



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District Board of Trustees will be held starting at 6:00 PM on May 10, 2023 in the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

Public comment is allowed and the public is welcome to make their public comment via telephone (the telephone number will be posted to our website on the day of the meeting). The meeting will be available for viewing at <https://livestream.com/accounts/3411104>.

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. REPORTS TO THE BOARD - Reports are intended to inform the Board and/or the public.

1. 2023-2024 Proposed Marketing Budget – *pages 5 - 58*
2. District General Manager's Report of May 10, 2023 – *pages 59 - 64*
3. Treasurer's Report - Requesting Trustee: Treasurer Ray Tulloch - Payment of Bills (For District Payments Exceeding \$50,000 or any Item of Capital Expenditure, in the Aggregate in any one Transaction, a Summary of Payments Made Shall be Presented to the Board at a Public Meeting for Review. The Board Hereby Authorizes Payment of any and all Obligations Aggregating Less than \$50,000 Provided They are Budgeted and the Expenditure is Approved According to District Signing Authority Policy) – *page 65*

F. CONSENT CALENDAR *(for possible action)*

1. **SUBJECT:** Review and Possibly Approve Meeting Minutes from March 22, 2023 (Requesting Staff Member: Acting District Clerk Susan Herron) – *pages 66 - 192*
2. **SUBJECT:** Review and Possibly Approve Meeting Minutes from April 5, 2022 (Requesting Staff Member: Acting District Clerk Susan Herron) – *pages 193 - 265*
3. **SUBJECT:** Review and Possibly Approve Meeting Minutes from April 12, 2023 (Requesting Staff Member: Acting District Clerk Susan Herron) – *pages 266 - 353*

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 • EMAIL: info@ivgid.org

www.yourtahoeplace.com

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4. **SUBJECT:** Set the date/time of June 14, 2023 at 6:00 p.m. for the public hearing on the proposed amendments to the Sewer and Water fee schedule and to publish the notice in accordance with the NRS 318.199 (Requesting Staff Member: Director of Public Works Brad Underwood) – *pages 354 - 356*

Recommendation for Action: That the Board of Trustees Set the date/time of June 14, 2023 at 6:00 p.m. for the public hearing on the proposed amendments to the Sewer and Water fee schedule and to publish the notice in accordance with the NRS 318.199

5. **SUBJECT:** Review, discuss and approve Amendment 2 for Clean Tahoe's contract services in the not-to-exceed amount of \$40,000 and Clean Tahoe Multi-Jurisdictional Program Memorandum of Understanding (MOU) (Requesting Staff Member: Director of Public Works Brad Underwood) – *pages 357 - 378*

Recommendation for Action: That the Board of Trustees Review, discuss and Possibly approve Amendment 2 for Clean Tahoe's contract services to extend for an additional year in the amount of \$40,000, and authorize the District General Manager to execute Amendment 2 in substantially the form presented **and** Review discuss and possibly approve Clean Tahoe Multi-Jurisdictional Program Memorandum of Understanding FY 2023-24, and authorize the District General Manager to execute the MOU

6. **SUBJECT:** Review, discuss and possibly authorize the District's General Manager to execute Change Order 01 to the Letter of Agreement with KPS3 for Professional Services to redesign and redevelop the District's YourTahoePlace.com website (Phase 2 of the District's website redesign project) for a one-time cost of \$38,524. (Requesting Staff Members: Marketing Manager Paul Raymore and Director of Information Technology Mike Gove) – *pages 379 - 408*

Recommendation for Action: That the Board of Trustees makes a motion to authorize the District's General Manager to execute Change Order 01 to the Letter of Agreement with KPS3 for Professional Services to redesign and redevelop the District's YourTahoePlace.com website (Phase 2 of the District's website redesign project) for a one-time cost of \$38,524.

7. **SUBJECT:** Review, discuss, and potentially approve Policy 22.1.0 Disclosure of Community Groups – *pages 409 - 411*

Recommendation for Action: That the Board of Trustees makes a motion to approve Policy 22.1.0 Disclosure of Community Groups

G. GENERAL BUSINESS (for possible action)

1. **SUBJECT:** Review, discuss and award the Construction Contract for Mt. Golf Cart Path Restoration - Phase II and Recirculation - Phase III with other construction related contracts (CIP #3241LI2001). (Requesting Staff Member: Director of Public Works Brad Underwood) – *pages 412 - 1049*

Recommendation for Action: The Board of Trustees make a motion to:

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1. Approve the award of the Construction Contract for Mt. Golf Cart Path Restoration - Phase II to Sierra Nevada Construction, Inc. in the amount of \$187,007.
2. Authorize staff to execute change orders for additional work for 10% of the Mt. Cart Path Restoration - Phase II construction contract in the amount of \$18,700.
3. Approve the contract with Black Eagle Consulting for materials testing for Mt. Golf Cart Path Restoration - Phase II in the amount of \$5,500 and for Mt. Golf Cart Path Restoration - Phase III in the amount of \$3,900.
4. Approve the award of the Construction Contract for Mt. Golf Cart Path Recirculation - Phase III to West Coast Paving, Inc. in the amount of \$216,000.
5. Authorize staff to execute change orders for additional work for 10% of the Mt. Cart Path Recirculation - Phase III construction contract in the amount of \$21,600.
6. Authorize staff to perform construction services and inspection as required, not to exceed \$60,450.
7. Approve the contract with Rockwood Tree Service for tree removal services in the amount of \$55,225.
8. Authorize staff to hold a \$60,000 Owner Allowance for unforeseen damage to the cart path due to the past winter that was not accounted for during inspections last year in preparation of the design.
9. Authorize staff to execute contract amendments for additional services as required with Black Eagle Consulting not to exceed \$1,000.
10. Authorize Chair and Secretary to execute the contracts in substantially the form presented.

2. **SUBJECT:** Review, discuss and possibly approve all or portions of the Management Consulting Engagement with Moss Adams **and** Reallocate a maximum of \$110,000 from the General Fund for this project. (Requesting Trustee: Trustee Sara Schmitz) – *pages 1050 - 1119*

Recommendation for Action: It is recommended the Board of Trustees makes a motion to approve the management engagement contract with Moss Adams and Reallocate \$110,000 from the General Fund balance to cover the costs of this engagement.

H. REDACTIONS FOR PENDING PUBLIC RECORDS REQUESTS (for possible action)

1. Review, Discuss, and Provide Direction on Redactions for Pending Public Records Requests (Requesting Staff Member: District General Counsel Josh Nelson)

I. LONG RANGE CALENDAR

1. Review of the Long Range Calendar – *pages 1120-1123*

J. BOARD OF TRUSTEES UPDATE

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

L. ADJOURNMENT (for possible action)

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CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, May 5, 2023 a copy of this agenda (IVGID Board of Trustees Session of May 10, 2023) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were e-mailed to those people who have requested; and a copy was posted, physically or electronically, at the following locations in accordance with Assembly Bill 253:

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoepace.com/ivgid/board-of-trustees/meetings-and-agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Susan A. Herron

Susan A. Herron

Acting District Clerk (e-mail:sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: *Matthew Dent - Chairman, Sara Schmitz, Michaela Tonking, Raymond Tulloch and David Noble*

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. **IVGID'S agenda packets are available at IVGID's website, www.yourtahoepace.com; go to "Board Meetings and Agendas".***

MINUTES

REGULAR MEETING OF MARCH 22, 2023 Incline Village General Improvement District

MEETING MINUTES

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Board Vice Chair Sara Schmitz on Wednesday, March 22, 2023 at 5:00 p.m. at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees, David Noble, Sara Schmitz and Michaela Tonking. Trustee Raymond Tulloch arrived at 5:07 p.m.

Members of Staff present was Director of Finance Paul Navazio, Director of Human Resources Erin Feore, Director of Parks & Recreation Sheila Leijon, General Manager Diamond Peak Ski Resort Mike Bandelin and Director of Golf/Community Services Darren Howard. Members of the public physically present were Jim Gately, Cliff Dobler, Aaron Katz, Judith Miller, John Jansen, Mick Homan, Mike Abel, Jack Dalton and others.

C. INITIAL PUBLIC COMMENTS*

Jim Gately read from a prepared statement, which is attached hereto.

Cliff Dobler read from a prepared statement, which is attached hereto.

Aaron Katz submitted a written statement(s). He commented that the basic structure of the Utility Rates is flawed, and so is the basic structure of the budget that Staff proposed for adoption; there is evidence again, and at least seven items are wrong. He continued that the proposed 2023/24 budget is called baseline which means it is premised upon the flaws of previous budgets; these flaws can be fixed by a 0 based budget. He stated that since the category services and supplies varies, the overwhelming majority of inappropriate and unnecessary expenses, and Staff refused to share all of the particulars, he has no clue as to what they are being asked to approve. He continued that since revenue to the internal services funds comes billings to other District departments, Staff has a conflict of interest; yet, Staff refused to share the particulars of their billings so he

has no clue what they are being asked to approve in this fund. He stated for these reasons, it is time for the internal services fund to be dissolved; potentially there could be a savings of 3.1 million dollars. He continued that Staff's allocated central services cost plan is flawed, because rather than complying with NAC regulations, it disingenuously transfers funds from community services beach and utility enterprise funds to pay for overspending in the general funds; now the expenses of public parks and athletic fields, rather than cutting overspending assigned to the general fund, have crept up to expand central services cost transfers. He stated that notwithstanding the Ski, Champ Golf and Mountain Golf sub funds are major and are required by GASB to be separately reported; the District refuses to report them as such, which allows Staff to transfer the positive cash flow from Diamond Peak to the loses in golf. He continued that it is wrong for Staff to create recreation and beach fees first, then budget expenditures to the level of this added revenue, rather than adopting recreation and beach fees based upon any legitimate shortfall; it makes the recreation and beach fees invalid taxes. He stated there is time; instruct Staff to go back to the drawing board and return with a fair and proper budget which fixes all of these flaws.

Judith Miller commented something is amiss when picture pass holder's ski day passes increase anywhere from 40-60% yet picture pass holder daily golf green fees are proposed to increase a measly 5%. She continued that ski has been covering or exceeding both capital and operating expenses in recent years while golf fails to cover even its operating expenses and requires subsidy's from property owners, usually of 2-3 million dollars or more. She stated that she understands no one likes to see fees go up, but it is time to either raise green fees substantially or find a way to cut cost; Mr. Dobler has said in the past that IVGID does not have a revenue problem, it has a spending problem. She continued that if there is no way to cut operating costs, as the Director of Golf/Community Services asserts, then maybe it is time to compare central services and internal services costs to outsourcing. She stated she echoes the Moss Adams findings; actually, they echo her from a few years ago, that the central services cost allocation plan is simplistic. She continued that costs aren't calculated on appropriate and fair basis; for example, accounting would be more appropriately based on the number of transactions and not just the dollar amounts of services and supplies; this could be tracked easily and should be part of the accounting cost distribution. She stated that HR is also allocated in an unfair way based on full time equivalence and ignores the extra work involved in onboarding and off boarding multiple part time and seasonal employees. She referenced the distribution of the 1 million dollars in IT cost and stated it should be figured on something other than full time equivalence and salaries; from her own experience in managing IT, typically departments with engineers and other technical Staff require far less IT support than others. She continued that if there is not already a system to track IT service

requests, it should be implemented; it would allow allocation based on something directly related to the cost of providing IT services. She stated there has been discussion regarding charities and noted that the discussion is really regarding nonprofits; not all nonprofits are charities, especially some of the ones that use the golf course. She continued some of them are; they work selflessly for the benefit of others; it's usually people that have less money or have some other disability.

John Jansen read from a prepared statement, which is attached hereto.

Mick Homan read from a prepared statement, which is attached hereto.

Mike Abel read from a prepared statement, which is attached hereto.

Jack Dalton commented that he listened to what people had to say; he came to the community after he retired for the golf and skiing; two rotator cuffs and two knees later and being 79, he gets \$29.00 and another year of ski is free. He continued that he has not golfed either; he spent a lot of time at 2018, 2020 and 2022 walking around for political parties and candidates. He continued that it is interesting that the people who are not golf club members are upset about the money they have to pay; he is not one of them and does not care, but there are a lot of people who have cash flow and \$500, independent of whatever people have said tonight, is a big number. He referenced his neighbor who does not have a cash flow problem and stated they don't vote for certain candidates because they are potentially asking where the golf is. He stated he is hearing something from the Community; some of the people in the Community that are golf club members have spoken up and they know about them and support the concept of having appropriate charges for the golf. He thanked Trustee Tonking; she showed up today and he made some money because he bet she would be here and he had no inside information.

Kevin McCowan commented that he is in attendance for the specific purpose of addressing the proposed increases in golf rates and mainly the all you can play passes; he has a few questions. He stated he would first like to understand how they got to this place where they may be facing up to a proposed 70% increase in resident golf rates since 2019. He referenced 2019-2022 and asked if increasing golf rates has had any impact on the overall revenue; the answer is no, raising prices is a very small contribution to overall revenue generation. He continued that selling a higher volume of services, products and cost cutting is the most effective strategy; he asked where the reducing of expenses proposal is at. He stated that if price increases did not work to increase revenue during those years, why assume that it will work now; the real issue of running a golf course if that revenue is generated for a short 5 months and the main reason the District is running in a

deficit is primarily from maintaining a significant payroll for 12 months. He continued that payroll went up from an average of 46% of gross revenues between 2018-2020, and then increased dramatically to 53% between 2021-2022, while revenues decreased at the same time. He asked if people think a restaurant, hardware store, hotel or a country club could make money if they were only open 5 months out of the year, but kept the Staff's payroll for 12 months. He continued that country clubs also include weddings, dining, banquets and other ancillary income in total. He stated that he came to Incline Village for the recreational amenities, with golf at the top of the list; many full time residents are retired and are on fix incomes. He stated that over the last few years, it seems that the resident golfing community has been targeted by excessive and unnecessary rate increases. He continued that he believes the District model has always been to prioritize residents with substantially better prices and services over nonresidents. He stated he understands the Board of Trustees is considering different rate hike options to include tier 1, 2 and 3, all you can play golf rates, etc. which is 70% over the 2019 rates; the question is why. He continued that it will result in a significant decrease of people buying those upfront expensive golf plans; the approach is going to backfire and result in a net revenue reduction because people aren't going to spend \$5-6,000.

Denise Davis commented that by not placing a date deadline for purchasing Diamond Peak season passes, money is being left on the table; at least once each ski season, she has been told by a Diamond Peak visitor that they were surprised that they could buy a season pass anytime during the season and the money they unexpectedly saved. She continued that General Manager Diamond Peak Ski Resort Bandelin has brought the lack of a season pass deadline to the attention of the Board of Trustees several times; she asked that his comment be taken under consideration.

Jim Chapman commented that he has been disturbed by the fragmented and inaccurate discussions that have taken place by several of the Trustees regarding the golf operations and facility, especially since it is the only one of numerous community benefit services and assets he enjoys. He continued that he chose to purchase property in Incline Village based on all of the collective services and assets; the idea of having the Trustees wanting to break the community service assets down into individual financial profit centers, rather than viewing them as collective services and assets breaks from the tradition from how Incline Village was founded and developed. He stated that the Community has been well served for over 50 years by maintaining all of the assets, and it can be so in the future too. He stated hopefully they will go back and do a thorough accounting of all of the numbers and put an intelligent piece of information out to the Community for everyone to assess the process; Mr. Homan has done an outstanding job in

relaying some of the discrepancies that were part of the last analysis. He stated he hopes the Trustees will pause, regroup and work at coming together with a plan that will be all inclusive and balance the assets they have been so privileged to have which is the main reason he bought.

