conference attendance fees.

On August 21, 2020 IVGID’s Public Records Officer, Susan Herron, provided “the dues/ subscriptions (she represented she had)...located, to date, in response to (my) request” which consisted of twenty-three (23) organizations (notwithstanding) she (readily) admittedly did “not feel...(wa)s

anticipation of the Board’s May 7, 2020 meeting {“the 5/7/2020 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-7-2020_Workshop_Packet.pdf)}. Similarly, I documented that on June 30, 2011 the unrestricted balance assigned by staff to the District’s Beach Fund was \$1,177,762 [see page 586 of the packet of materials prepared by staff in anticipation of this June 23, 2020 meeting {“the 6/23/2020 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_Part2_06_23_2020.pdf)}. Yet as of June 30, 2020, staff had estimated this fund’s balance would total \$2,159,282 (see page 25 of the 5/7/2020 Board packet).

complete.” So she stated she would “continue to work on (my) request.” And as I went through the records provided, my intent was and is to share what I discover with the public.

I don’t believe Ms. Herron “continue(d) to work on (my) request” because never did she inform me of records of other organizations that responded to my request. Nevertheless, I continued searching for additional organizations. In mid-January of 2021 I got wind of an organization Ms. Herron had not disclosed which I felt might be another organization within which IVGID might be a member because it fits the mold. Since Ms. Herron had not disclosed this organization, on January 18, 2021 I reached out to her inquiring as to the Incline Village Crystal Bay Community & Business Association⁶ (“IVCBA”). And here I share records pertaining to the twenty-fifth (25th) such organization which responds to my request (“IVCBA”). And that’s the purpose of this written statement.

IVCBA⁷: As recited, Ms. Herron provided no records whatsoever, in response to my initial request, identifying IVCBA as one of the third party organizations in which IVGID or at least one of its employees was or is a member. It was only after the IVCBA published its initial (spring 2021 | Vol. 1) *Live.Work.Play* magazine⁸ I learned otherwise. Pages 16-17 of the magazine highlighted organizational membership and founding members. And to my surprise, on page 17 of the magazine I learned that IVGID was a (\$1,000)⁹ corporate member¹⁰. It was then that I reached out to our General Manager (“GM”) inquiring how what I had learned could be reconciled with Ms. Herron’s Exhibit “A” denial. It was then in an April 9, 2021 e-mail that Mr. Winquest admitted IVGID was indeed a member.

What is the IVCBA? According to its web site⁷, the “IVCBA is (a)...community and business association dedicated to building and growing cohesiveness for the sustainability of Incline Village and Crystal Bay. (Its mission is to)...bring...the businesses and nonprofits of Incline Village and Crystal Bay together for advocacy and to create a more cohesive community.” And insofar as IVGID is concerned, its Superintendent of Parks and Recreation¹¹, Sheila Leijon, is on its board¹²!

IVGID is Paying At Least \$1,000 Annually to the IVCBA to Be a Corporate Member⁹: Although \$333.36 was initially paid, according to our Director of Community Services, Darren Howard, this is a

⁶ My e-mail request to Ms. Herron and her January 25, 2021 “No” response are attached as Exhibit “A” to this written statement.

⁷ Go to <https://www.inclinevillagecrystalbay.com/>.

⁸ Go to https://e.issuu.com/embed.html?d=lwpln_spr21&u=justimagine.

⁹ A copy of page 17 with an asterisk next to IVGID’s membership is attached as Exhibit “B” to this written statement.

¹⁰ This label is emblematic of one of the District’s seminal problems. It fails to acknowledge it is not a private business enterprise. Rather, according to NRS 281A.145, it is a political subdivision of the State of Nevada.

¹¹ See page 6 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Qrtly_April2021.pdf.

¹² Go to <https://inclinevillagecrystalbay.com/about-us>.

pro-rata amount since the District's membership started on March 1, 2021¹³. Moreover, if one goes to the IVCBA's Membership page¹⁴, one discovers the membership fee is automatically rebilled annually.

Membership: Like most other third party lobbying groups, IVCBA members receive the following¹⁵ ALL-INCLUSIVE MEMBERSHIP BENEFITS:

- Advocacy for your business, non-profit, agency, and family interests
- Collaboration and networking opportunities
- Local special events and educational workshops
- Interactive community website
- Locally focused news outlets and community calendar
- Affordable, targeted, electronic and print advertising opportunities

In addition to the above IVCBA Inclusive Membership Benefits, there are the following upgraded "bonus membership" opportunities¹⁶ to enhance your business and involvement in your community:

- One level upgrade on 1/2 page to full page ad in the quarterly IVCBA Live.Work.Play Guide
- 25% discount on single ad advertising in the IVCBA Live.Work.Play Quarterly
- Additional credit toward marketing or event package with tahoe.com

Is any of this necessary to operating a recreation program?

What Does Any of This Have to Do With Making the Public's Recreational Facilities Available to be Used by Those Parcels/Dwelling Units Which Are Involuntarily Assessed the RFF? And For \$1,000 Annually No Less?

An Example of Staff's Lack of Transparency and Deceit So You Wouldn't Otherwise Learn of This Expense Were it Not For This Written Statement: Staff revels in the notion they believe they are transparent in their financial reporting¹⁷. "In an effort to enhance transparency in financial reporting,

¹³ See Mr. Howard's February 22, 2021 e-mail to Claudia DeSilva which is part of the materials provided by Ms. Herron. These materials are collectively attached as Exhibit "C" to this written statement.

¹⁴ Go to <https://inclinevillagecrystalbay.com/about-us/membership> and <https://www.joinit.org/o/ivcbaorg/WawmGfgNAaT9ouQnb>.

¹⁵ Go to <https://inclinevillagecrystalbay.com/about-us/membership>.