Margaret Martini commented that there needs to be business plans which has been asked for from each facility; Chair Dent asked the managers to provide that, and the District General Manager stated they did not do it last time because they did not have time. She continued that it was a direct order from the Board of Trustees; if the facility managers and the District General Manager cannot perform their duties that were asked of them, then they all need to be terminated immediately. She stated that it is ludicrous to think that just because the ski area is the only facility making a profit, that you should have to charge more there to make up for other facilities that are either mismanaged or should be privatized. She continued that it needs to be looked at and she would like to see the business plans for each of the facilities; most of the Trustees have run on a 0 based budget; this is not seen or talked about anymore. She stated that she thinks the financials need to be in order and a business plan is a must; it needs to be expedited as it was asked for. She continued that anybody that has any senior position at IVGID needs to step up and do their job, or find another one. She stated that as far as amenities for the employees, people are mistakenly using other high dollar country club type properties as examples for what the District should be which is ridiculous; you just need to make sure employees are paid and paid on time; the District does not need to subsidize anyone with recreation facilities. She continued that people like to come to Tahoe and visit and if they have a job here, it is even better; the District needs to be more realistic when it comes to giving away facilities just for employee retention.

Frank Wright commented that something has to be done; there is a group of people in this town that think that other people should finance their recreation at other people's cost. He stated that people that do not golf are financing the golfers; his recreation fee is financing the golf courses and those poor golfers are worried about an increase in their rates; they are screaming bloody murder because they don't want to pay more. He stated that money is being taken from Diamond Peak to be thrown towards the golf courses; the picture pass holders are now asked to pay more at Diamond Peak so that money can subsidize a bunch of golfers who have taken over the golf courses all summer with guaranteed tee times and low rates. He stated it is unbelievable; they have the arrogance to ask the parcel owners to subsidize their golf, and they are upset now that they may have to pay more money to play golf. He continued that he guesses that is what a Community is all about, he'll pay for theirs and they won't pay for anything; they want what they want, and it's the end of the story. He stated they come talk to the Trustees and

intimidate them so they can get what they want; they'll go play golf as that's all they care about and then forget about the rest of the Community. He stated that things need to be taken care of now; the people who are not doing their jobs need to be given a goodbye; this has gone on way too long and there's too many things happening that should not be happening. He continued that there is not enough time in the 3 minutes to go through everything he uncovers every week at IVGID; there are so many irregularities and money that is being mismanaged that it is sickening; the venue managers are not qualified to even bring a budget for their venue. He continued that they cannot say how to cut costs and they don't know what they are doing so everyone is going to go down; the Board can take control now.

D. APPROVAL OF AGENDA (for possible action)

Vice Chair Sara Schmitz stated that the Chair and District General Manager have concurred to defer item E.1. to April 5, 2023 to allow the Trustees additional time to digest the information and work with Staff so that Staff can further refine the numbers and the format of the material to produce a clear, concise and quality budget. She stated that as it relates to Consent Calendar Item F.2, Chair Dent requested it be removed to allow him the opportunity to expand the memo and provide more transparency on the work being requested of outside legal counsel. She stated that there was a request to remove General Business Item G.7. to allow Staff the opportunity to assess the suggestions received from the Community Members and Trustees and provide more options related to rates and more robust financial analysis for the Trustees consideration. The agenda was approved as revised.

E. BUDGET WORKSHOP

- E.1. SUBJECT: Fiscal Year 2023-2024 Budget Workshop #3 – Operating Budget Update, Capital Improvement Plan Update and Final Facility Fees (Venue Manager Presentations) (Requesting Staff Members: District General Manager Indra Winqest and Director of Finance Paul Navazio) *(this item was removed from the agenda in its entirety)***

F. CONSENT CALENDAR (for possible action)

- F.1. SUBJECT: Review, discuss and possibly approve proposed modifications to the Trustee Handbook (Requesting Trustee: Trustee Sara Schmitz)**

- F.2. SUBJECT: Review, discuss and approve an agreement with Thorndal Armstrong for legal services as it relates to the Beach Deed and IVGID Beaches in the not-to-exceed amount of \$50,000.00 (Requesting Trustee: Chairman Matthew Dent) *(this item was removed from the agenda in its entirety)***
- F.3. SUBJECT: Review and possibly approve abbreviated meeting minutes of February 8, 2023 and February 22, 2023 (Requesting Staff Member: District Clerk Melissa Robertson)**

Trustee Tonking moved to approve the consent calendar.
Trustee Tulloch seconded. Vice Chair Schmitz called the question and the motion passed 4-0.

G. GENERAL BUSINESS (for possible action)

- G.1. SUBJECT: Authorize the General Manager to execute State of Nevada clean water State revolving fund loan contracts CW2303 and CW2304 in the aggregate amount of \$16,000,000 to finance Phase 2 of the Effluent Pipeline Project (Requesting Staff Member: Director of Finance Paul Navazio)**

Director of Finance Paul Navazio provided an overview of the submitted material. Trustee Tonking asked what the timing will look like if and when the District needs to increase and tries to access the other 52 million dollars. Director of Finance Navazio stated that hopefully the District will not need to increase every time; another loan application would be submitted. He continued that his understanding is that it would not be an amendment to the contract but rather reapplying. He stated that all of the leg work has been done, the funds are reserved and the District would need to meet the requirements; Staff's expectation is that within the next 12-18 months, they will have more certainty on the total cost of the project and clarity on potential outside funding. He stated that if there is a second request, they will want to make sure it is the final request for either the remainder of the amount or a portion thereof. Trustee Tulloch stated this would be taking on more debt than the District ever has in the entire history; he asked what precautions are put in place to ensure that money is not spent just to be spent and just because the funding is there. Director of Finance Navazio stated just because they are accessing debt funding, it is being paid overtime by the District rate payers; the plan on putting this together is to provide the best available financing to the District. He continued that the District has also

been collecting dollars for the project and setting it aside; having the funds available is the key while being intentional and strategic about spending it without over spending is the task at hand. Trustee Tulloch stated the District has been collecting 2 million dollars per year from residents for the last 10 years; much of the money was diverted for other purposes; at least 5 million dollars was not properly reserved. He stated he is also conscious on the beach contract; CMAR was in place to save the District money but they ended up with the maximum amount, and then wanted to spend it on something else. He continued that residents are going to be paying for that on their utility bills for the next 30 years; he wants to ensure there are proper precautions on place. Director of Finance Navazio stated that once this is in place, Staff would be back in front of the Board of Trustees with the contracts; at this time they can have the conversation regarding what is authorized to be spent and what it is authorized to be spent on; the work that is being done around internal controls will play into it. Trustee Tulloch asked if the Trustees will see regular updates every time there are additional draw downs. Director of Finance Navazio stated Staff could provide that; when they bring the Trustees a contract, and if it is approved, and if the funding source of the contract is the loan proceeds, Staff will provide quarterly reports of the draws. Trustee Tulloch stated that would be helpful so progress can be monitored. Director of Finance Navazio mentioned that the District would not be getting 16 million dollars on day 1; the funding will be accessed to the extent that it is reimbursing the District for cost that have been incurred; the costs will be controlled. Director of Public Works Brad Underwood referenced the CMAR process and Staff; they will try to keep costs as low as possible. He noted that Staff has been engaged with Granite Construction over the last 3-4 weeks regarding sub-contractor bids; Staff received their guaranteed maximum price and Staff is reviewing it to see if there are some potential cost savings. Trustee Tulloch stated he gets concerned when he hears guarantee maximum price; experience seems to show the District pays the maximum price every time and it defeats the object which is why he prefers competitive bidding. Trustee Schmitz pointed out that the contract requires the District to track and monitor all expenditures of the funds so she wants to make sure Staff is aware that it is a contractual obligation and it would be helpful for the Trustees to have the information too. She referenced a \$78,800 loan origination fee in the contract; she asked if this was the only cost for the bonding effort and if there will be any attorney fees that have not been identified. She continued that she does not recall having anything in the budget for these fees; if it closes on April 11, 2023, the funds will be due this fiscal year. Director of Finance Navazio referenced the municipal advisory and bond counsel and the loan origination fee that NDEP charges; it is not allowed to be reimbursed by the

loan. He continued that the municipal advisory fee and bond counsel fee add up to about \$81,000 combined and they are reimbursable; they were submitted to NDEP as part of the financing component of project costs which makes up the first draw on the loan. He stated that typically they are funded out of the cost of issuance; there is an engagement letter and fee letter from both the municipal advisor and bond counsel on the project and it was established at the front end that the fees would be paid at close of loan and bond issuance. He reiterated that they are charged to the project and then reimbursed by the loan; the loan origination fee needs to be paid by the District from District funds and is a cost that is charged to the project which will come out of the effluent pipeline project in this fiscal year. Trustee Tulloch asked if the cost is being capitalized. Director of Finance Navazio stated it is eligible for capitalization and it can be discussed in case the Board of Trustees wants to do something else with it.

Trustee Schmitz made a motion to authorize the General Manager to Execute State of Nevada Clean Water State Revolving Fund Loan Contracts CW2303 in the amount of \$15,760,000 which will be repaid through debt service payments and CW2304 in the maximum amount of \$240,000 which is eligible for principle forgiveness, in the aggregate amount of \$16,000,000 to finance Phase 2 of the Effluent Pipeline Project and to modify the loan contract to change the words from segment 2 to phase 2. Trustee Noble seconded the motion. The motion passed 4-0.

G.2. SUBJECT: Approval of Resolution No 1899 providing for the issuance of sewer bond series 2023A in the maximum amount of \$15,760,000 and Sewer Bond Series 2023B in the maximum amount of \$240,000; Providing the Forms, Terms and Conditions Thereof; Securing Payment Through a Pledge of Net Revenues Derived from the Utility System of Which the Financed Project is a Part; Ratifying Actions Previously Taken Toward the Issuance of the Bonds; and Providing Other Matters Relating Thereto (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Paul Navazio provided an overview of the submitted material. Trustee Tulloch asked about the term lengths with regards to paying the principal off. Director of Finance Navazio responded that it is a 30-year principle repayment. Ken Dieker, bond counsel, stated the final payment is 30 years out so the District would be paying principal interest over 27 years if the final draw is done in year 3. Trustee Tulloch inquired about the cost of issuance price of \$82,916. Director of Finance Navazio

explained that it is in addition to the loan original fees for a total of \$160,000. Trustee Tulloch stated it is \$160,000 for the 16 million dollar loan and asked if it will be 1% when they draw down on the 52 million dollars as well. Director of Finance Navazio stated that if the question is whether it is proportionate, the answer is yes for the loan origination fee but it would be a negotiated flat fee for the bond counsel and municipal advisor. There was discussion on this item which can be viewed on livestream around one hour and 19 minutes.

Trustee Tonking made a motion to approve Resolution 1899 providing for the issuance of Sewer Bond Series 2023A in the maximum amount of \$15,760,000 and Sewer Bond Series 2023B in the maximum amount of \$240,000; providing the forms, terms and conditions thereof; securing payment through a pledge of net revenues derived from the utility system of which the financed project is a part; ratifying actions previously taken toward the issuance of the bonds; and providing other matters pertaining thereto, and change the bond document language from the words segment 2 to phase 2. Trustee Noble seconded the motion. The motion passed 4-0.

G.3. SUBJECT: Review, discuss and possibly provide feedback/direction on possible employee recreational privileges and employment Incentives in replacement for the removal of the privilege of beach access for non-resident employees (Requesting Staff Member: Director of Human Resources Erin Feore)

Director of Human Resources Erin Feore provided an overview of the submitted material. District General Manager Winquest stated that recruitment and retention are challenges that are at an all-time high from what he has seen; it is important that the District does everything they can to recruit and retain quality employees to provide the level of service that is required and expected. He stated this is about trying to pivot to some additional things that the District may be able to do based on what is going on and the competitive employment market; a lot of the research that has been done is consistent with what is being seen at other agencies. Director of Human Resources Feore added that she did an evaluation of all of the full time year round positions that were posted last year; the average post to fill was 107 days and some were 250 days for technical positions. She continued that it is difficult to hire people especially in a town that not everyone lives in; Staff is competing with Reno and other agencies on the hill so she wanted to be broader minded about the ideas being brought to the Board of Trustees

attention. The Trustees asked questions and provided their feedback on this subject. There was discussion regarding the difference between employee recreational privileges and benefits that would be incorporated into a contract and whether the benefits should be a separate conversation as some Trustees expected the discussion to be about replacing beach access with other recreational privileges. It was determined that the Director of Human Resources will bring this item back at a future meeting with additional information; Staff will also be re-visiting the Employee Recreation privileges document, incorporate changes and bring it back for formal approval. The discussion on this item starts around one hour and 37 minutes on livestream.

G.4. SUBJECT: Review, discuss and possibly provide feedback/direction on survey I from the General Manager's Dog Park Committee (Requesting Staff Member: Director of Parks & Recreation Sheila Leijon)

Director of Parks & Recreation Sheila Leijon and District General Manager Indra Winquest provided an overview of the submitted material. There was much discussion on this item. The Board of Trustees provided direction to Staff to table the proposed survey, eliminate the U.S. Forest Service parcel adjacent to Incline High School as an opportunity site and proceed with Village Green as the site for a dog park. The Board of Trustees directed Staff to work with the General Manager's Dog Park Committee to develop conceptual costs of various components of the proposed dog park to be included in an upcoming modified survey. The discussion on this item starts around two hour and 34 minutes on livestream.

G.5. SUBJECT: Review, discuss and possibly award a procurement agreement for replacement snowboard Rental Equipment – 2021/2022 Capital Project: Fund: Community Services; Division: Ski; Project # 3468RE0002; Project Type Equipment & Software; Vendor: Amer Sports Salomon in the amount of \$131,880.00 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)

General Manager Diamond Peak Ski Resort Mike Bandelin provided an overview of the submitted material. He referenced that on page 656, Exhibit C, pricing, where it refers to "estimated quantity" and suggested it be changed to the quantity itself. District General Counsel Melissa Crosthwaite mentioned that the Board of Trustees could approve this item with the necessary changes which is to remove the estimated quantity and estimate language. There was some discussion on this item; this item starts around three hours

and 12 minutes on livestream.

Trustee Tonking made a motion that the Board of Trustees award a procurement agreement for replacement snowboard Rental Equipment – 2021/2022 Capital Project: Fund: Community Services; Division: Ski; Project # 3468RE0002; Project Type Equipment & Software; Vendor: Amer Sports Salomon in the amount of \$131,880.00 with the update language that legal suggested regarding the estimate quantity. Trustee Noble seconded the motion. Trustee Tulloch asked that any remaining funds be moved back into the community services funds so it can be looked at fresh for the ski purchase. It was noted that this will be added to the long range calendar. Vice Chair Schmitz called the question and the motion passed 4-0.

G.6. SUBJECT: Review, discuss and possibly approve Diamond Peak Ski Resort's 2023-2024 Picture Pass holder daily lift ticket rates including Picture Pass holders and Non-Picture Pass holder season pass rate proposal. (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)

General Manager Diamond Peak Ski Resort Mike Bandelin provided an overview of the submitted material. Trustee Tulloch stated that it was previously proposed to add \$5 to every season pass; the Board of Trustees felt that it was wrong in terms of the picture pass holder passes hadn't increased since 2012. He referenced the 10% increase and stated his recollection was that it would be moved to all the season pass products; it looks like the residents are being penalized by increasing it by 10% and only increasing the non-resident season passes by \$5. General Manager Diamond Peak Ski Resort Bandelin stated that the memo on 3/8 included \$5 change in season pass product pricing by tier for non-picture pass holders, and the recommendation was no change to picture pass holders. Trustee Tulloch stated the recommendation was to increase the picture pass holders by 10% but he does not think the Trustees understood that it meant only a \$5 increase for the non-picture pass holder. Trustee Noble referenced the non picture pass holder passes and stated that General Manager Diamond Peak Ski Resort Bandelin believes they are in the right bandwidth based on what other ski areas are doing with their products. He referenced the picture pass holder rates and stated that had not been changed in a decade, it was a 10% increase to the adult rate. He continued that he then took the delta between the adult picture pass holder rate and the adult non-picture pass holder rate, which is about a 29% savings for residents, and applied that delta, or 29%

reduction to non-picture pass holder passes to get to the dollar figure. He stated that the rates for the youth, child and senior and super senior are incredibly low; General Manager Diamond Peak Ski Resort Bandelin feels that the rates for adults, youth, child, senior and upper senior for the non picture pass holders are in the correct bandwidth; this is being used as the benchmark and then backing in the discount for the resident rates. He continued that there are dramatic percentage increases, but the rates for the picture pass holder passes are still fantastic. Trustee Tulloch stated he struggles that the super seniors are being told that their past price is going to quadruple, it has been known that Diamond Peak is going to require significant capital investment and the District is likely going to ask residents to pay capital towards that. He continued that the prices are increasing dramatically for picture pass holders while only increasing by \$5 for non residents. Trustee Tonking stated he understands the logic; she does feel that the non-resident picture pass is in the right target area. She referenced the cost for super seniors and stated her fear is about losing customers; she discussed the affordability for super seniors and youths. Trustee Tulloch stated the Board of Trustees has heard complaints tonight from the golf community based on one memo that has not been validated; there were some good points made such as the question of whether they are trying to price residents out. He referenced giving special treatment to golf but are increasing rates for ski by 10% for residents and only \$5 for non-residents; he struggles completely with it. Trustee Noble noted that they have had flat rates for passes for the past 10 years; he does not think any other venue has done that or even come close. He used the super senior rate of \$120 as an example and stated that someone can't even get a day ticket at any resort in the Tahoe basin for that price for one day, but the super seniors get to ski for over 4 months for that price which is a bargain. He stated he has not heard any complaints but maybe others have; he feels it is still the best deal around. Trustee Tulloch stated that they have heard all types of claims about golf and how they are being penalized because of rates which have not gone up in years and the District is still paying the price for that by trying to get them back to realistic rates. He asked what happened to the quality experience and why there is a 180 degree difference in the logic being used for golf compared to the logic being used for ski. Trustee Schmitz asked what Trustee Tulloch's recommendation is. Trustee Tulloch stated he would like to see the 10% rate increase applied to the non-picture pass holder as well. There was some additional discussion on this item that can be viewed on livestream around 3 hours and 38 minutes.

Trustee Tonking made a motion to approve a \$10 increase to all picture pass holder daily tickets products for the fiscal year 2023-2024

and approve an increase to all picture pass holder season pass products at a 50% discount of the non-picture pass for all categories other than adults; adults to stay at a 10% difference and approve a \$10 increase to all non-picture pass holder season pass products for fiscal year 2023-2024 and authorize District Staff to include an additional tier 4 for the non-picture pass holder season pass product. Trustee Noble seconded the motion.

Trustee Tulloch stated he cannot vote on the motion as he has not seen the table with the revisions that have been discussed to see what the impact is. Trustee Schmitz asked General Manager Diamond Peak Ski Resort Bandelin what the impact would be of updating the tables and bringing it as a consent item at the April 5, 2023 meeting. General Manager Diamond Peak Ski Resort Bandelin stated that policy 6.2.0 speaks to pricing for picture pass holder products; he likes to bring non-picture pass holder products within season passes to the agenda item for review and discussion. He stated Staff has never brought ski non-picture pass holder daily tickets to the table for review or approval as it does not meet the policy; it does inform the budget somewhat but typically those rates are assumptions within the budget. Trustee Schmitz asked if the tables were revised, and the item was placed under consent on April 5, 2023, if it would have a negative impact on the business. General Manager Diamond Peak Ski Resort Bandelin stated yes, because the sale would have to be postponed by 2 weeks.

Vice Chair Schmitz called the question and the motion passed 3-1 with Trustees Tonking, Noble and Schmitz in favor of the motion and Trustee Tulloch opposed.

- G.7. SUBJECT: Review, discuss and possibly approve (a) Couples Play Pass pricing to, first individual at the individual rate and second person to individual rate less 15%, (b) either a 5%, 8% or 11% increase for the Golf Play Passes rates, (c) either a 5%, 8% or 11% increase for the Daily Green fees; (d) keep the Charity rates as approved last year; and (e) increase the Range fee rates by \$1 per product for the Incline Village Golf Courses for the 2023 season. (Requesting Staff Member: Director of Golf/Community Services Darren Howard) *(this item was removed from the agenda in its entirety)***
- G.8. SUBJECT: Review, discuss and possibly provide direction to advertise for the proposed management consulting engagement (Requesting Trustee: Trustee Sara Schmitz)**

Trustee Schmitz provided an overview of the submitted material. Trustee Tonking stated she likes the layout and the timeline; she referenced “the last day for questions” and asked if all of the answers to the questions would be published on April 12, 2023. District General Manager Winqest stated it would typically be put out for a minimum of 2 weeks; his suggestion for this particular item would be to put the RFP out for a bit longer. Trustee Schmitz clarified that it is a full 2 weeks for the responders to be able to ask questions; the proposal would then be due one week later, for a total of 3 weeks. Trustee Tonking stated she agrees; her only question is when the answers would be provided to the questions from the responders. District General Manager Winqest suggested adding an extra week to the process because of the question and answer period. Trustee Schmitz stated she would be ok with clarifying that all questions would be answered by April 12, 2023. Trustee Tulloch stated he thinks the language should be change to say all questions shall be submitted in writing; he stated that there should be language regarding any contacts with Staff, Trustees; this will result in disqualification. Trustee Schmitz stated she would incorporate these changes. Trustee Noble suggested making the due date for proposals 4/17 to be consistent with the timeline. He asked if everyone is ok with the timeline as it seems a bit aggressive to him; he suggested possibly adding a week or two to get as many good proposals as possible. Trustee Schmitz stated they could potentially extend the date after the fact if they need to; it is a generous amount of time and she is also trying to coordinate it in a way to get the responses in a Board packet for the meeting on April 26, 2023. Trustee Noble referenced the proposal due date on 4/17 and asked if there would be enough time to have the information included on the 4/26 Board of Trustee meeting date. He stated he would like to see a bit more wiggle room with the due dates but if everyone is comfortable with it, then that is fine too. Trustee Schmitz stated she would work to get the dates cleaned up and add the language that the Trustees have requested; she will work with the District General Manager and Board Chair on getting everything aligned appropriately. The Board of Trustees agreed with this action.

Trustee Tonking made a motion to approve the management engagement request for proposals (RFP), and direct staff to advertise the request. Proposals will be delivered for the Board of Trustees to select their preferred vendor and potentially augment the budget for the first phase of the initiative at a later date. Trustee Noble seconded the motion. Vice Chair Schmitz called the question and the motion passed 4-0.

H. REDACTIONS FOR PENDING PUBLIC RECORDS REQUESTS (for possible action)

There were no redactions for public records.

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

District General Manager Winquest provided an overview of the long range calendar. Trustee Schmitz stated there would be a meeting on April 5, 2023 to cover golf rates and hold the budget workshop. It was determined that the meeting would start at 5 p.m. It was noted that the engagement with special counsel will be on the consent calendar for April 5, 2023. Trustee Schmitz stated she would not be at the April 12, 2023 Board of Trustees Meeting and requested that the Ordinance 7 item be moved to another meeting.

J. BOARD OF TRUSTEES UPDATE

Trustee Tonking stated she met with the recreation fund budgeting Staff as the Recreation liaison. Trustee Tulloch stated he met with the Public Works Staff regarding the potential Waste Management extension proposal.

K. FINAL PUBLIC COMMENTS*

Margaret Martini commented that in looking at the proposal on the employee benefits, there is no reason on this earth, that benefits should be 50% of what she has to pay. She stated it is beyond ridiculous and unconscionable that it would even be approached; they should pay 50% of the going market rate which would still be a benefit. She continued that the District has looked far too deep into employee benefits; either they want to work here or they don't. She stated that all she hears about is retention; people probably do not hear the word retention from others or that it's happening; she does not think the District needs to go so deeply, they can give a few perks. She continued that this has gotten beyond ridiculous. She referenced the presentation by General Manager Diamond Peak Ski Resort Bandelin and stated that there is no good reason at all that there should be any increases in the cost of skiing for local picture pass holders; the ski area is a gold mine and this is out of line. She stated if money is not being lost, like it is at the golf course, and money is being made, perhaps they should look at separating everything; and all of the huge profits that the ski area is making should be given back to the residents who are paying. She asked why they continue to allow golf and other venues to continue to lose money. She continued that Trustee Tulloch had a great idea to look at everything; if it can be outsourced at a cheaper price, the

District does not need all of the employees; everything should be looked at for outsourcing including looking at the cost benefit, and if there is no cost benefit, then fine, do the employee thing. She stated that if there is a cost benefit, then why as a business, would you not look at that; she does not hear anyone talking about this but rather about hiring more employees and giving more benefits which is very un-business like.

Cliff Dobler commented that there is no temporary dog park down at Village Green; it is the dog park and there is a conditional use permit with the County. He stated that it is temporary in people's minds but the County has provided the Village Green as the dog park. He continued that when they start chasing rainbows like the piece up across the high school, it is like chasing the effluent pipeline to put it in the SR28 when the transportation district had to go out and get money to do that. He stated that the District is trying to do a pipeline and they are trying to merge them together; there was no risk assessment on that at all; it was so farfetched, it is like throwing 1000 pennies in the air and picking out the one that will fall in your hand. He stated it is so ridiculous; the chance of getting the dog park at that location are slim to none; it is a parcel dedicated for open space and the Sierra Club will be all over it in 5 minutes. He continued that it is the same way up at Diamond Peak; a master plan was completed, they came back with questions and nothing was done. He stated there has not been any risk management on how to get something done' it just gets talked about and delayed and brought back. He stated that the pool at Burnt Cedar Beach was a different deal; he ramrodded that through so keep that in mind. He referenced the budget and Mountain Golf Course and stated that the District bought \$600K in golf carts and forgot that they were leased for 3 years and kept them in gas because there is no electricity to put lithium batteries in the building. He continued that the electrical line was a bunch of money improving the building, but the District does not have it at all but they buy lithium battery golf cart and put a new roof on while not thinking of the electrical to hook up the lithium batteries. He stated there is no planning; if you are going have to blow 1 million dollars on the building and you want lithium battery carts, then go blow 1 million dollars, otherwise forget about the lithium batteries. He stated to think about a plan and think about what is being done.

Jack Dalton commented referenced the Ordinance 7 restructuring and stated that it will be a disaster for management to open up the sick leave; the hospitals in New York are cutting back on what the sick leave will be and how it is obtained. He asked how the gas stuff would be managed and stated it would be impossible. He continued that the Community does not have any information and he hears from the District General Manager that the Board is in charge; he mentioned that the Board materials were supposed to come out 7 days in advance and it did not get published until the Saturday before the meeting. He stated everyone has to request

the meeting synopsis; he goes to a different meeting every two weeks and the synopsis is really good; the scribe is fantastic and it is easy to find everything. He referenced a zero based budget and stated it was requested by the Board of Trustees to be in the budget and it is not there. He referenced the IVGID magazine and stated there needs to be access for the Community to write something; he agrees it should not be libelous but it should not be censored by the District General Manager.

Mike Abel commented that April 5, 2023 is Passover; he won't be able to attend or listen in. He stated he thought Trustee Tonking was of the faith but apparently she is unaware of that or was not knowledgeable on it. He stated everyone is wanting to get the electric golf carts operational and he does not know if they have the ability to go up the hills at the Mountain Course; they seem to do fine at the Championship Course. He stated that the gas usage on the gas carts are minimal; it seems to be an efficient way to get the golfers around the course.

L. ADJOURNMENT (for possible action)

The meeting was adjourned at 9:27 p.m.

Respectfully submitted,

Melissa N. Robertson
District Clerk

Attachments*:

Jim Gately
Cliff Dobler
Aaron Katz
John Jansen
Mick Homan
Mike Abel

①

I have come in front of ^{you today} the IUGID ~~DOT's~~

to address the Draft "IUGID

Community Dog Park Survey"

Overall, I feel this survey is

seriously deficient in a number of

very important ways and is very ~~biased~~

and slanted to favor a site that

IUGID does not own or control.

Let me explain:

① Having two surveys, this one and a future survey is a waste of time. There should be one complete and comprehensive survey that contains all of the pertinent facts, ~~and~~ these facts are:

① ^{should be} Proposed sites under IUGID control or ⁱⁿ contract. If a site, like the USFS site, is not under IUGID control, it should NOT be included in a survey. Therefore the survey is seriously premature or the USFS site off Village Blvd should be deleted.

② So lets pretend the USFS site off Village ^{Blvd} is under contract and in control of IUGID.

I cant realistically complete a survey without knowing the vital construction costs of the 3 proposed alternatives.

The ~~3~~ ³ are Then

- A) Village Green "As is"
- B) Village Green with a Permanent Dog Park
- C) USFS site off Village Blvd

It is pretty clear that the most expensive alternative is C) the USFS site off village Blvd. All construction is ground up, including parking lots, Rest rooms, lighting, Fencing, tree removal

(3)

utilities, i.e. water sewer, electricity irrigation etc.

Site A, the Village Green "A.S-15" would be zero Dollars and Site B, the Village Green with a permanent dog park would really be the cost of Fencing. Very minor.

It is very slanted and misleading to not include realistic estimates of initial costs of the 3 proposed sites. ~~Part of~~ ~~the~~ ~~Draft~~ Survey, Question 15, ~~tries~~ TRIES to address this but fails terribly short. I demand to see cost estimates that are site specific, not a general range of numbers as presented in this question.

Additionally, Question 15 states that the estimated \$1 to \$3 million cost may be funded by donations. ~~that's~~ ~~that~~ This is highly slanted again to favor the very expensive proposed site unless there are iron clad commitments for donations to cover these costs. This phrase, at a minimum should be stricken from any survey.

Additionally, Question 16 asks the responders to mark 1 to 5 stars for ^{dog park} features with no costs estimates what so ever. This again is completely unacceptable to properly complete a survey. These cost estimates must be disclosed.

3. The next cost variable is on going maintenance, snow removal, utility bills, security, general upkeep etc.

Question 15 barely touches this point and does not address actual expenses. It's ^{is} there could be a modest increase in the "Recreation Facility Fees". Again, the truth is being hidden to favor the USFS proposed site of Village Blvd, which will be the most expensive.

I need to know what the ongoing costs will be to properly complete the survey.

5

4. Traffic is not even being addressed in the survey. This is an important environmental impact at the USFS proposed site on Village Blvd.

My office is just down the street on Village and I have 3 ~~rental units~~ Affordable Rental units there. There is already significant congestion due to the 2 ~~schools~~ schools on Village Blvd, the Raley's center, ~~and~~ Village Blvd being a ~~through~~ throughfare to Mt Rose Hwy and it is only a 2 lane road.

A traffic analysis needs to be done at this site as the village green sites are already known.

I am certain a traffic analysis was not done as ~~to~~ it would not be favorable to the USFS proposed site on Village Blvd.

Again this survey is slanted and tainted.

7

So clearly, this survey is
seriously deficient ^{by omitting} important
information that is needed to
make informed decisions. And
it is also very tainted and
skanted to favor the most traffic
congested and costly site.

Thank You

Tom Gately

Public Comments - 3-22-2023 by Clifford F. Dobler - Meeting minutes

The two golf courses have consistently lost over \$1 million each per year over the past six years. Trustees keep seeking more revenue. Mr. Howards conclusion is that more revenues must come from the residents.

My 3 minutes is about fairness in pricing

There are 4 to 5 golf clubs with about 600 members.

Being avid golfers most members buy play passes which averaged \$67 per round in 2022

Approximately 30% to 40% of all rounds played at the Champ course are by club members and are mostly at the prime tee times of each day.

All clubs receive up front reserved tee times for the entire season and pay nothing for these rights.

TIGC, of which, I am one of 125 members receive 1,528 rounds for 30 tournaments and 876 rounds on 71 other days

According to Mr. Howard, about 8,000 rounds are reserved for the clubs at the beginning of the season.