¹⁶ Am I the only one who finds these "opportunities" eerily similar to the so called "opportunities" available to those whose parcels/dwelling units are involuntarily assessed RFFs? In other words, nothing more than the "availability" to realize allegedly preferred pricing on additional user fees assuming *arguendo* the payor chooses to access and use the opportunities offered by becoming an actual customer.

¹⁷ Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency>.

IVGID (claims it)...allows citizens to explore IVGID's financial data online."¹⁷ IVGID assigns a chart of account ("COA") Name and Number to every one of its expenditures so they can be readily retrieved for financial reporting purposes. According to IVGID's legend to its COA structure¹⁸ as augmented by the District's bill pays for the week ending February 24, 2021¹⁹, this expenditure was assigned the following set of four COA numbers: 320.31.990.7340. These numbers correspond to dues and subscriptions associated with *the Championship Golf Course*²⁰. Now what does this expenditure have to do with Championship Golf? And how would one know that truthfully, this expenditure was nothing more than payment of a membership in the IVCBA? And what does this have to do with a legitimate public benefit? I submit *NOTHING!*

Thus These Expenditures Were Not Only *NOT* Necessary, and They Were *Improperly Paid* With the RFF:

Now My Question to Our GM Indra Winquest: WHY DIDN'T YOU TELL THE BOARD AND THE PUBLIC ABOUT THIS TOTALLY IMPROPER EXPENDITURE WHEN YOU PRESENTED YOUR INITIAL ANNUAL 2021-22 Budget on February 24, 2021²¹?

And My Question to the IVGID Board: WHY DIDN'T YOU UNCOVER THIS TOTALLY IMPROPER EXPENDITURE BEFORE APPROVING TONIGHT'S TENTATIVE 2021-22 BUDGET?

But Wait, There's More: After I called these matters to our GM's attention and asked what this expenditure had to do with Championship Golf, Ms. Herron responded with Exhibit "C." In her cover April 14, 2021 e-mail²² she informed me that the COA number assigned to this charge had been changed by staff to 100.10.990.7405; General Fund dues and subscriptions²⁰.

¹⁸ "This legend...is a useful tool to our Board of Trustees, staff, and our public (and it)...includes four elements – Fund, Department, Division, and Object. This legend (is)...especially helpful in understanding the coding on our...Payment of Bills located on our website" (see <https://www.yourtaohoeplace.com/ivgid/financial-transparency/legend-of-our-account-structure>).

¹⁹ See page 2 at https://www.yourtaohoeplace.com/uploads/pdf-ivgid/IVGID_Check_Run_02.18.21_to_02.24.21_-_with_proj_.pdf. This page together with an asterisk next to the IVCBA bill pay is attached as Exhibit "D" to this written statement.

²⁰ We don't know what the "990" represents inasmuch as this "division" number is missing from the District's account structure.

²¹ See pages 3-52 of the packet of materials prepared by staff in anticipation of the Board's February 24, 2021 meeting (https://www.yourtaohoeplace.com/uploads/pdf-ivgid/0224_-_Regular_-_Searchable.pdf) as well as the power point addendum (https://www.yourtaohoeplace.com/uploads/pdf-ivgid/F.2.2_-_Budget_Workshop_Presentation_022421.pdf) [collectively, "the 2/24/2021 Board packet"].

²² That e-mail is attached to this written statement as Exhibit "E."

So what Does Any of This Have to Do With an Expense Associated With Running the District as a Political Subdivision? And Again, For \$1,000 Annually No Less?

But Wait, There's Still More: Page 26 of the same spring 2021 magazine features a full page advertisement for IVGID's "Parks & Recreation Happenings."²³ Given IVCBA's targeted audience is by and large IVGID's; IVCBA's *Live.Work.Play* magazine is published quarterly, just like *The IVGID Quarterly*; *The IVGID Quarterly Magazine* is mailed to every one of the owners of the approximately 8,200 parcel/dwelling unit owners in Incline Village/Crystal Bay; and the contents of *The IVGID Quarterly* magazine provide far more detail insofar as "Parks & Recreation Happenings" at IVGID operated venues; *why exactly spend marketing dollars advertising in IVCBA's quarterly magazine?* And if we're members of the North Tahoe Bus Ass'n, NLT Conv & Visitors Bureau, and Reno Tahoe Territory (see below), why do we have to be a member of yet another business organization?

However, if your purpose is to financially subsidize key collaborator businesses within IVGID's boundaries to gain their allegiance, then I get it even though that is not an appropriate activity for a political subdivision like IVGID to engage in. But if it is to market the District's recreational venues and programs, *it's a complete waste!* Moreover, did I not make a records request for Marketing Director's due diligence in measuring the anticipated return on investment ("ROI") for this advertising (see Exhibit "E")? Although Ms. Herron was quick to inform me of the change in COA numbers, she provided no evidence of Paul Raymore's ROI due diligence. Because I am sure there's *none*. Which serves as additional evidence this advertising was a *complete waste*.

Since This is the Twenty-Fifth (25th) of What I Suspect Will be a Series of Additional Similar Inappropriate Third Party Membership Expenses, I Say Let's Continue the Tally:

²³ This page is attached as Exhibit "F" to this written statement.

Organization	Yearly Dues	Running Total
BEAR League	\$ 250	\$ 250
Nev Rural Water Ass'n	\$ 343	\$ 593
North Nev Consort Coop Purchases	\$ 30	\$ 623
T-NT Transport Mgmt Ass'n	\$ 2,000	\$ 2,623
North Tahoe Bus Ass'n	\$ 300	\$ 2,923
NLT Conv & Visitors Bureau	\$ 4,050	\$ 6,973
Reno Tahoe Territory	\$ 150	\$ 7,123
IV/CB Community & Business Ass'n	\$ 1,000	\$ 8,123
Nevada League of Cities	\$ 3,968	\$ 12,091
Nat'l Ski Areas Ass'n	\$ 4,876	\$ 16,967
Travel/Lodging/Registration/NSAA Symposium	\$ 1,810 ²⁴	\$ 18,777
Ski California	\$ 4,578	\$ 23,355
SnoCountry	\$ 1,215	\$ 24,870
STOKE	\$ 700	\$ 25,570
Nat'l Golf Foundation	\$ 250	\$ 25,970
U.S. Golf Ass'n	\$ 150	\$ 26,120
Prof'l Golfers' Ass'n	\$ 3,921	\$ 30,041
Northern California Golf Ass'n	\$ 280	\$ 30,321
Unreimb Private NCGA Memberships	\$ 7,011 ²⁵	\$ 37,332
Ass'n of Golf Merchandisers	\$ 225	\$ 37,557
Nat'l Recreation & Parks Society	\$ 875	\$ 38,432
California Parks & Recreation Society	\$ 95	\$ 38,527
Int'l Society of Arboriculture	\$ 576	\$ 39,103
Society of Municipal Arborists	\$ 150	\$ 39,253
Tree City U.S.A.	\$ 20,000	\$ 59,253

²⁴ This is an estimated annual amount as the average of 2019-20 travel and convention charges made by Paul Raymore. And it is probably low given our PRO has not provided records evidencing all such convention/symposium travel expenses.

²⁵ Although I have asked staff, including our GM, to provide evidence that any of these expenditures was reimbursed by/on behalf of those individuals who were directly benefited, none has been forthcoming. Moreover, on December 15, 2020 staff publicized the fact that the Camp Golf Pro Shop was administering the payment of private NCGA memberships. For the first time in memory staff asked that members of the public reimburse IVGID for NCGA's membership fees. Since this is the first time that staff have asked members of the public for reimbursement, and this publication has only occurred as a result of my bringing this wrongdoing to the Board's and the public's attention, to me this is an admission by means of conduct that up until now, staff have never secured reimbursement. Therefore insofar as I am concerned, these charges have *not* been reimbursed.

Conclusion: The District's employees' various memberships in another business organization which offers them "networking opportunities," "advocacy" organization and "to create a more cohesive community" has little if anything to do with making local property owners' "availability" to access and use public recreational facilities more affordable. In fact, I submit it has the exact opposite result. If our public employees were precluded from pursuing membership in meaningless, self-promoting organizations such as the current one under review, at least at local property owners' expense, I predict we would need a whole lot less employees. But then that would be counter-productive to one of the major purposes for IVGID's existence²⁶; providing over compensated and over benefited employment²⁷ to persons *who mostly do not even live in Incline Village/Crystal Bay*. For these reasons I therefore ask the Board to direct staff to discontinue expenditures such as the subject one, and to reduce the RFF by a like amount.

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

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

²⁶ At least insofar as our public employees are concerned. In fact according to them, "the employees of the District continue to be our most important and valued asset" [see page 116 of the 2019-20 Budget (https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf)].

²⁷ IVGID is Incline Village's largest employer admitting to generating 1,012 or more W-2s annually (go to <https://transparentnevada.com/salaries/2019/incline-village-general-improvement-district/>).

EXHIBIT "A"

Subject: RE: Records Request - IVCBA
From: "Herron, Susan" <Susan_Herron@ivgid.org>
Date: 1/25/2021, 8:49 AM
To: "'s4s@ix.netcom.com'" <s4s@ix.netcom.com>

No.

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

From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]
Sent: Monday, January 18, 2021 9:40 PM
To: Herron, Susan <Susan_Herron@ivgid.org>
Subject: Records Request - IVCBA

Hello Ms. Herron -

Is IVGID and/or any IVGID employee whose membership dues are paid or reimbursed by IVGID a member of the Incline Village Crystal Bay Community Business Association aka IVCBA?

If so I would like to examine records evidencing all such memberships, applications for memberships, IVGID monies paid/procurement card charges made for such memberships.

Thank you for your cooperation. Aaron Katz

MEMBERSHIP

FOUNDING MEMBERS

\$25,000 level:

Dave & Cheryl Duffield Foundation • Linda and Richard Offerdahl • Ridgeline

\$5,000 level:

Jonathan Smith, OD • Incline Education Fund • Incline Village Community Hospital
North Lake Tahoe Fire Prevention District • Parasol Tahoe • Sierra Nevada University
Washoe County commissioner Alexis Smith • WSO Incline Substation

CORPORATE MEMBERS (\$1,000)



IVGID • JJ Cavanaugh/Schwab • Hyatt Regency Lake Tahoe
Sierra Lawyers • Village Pharmacy

LOCAL BUSINESS (\$500)

Boys and Girls Club North Lake Tahoe • Greenwood Homes • Merrill Lynch Special Needs Team
Masters of Tahoe Incline Real Estate • Paradise Timeshare Resale • Rockwood Tree Service Sun
Bear Realty • Stacey Hanna Real Estate Village Market • Village Meats/Big Foot Deli

BASIC MEMBER (\$150)

Denise Bremer, Real Estate Glasses Wine Bar • James Costalupes • Just Imagine Marketing
Mike Young, Realtor • Ludmila CPA • Move Mountains • Nancy Barton, Real Estate
Piper J Gallery • Susie's Scoops • Sky Wide Health • Smith Design Group • SQ Enterprises
Sunshine Deli • Transcend Wealth Partners • Village Toys
Vinson Franchise Law Firm • Weber & Associates

NONPROFITS (\$150)

Burradoo Film Company • CARE Chest • Caroline's Corner for Youth
Diamond Peak Ski Education Foundation • Sierra Community House • Tahoe Family Solutions
Tahoe Fund • Tahoe Prosperity Center

COMMUNITY SUPPORTERS

Kathie Julian • Kay Lehr • Peter Morris • Michaela Tonking • Stan Wolken • Tom Milhoff
Linda Brinkley • Ron Randolph Wall • Lisa Hoopes • Judith Simon

THANK YOU

Dave & Cheryl Duffield Foundation



EXHIBIT "C"

JOIN IVCBA!