There are two employees which make combined \$200K per year to run the tournaments for the clubs, charities, and outside guests. The clubs have the largest amount of tournaments. Darren has not provided information on the tournament schedules.

However, I residents who are NOT club members paid an average rate of \$71 in 2022 which was 7% higher than club members .

These residents DO NOT have any reserved tee times for the entire season and must pay an extra \$10 to get a reservation two weeks in advance of playing. These residents typically do not buy passes because there is no guarantee that a tee time will be available.

Of course, these residents also must pay \$96 to \$110 per round during the high season. Most cannot get prime tee times since clubs have those times locked up, so they must settle for times after 4 pm and hope they finish by dark.

These non club residents also fork up a portion of the \$200K in personnel but receive no services.

So what is fair about this set up? Club members get cheap pass rates, reservations for the entire season mostly at prime times and get pampered by two employees to run their tournaments.

Other residents NOT belonging to a club pay higher rates, pay extra for reservations, have difficulty getting prime tee times and do not get pampered by anyone.

FAIRNESS - Impartial & just treatment or behavior without favoritism or discrimination

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM C – STAFF DIDN'T EVEN MAKE THE BOARD PACKET OF
MATERIALS FOR THIS MEETING AVAILABLE TO THE BOARD AND
THE PUBLIC UNTIL THE SATURDAY AFTERNOON BEFORE, AND
YET THE BOARD REFUSED TO RESCHEDULE THE MEETING**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³. Or Washoe County. Or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s really the same old, same old. And here we have another example. Delaying the completion, IVGID Board, and public distribution of the packet of materials in support of this Board meeting. And that’s the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

As I've Observed Many Times Before, it Doesn't Matter What the District Does: At the end of the day, whatever it is, as one peels away the various layers (of the onion), one eventually reaches a core of evil, deceit, wrongdoing and waste. And that's what we have here.

My March 17-18, 2023 E-Mails to The Board Addressing The Delay in Making a Board Packet of Materials in Anticipation of This Meeting Available For Examination by The Board And The Public: Staff typically prepares its packets of materials in anticipation of upcoming Board meetings, on the Friday before those meetings (which generally take place at 6:00 P.M. on the following Wednesday). On Friday, March 17, 2023, at 7:13 P.M. I had still not been notified that a Board packet for this evening's meeting was available for my pick-up. So I sent an e-mail to the Board and our GM registering my opposition, and asking the Board to take corrective action⁵.

When I had received no response and it was after 12:30 P.M. the following day (Saturday), I e-mailed the Board and our GM again asking this evening's meeting be re-scheduled⁵.

Nearly two (2) hours later, I received an e-mail from Board Clerk Melissa Robertson advising me that the Board packet for this evening's meeting was completed and available for my pick-up⁵.

Approximately fifteen (15) minutes later I again e-mailed the Board and our GM to bring them up to speed, again asking this evening's meeting be rescheduled for the reasons stated more particularly in the attached e-mails.

Obviously I was ignored inasmuch as neither our GM nor any Board member responded to me, nor has tonight's meeting been rescheduled.

Conclusion: All staff and Board claims that they are being transparent and welcome our participation are nothing more than necessary rhetoric. With a Board packet of nearly 800 pages with a scant number of days to read, analyze, research and frame/prepare responses, is unreasonable. And it is wrong! This written statement has been prepared to document the state of affairs and inform the public of more wrongs which never seem to get addressed. **And You Wonder Why the RFF/BFF We're Forced to Pay Which in Essence Subsidizes Payment For Essentially Everything Staff Expend Moneys on, And is Hidden From We Local Parcel/Dwelling Unit Owners, is So High And The Board Just Doesn't Seem to Care?** I've now provided more evidence.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ This e-mail is one of a string of e-mails between myself and the IVGID Board which are collectively attached as Exhibit "A" to this written statement.

EXHIBIT "A"

Re:request the IVGID Board Meeting Noticed For Next Wednesday, March 22, 2023, Be Continued Because of a Lack of Board Packet - What Happened to the Board Packet For Next Wednesday's IVGID Board Meeting? Second Follow Up.

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
 Subject: Re:request the IVGID Board Meeting Noticed For Next Wednesday, March 22, 2023, Be Continued Because of a Lack of Board Packet - What Happened to the Board Packet For Next Wednesday's IVGID Board Meeting? Second Follow Up.
 Date: Mar 18, 2023 2:33 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

So I just received the e-mail below from Clerk Melissa Robertson. Finally. Nearly two (2) hours after my last communication on this subject!

So is all good now?

No it isn't. For all the reasons stated, I re-state my request that the Board's meeting noticed for next Wednesday, be re-scheduled. I and others I know require more time than the District has made available to digest and prepare for response to the matters contained therein.

Thank you for your understanding and cooperation. Aaron Katz

-----Forwarded Message-----

From: Melissa N. Robertson <mnr@ivgid.org>
 Sent: Mar 18, 2023 2:17 PM
 To: s4s@ix.netcom.com <s4s@ix.netcom.com>
 Subject: BOT Meeting - Board Packet - 3-22-2023

Hello Mr. Katz,

The Board packet for the March 22nd BOT meeting is available for your pick up outside Admin.

Thank you,

Melissa Robertson
 District Clerk
 Incline Village General Improvement District
 893 Southwood Boulevard
 Incline Village Nevada 89451
 P: 775-832-1268
mnr@ivgid.org
<http://yourtahoeplace.com>

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

From: <s4s@ix.netcom.com>
 Sent: Mar 18, 2023 12:30 PM
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>

Subject: Re: request the IVGID Board Meeting Noticed For Next Wednesday, March 22, 2023, Be Continued Because of a Lack of Board Packet - What Happened to the Board Packet For Next Wednesday's IVGID Board Meeting? Follow Up.

Chairperson Dent and Other Honorable Members of the IVGID Board -

So now it's Saturday, at nearly 12:30 P.M., and still no Board packet in support of the Board meeting noticed for Wednesday! 17-1/2 hours AFTER my e-mail below on this subject.

So staff notice a meeting which has way too many matters agendized to fit comfortably within the normal hours of a Board meeting. Which means it is likely to last hours and hours and hours.

And I see from the agenda that two of those matters involve BONDING whereby the public will be expected to pay the servicing costs for HOW MANY YEARS? Or HOW MANY DECADES?

And then staff notice that the meeting will start an hour earlier (5 P.M.) which gives the public an hour less to prepare.

And then the Board will only allow the public two opportunities to comment rather than prior to each agenda item for possible action.

And now the Board is depriving the public of an adequate opportunity to view what I suspect will be another MASSIVE Board packet.

Which means the public will be deprived of the opportunity to prepare/submit written statements on each of these agenda items because the Board refuses to allow the public to comment prior to each agenda item.

And any of you think this is fair? Or right?

I am asking the current meeting be rescheduled to Friday, May 24, 2023 at 6 P.M. or thereafter to afford the public the opportunity to review a Board packet and comment upon the matters contained therein.

Respectfully, Aaron Katz

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

From: <s4s@ix.netcom.com>

Sent: Mar 17, 2023 7:13 PM

To: Dent Matthew <dent_trustee@ivgid.org>

Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>

Subject: What Happened to the Board Packet For Next Wednesday's IVGID Board Meeting?

Chairperson Dent and Other Honorable Members of the IVGID Board -

It's after 7 P.M. on the Friday evening before next Wednesday's IVGID Board meeting. And so far, no Board packet of materials notwithstanding the agenda suggests a very long meeting.

I thought the Board directed staff to complete its Board packets at least a week prior to meetings. I understand staff needed one or possibly two meetings to get up to speed. But it has been well over a month and business as usual.

If this is too much work for staff to do, maybe we need to have Board meetings every week rather than every other week?

Regardless, the public doesn't have time to prepare for Board meetings which is wrong, wrong, wrong. I ask the Board put its collective feet down and compel staff to timely prepare/distribute Board packets.

Thank you for yur cooperation. Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM C – EVIDENCE OF WHAT APPEARS TO BE ANOTHER
PAYOFF TO A VOCAL LOCAL CHEERLEADER CITIZEN HIDDEN
UNDER A “SERVICES AND SUPPLIES” EXPENDITURE**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³. Or Washoe County. Or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s really the same old, same old. And here we have another example. An indirect payoff to a local cheerleader citizen (Kaye Shackford) hidden under an arguably proper looking staff expenditure (training and conferences). And that’s the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-Recreation_Standby_and_Service_Charges.pdf).

My Public Records ("NPRA") Request of March 14, 2023⁵: After reviewing records of recent employee procurement/credit card purchases⁶, I came across two that seemed "fishy." \$1,992.80 each for food and lodging at Granlibakken Resort near Tahoe City for principle engineer Kate Nelson, and IT Director Mike Gove. These expenditures were stated to be associated with a four (4) day Mattford Group⁷ "Negotiation Solutions Training" workshop that began on September 22, 2022. According to the chart of account ("COA") coding for these expenditures, 420-52-930-7680 (an Engineering Operational Training and Education expense) was assigned for Kate Nelson, and 100-12-130-7685 (a Financial Services Operational Travel and Conference expense) was assigned for Mike Gove.

So what are an engineer and IT Director doing taking training to "negotiate" others' behaviors to bring about culture change⁸? And who do you think approved this expense? Susan Herron⁹! Why Ms. Herron as the Director of Admin Services when Brad Underwood is Ms. Nelson's immediate supervisor? And our GM is Mr. Gove's immediate supervisor?

I've Observed Many Times Before That it Doesn't Matter What the District Does: At the end of the day, whatever it is, as one peels away the various layers (of the onion), one eventually reaches a core of evil, deceit, wrongdoing and waste. And I fear that's what we have here. And why use of Ms. Herron as the conduit for this wrongdoing?

Staff's March 17, 2023 Response to My NPRA Request: On March 17, 2023 staff responded to my NPRA request¹⁰ by providing the invoice which is attached as Exhibit "B." Although this invoice bills for an additional \$3,800 chargeable for Ms. Nelson's seminar attendance¹¹, it bills nothing for Mr.

⁵ A copy of this request is attached as Exhibit "A" to this written statement.

⁶ Do you realize the District has given out in excess of fifty (50) procurement/credit cards which allows all sorts of employees to make District expenditures largely without advance approval? And as the reader will see, in many cases without any supervisory approval.

⁷ This is a front organization for local citizen Kaye Shackford. In my opinion and the opinion of others I know, an example of the scourge of our community.

⁸ According to the Mattford Group's web site, these are the kinds of "techniques" the seminar purports to teach: to achieve our objectives, we must change the way we work with one another." In other words, behavior modification, lifestyle training, and culture change. A copy of this page is attached as Exhibit "B" to this written statement.

⁹ The invoicing from The Mattford Group which shows it was sent to Ms. Herron's attention, is attached as Exhibit "C" to this written statement.

¹⁰ Staff's response is part of the string of e-mails between myself and Melissa Robertson which are collectively attached as Exhibit "D" to this written statement.

¹¹ The COA number assigned to this expenditure according to what is handwritten at the top of the invoice, is the same 420-52-930-7680 (see Exhibit "C").

Gove's attendance. So I communicated back to Ms. Robertson asking whether an additional \$3,800 was charged by Ms. Shackford for Mr. Gove, or did she offer a "freebie?" Although as of the drafting of this written statement I have received no response from Ms. Robertson, independently, I have learned that indeed the District was charged an additional \$3,800 for Mr. Gove's seminar attendance. And that the \$3,800 was in fact paid via a credit card charge to Pay Pal on Ms. Shackford's behalf¹².

So there you go. A combined nearly \$11,500 billed to the public for this lifestyle training with Ms. Shackford.

These Payments to the Mattford Group Are a Payoff to Kaye Shackford: Because she has been a loyal cheerleader for staff. Her seminar teaches how to get along with other people. If Ms. Nelson and Mr. Gove can't get along with their colleagues or the District's vendors, then they should never have been hired in the first place. At a combined cost of nearly \$6,000 per person plus their lost staff time, the costs to local parcel/dwelling unit owners are outrageous! Therefore the only explanation I can come up with for the expenditure becomes "payoff."

There's more evidence that supports this conclusion. Take a look at the proposed budget for fiscal year 2023-24¹³. Go to page 165 of the 3/22/2023 Board packet. There you will find a summary of estimated 2023-24 revenues and expenses assigned to the Internal Services Fund. Go down the column for engineering, and you will see that \$10,000 has been proposed for object detail "7680," "Training and Education." In other words, the amount expended by Ms. Nelson for this single seminar was nearly 60% of all budgeted "Training and Education" expenditures for the upcoming fiscal year.

Take a look at pages 328-338 of the 3/22/2023 Board packet. There you will find a detail/summary of services and supplies expenditures for 2022-23. Go to page 338 and look for the COA expenditure for Ms. Nelson's seminar attendance (420-52-930-7680). There you will see that \$9,000 was approved for the current (2022-23) fiscal year. In other words, the amount expended by Ms. Nelson for this single seminar was nearly 67% of all budgeted "Training and Education" expenditures.

Take another look at the proposed budget for fiscal year 2023-24¹³. Go to page 141 of the 3/22/2023 Board packet. There you will find a summary of estimated 2023-24 revenues and expenses assigned the General Fund. Go down the column for IT, and you will see that \$8,200 has been proposed for object detail "7685," "Travel & and Conferences." In other words, the amount expended by Mr. Gove for this single seminar was over 73% of all budgeted "Travel & Conference" expenditures for the upcoming fiscal year.

¹² See my e-mails of March 17 and 18, 2023. Both are attached as Exhibit "E" to this written statement.

¹³ See pages 5-185 of the packet of materials prepared by staff in anticipation of this March 22, 2023 Board meeting ["the 3/22/2023 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/E._-Budget_Workshop_3.pdf)].

Finally, go to page 326 of the 3/22/2023 Board packet and look for the COA expenditure for Mr. Gove's seminar attendance (100-12-130-7685). There you will see that \$12,465 was approved for the current (2022-23) fiscal year. In other words, the amount expended by Mr. Gove for this single seminar was nearly 50% of all budgeted "Travel & Conference" expenditures.

If these expenditures to Ms. Shackford represent such a large portion of all budgeted expenditures for these object details for the entire fiscal year, it shows that the entire budgeted amount is excessive.

Conclusion: The District has a long history of "payoffs" at public expense to buy allegiance and confidentiality. Eric Severance (Yield Management), CJ Johnson (Champ Golf), Mike Pennacchio (Risk Management), and Hal Paris (Parks and Recreation)? Possible Sharon Heider (Community Services), Melina Regos (Marketing), and Ed Youmans (Diamond Peak)? And here I am afraid we have another. **And You Wonder Why the RFF/BFF We're Forced to Pay Which in Essence Subsidizes Payment For Essentially Everything Staff Expends Moneys on, And is Hidden From We Local Parcel/Dwelling Unit Owners, is So High?** I've now provided more evidence.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"



PUBLIC RECORDS REQUEST

Hand Deliver to:
 893 Southwood Blvd.
 Incline Village, NV 89451
 Attn: Public Records Officer

E-Mail to:
 info@ivgid.org
 Subject: Public Records Request

Date of Request	
Requestor Contact Information	
Name:	Aaron Katz
Organization:	
Address:	P.O. BOX 3022
City, State, Zip:	Incline Village, NV. 89450
Phone:	(408) 741-1008
E-mail:	s4s@ix.netcom.com

Records Requested:
Check one: <input type="checkbox"/> Paper copies <input checked="" type="checkbox"/> Electronic copies <input type="checkbox"/> Certified copies <input type="checkbox"/> Inspection (in person)
<i>Please be specific and include as much detail as possible regarding the records you are requesting.</i>
Evidence of invoicing and payments, other than those evidenced by District procurement/credit cards, to the Mattford Group or Kaye Shackford in 2022 on behalf of Kate Nelson and/or Mike Gove for her "negotiating solutions" seminar.

<i>To complete the request, the agency will need the following information:</i>			
<input type="checkbox"/> I will pick up	<input type="checkbox"/> Please FedEx Fed Ex billing number:	<input type="checkbox"/> Please send USPS	<input checked="" type="checkbox"/> E-mail (if format allows)

Office Use Only	
Request status:	
Date	
_____	Request received
_____	Receipt acknowledgement issued
_____	Request filled
_____	Estimated completion date
_____	Request denied in whole
_____	Other:



Public Records Requests

To submit a public records request:

- Please submit the request in writing; you may use the IVGID Public Records Request Form.
- You can submit your request any of the following ways:
 - Email to info@ivgid.org
 - Mail to the IVGID, 893 Southwood Blvd., Incline Village, NV 89451

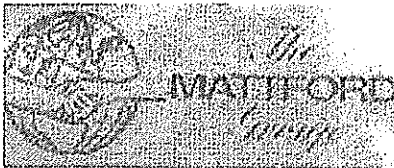
Please note:

- Requests should be as specific as possible and include the requester's contact information
- IVGID will respond to the request within five business days
- If the request cannot be fulfilled within five business days, IVGID will provide written notice of that fact, let the requester know the earliest date and time it reasonably believes the record will be available, and may work with the requester to focus the request so IVGID can respond as expeditiously as possible

Fees for Public Records

Per NRS [239.052](#), a government entity is permitted to charge a fee for the actual cost incurred in the provision of a public record. This includes, without limitation, the cost of ink, toner, paper, media, and postage.

EXHIBIT "B"



- Home
- Workshop Information
- Workshop Dates and Costs
- Application
- Workshop Agenda
- Venues
- Some Clients
- About Us
- What Else?
- Dedicated Programs
- Technology Transfer
- Air Transport World
- Charting a Wiser Course
- Articles and Speeches
- Contact Us
- Repeat Session

Technology Transfer of the Negotiating Solutions[®] Workshop

Negotiating Solutions[®] is based on three premises:

1. *The purpose of our behaviors is to achieve our objectives in a particular environment. We do things to get what we want and need for ourselves and for those we represent.*
2. *Negotiation underlies most of our behaviors at work. Whenever we need to solve problems, craft solutions, and shape agreements with others over whom we don't have direct control, in a mixed-motive environment, we're negotiating. But we were taught to negotiate by people who came before us, who were taught by those who came before them, about how to be effective in an environment that presumably existed when these behaviors were first codified.*
3. *Sometimes the environment changes so much that behaviors that were core to our success are actually working at cross-purposes to our own objectives. Now is such a time. To achieve our objectives, we must change the way we work with one another — cross-functionally, between employee groups and management, and in the marketplace with suppliers, customers, regulators, and partners.*



And a fourth premise: *If individual behavior change is hard, significant and lasting behavior change across an organization is mind-bogglingly difficult. We can improve behaviors within our current model through skills training. But when the model itself can no longer solve the problems we need to solve or realize the opportunities we want to realize, skills training can't change people's behaviors. We can learn how, but the different behaviors don't last; our model pulls us back into old, familiar behaviors.*

So how is behavior change possible? When we realize that our behaviors flow out of deeply held and largely unexamined assumptions, which flow out of our behavioral paradigms - our invisible models for how to make the world work - the path becomes clear. To change behaviors (individual or organizational), we need to get to the invisible model that drives our assumptions and our behaviors and change it. This is where experiential education at the paradigm-shift level can be powerfully effective and efficient.

The Mattford Group's **Negotiating Solutions[®]** workshop is the only program in interest-based negotiation - designed for the aviation/aerospace industry, but equally useful for those organizations committed to significant culture change - that takes most participants through to the paradigm-shift level. And the changes last. Years after attending, graduates demonstrate daily the usefulness of this alternative model as they create value with their counterparts while crafting far better solutions for their constituents.

To transfer the technology.

For your company to embed this program in your training curriculum for continued availability, so you can train hundreds to thousands of people at very low cost per person, and/or offer it to those in your network (customers, suppliers, partners, etc.), consider licensing the program.



EXHIBIT "C"



Vendor#3703
420-52-930-7680
Eng'g Manager

A Nevada Corporation
Negotiating Solutions Training Account Strategy Development Commercial Mediation

P.O. Box 5454 * Incline Village, NV, 89450 * USA
Phone: 775-832-5300 * Fax: 775-832-5302 * Email: Mattford@aol.com

Customer:	Incline Village General Improvement District	Invoice Date:	6/17/2022
Address:	893 Southwood Blvd. Incline Village, NV 89451	Invoice #:	3873
Country		P.O. #	
Customer Attn:	Susan Herron	Tuition:	\$3800.00
Customer fax:		Facility Fee:	
Invoice email address	sah@ivgid.org	Terms:	60 days
Telephone:	77 5-832-1207	Status :	Pending
		Due Date	8/17/22

Description: Fees for :
Kate Nelson
Engineering Manager
IVGID

to attend the September 26-30, 2022, session of the *Negotiating Solutions* workshop to be held as a residential program at the Granlibakken Conference Center in Tahoe City, California.

This invoice is for Ms. Nelson's tuition. She will also be responsible for paying \$2000 directly to the Granlibakken Conference Center for her facility fee, which covers Sunday through Thursday night lodging, Monday morning through Friday noon meals, breaks, taxes, and her share of the cost of the facility.

Total Due: \$3800.00

Please Make Checks Payable to:

THE MATTFORD GROUP, A NEVADA CORPORATION

Tax Information Number: 88-0346343

EXHIBIT "D"

Fw: RE: Public Records Request - IVGID 0Payments to Kaye Shackford's Negotiating Solutions Seminar

From: <s4s@ix.netcom.com>
To: Melissa N Robertson <mnr@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: Fw: RE: Public Records Request - IVGID 0Payments to Kaye Shackford's Negotiating Solutions Seminar
Date: Mar 17, 2023 9:48 AM
Attachments: The Mattford Group - Invoice 3873 - Kate Nelson.pdf

Thank you.

What about tuition for Mike Gove? He attended the seminar as well. Did he get a freebie? Or is there another invoice you haven't provided?

And how come we have Susan Herron approving a payoff like this to staff cheerleader Kaye Shackford? Is this one of Ms Herron's duties as Director of Admin Services? A professional engineer doesn't need training on how to get along with people. If she does, then she NEVER SHOULD HAVE BEEN HIRED IN THE FIRST PLACE! And what the hell does Ms Herron have to do with expenditures such as this one? Why didn't Ms Nelson's supervisor, Brad Underwood, approve or disapprove the expenditure? Why unnecessarily inject Ms Herron into the process? Bueller? Bueller? Indra?

And why would an engineer require nearly \$6K of negotiation training? This whole thing smells to the inner bowels of IVGID. And if anyone doubts this, you've been drinking the kool aid for so long you don't even recognize what end is up.

I am forwarding a copy of this e-mail and attachment to the Board. I want members to see what a B.S. expenditure this was. I want them to see how payoffs like this one are hidden from the public because they're buried under services and supplies. I want them to understand why staff REFUSE to share the particulars of expenditures like this one assigned to services and supplies. And why their proposed budget should be REJECTED until they come clean. I want them to see how staff could very easily have reduced expenditures by this \$6K plus the cost of Ms Nelson's unreimbursed staff time for the week. Yet they refused. Just keep on overspending and overspending. I want them to understand why Ms Helson's unreimbursed staff time is billed out at \$125+/hour when our actual cost is under \$50/hour (how else can internal services general revenues to pay for B.S. expenses such as this one?). I want them to see more reasons why Susan Herron has to go as a public employee. I want them to instruct staff that further contracting with Kaye Shackford NEEDS TO END. IMMEDIATELY!

And you wonder why things are so screwed up here in IVGIDville? As if I had to, I've now given more reasons.

Melissa. Where's the Mattford Group invoicing for Mike Gove?

Respectfully, Aaron Katz

-----Forwarded Message-----

From: Melissa N. Robertson <mnr@ivgid.org>
Sent: Mar 17, 2023 8:42 AM
To: s4s@ix.netcom.com <s4s@ix.netcom.com>
Subject: RE: Public Records Request - Payments to Kaye Shackford's Negotiating Solutions Seminar

Hi Mr. Katz,

Staff has provided the attached record in response to your request. Thank you.

Melissa Robertson

District Clerk
Incline Village General Improvement District
893 Southwood Boulevard
Incline Village Nevada 89451
P: 775-832-1268
mnr@ivgid.org
<http://yourtahoeplace.com>

From: s4s@ix.netcom.com <s4s@ix.netcom.com>
Sent: Wednesday, March 15, 2023 3:45 PM
To: Melissa N. Robertson <mnr@ivgid.org>
Cc: Info IVGID <info@ivgid.org>
Subject: Public Records Request - Payments to Kaye Shackford's Negotiating Solutions Seminar

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.
Attached. Thank you, Aaron Katz

EXHIBIT "E"

Public Records Request - Invoicing From and Payments to Kaye Shackford's Group For Her Negotiating Solutions Seminar - Second Follow Up

From: <s4s@ix.netcom.com>
To: Melissa N. Robertson <mnr@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>, <sellingtahoe@sbcglobal.net>
Subject: Public Records Request - Invoicing From and Payments to Kaye Shackford's Group For Her Negotiating Solutions Seminar - Second Follow Up
Date: Mar 18, 2023 8:55 AM

Second follow up Melissa -

Apparently on June 8, 2022 Mike Gove made a \$3,800 charge with this IVGID procurement/charge card to PayPal. This charge is indicated as "Negotiating Solutions Training for IT Director - 100-12-130-7680." And guess who approved Mr. Grove's \$3,800 charge? MR GOVE!

Come on guys (Board members). WHAT MORE DO YOU NEED TO SEE? ALL of these IVGID procurement/charge cards NEED TO GO! ALL OF THEM! Agendize at a future meeting instructing our GM to REVOKE all of these charge cards. And why? BECAUSE WE CANNOT TRUST OUR STAFF (got it Gail?). Is it that simple? YES IT IS. The District is being mis-managed.

Now back to you Melissa. I want to see the invoicing for this \$3,800 Pay Pal charge. I want to see written instructions from Mattford Group to Mr. Gove instructing him to authorize payment via the former's account. Why was there a procurement card charge instead of a check? Why was the charge to Pay Pal versus Mattford Group directly? Why was this charge the SAME month as when fiscal year 2021-22 ended? Why was the invoice pertaining to Kate Nelson's participation dated June 17, 2022 (the same fiscal year)? When was Kate Nelson hired by IVGID (in relation to this charge)? How would she know that this charge was really not acceptable? Why didn't her immediate supervisor, Brad Underwood, step in and STOP this charge?

I have to keep listening to Trustee Noble who time after time after time votes against citizen oversight measures instead asking us to defer to the alleged expertise of our allegedly professional staff. Well wake up and smell the coffee Trustee Noble. WE HAVE NO EXPERT STAFF to defer to. We have no internal controls. We have no professionalism. The District is not run in a professional manner. These are the facts!

Two final matters Board members. First. You think this example is the only one demonstrating mis-management and waste? Of course not. There are many, many other examples we just don't know about because they're hidden. A forensic audit will surely reveal the many more. Isn't it about time?

And second. This crap with Mike Gove, Kate Nelson and Ms. Shackford is evidence that it was included in the 2021-22 budget under training, conferences or whatever. Because it was included, it's now included in the proposed 2023-24 baseline budget because according to staff, that's the starting point for the upcoming budget. Which means that if you approve what Mr. Navazio and Co. are proposing you approve, you're approving funds for employees like Kate Nelson and Mike Grove to make future unsupervised crap expenditures like this one. All at local parcel owners' expenses. Continue all the wrongdoing rather than getting to its genesis and deleting it. You need to put on the breaks to this crap budgeting by forcing staff to identify each and every proposed expenditure included under their services and supplies summaries. And when they refuse, I've already shared the solution to the problem.

ELIMINATE the RFF/BFF subsidies, reduce services and supplies expenditures in the Community Services and Beach Funds by a like amount and when staff balk, tell them to do their jobs and figure it out.

Thank you for your cooperation. Respectfully, Aaron Katz

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

From: <s4s@ix.netcom.com>

Sent: Mar 17, 2023 10:25 PM

To: Melissa N. Robertson <mnr@ivgid.org>

Cc: Dent Matthew <dent_trustee@ivgid.org>, Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>, <sellingtahoe@sbcglobal.net>

Subject: Public Records Request - Invoicing From and Payments to Kaye Shackford's Group For Her Negotiating Solutions Seminar - Follow Up

Thank you Melissa -

We have a problem here.

You're relying upon your colleagues to do your job. But they're concealors and deceivers (are you reading Gail?). And how would you know the difference? And that's called CONCEALMENT.

Mike Gove was charged \$3,800 to attend Kaye Shackford's seminar. Just the way Kate Nelson was. Mr. Gove knows this to be true. Don't believe me? ASK HIM! And ask MS. HERRON. She knows as well. Because I suspect she is the one doing the concealing behind the scenes. I'm right, aren't I Ms. Herron?

If Mr. Gove was charged \$3,800, he knows that an invoice was generated by Ms. Shackford's Group prior to payment. Don't believe me? ASK MS. Shackford! She knows as well.

IVGID had to issue Ms. Shackford's Group a 1099. So let's have you provide a copy for my examination. I'm betting it will be for at least \$7,600. Let's find out. Shall we? Consider this another records request.

Go to Mr. Navazio. Ask him to do a search of all \$3,800 payments/debits/expenses. I'm guessing he too will be able to provide evidence of the \$3,800 payment to/on behalf of Ms. Shackford. Don't believe me? ASK HIM!

Although I am informed a \$3,800 payment was made to Ms. Shackford's firm, it was NOT via a check. Nor credit card payment. So if one goes through the District's bill pays, one will NOT find evidence of the payment. Surprise, it's called CONCEALMENT!

Moreover, I asked for evidence of not only invoicing, but payment. Although you provided evidence of invoicing for Ms. Nelson's \$3,800, you did not provide evidence of payment as I requested. WHERE ARE THE PAYMENT RECORDS I REQUESTED? Again, it's called CONCEALMENT!

And for Mr. Gove, I want to examine evidence of invoicing for his \$3,800 as well as payment. WHERE IS IT?

And for the Board, besides concealment of public records, here we are going to have evidence that NEARLY \$11,500 OF PUBLIC FUNDS THAT WERE PAID ON THIS CRAP TRAINING (i.e., how to get along with one another. Why don't you ask Ms. Shackford how that knowledge worked out for her insofar as her attempts to get along with me? Why don't you ask her about how I called her to have a civil discussion and in response, SHE HUNG UP HER PHONE ON ME? That's right. Negotiating a solution from a so called expert). THAT'S RIGHT! CRAP. A PAYOFF TO KAYE SHACKFORD to thank her for her allegiance and service. And you won't provide the public records I requested to prove the same. It's called CONCEALMENT.

You'd better do a more conscientious job Melissa, and produce the records I requested to examine which exist. Because otherwise, it's criminal concealment.

Board members. When are you going to get it? When are you going to take action to stop this crap? How about pulling Mr. Gove before the Board on Wednesday and let's ask him if he knows anything about the \$3,800 of District funds which were paid to Ms. Shackford's group? Let's find out who is the liar and who is the truth teller.

Thank you for your cooperation. Aaron Katz

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

From: Melissa N. Robertson <mnr@ivgid.org>

Sent: Mar 17, 2023 8:42 AM

To: s4s@ix.netcom.com <s4s@ix.netcom.com>

Subject: RE: Public Records Request - Payments to Kaye Shackford's Negotiating Solutions Seminar

Hi Mr. Katz,

Staff has provided the attached record in response to your request. Thank you.