ADDITIONAL BENEFITS FOR BUSINESS AND NONPROFIT MEMBERS

Community Supporters are Welcome to JOIN at any level

Basic/Nonprofit

\$150

(over \$500 value)

Recommended for nonprofits and businesses with up to 10 employees

- Exclusive IVCBA updates
- Listing on IVCBA.org or Enhanced listing via "Claim Your Business"
- Listing in the IVCBA *Live.Work.Play* quarterly print magazine and online
- 10% discount on single ad advertising in the IVCBA *Live.Work.Play* Quarterly
- \$150 credit toward marketing or event package with tahoe.com

Local Business

\$500

(over \$1,000 value)

Recommended for 11-39 employees

Basic/Nonprofit benefits +

- Assistance with marketing interface and status updates
- One level upgrade on 1/6 or 1/4 page ads on IVCBA *Live.Work.Play* Quarterly
- Additional credit toward marketing or event package with tahoe.com

Corporate

\$1000

(over \$2,000 value)

Recommended for 40+ employees

Local Business benefits +

- One level upgrade on 1/2 page to full page ad in the quarterly IVCBA *Live.Work.Play* Guide
- 25% discount on single ad advertising in the IVCBA *Live.Work.Play* Quarterly
- Additional credit toward marketing or event package with tahoe.com



Community Supporter \$50

Other \$

Basic/Nonprofit \$150

Local Business \$500

Corporate \$1000

Founding \$5000+

ANNUAL MEMBERSHIP

Business, nonprofit or Community Supporter name Incline Village Improvement District

Contact Kari Ferguson Cell 775-842-0319

Email KMF@ivgid.org URL _____

Mailing address 893 Southwood Blvd, Incline Village, NV 89451

Mail checks to IVCBA and mail to 969 Tahoe Blvd. Incline Village, NV 89451

Credit card Type Check Number _____

Name on card _____ 3 or 4 digit code _____

Address for card _____

IVCBA.org 501(c)(6) nonprofit organization: EIN# 27-0448179; info@ivcba.org

Contact Linda Offerdahl for more information: Linda@IVCBA.org

IVCBA.org

YOUR COMMUNITY. OUR COLLABORATIVE COMMITMENT.



Mon 2/22/2021 12:55 PM

Platt, Marc

RE: Invoice for IVGID Membership to IVCBA -- need GI

To DaSilva, Claudia C.

Phish Alert

Bing Maps

+ Get more

I'm guessing he meant 320-31-990-7340

From: DaSilva, Claudia C.

Sent: Monday, February 22, 2021 12:51 PM

To: Platt, Marc <marc_platt@ivgid.org>

Subject: FW: Invoice for IVGID Membership to IVCBA -- need GI

Hi Marc,

Please advise correct GL for the attached invoice for Darren,

Amount	Fund	Department	Division	Object	Project	Grant	WD	Job	Asset	Description
333.34	320	48	990	7340						Invalid account number
333.36										



Ok to Pay 320-48-990-7340
\$333.36

J. Darren Howard

YOUR COMMUNITY. OUR COLLABORATIVE COMMITMENT.

Welcome to the Incline Village Crystal Bay Association!

Join us in our efforts to support and engage our businesses and nonprofits to create a more cohesive and sustainable community. To learn more about our many features and opportunities, please visit IVCBA.org.

JOIN IVCBA!

ALL-INCLUSIVE MEMBERSHIP BENEFITS

As a member, at any level, you and your business or organization will benefit from the numerous benefits available:

- Interactive community website
- Locally focused news outlets and calendar
- Community events
- Collaborations and advocacy
- Programs for businesses and for community
- Affordable electronic and print advertising opportunities

RESIDENTS!

SUBSCRIBE and receive the Web News, monthly E-Bulletin and the quarterly magazine *IVCBA Live.Work.Play*
JOIN as a community supporter!

Contact Linda Offerdahl for more information:
Linda@IVCBA.org

Questions? Info@IVCBA.org

IVCBA.org



Sign up for FREE with
application on
the back side

Reply Reply All Forward



Mon 2/22/2021 10:57 AM

Howard, Darren

Invoice for IVGID Membership to IVCBA

To DaSilva, Claudia C.



Phish Alert Bing Maps

+ Get more apps

Here is an invoice that needs to be paid for IVGID's membership to IVCBA. The paperwork has already been turned in, just need to give them a check. I think this is the correct coding and we do not owe the full \$1000 due to the fact that our membership starts March 1st, they are prorating it. Let me know if you have any questions.

Keep it Simple,

Darren Howard
Director of Golf/Community Services
Incline Village General Improvement District
893 Southwood Blvd.
Incline Village, NV 89451
Phone: (775) 832-1295
Cell: (423) 676-5844
Fax: (775) 832-1308
www.yourtahoeplace.com



EXHIBIT "D"

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
CHECK REGISTER WITH INVOICE DETAIL