Melissa Robertson

District Clerk

Incline Village General Improvement District

893 Southwood Boulevard

Incline Village Nevada 89451

P: 775-832-1268

mnr@ivgid.org

<http://yourtahoeplace.com>

From: s4s@ix.netcom.com <s4s@ix.netcom.com>

Sent: Wednesday, March 15, 2023 3:45 PM

To: Melissa N. Robertson <mnr@ivgid.org>

Cc: Info IVGID <info@ivgid.org>

Subject: Public Records Request - Payments to Kaye Shackford's Negotiating Solutions Seminar

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Attached. Thank you, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM F(2) – APPROVING THE EXPENDITURE OF UP TO AN
ADDITIONAL \$50,000 FOR ATTORNEY'S FEES WITH THE BALKEN-
BUSH LAW FIRM FOR ADDITIONAL RECOMMENDATIONS
INSOFAR AS THE BEACH DEED AND ORDINANCE NO.
7 ARE CONCERNED**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. It’s the same old, same old. And here we have another example. The prospect of now spending up to an additional \$50,000 on attorney’s fees associated with addressing beach issues under the beach deed as well as Ordinance No. 7. And these are the purposes of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._- _Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to staff's proposed expenditure of an additional \$50,000 on attorney's fees associated with the beaches⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: \$100,000? Are you people out of your minds? Does this expenditure have anything to do with the costs the District incurs to make the beaches available to local parcel/dwelling unit owners with beach access? And on the Consent Calendar no less? Notwithstanding our chairperson admits this proposed expenditure has not even been budgeted. I trust this proposal is summarily rejected.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item F(2) - Approving an Additional \$50K Expenditure With the Balkenbush Law Firm For Opinions and Recommendations Relating to the Beach Deed - AND ON THE CONSENT CALENDAR NO LESS!

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item F(2) - Approving an Additional \$50K Expenditure With the Balkenbush Law Firm For Opinions and Recommendations Relating to the Beach Deed - AND ON THE CONSENT CALENDAR NO LESS!
Date: Mar 20, 2023 4:07 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Here our Board Chairperson is recommending entrance into ANOTHER time and materials legal services agreement with the Balkenbush law firms "as it relates to the beach deed and IVGID beaches" for another NTE \$50K!

So what's the scope of work Matt? "General overall review of processes and procedures as (they) relate...to the beach deed?" "Ordinance No. 7 clean up?" "Review of beach signage language?" "Review of any (additional) proposed revisions to Ordinance 7? AND ON THE CONSENT CALENDAR NO LESS?"

Come on guys. What an incredible WASTE.....

This is not a proper subject for inclusion on the Consent Calendar. It is not adequately described, let alone "routine." So why is it on the Consent Calendar? Please at least one of you trustees remove this matter to the General Business Calendar where it can be discussed and hopefully REJECTED.

Don't you recall that the Ordinance No. 7 Committee asked for a legal opinion of the restrictive use provisions of the beach deed? And instead, the Balkenbush firm was retained to review and approve certain modified language in Ordinance No. 7? And at a cost of \$24K? And then at an additional cost of \$25K? And now another \$50K?

Don't you recall that I urged, in opposition, that the District simply file a NRS 43.100 validation petition whereby all outstanding issues concerning our beaches and the beach deed could be resolved once and for all by a civil judgment rather than attorney opinion? And my suggestion was rejected because of the perceived additional cost and undue delay? Well after spending \$49K and now an additional requested \$50K, we're certainly NOT saving any money. And since well in excess of a year has lapsed since the Balkenbush law firm's initial engagement, it certainly cannot be argued that a NRS 43.100 judicial petition would take longer.

So now that we've learned, why are we proposing to commit the same mistakes? Again?

Let's resolve these beach issues once and for all with a civil judgment (rather than one attorney's opinion) which will survive future IVGID Boards. Hire the Balkenbush firm to file a NRS 43.100(1) validation petition "praying (for) a judicial examination and determination of the validity of any power conferred or of any instrument (like the beach deed or Ordinance No. 7), act or project of the municipality, whether or not such power has been exercised, such instrument has

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEMS G(1) AND G(2) – ENTRANCE INTO STATE REVOLVING
FUND LOAN CONTRACT WITH NDEP TO FUND PARTIAL REPLACE-
MENT OF PHASE II OF THE EFFLUENT PIPELINE, AND AUTHORIZE
ISSUANCE OF ASSOCIATED REVENUE BOND MEASURE**

Introduction: Well surprise! For one of the very, very few times staff have negotiated an exceptional funding mechanism for construction of a portion of the effluent pipeline project. And I have to give credit where credit is due. And since it's due here, that's the purpose of this written statement.

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board commenting on this agenda item¹. I did have a scant number of suggestions for modification which were included in the e-mail Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: Please don't accuse me of never having anything positive to say about our staff. As the reader can see, I give credit when and where it is due. And here it is due. Good job Indra!

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

¹ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Items G(1) and G(2) - Entrance Into State Revolving Fund Loan Contract With NDEP

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Items G(1) and G(2) - Entrance Into State Revolving Fund Loan Contract With NDEP
Date: Mar 20, 2023 4:08 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Here staff propose entering into a contract with the State Nevada Division of Environmental Protection ("NDEP") under the State's Revolving Clean Water Fund ("SRF") to finance construction of a portion of Phase II of the effluent pipeline replacement project (the first \$15.76 million). And UNLIKE my normal criticism because of the incompetence of staff, this time I have some praise to hand out. I'm not sure if our staff deserves the praise or if some of the provisions I will highlight below were volunteered by NDEP, but regardless, praise is due!

Now I don't appreciate the incompetence of staff to date in prosecuting completion of this project in a conscientious manner, but win, lose or draw, we are where we are. So the question; how do we pay for it?

1. The equivalent of a construction loan for \$52.74 million that the District can in essence draw against over a period of up to three (3) years;
2. Which gives the District the flexibility to pursue other funding options such as Army Corps of Engineers "595" funds;
3. A 2.19% thirty (30) year fixed rate loan (an excellent rate) assessable as funds are drawn;
4. Forgiveness of \$240K of said loan [which in essence more than pays for the initial .5% origination fee (\$78,800) and issuance costs (\$82,916)];
5. But understanding that the \$78,800 of loan origination fees are ONLY applicable to the initial \$15.76 million loan. If/when we access the remaining \$36.7 million or so, we're going to be charged an additional \$183,500 or so in loan origination fees. This will bring our total loan origination fees to in excess of \$250K;
6. No security other than a pledge of future utility net rate and charge revenues - making these revenue bonds
7. Initially, yearly debt service requirements of \$715,108 when we in essence have \$2M to spend given this amount was added to our sewer rates ten (10) years ago in anticipation of paying for this project. As long as our loan servicing costs are less than \$2 million annually, there will be no increase to our sewer fees caused as a result of this borrowing;
8. There is a second \$240K loan (see pages 496-501 of the Board packet). Although this loan contract calls for no loan origination fees [see sec 7(3)], no interest (see sec 5), no payments (see sec 6), it too should incorporate the changes (below) proposed for the first contract

Notwithstanding, I do have a couple of minor criticisms the Board might want to instruct staff to pursue/address. They are as follows:

1. Paragraph 1 of both SRF contracts specifies that the loan proceeds will be used to replace segment two of the effluent pipeline project (see page 497 of the Board packet). Technically this means the loan proceeds cannot be used to construct a holding tank as an alternative to an effluent pond liner. Perhaps staff want to expand the description of acceptable work for which loan proceeds are sought to include a pond storage tank? We don't want to unnecessarily handcuff ourselves, do we?

2. Paragraph 2 of both SRF contracts incorporates by reference a series of documents. One of those documents which is not incorporated and I feel should be, is NDEP's March 1, 2023 letter (see page 434 of the Board packet) wherein it makes material representations not included within the the SRF contract itself - such as the commitment to hereafter make an additional \$36.7 million or so in loans at the special interest rate and loan term the subject of our initial loan. There is a concept in contract law called integration. Simply stated, all previous representations and agreements giving rise to a contract are generally incorporated into and supersede by the ultimate contract itself, all prior oral or written representations. Without some language which survives entrance into the two SRF contracts or the incorporation of the March 1, 2023 terms and conditions, I am concerned that NDEP's representations may not be enforceable.

3. Paragraph 4 of the SRF contract specifies that the maximum loan amount is only \$16 million (see page 437 of the Board packet) and not \$52.74 million. If we're relying upon an ultimate \$52.74 million of loan funds, which we are, IMO we need some language which specifies that the NDEP is obligated to loan the additional funds at preferred interest rate and terms. That's why I refer to paragraph 2 above.

That's it! If we can pull this financing off, our staff is to be congratulated.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM G(3) – PROPOSED ADDITIONAL EMPLOYEE INCENTIVES
TO MAKE UP FOR TAKING AWAY BEACH ACCESS**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. The prospect of even more benefits being offered to staff, both full time and hourly/seasonal to allegedly make up for the loss of beach privileges. And this is the purpose of this written statement.

My E-Mails of March 20 and 22, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to these proposed additional employee benefits. Because I mis-identified the nature of that

¹ Go to <https://www.djkhaleofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-Recreation_Standby_and_Service_Charges.pdf).

e-mail in the subject line, on March 22, 2023 I sent it again with a new, correct subject line description⁵. As if nearly \$7 million annually isn't adequate to subsidize employee salaries and benefits? We need to subsidize more? I don't think so. Nevertheless, rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: As George Carlin used to say, the level of B.S. "is stunning."⁶ But why would anyone expect anything less from our wonderful staff? I trust this proposal is summarily rejected.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ These e-mails are attached as Exhibit "A" to this written statement.

⁶ See <https://www.youtube.com/watch?v=eIN36peHz3M>.

EXHIBIT "A"

Re: March 22, 2023 IVGID Board Meeting - Agenda Item G(3) - Approving Additional Employee Benefits to Substitute For Removal of Beach Privileges

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Ray Tulloch <raytulloch@munrotulloch.com>, <sellingtahoe@sbcglobal.net>
Subject: Re: March 22, 2023 IVGID Board Meeting - Agenda Item G(3) - Approving Additional Employee Benefits to Substitute For Removal of Beach Privileges
Date: Mar 22, 2023 8:45 AM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Here staff is seeking direction concerning all sorts of "employee incentives" they are proposing to replace the loss of beach privileges, When are you going to put your collective feet down and say NO?

These people are incredible. They think we local parcel owners work for them rather than the other way around. They think they and their co-worker colleagues are the District's most important asset. They tell us that if it weren't for them, we local parcel owners would suffer because then we'd have no one to work at our recreational businesses. Well they're WRONG!

We local parcel owners are the employers, and they are the employees. We set the rules and if they don't like it, go work for Brad Johnson at the NTPUD. You people are ALREADY over compensated and over benefited. You never had the right to access and use OUR beaches unless you owned property in Incline Village and paid the RFF. So the fact you've lost the ability to use those facilities, is NO LOSS TO YOU!

Further, I resent your Erin Feore's disingenuous reference to NON-PUBLICLY OWNED recreational facilities as justification for the proposals she makes. We're NOT a privately owned recreational facility business. So why compare us to these businesses when it comes to ANYTHING?

The only quasi comparable Ms. Feore compares us to is Washoe County. And notably, she makes no distinction between the part time non-benefited county employee and the full time fully benefited one. So her comparisons are INTENTIONALLY DECEITFUL. Deceit is a hallmark of essentially everything our wonderful staff engage in and here again, we see the principle being played out right in front of our noses! Right Gail?

What compensation and benefits do full time county employees receive that our full time employees do not? And what benefits do our employees receive (even the part time non-benefited ones) that the county's do not? How about free or greatly discounted recreation benefits at D.P., our two golf courses, our Tennis Center and the Rec Center? If this isn't enough to retain our current and attract new employees, then I am sorry; nothing more will make a difference.

One more point. Our staff is NOT capable of operating our various public recreational businesses without our subsidy of nearly \$7 million annually. So now they want to INCREASE that subsidy by how much Ms. Feore? According to you, "the financial impact has not yet been determined at this preliminary stage" although you do admit that "there could be budgetary implications." DUH! How about the increase in vacation time by 40 hours or one week you are suggesting? How about the child care reimbursements to our NON-BENEFITED STAFF you are suggesting? Sorry. Your arguments are disingenuous and not warranted.

I urge the Board to resoundly REJECT this measure. If it's not attractive enough to work for IVGID at Lake Tahoe, and to be over paid and over benefited the way our employees are currently compensated, then I say go work for someone else. And if that means we can't continue to operate

3/22/23, 8:46 AM

EarthLink Mail

our commercial business enterprises, WHICH WE HAVE NO BUSINESS OPERATING RIGHT NOW, then so be it! GO OUT OF BUSINESS. Save local parcel owners at least \$780 annually they can use as they wish. And pay them all a dividend realized from a sale of the District's various public recreational venues.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM G(4) – APPROVAL OF MORE SKEWED DOG PARK SURVEY
QUESTIONS INTENDED TO AFFIRM STAFF'S PREFERRED RESULT**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Skewing a proposed survey #1 to be submitted to the community rather than just those local parcel/dwelling unit owners who will be paying the cost concerning a preferred dog park location. And this is the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to the premise and questions the subject of Indra's proposed dog park survey #1⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: This is another proposal which if adopted, has nothing to do with recreational facilities and programs made available for the access and use by those parcels/dwelling units which will be assessed. And it in essence presumes that the proposed dog park be at staff's preferred location, or not at all. In essence giving survey responders no independent choice. For the reasons stated in the attached e-mail, I ask that Indra's proposed survey questions be modified and the pool of responders be restricted to just those who will be asked to pay; local parcel/dwelling unit owners.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item G(4) - Approval of Proposed Dog Park Committee Survey #1

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item G(4) - Approval of Proposed Dog Park Committee Survey #1
Date: Mar 20, 2023 4:10 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Here our GM seeks "direction" insofar as his and his dog park committee's proposed Survey #1 questions (according to him, there may be a Survey #2).

The survey is stacked for the result our GM wants. Because it basically tells the public there are only two options. Either the Forest Service lot across from the high school, or nothing (i.e., continue to use Village Green). His justification is that his committee reviewed five (5) potential sites, and allegedly narrowed the selection to just two.

Well he's wrong!

First of all, where is it written in stone that the GM's committee can make decisions like these on the public's behalf, and the public is bound to those decisions? So why then are there only two options? And why is the survey limited to just those two options? Why aren't other options presented?

Second of all, the "narrowing" of the two options took place at a meeting where members were not notified ahead of time they would be asked to vote on those options. And at least one and possibly two committee members were unable to attend the meeting. Moreover, I have been informed that at least one of the six resident committee member has resigned from the committee over "artistic differences." Did this member vote when the possible options were narrowed to two?

Moreover still, according to our GM the committee consists of three staff members (Susan Herron, Sheila Leijon and Kari Ferguson), and we don't know if they were allowed to vote. And we don't know what the vote actually was. Knowing this would put the proposed survey into context.

Third of all, the options were not narrowed to just two. They were apparently narrowed to two with a third provisional option - part of the disc golf course adjacent to the Visitor's Center. And why? Because there are serious doubts as to whether the Forest Service lands can be used for this purpose or the cost will be prohibitive, and so the committee wants a provisional option should either come to be.

So why aren't survey questions on the provisional third option presented?

The proposed survey mis-states the truth. The ultimate question will always be, what is the cost to construct a dog park, since local parcel owners will be the ones paying for that construction. And maintenance. And repair. The proposed survey represents the estimated cost will be \$1-\$3 million. Are you for real? \$3 million? \$365 of your Rec Fee (i.e., 100% of the proposed RFF for 2023-24) for each and every parcel owners.

Moreover, \$3 million ISN'T going to be enough. We're going to have to reimburse the Forest Service for all of its administrative costs. We're going to have to pay for an environmental impact statement ("EIS"). \$300K? \$500K? \$800K? \$1 million? We're going to have to provide off street parking which is expensive to construct. The former Community Services master plan opined 30 parking spots. Even if it is only half this much, you're talking a lot of money for parking. We're going to have to provide

bathrooms. One bathroom? Two bathrooms? Three bathrooms (are we woke)? Again. A lot of money. Bottom line, \$3 million ISN'T going to be enough.