Check Date	Payment Type	Check	Vendor#	Name	GL Allocation Amount	Check Amount	Account	Project	Invoice Desc
02/24/2021	EFT	4432	3936	InfiniteSource, Inc.DBA ISolved Benefit Services	75.00	75.00	100-13-150-7415		CN87159 COVID-19 Extension COBRA COVID-19 2020-105/01/20-12/31/21
02/24/2021	EFT	4433	2889	L&C Cook Specialty Foods, Inc.	1,881.28	1,881.28	340-00-000-0720		Food for Resale
02/24/2021	EFT	4434	1943	New West Distributing, Inc.	1,169.00	1,169.00	340-00-000-0721		Beer for Resale
02/24/2021	EFT	4435	3199	Employee Reimbursement	164.97	164.97	100-12-120-7470		Reimbursement for Copying, printing, binding CAFR
02/24/2021	EFT	4436	2206	Praxair	288.97	288.97	340-36-530-7415		Nitrogen dewar cleanser
02/24/2021	EFT	4437	1918	Produce Plus	168.05	858.07	340-00-000-0720		Food for Resale
02/24/2021	EFT	4437	1918	Produce Plus	327.42	858.07	340-00-000-0720		Food for Resale
02/24/2021	EFT	4437	1918	Produce Plus	362.60	858.07	340-00-000-0720		Food for Resale
02/24/2021	EFT	4438	3529	Reno Cycles & Gear	350.89	350.89	410-51-920-7490		Switch, Silver studs, spring assist strobes
02/24/2021	EFT	4439	2245	Sierra Meat Co	1,480.50	1,480.50	340-00-000-0720		Food for Resale
02/24/2021	EFT	4440	1940	Silver State International	56.52	1,058.99	410-51-900-7490		Credit for Clamp
02/24/2021	EFT	4440	1940	Silver State International	989.35	1,058.99	410-51-900-7490		RADIATOR FORD, HOSE RAD OUTLET, HOSE RAD,
02/24/2021	EFT	4440	1940	Silver State International	13.72	1,058.99	410-51-900-7490		PLUG
02/24/2021	EFT	4440	1940	Silver State International	112.44	1,058.99	410-51-900-7490		HUB,GASKET AXLE SHAFT FLG
02/24/2021	EFT	4441	1827	Swire Coca Cola USA	1,594.80	3,690.48	340-00-000-0720		Food for Resale
02/24/2021	EFT	4441	1827	Swire Coca Cola USA	2,095.68	3,690.48	340-00-000-0720		Food for Resale
02/24/2021	EFT	4442	1182	Tahoe Supply Company LLC	12.45	65.85	200-22-240-7515		5-11 Degreaser,4/1g
02/24/2021	EFT	4442	1182	Tahoe Supply Company LLC	53.40	65.85	390-39-780-7415		Rubbermaid Bowl Brush, Mop Head Looped 5" Blue Larg, Dust Mop Head 36" Blue Cotto
02/24/2021	EFT	4443	1237	Technical Equipment Cleaners	90.00	90.00	340-34-820-7415		Insulated Jacket, Major Spot Clean Work.
02/24/2021	EFT	4444	1815	Thunderbird Communications	1,890.00	3,780.00	200-22-220-7415		SCADA maintenance.
02/24/2021	EFT	4444	1815	Thunderbird Communications	1,890.00	3,780.00	200-25-220-7515		SCADA maintenance.
02/24/2021	EFT	4445	1844	Wedco, Inc.	406.04	406.04	200-25-240-7520		INSERT, M6, 2.0 MM CERAMIC, HOLDER, BOLT 17MM FOR M6 INSERT
02/24/2021	EFT	4446	1862	Western Nevada Supply	247.75	2,630.96	200-22-230-7515		KECK 3 SCREEN 304 1/16 PERF, KECK COVER GASKET
02/24/2021	EFT	4446	1862	Western Nevada Supply	1,983.28	2,630.96	200-25-220-7520		10 FLG X FLG RW VLV EPOXY IN/OUT, 10 AND 12 MUEL HANDWHEEL, 10 12 150 PLN
02/24/2021	EFT	4446	1862	Western Nevada Supply	72.70	2,630.96	200-25-220-7520		10 VICT E GSKT FOR 77.07.997 GREEN
02/24/2021	EFT	4446	1862	Western Nevada Supply	327.23	2,630.96	200-25-220-7520		10-12 AVK HANDWHEEL
02/24/2021	Check	775626	3847	A-1 National Fire Co / DBA Summit Companies	770.96	770.96	430-53-940-7515		12-Yr Service (per cylinder) Incline Beach
02/24/2021	Check	775626	3847	A-1 National Fire Co / DBA Summit Companies	770.96	770.96	430-53-940-7515		Burnt Cedar Beach - 12-Yr Service (Per Cylinder)
02/24/2021	Check	775626	3847	A-1 National Fire Co / DBA Summit Companies	770.96	770.96	430-53-940-7515		Credit for Invoice # 571021437 (12-Yr Service (per cylinder) Incline Beach)
02/24/2021	Check	775626	3847	A-1 National Fire Co / DBA Summit Companies	311.50	770.96	430-53-940-7515		Credit for Semi Annual Hood Suppression System Inspection
02/24/2021	Check	775626	3847	A-1 National Fire Co / DBA Summit Companies	311.50	770.96	430-53-940-7515		Incline Beach - SEMI ANNUAL HOOD SUPPRESSION SYSTEM INSPECTION
02/24/2021	Check	775627	1472	AES of Nevada (Alcohol Ed Services), LLC	20.00	20.00	340-34-530-7415		AES Card
02/24/2021	Check	775628	2266	AT&T	775.33	1,550.66	200-22-990-7830		Internet for SCADA Sweetwater Sewer treatment Plant & Burnt Cedar- 01/11/2021 usage th
02/24/2021	Check	775628	2266	AT&T	775.33	1,550.66	200-25-990-7830		Internet for SCADA Sweetwater Sewer treatment Plant & Burnt Cedar- 01/11/2021 usage th
02/24/2021	Check	775629	1566	ATCO International	1,067.50	1,067.50	410-51-910-7490		ALL-PRO
02/24/2021	Check	775630	3200	Customer Refund	110.67	110.67	200-00-000-2860		Credit Balance after close of Escrow.