The survey suggests part of this cost may be covered by donations. Well I'm here to tell you it may NOT. Don't we remember the propaganda which came from staff regarding donations for an expansion of the Rec Center? At the end of the day we learned there were really no donations because no one ever agreed in writing to such donations. So has anyone agreed in writing to donations for a dog park? Since the answer is no, it's misleading to suggest otherwise.

Finally, the proposed survey suggests it can and will be offered to visitors and members of the general public rather than just those who will be compelled to pay (i.e., local parcel owners). Any survey should be limited to just those local parcel owners who will be the ones made to pay. If we allow any others, then the votes of local parcel owners will be offset by those who will not be paying their fair share.

If we're going to do a survey, let's survey the wants and desires of local parcel owners in a vacuum. Let them tell us rather than we telling them there are only two options. And let's tell those to whom the survey is sent, up front, that they will be the ones told to involuntarily cover the costs associated with such a park. Knowing this up front may change their answers.

Thank you for your consideration. Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM G(6) – DIAMOND PEAK'S GENERAL MANAGER'S PRO-
POSED INCREASED DAILY LIFT TICKET AND SEASON PASS RATES
FOR LOCAL PARCEL/DWELLING UNIT OWNERS ASSESSED
RECREATION FACILITY FEES**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Extending preferred pricing to the world’s tourists, while increasing Diamond Peak daily lift ticket and season pass rates to local parcel/dwelling unit owners notwithstanding Ski generates positive cash flow which subsidizes the fees our local golfers pay. And this is the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to Mr. Bandelin's proposed rate increases and recommending to whom those rates should be increased⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: As explained, this proposal is nothing short of a veiled one to further subsidize the costs of golf to our core golfers. But why would anyone expect anything less from our wonderful staff who see their job as parsing out special benefits to special interest groups who will come to staff's defense when necessary? I trust this proposal is either substantially modified or summarily rejected. And for the reasons stated in the attached e-mail, please create new separate, stand alone, Ski, Champ Golf and Mountain Golf enterprise funds.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Items G(6) - Mike Bandelin's Proposed Increased Picture Pass Holder ("PPH") Season Pass Rates Which Unnecessarily Further Subsidize Golf's Money Losing Operations

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
 Subject: March 22, 2023 IVGID Board Meeting - Agenda Items G(6) - Mike Bandelin's Proposed Increased Picture Pass Holder ("PPH") Season Pass Rates Which Unnecessarily Further Subsidize Golf's Money Losing Operations
 Date: Mar 20, 2023 4:10 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Here I take issue with Mike Bandelin's proposed rate increases for the following reasons.

1. Mike tells us there is no need for a rate increase because historically (see page 660 of the Board packet) and for some number of years (at least five to my knowledge), "Diamond Peak('s)...net revenues (have financially)...support(ed) operations, capital and debt requirements for the ski area, AS WELL AS...funding that supports other Community Services venues and programs;"
2. The largest beneficiary of those transfers has been golf which for 2023-24 will be generating a NEGATIVE \$3,417,069 (see page 695 of the Board packet);
3. Only because "PPH season pass rates have remained the same...since the 2012/13 season" (see page 658 of the Board packet), it's time for massive price increases;
4. But because of "an estimated increase in annual operating costs...staff is recommending...a \$10 increase...to daily lift tickets in all categories" (see page 658 of the Board packet);
5. So Mike is recommending daily PPH lift ticket rates increase \$10 (see page 669 of the Board packet):
 - a) from \$25 to \$35 (a 40% increase) but for peak periods when they increase from \$35 to \$45 (a 28% increase) for adults;
 - b) from \$20 to \$30 (a 50% increase) but for peak periods when they increase from \$30 to \$40 (a 33-1/3% increase) for youths;
 - c) from \$15 to \$25 (a 66-2/3%) but for peak periods when they increase from \$20 to \$30 (a 50% increase) for children;
 - d) from \$20 to \$30 (a 50% increase) but for peak periods when they increase from \$30 to \$40 (a 33-1/3% increase) for seniors; and,
 - e) from \$18 to \$28 (A 55.5% increase) but for peak periods when they increase from \$20 to \$30 (a 50% increase) for youths.
6. And he is recommending PPH season pass prices increase (see page 670 of the Board packet) as follows:
 - a) from \$289 to \$319 (a 10% increase) for tier one purchases, from \$319 to \$358 (a 12% increase) for tier two purchases, and from \$349 to \$447 (a 28% increase) for tier three purchases for adults;
 - b) from \$139 to \$248 (a 78% increase) for tier one purchases, from \$159 to \$301 (a 89% increase) for tier two purchases, and from \$189 to \$376 (a 99% increase) for tier three purchases for youths;
 - c) from \$109 to \$148 (a 35% increase) for tier one purchases, from \$129 to \$170 (a 32% increase) for tier two purchases, and from \$149 to \$206 (a 38% increase) for tier three purchases for children;
 - d) from \$109 to \$298 (a 174% increase) for tier one purchases, from \$119 to \$315 (a 165% increase) for tier two purchases, and from \$149 to \$376 (a 153% increase) for tier three purchases for seniors; and,
 - e) from \$29 to \$120 (a 314% increase) for tier one purchases, from \$39 to \$131 (a 235% increase) for tier two purchases, and from \$49 to \$163 (a 233% increase) for tier three purchases for super seniors.
7. Meanwhile Mike is recommending daily non-PPH daily lift ticket rates increase \$10; and,
8. Non-PPH season pass rates increase \$5 (see page 670 of the Board packet) as follows:
 - a) from \$444 to \$449 for tier one purchases, from \$499 to \$504 for tier two purchases, and from \$625 to \$630 for tier three purchases for adults;

- b) from \$344 to \$349 for tier one purchases, from \$419 to \$424 for tier two purchases, and from \$525 to \$530 for tier three purchases for youths;
 - c) from \$204 to \$208 for tier one purchases, from \$234 to \$239 for tier two purchases, and from \$285 to \$290 for tier three purchases for children;
 - d) from \$415 to \$420 for tier one purchases, from \$439 to \$444 for tier two purchases, and from \$525 to \$530 for tier three purchases for seniors; and,
 - e) from \$164 to \$169 for tier one purchases, from \$179 to \$184 for tier two purchases, and from \$225 to \$230 for tier three purchases for super seniors.
9. All of this to generate an additional \$330,192 of estimated PPH season pass revenue (see page 672 of the Board packet); and,
10. \$57,912 of non-PPH season pass revenue (see page 671 of the Board packet).
11. And for what? MORE FINANCIAL SUBSIDIES FOR GOLF!

I believe Mike's PPH season pass revenue estimates for 2023/24 are faulty because they're based upon the same number of sales for this season, notwithstanding the massive increases in costs. I can guaranty you that with the higher PPH season pass pricing, there are going to be LESS PPH season pass sales. How much less? I can't tell you But I wouldn't be surprised that revenues on this product for 2023/24 might even be lower than for 2022/23. Which begs the question, why the price increase?

My recommendation is keep PPH daily lift ticket and season pass pricing WHERE IT IS, and increase comparable non-PPH product by more than the proposed \$5 or \$10. I believe the market will support such increases based upon what our surrounding ski areas are charging. There's no reason to increase PPH pricing other than to further subsidize golf's losses. And IMO, that's NOT a justifiable reason.

Finally, there's one more thing you need to do to STOP staff's wrongdoing. Separate and independently financial reporting of the District's ski operations. I've written of this before. GASB 34 instructs that when a local government's financial particulars are "major" as are the District's ski sub-fund, those particulars MUST be reported in a separate, enterprise fund. Not may. But MUST. And since GASB is responsible for establishing generally acceptable accounting principles ("GAAP") for state and local governments (see GASB 55), and NRS 354.612(2) mandates that the District's financial statements and reporting adhere to GAAP principles, the District has no choice. insofar as creation of a separate ski fund. But not according to Paul Navazio. He wants all recreation sub-funds to be reported as a single Community Services Fund so he can freely use the positive cash flow from ski to subsidize continuing, never ending golf losses! Isn't it about time the Board put its collective feet down and said NO? Creating a new ski fund will in essence stop the District from transferring funds from ski. Otherwise, the positive cash flow the ski fund generates will become just another subsidy for money losing golf. Which is what it is now.

Respectfully submitted, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM G(7) – IVGID'S DIRECTOR OF COMMUNITY SERVICES'
PROPOSED MODIFICATIONS TO GOLF RATES WHICH REAFFIRM
LONG TIME STRUCTURAL PREFERENCES AT LOCAL PARCEL/
DWELLING UNIT OWNERS' EXPENSE**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. The extension of preferred pricing to our local core golfers based upon a flawed rate structure which ends up continuing to cost local parcel/dwelling unit owners several millions of dollars in subsidies annually. And this is the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to Mr. Howard's proposed golf rate increases and recommending to whom those rates should be increased⁵. The reaffirmation of a rate structure which continues to grant preferences to local core golfers at the expense of the rest of us, cannot continue. And as a consequence, those rates *per se* are not the problem. The problem is Mr. Howard! Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: This proposal is nothing short of another benefit extended to local core golfers which further subsidize their costs. But why would anyone expect anything less from our wonderful staff who see their jobs as parsing out special benefits to special interest groups who will come to staff's defense when necessary? And vote for their preferred trustee candidate as long as he/she continues the flow of gravy. I ask the Board take on the real issue at play here. Incompetent senior staff who are grossly over compensated. And for the reasons stated in the attached e-mail, please create new separate, stand alone, Ski, Champ Golf and Mountain Golf enterprise funds.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ This e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item G(7) - It's Time to Terminate Community Services Director Darren Howard as an IVGID Employee.

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
 Subject: March 22, 2023 IVGID Board Meeting - Agenda Item G(7) - It's Time to Terminate Community Services Director Darren Howard as an IVGID Employee.
 Date: Mar 20, 2023 4:11 PM

.....
 Chairperson Dent and Other Honorable Members of the IVGID Board -

So finally and belatedly I have just had the opportunity to read the Board packet for next Wednesday's meeting. And the first thing which sticks out to me is the arrogance and incompetence of employee Darren Howard, our Director of Golf aka Director of Community Services. And what I've seen tells me it's time for Mr. Howard to go.

What I've seen on the agenda is a request to keep the charity rates for next season at the DISCOUNTED rates approved last year. In other words, between last meeting and this one Mr. Howard has allowed himself to buckle to the pressure of more takers in our community. The ones who insist on using public recreation facilities, exclusively and at a discount, so they can make money for their flavors of the month at the public's expense. When it was revealed at the last Board meeting that staff is proposing a \$4 million LOSS for golf next season, Mr. Howard is backing off his initial recommendation that the non-profit rate LOSE even more money.

Okay. Let's get the facts on the table.

At the Board's March 8, 2023 meeting Mr. Howard presented his proposed golf rates for the upcoming 2023-24 season. There he informed us, in part, that:

1. Daily green fee rates to non-picture pass holders ("PPHs"), on average, exceeded our fully loaded (operating, overhead, capital and debt service) cost at both courses;
2. Daily green fee rates to a PPH's guest cover our operating and overhead (but NOT capital nor debt service) costs;
3. Daily and season pass rates to PPHs fall well below the previously suggested cost recovery target for play at both courses;
4. Notwithstanding, a proposed 5% increase to daily rates at the Champ Course will cover operating and overhead costs;
5. But a proposed 5% increase in daily rates at the Mountain Course will remain at a level below the cost per round (i.e., they will NOT cover operating and overhead costs);
6. Although non-profit rates to take over exclusive use of our golf courses so they can make money for their particular flavors of the month will cover operational costs ONLY (thus NOT covering overhead, capital nor debt service costs), they will not increase from last year's rates;
7. Discounted season passes will CONTINUE with only a proposed 5% increase in cost;
8. Discounted "couples" season passes will CONTINUE with only a proposed 5% increase in cost;
9. The rest of us will have to again rely upon the Rec Fee to pay for these financial deficiencies (projected at an unbelievable \$4 million!); and,
10. If the Board requires revenues cover ALL operational, overhead, capital and debt service costs, staff will have to come up with a completely different business model.

I and several members of the Board objected. We said that these subsidies cannot continue forever and Mr. Howard should come back with a completely different business model.

So what did he come back with?

1. Retention of the current basic rate structure giving the Board the option of increasing daily rates at both courses by either 5%, 8% or 11% (NONE of which will result in either course covering its operational, overhead, capital and debt service costs combined);
2. In my opinion this is no example of a professional giving a professional's opinion. Rather, Mr. Howard has thrown out a meager 5% increase and when he got blow back, he threw out two other proposed increases and then told the Board, you guys figure it out;
3. Rather than eliminating discounted PPH guest rates, continuing them with the Board determining either a 5%, 8%, or 11% increase;
4. Rather than eliminating discounted non-profit rates to take over exclusive use of our golf courses so they can make money for their particular flavors of the month, altogether, continue these rates to only cover operational (thus NOT covering overhead, capital nor debt service) costs;
5. Rather than eliminating discounted play/season passes, continuing them with the Board determining either a 5%, 8%, or 11% increase;
6. Rather than eliminating discounted couples season passes, continuing them with the Board determining either a 5%, 8%, or 11% increase;
7. Continuing to tell the rest of us that we will have to again rely upon the Rec Fee to pay for these financial deficiencies (projected at an unbelievable \$3,417,069 (see page 695 of the Board packet); and,
8. Continuing to tell the Board that if it requires revenues cover ALL operational, overhead, capital and debt service costs, staff will have to come up with a completely different business model.

On March 8, 2023 Mr. Howard told us that our cost per round at the Champ Course was \$136.19 assuming 24,632 rounds (see page 605 of the Board packet for that meeting). Now he tells us the cost has magically gone down to \$121.13 assuming 27,693 rounds (see page 675 of the Board packet). Estimated revenue at a 5% rate increase, according to Mr. Howard, is \$103.78. At an 8% increase it's \$108.12. And at an 11% increase, it's \$109.24. In other words, assuming we sell MORE than 3,000 additional rounds at the Champ Course this year versus last, and even with an 11% rate increase, Mr. Howard is suggesting the rest of us subsidize Champ Course green fees to the tune of \$11.89/round times 27,693 rounds = \$329,270 assuming we increase rates by 11% and don't lose any of our paid rounds as a result.

Similarly, on March 8, 2023 Mr. Howard told us that our cost per round at the Mountain Course was \$73.80 assuming 17,435 rounds (see page 606 of the Board packet for that meeting). Now he tells us the cost has gone down to \$72.29 assuming the same roughly 17,800 rounds (see page 676 of the Board packet). Estimated revenue at a 5% rate increase, according to Mr. Howard, is \$44.56. At an 8% increase it's \$45.78. And at an 11% increase, it's \$46.99. In other words, Mr. Howard is suggesting the rest of us subsidize Mountain Course green fees to the tune of \$25.30/round times 17,800 rounds = \$450,340 assuming we increase rates by 11% and don't lose any of our paid rounds as a result.

And as an alternative, what does Mr. Howard tell us at page 677 of the Board packet? "NONE!"

Well I'm no golf professional, and here are my recommendations:

1. Increase rates at both courses by 11%;
2. Eliminate discounted PPH guest rates altogether. We offer no such rates at any of our other recreational venues;
4. Eliminate discounted non-profit rates to take over exclusive use of our golf courses so they can make money for their particular flavors of the month, altogether. We don't exist to be giving discounts to non-parcel owners, especially where they don't cover our actual costs. And for the meager loss of a couple of thousand dollars/event, we don't need the additional revenue (and besides, we'd probably generate more revenues selling rounds to the general public). Let these non-profits hold their charity events at someone else's private golf course. And in response to those who complain the members of these non-profits are local parcel owners too, I say then YOU cover the loss of revenue yourself;
5. Eliminate discounted play/season passes altogether. Pay for what you use and if you're not going to play, leave our golf courses available to be used by the rest of us. The product will no longer exist;

6. Eliminate discounted couples season passes altogether. The product will no longer exist; and,
 7. We can eliminate other ancillary money losing operations (like club rentals, lessons, bar cart sales, the Grille Restaurant, catering sales, to of the line lithium battery carts, etc.) as well.