02/24/2021	Check	775631	2746	Brady Industries of NV, LLC	151.82	151.82	340-34-690-7415		DISINFECTANT SPARTAN SPARSAN Q 200Z 12/C
02/24/2021	Check	775632	4018	C-A-L Stores Companies Inc DBA C-A-L Ranch Stores	49.95	434.90	200-22-870-7430		MNS HYBRID RANCHER BRN 12, MNS RF STRAIT TAPER DEN 36X32
02/24/2021	Check	775632	4018	C-A-L Stores Companies Inc DBA C-A-L Ranch Stores	384.95	434.90	200-22-870-7430		MNS HYBRID RANCHER BRN 12; MNS RF STRAIT TAPER DEN 36X32
02/24/2021	Check	775633	1864	Champion Chevrolet	846.29	846.29	410-51-900-7330		
02/24/2021	Check	775634	3200	Customer Refund	217.99	217.99	200-00-000-2860		Credit balance after close of Escrow.
02/24/2021	Check	775635	3969	Daniel Fraiman Construction	99,590.39	99,590.39	580-00-000-8120	4588BD1604	Tennis Center Renovation. Work bid per NRS 338. Board awarded on June 10, 2020.
02/24/2021	Check	775636	3199	Employee Reimbursement	49.97	86.20	320-31-990-7685		December 2020 Mileage Reimbursement
02/24/2021	Check	775636	3199	Employee Reimbursement	36.23	86.20	320-31-990-7685		January 2021 Mileage Reimbursement
02/24/2021	Check	775637	4016	Elements Mountain Company Inc.	1,850.00	1,850.00	430-53-940-7515		Paint
02/24/2021	Check	775638	1672	FedEx	13.22	13.22	100-10-990-7415		Gen Gov Shipping
02/24/2021	Check	775639	2735	Flyers Energy LLC	10,072.78	10,072.78	340-00-000-0725		Diamond Peak Off Road Diesel @ \$2.514 per Gal
02/24/2021	Check	775640	1328	Grainger, Inc.	20.65	4,110.35	390-39-780-7415		ELBOW SUPPORT, NEOPRENE, BLACK, L
02/24/2021	Check	775640	1328	Grainger, Inc.	20.65	4,110.35	390-39-780-7415		ELBOW SUPPORT, NEOPRENE, BLACK, S
02/24/2021	Check	775640	1328	Grainger, Inc.	149.56	4,110.35	410-51-920-7490		CABLE TIE, 13.4 IN, BLACK, PK50, CABLE TIE, 8.19 IN, BLACK, PK100, CABLE TIE, 14.2 IN, B
02/24/2021	Check	775640	1328	Grainger, Inc.	1,105.68	4,110.35	430-53-940-7520		BACKBOARD PAD, FOREST GREEN, 72 IN, PK2
02/24/2021	Check	775640	1328	Grainger, Inc.	485.52	4,110.35	430-53-940-7520		BASKETBALL SLAMMER RIM, UNIVERSAL
02/24/2021	Check	775640	1328	Grainger, Inc.	6.00	4,110.35	430-53-940-7515		KNOCKOUT PLUG, CONDUIT SIZE 1/2"
02/24/2021	Check	775640	1328	Grainger, Inc.	832.81	4,110.35	430-53-940-7520		SSPND ELCT W/CEIL HEATR, 16" H, 480V, 3PH, MOUNTING BRACKET, 20-1/2" X 10
02/24/2021	Check	775640	1328	Grainger, Inc.	1,103.60	4,110.35	340-34-620-7435		SSPND ELCT W/CEIL HEATR, 21-3/4" H, 480V, ELCT W/CEIL HTR THRMOST, 2-1/2" H,
02/24/2021	Check	775640	1328	Grainger, Inc.	108.32	4,110.35	430-53-940-7515		LED DOWNLIGHT RETROFIT KIT, 3000K, 1000 L
02/24/2021	Check	775640	1328	Grainger, Inc.	347.40	4,110.35	430-53-940-7520		LINEAR LED BULB, T8, 47-3/4" L, G13, 4000K
02/24/2021	Check	775640	1328	Grainger, Inc.	16.76	4,110.35	410-51-910-7490		QUICK-CONNECT PLUG, 1/4" (M) X 22MM
02/24/2021	Check	775640	1328	Grainger, Inc.	120.00	4,110.35	430-53-940-7515		NV ENERGY INSTANT DISCOUNTS PROGRAM
02/24/2021	Check	775640	1328	Grainger, Inc.	120.00	4,110.35	430-53-940-7515		NV ENERGY INSTANT DISCOUNTS PROGRAM
02/24/2021	Check	775640	1328	Grainger, Inc.	116.07	4,110.35	200-22-230-7515		TRASH BAG, 55 GAL, BLACK, PK76, LEAF RAKE, ALUMINUM, 17-1/2" L
02/24/2021	Check	775640	1328	Grainger, Inc.	37.33	4,110.35	430-53-940-7515		TWIST CLIP, TRACK LIGHTING, PK10, CHANNEL NUT WITH SPRING, 1/4-20 IN, STEEL
02/24/2021	Check	775641	2791	Incline Community Business Association DBA IVCBA	333.36	333.36	320-31-990-7340		IVCBA membership
02/24/2021	Check	775642	3200	Customer Refund	88.04	88.04	200-00-000-2860		Credit balance after close of Escrow.
02/24/2021	Check	775643	3199	Employee Reimbursement	407.49	407.49	200-22-230-7430		Clothing Allowment
02/24/2021	Check	775644	3200	Customer Refund	87.15	87.15	200-00-000-2860		Credit Balance after close of Escrow
02/24/2021	Check	775645	2174	Les Schwab Tires #953	29.00	29.00	410-51-900-7330		Flat Repair
02/24/2021	Check	775646	1957	Nevada Power Products	16.82	16.82	410-51-920-7490		Cable
02/24/2021	Check	775647	2510	Nevada State Fire Marshal	210.00	210.00	340-34-640-7450		Hazardous Material Permit 10 2167
02/24/2021	Check	775648	1591	Office Depot	11.82	3,283.83	100-10-990-7405		MOTTS HOT APPCIDER, CREAMER, COFFEEMATE, INDEX WHITE, SUGAR
02/24/2021	Check	775648	1591	Office Depot	44.20	3,283.83	100-10-990-7415		MOTTS HOT APPCIDER, CREAMER, COFFEEMATE, INDEX WHITE, SUGAR
02/24/2021	Check	775648	1591	Office Depot	50.75	3,283.83	340-34-690-7415		Swiffer Wet Jet Pad Ref 4/24

320-31-990-7340
Cheap Golf - Does

537

EXHIBIT "E"

RE: Records Request - IVCBA - Follow Up

From: "Herron, Susan" <Susan_Herron@ivgid.org>
To: "s4s@ix.netcom.com" , "Winqest, Indra S."
Cc: Tim Callicrate <callicrate_trustee@ivgid.org>, Matthew Dent <dent_trustee@ivgid.org>, "Wong, Kendra" <Wong_trustee@ivgid.org>, Sara Schmitz <trustee_schmitz@ivgid.org>, Michaela Tonking <tonking_trustee@ivgid.org>
Subject: RE: Records Request - IVCBA - Follow Up
Date: Apr 14, 2021 3:22 PM
Attachments: [ivcba_membership.pdf](#)

Mr. Katz,

Attached is the membership form for IVCBA which was completed after your request was made and responded to. This payment was made via check (check #775641) and can be found on the check run dated 2.18.21 to 2.24.21 on our website. Please note that a journal entry has been made to correct the account this expense was charged to; the corrected account number is 100.10.990.7405 which is General Fund – Dues and Subscriptions.

Susan

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

Sent: Friday, April 9, 2021 12:32 PM

To: Winquest, Indra S. <ISW@ivgid.org>

Cc: Herron, Susan <Susan_Herron@ivgid.org>; Tim Callicrate <callicrate_trustee@ivgid.org>; Matthew Dent <dent_trustee@ivgid.org>; Wong, Kendra <Wong_trustee@ivgid.org>; Sara Schmitz <trustee_schmitz@ivgid.org>; Michaela Tonking <tonking_trustee@ivgid.org>

Subject: RE: Records Request - IVCBA - Follow Up

I know you're busy Indra, so you don't have to respond.

But here's my point you don't seem to grasp. When did you meet with the IVCBA people? Did your admin ass't, Ms. Herron, know when that date was? Did she put it on your calendar? Did she know of your commitment to the IVCBA after the meeting? And roughly a month after my records request IVGID issues a membership payment. Ms. Herron didn't know about this payment?

Why didn't Ms. Herron pro-actively reach out to me and explain what you've explained? Why didn't she state that tthen IVGID was a member and the particulars? Instead she keeps her mouth shut because the name of the game insofar as Ms. Herron and other staff are concerned is deceit rather than transparency. Where the AOG opinion Ms. Herron was allegedly requesting that I learned of? Where are the particulars of the fees paid to GFOA? Where is the application to the GFOA for a 202 CAFR certificate of excellence? If your staff were up front and honest, they would be transparent. But they're not. And when they're not, neither are you Indra. Sorry, but these are the facts.

And then billing this membership to Champ Golf as if it had anything to do with golf was wrong. Did Darren Howard meet with the IVCBA people as did you so he could evaluate whether membership directly benefitted Champ Golf (I'm guessing no)? Which means no one outside of staff would know what had been done insofar as burying this cost into "dues" was concerned - unless they were asking questions like I was asking questions.

Why don't you just come out and admit that each year the District spends \$100K or more on meaningless, unnecessary memberships such as this one and the others I have pointed out? So if anyone were looking for a very easy expense to eliminate without reducing service levels, this would be it. But staff is not interested in curtailing overspending. Which means the only way to force the issue is for the Board to pull the purse strings. Which is why I and others are asking that the Board simply reduce proposed Community Services and Beach expenditures by \$1M annually. Then staff will be forced to figure out where to cut expenditures.

Let's see what the records I have requested reveal, assuming Ms. Herron is able to discover them. Aaron

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

From: "Winquest, Indra S."

Sent: Apr 9, 2021 12:08 PM

To: "s4s@ix.netcom.com"

Cc: "Herron, Susan" , Tim Callicrate , Matthew Dent , "Wong, Kendra" , Sara Schmitz , Michaela Tonking

Subject: RE: Records Request - IVCBA - Follow Up

Aaron –

I will be direct as I am extremely busy and working diligently on priorities that have been handed down by the Board of Trustees along with my everyday responsibilities of managing the district. As you know, when you made the request, there was no record. I met with the leadership at IVCBA to discuss their mission and get an understanding of what they were planning on doing to bring the community together in relation to information, collaboration, and communication. I was very comfortable with what I heard and I do see the potential with this collaboration at least preliminarily so I let them know that I would not commit to a year up front but would be ok

with a few months of a feeling out period to determine whether or not this was something IVGID can benefit from. I also feel they have no political motives whatsoever which is important. The board members all know that they can discuss these items with me any time and as always if they collectively are uncomfortable with anything, then this is clearly not what I want so we work together as staff and board should. Susan can work on the PRR now that you are requesting information again. She is copied on this email as well.

Thanks, Indra

Indra Winqest

General Manager

Incline Village General Improvement District

893 Southwood Blvd, Incline Village NV 89451

P: 775-832-1206

F: 775-832-1380

isw@ivgid.org

<http://www.yourtahoeplace.com>



From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]

Sent: Friday, April 9, 2021 11:34 AM

To: Winqest, Indra S. <ISW@ivgid.org>

Cc: Herron, Susan <Susan_Herron@ivgid.org>; Tim Callicrate <callicrate_trustee@ivgid.org>; Matthew Dent <dent_trustee@ivgid.org>; Wong, Kendra <Wong_trustee@ivgid.org>; Sara Schmitz <trustee_schmitz@ivgid.org>; Michaela Tonking <tonking_trustee@ivgid.org>

Subject: Fw: Records Request - IVCBA - Follow Up

Hello Indra -

See the records request below? Ms. Herron responded NO.

So yesterday Volume 1 of the IVCBA's magazine was delivered to my mailbox. And on page 17 I see that IVGID is a proud corporate member which took \$1K of local property owners' Rec Fee to become a member.

Even if IVGID became a member after Jan 18, I would have expected any honest, forthright and accommodating public employee who had responded as Ms. Herron responded on Jan. 18 to give me an update advising that the answer was now yes. But did I get anything from Ms. Herron? NO!

You've got a big problem with your staff Indra. You can be in denial if you want. Or your staff's #1 cheerleader. But you have a problem.

I would like to examine:

1. IVGID's application to become a member of IVCBA;
2. Evidence of IVGID's \$1,000 payment;
3. The chart of account number assigned by staff to the membership payment;
4. I have located a Feb. 24 bill pay to IVCBA which states membership fees. But the payment is for \$333.96 rather than \$1K. Therefore I would like to examine invoicing for the \$333.96 payment to learn if it was part of the \$1K payment or in addition?
5. The chart of account number assigned to the Feb. 24 payment isn't identifiable on the web site. The third set of numbers ("990") doesn't exist. I have called this omission to Ms. Herron's attention in the past, yet the account structure hasn't been updated. What does the "990" stand for?
6. This charge is charged to Champ Golf. I would like to examine records which evidence what membership in a business organization has to do with Champ Golf? Did Darren Howard sign off on this expenditure? If so I would like to examine records evidencing that sign off;
7. There is a full page IVGID advertisement on page 26 of the above-referenced magazine. I would like to examine:

- a) IVCBA's billing to IVGID for placement of this advertisement;
- b) IVGID's payment of the above-billing;

- c) The chart of account number assigned by staff to payment of the above-billing;
- d) Who layed out and set up the advertising in a condition ready for printing (was it in house or through a third party and if a third party, the billing and payment therefore);
- e) Was this an EXL Media print sale made on IVGID's behalf? If so, I would like to examine paper work from EXL Media to IVGID evidencing this sale?
- f) Any due diligence by Paul Raymore as to the expected ROI for this advertisement.

I am sending a copy of this e-mail to Ms. Herron as an updated records request.

I am sending a copy to the Board asking they WAKE UP! How can you condone these actions?

Thank you for your cooperation. Aaron Katz

-----Forwarded Message-----

>From: s4s@ix.netcom.com

>Sent: Jan 18, 2021 10:39 PM

>To: "Susan_Herron@ivgid.org"

>Subject: Records Request - IVCBA

>

>Hello Ms. Herron -

>

>Is IVGID and/or any IVGID employee whose membership dues are paid or reimbursed by IVGID a member of the Incline Village Crystal Bay Community Business Association aka IVCBA?

>

>If so I would like to examine records evidencing all such memberships, applications for memberships, IVGID monies paid/procurement card charges made for such memberships.

>

>Thank you for your cooperation. Aaron Katz

EXHIBIT "F"

Parks & Recreation Happenings

We are looking forward to a summer of connection and recreation while operating responsibly for our community. We provide an overview of the facilities and services available at our recreation venues, but please visit YourTahoePlace.com to learn about all of our venues and Pass holder privileges and discounts.

Diamond Peak Fall and Winter Season Pass Sale

Diamond Peak closes mid-April, but 2021-22 season passes are on sale now. Season passes come with unlimited access to the mountain, on-mountain discounts, discounts on lift tickets for friends, bonus tickets to partner resorts and more. Purchase passes online at DiamondPeak.com and make sure to buy your pass by April 30 to get the best rate.

Incline Village Parks + Recreation

The Incline Village Recreation Center offers a holistic approach to fitness, health and wellness, including a range of specialty

services you will find at your ordinary gym or recreation center. Purchase an Incline Village Recreation Center membership to make a reservation for classes or to use the facility for your workout. Visit InclineRecreation.com for details about memberships and Parks & Recreation programs including:

AQUATICS: Splashes & Glasses, Private Swim Lessons, Pre-Swim Team, Northern Nevada Aquatics Swim Team, Aqua-Fitness Classes, Lifeguard & Water Safety Classes

ADULT PROGRAMS: Group Fitness Classes, Adult Sports Leagues (soccer, softball, spikeball, etc.)

SENIOR PROGRAMS: 55+ Hikes, Senior Transportation, Conversation Café, IVCB Veterans Club, Incliners

SPECIALTY SERVICES: Personal Training, Nutritional Counseling, Wellness Coaching, Guided Meditation

TENNIS CENTER: Membership, Passes, Camps, Competitive Junior Tennis Academy Lessons, Tennis/Pickleball Clinics, Pickleball Play

YOUTH & TEEN PROGRAMS: Specialty Summer Camps (Lake Tahoe Science, Mountain Bike, Basketball, Junior Lifeguard, Mini Guard, Invasion Soccer, Girls Volleyball, Paddle, E.P.T.C. Adventure, etc.)

Incline Village Golf Courses

The Championship Course and The Grille at The Chateau typically open mid-May and the Mountain Course opens around Memorial Day. Visit Incline.com for tee times, play passes, lessons, merchandise sales, and summer programs and events.

The Chateau at Incline Village + Aspen Grove

Host your next meeting, family gathering, shower, retirement party, etc. at The Chateau or Aspen Grove. Let our team handle the logistics of planning for current health and safety requirements and enjoy your celebration. View rates and fill out an inquiry form at InclineFacilities.com.