Mr. Howard's recommendations are UNACCEPTABLE. And it is evidence Mr. Howard needs to go. Let me provide one more example.

I shared that on March 8, 2023 Mr. Howard told us that our cost per round at the Champ Course was \$136.19 assuming 24,632 rounds. Now he tells us the cost has magically gone down to \$121.13 assuming 27,693 rounds. So he is proposing a rate increase of 11% which will spur an estimated nearly 12.5% increase in rounds of golf? All he's doing is playing games with the numbers.

So let's call a spade a spade. Mr. Howard is the equivalent of a "B" or "C" actor in the movie business, if golf were the movie business, when it comes to professional golf, he's probably good but just not good enough.

In the private sector, what kind of golf job could Mr. Howard expect to secure, and at what compensation? A golf pro working in a pro shop at minimum wage. Plus maybe whatever else he could earn on a percentage of lessons/tips. The average being maybe \$65K annually. Don't believe me? Go to <https://www.ziprecruiter.com/Salaries/What-is-the-Average-Golf-Pro-Shop-Salary-by-State>. Or https://www.glassdoor.com/Salaries/pgs-head-golf-professional-pro-shop-manager-salary-SRCH_KO0,43.htm. And remember, if he had a job at a private course which in the winter would have to close down because of weather (other than IVGID), his job would be seasonal. And he wouldn't even be paid these less than stellar numbers. And he probably wouldn't be offered benefits.

And what are we paying Mr. Howard? An annual salary approaching \$150K or more plus benefits. This is OUTRAGEOUS! He needs to go.

Oh but Mr. Howard is the Director of Community Services. Not just golf. Is that like being a Director of Food and Beverage? Or Admin Services? Or Parks and Recreation? I don't care about the disingenuous label, and neither should you. Bottom line he's nothing more than a golf guy. Why do we need a Director of Community Services and then separate Directors/their equivalent at golf, Parks and Rec, Food and Beverage, ski, etc?

And then we have to endure someone who refuses to recommend expenditures which will allow for our golf courses to operate revenue neutrally because of pressure from special interest groups in our community. DISGUSTING! A sweet deal for local non-profits at below our operational costs? A sweet deal for local private club members at below our operational costs? Retention of special rates for guests of PPHs at below our costs? Retention of couples rates for season passes at below our costs? Retention of unlimited season passes at way below our costs?

I'm sorry. We don't need employees like this. The only thing that's "professional" about them is the fact they charge us money in consideration for their using the label "professional" as in PGA.

Let me share another reason why Mr. Howard needs to go.

Don't you remember that at the last Board meeting Trustee Schmitz asked if Mr. Howard could and would provide separate financials for each of golf's various ancillary operations bundled into golf and he answered yes? You know. Separate financials for: the Champ Course range; lessons at both golf courses; club rentals at both golf courses; the Grille Restaurant; Food and Beverage at the Mountain Course; bar cart service at both golf courses; rounds of golf at each golf course; merchandise sales at each golf course; etc. So where are those financials Mr. Howard? After all, you're quick to provide projected net revenue numbers (what's a net versus gross number?) for range fees, lessons, merchandise sales, club rentals, food sales, beer sales, wine sales, and liquor sales at page 692 of the Board packet. So where are the complete projected financials? And we're supposed to accept those financials even though they're based upon a projected one year increase of \$780,012 or 22.8% at the Champ Course (see page 692 of the Board packet), and a one year increase of \$201,187 or 22.95% at the Mountain Course (see page 693 of the Board packet)? Like I said. I don't believe you!

Instead you report "golf operations" including "pro shop" and "food and beverage" operations only. At page 694 of the packet of materials for this meeting, Mr. Howard purports to provide us with those financials but only for merchandise and food and beverage sales. What about those other ancillary MONEY LOSING functions at our golf courses? Where are those financials?

And let's deal with the financials Mr. Howard shares for merchandise and food and beverage sales. I DON'T BELIEVE YOU MR. HOWARD. And the particulars are incredibly scant. I want to know a breakdown of the expenses you are including because I am certain they're not all there. For instance, are central services costs included as an expense? What about Darren Howard overhead? What about real property and equipment overhead? I could go on and on but bottom line, I don't believe Mr. Howard's numbers for a New York minute. And neither should you!

But let's be kind to Mr. Howard. Let's accept his expense numbers as being gospel. He has told us that last fiscal year, the Champ Course actually LOST \$25,365 in food and beverage operations. Yet for this fiscal year we've only LOST \$4,154 in food and beverage operations. But these are BUDGETED losses. Not actual ones. We don't yet know the actual number but I'm guessing the LOSS will be a whole lot more than \$4,154.

Let's go through the same inquiry for the Mountain Course. Last fiscal year we allegedly made a profit of \$23,834? And this year we're budgeted to make a \$17,172 profit? On roughly \$86K of gross sales? Does anyone really, really believe these numbers?

And by the way, why should the public put up with ANY LOSS? If you can't operate these functions at a break even or positive cash flow, then ELIMINATE THEM!

Let's go through the same type of inquiry for merchandise sales. Mr. Howard has told us that last fiscal year, the Champ Course actually made a \$148,098 profit on merchandise sales. Yet for this fiscal year we're only budgeted to make \$27,388. An 81.5% REDUCTION in profits in a single year? That tells me the \$148,098 number was pure fantasy..

Let's go through the same inquiry for the Mountain Course. Last fiscal year we allegedly made a profit of...are you ready for this one...\$530. And this year we're budgeted to make a \$3,743 profit. Again, does anyone really, really believe these numbers? And even if you do, it's not worth putting the public at financial risk for \$500 or \$3,700 of potential profit!

Because Mr. Howard has not presented a COMPLETE picture of golf operations, as he was requested to do at the last Board meeting, this is an addition reason for the Board to say "you're fired." What arrogance!

So you see, this agenda item is really not about golf rates for next season. It's really a referendum on another overpaid under qualified and deceitful public employee who owes his allegiance to his public employee colleagues and special interest private golf club members than we local parcel owners.. Please do your jobs and terminate Mr. Howard. And do away with the unfair preferences to private golf club members and local non-profits as I have suggested.

There's one more thing you need to do to STOP staff's wrongdoing. Separate and independently financially report the District's golf operations. I've written of this before. GASB 34 instructs that when a local government's financial particulars are "major" as are the District's golf sub-funds, those particulars MUST be reported in a separate, enterprise fund. Not may. But MUST. And since GASB is responsible for establishing generally acceptable accounting principles ("GAAP") for state and local governments (see GASB 55), and NRS 354.612(2) mandates that the District's financial statements and reporting adhere to GAAP principles, the District has no choice insofar as creation of a separate fund. But not according to Darren Howard. He wants all recreation sub-funds reported as a single Community Services Fund so he can freely use the positive cash flow from ski to subsidize his continuing golf losses! Isn't it about time the Board put its collective feet down and said NO? Creating a new golf fund or possibly two of them (one for the Champ Course and the other for the Mountain Course) will in essence stop the District from transferring funds from ski. Otherwise, the positive cash flow the ski fund generates will become just another subsidy for money losing golf. Which is what it is now. Thank you Mr. Howard the head of Community Services!

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #1 – THE DISTRICT'S FAILURE TO SEPARATELY
REPORT THREE "MAJOR" FUNDS. SKI, CHAMP GOLF AND
MOUNTAIN GOLF**

Introduction: Well "here's another one" according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let's examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners' "availability" to access and use District recreation and beach facilities and the programs offered thereat⁴. It's the same old, same old. And here we have another example. Presentation of a proposed budget which perpetuates a basic structure flaw by premising all calculations upon fund reporting which fails to separately report at least three major funds. And that's the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that "upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged."

³ NRS 318.490(1)-(2) instruct that "whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated."

⁴ This is the justification staff claims for its involuntary assessment of the Recreation ("RFF") and Beach ("BFF") Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – the failure to separately report at least three (3) major funds⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: NRS 354.613 makes it unlawful to transfer funds from an enterprise fund except under very specific circumstances. But it doesn't prohibit transfers amongst sub-funds within an enterprise fund for any reasons whatsoever. And that's what we have here. The District is able to circumvent the protections of NRS 354.613 by combining what should be separate major funds into one, and then freely transferring. Which allows positive cash flow from Ski to be transferred to money losing golf. For the reasons stated in the attached e-mail, I ask that any new budget incorporate a revised major fund structure which separately reports Ski, Champ Golf and Mountain Golf.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #1 - The Failure to Create New Ski, Champ Golf and Mountain Golf Major Funds

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #1 - The Failure to Create New Ski, Champ Golf and Mountain Golf Major Funds
Date: Mar 20, 2023 4:12 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because its structure perpetuates EVERYTHING that's wrong with our budgets, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's recommendations, I shall deal with them piecemeal. And this is the first. Staff's failure to create at least two and possibly three new "major" enterprise funds; Ski, Golf and possibly Champ Golf and Mountain Golf.

As I've argued before, the Governmental Accounting Standards Board's ("GASB's") "primary role...is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and educate stakeholders on how to most effectively understand and implement those standards. The users of financial statements include legislators and their staff at the state, county, and local level; municipal bond insurers, buy- and sell-side analysts, rating agencies, mutual funds, and other bond market participants; citizen and taxpayer groups, service advocates, and community organizations; research institutes, think tanks, and professors and students; among others, as well as the general public." Simply stated, if you're a local or state government and you adhere to generally accepted accounting principles ("GAAP"), you are bound to GASB's pronouncements. And since local governments in Nevada are required to adhere to GAAP [NRS 354.612(2)], GASB's pronouncements apply to IVGID.

GASB 34 instructs that when a local government's financial particulars are "major" as are the District's golf sub-funds, those particulars MUST be reported in a separate, enterprise fund. Not may. But MUST. And since GASB is responsible for establishing GAAP for state and local governments (see GASB 55), and NRS 354.612(2) mandates that the District's financial statements and reporting adhere to GAAP principles, the District has no choice insofar as creation of a separate fund. But not according to staff, they want all recreation sub-funds reported as a single Community Services Fund so they can freely use the positive cash flow from ski to subsidize his continuing losses from golf! But if they were separate funds, NRS 354.626(1) would prohibit such transfers.

We need these major funds to all be made separate. This will prevent ski from subsidizing golf. And it will more clearly disclose to the public how much money golf is losing. In other words, \$3,417,069 (see page 695 of the Board packet). And it's only that small an amount because Mike Bandelin has suggested that local parcel owners' picture pass holder ("PPH") season pass rates at Diamond Peak massively increase (see my companion written statement on this subject).

Respectively, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #2 – THROWING OUT STAFF'S STARTER OF
LAST FISCAL YEAR'S "BASELINE" BUDGET AND STARTING
ANEW WITH A "ZERO-BASED" BUDGET**

Introduction: Well "here's another one" according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let's examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners' "availability" to access and use District recreation and beach facilities and the programs offered thereat⁴. it's the same old, same old. And here we have another example. Presentation of a proposed budget which perpetuates a basic structure flaw by premising all calculations upon all the flaws of last fiscal year's "baseline" budget. And that's the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that "upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged."

³ NRS 318.490(1)-(2) instruct that "whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated."

⁴ This is the justification staff claims for its involuntary assessment of the Recreation ("RFF") and Beach ("BFF") Facility Fees (go to https://www.yourtahoepace.com/uploads/pdf-ivgid/G.2._-Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – reliance upon last fiscal year's "baseline" budget as a starter rather than starting anew with a "zero-based" budget⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: Starting out with last fiscal year's flawed baseline budget as a given, only perpetuates the wrongs which have accumulated over past years, It doesn't take a fresh new look which is what would happen if the Board were insisting upon a zero-based budget. It doesn't address the wrongs of the past and basically results in that familiar phrase, "garbage-in-garbage-out!" For the reasons stated in the attached e-mail, I ask that any new budget start from ground zero. Identify and question each and every proposed expenditure to ensure it is necessary, reasonably staffed and fairly priced. Because things as they present stand are not.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #2 - Starting Out With a Baseline Budget

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Ray Tulloch <ray@tulloch4ivgidtrustee.com>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #2 - Starting Out With a Baseline Budget
Date: Mar 20, 2023 4:13 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because its structure perpetuates EVERYTHING that's wrong with our budgets, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's recommendations, I shall deal with them piecemeal. And this is the second. Staff's use of a baseline budget as starters to add onto for a 2023/24 budget.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. He seeks his roll as to be an accommodator for his boss Indra, and so he compromises his integrity to make the District's finances work. And here we see the first of many examples of this principle. tells us that

Mr. Navazio starts out with a baseline budget, and then adds perceived increased costs and pet modifications. The baseline budget is really 2022/23's, modified for known adjustments. But for purposes of this discussion, Mr. Navazio starts out with last year's budget with all its flaws and misguided assumptions. You can see this at page 20 of the Board packet. Look how the first 2023/24 column presented is labeled."baseline budget." And look how Mr. Navazio adds on to it.

For years I and others have been calling for a zero based budget. This is one which starts with zero and then adds on to it with necessary expenses and actual anticipated revenues. A baseline budget is a waste. And as long as Mr. Navazio is going to use it as the foundation for 2023/24 it's a waste and I object. Mr. Navazio needs to be instructed to start out with a zero based budget.0

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #3 – DISINGENUOUSLY INCREASING CENTRAL
SERVICES COST TRANSFERS TO THE GENERAL FUND TO PAY
FOR GENERAL GOVERNMENTAL SERVICES – PUBLIC PARKS
AND ATHLETIC FIELDS USED FREELY BY THE GENERAL
PUBLIC AS A WHOLE**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Presentation of a proposed budget which perpetuates a basic structure flaw by

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² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

premising all calculations upon all the flaws of last fiscal year's "baseline" budget. And that's the purpose of this written statement.

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – reliance upon last fiscal year's "baseline" budget as a starter rather than starting anew with a "zero-based" budget⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: Starting out with last fiscal year's flawed baseline budget as a given, only perpetuates the wrongs which have accumulated over past years, It doesn't take a fresh new look which is what would happen if the Board were insisting upon a zero-based budget. It doesn't address the wrongs of the past and basically results in that familiar phrase, "garbage-in-garbage-out!" For the reasons stated in the attached e-mail, I ask that any new budget start from ground zero. Identify and question each and every proposed expenditure to ensure it is necessary, reasonably staffed and fairly priced. Because things as they presently stand are not.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #3 - Massive Modified Central Services Cost Transfers to Pay For Public Parks and Athletic Field Expenses Transferred to the General Fund

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #3 - Massive Modified Central Services Cost Transfers to Pay For Public Parks and Athletic Field Expenses Transferred to the General Fund
Date: Mar 20, 2023 8:34 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because its structure perpetuates EVERYTHING that's wrong with our budgets, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's recommendations, I shall deal with them piecemeal. And this is the second. Staff's massive increase in central services cost transfers to pay for the expenses associated with the District's parks and athletic fields now that they have been transferred to the General Fund.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. He seeks his roll as to be an accommodator for his boss Indra, and so he compromises his integrity to make the District's finances work. And here we see the second of the many examples of this principle.

1. On February 20, 2023 I warned the Board that Mr. Navazio would do what he has now done now. And that was that rather than reduce overspending to live within the District's means, he would disingenuously increase central services cost transfers by more than \$1 million annually, to make up for the lack of revenues available to pay for the public park and athletic field expenses he was transferring to the General Fund because Trustee Schmitz and others did not feel it was appropriate to charge local parcel owners for public facilities available to the general public as a whole.

2. And for those of you who may have not read the e-mail, it is available at pages 361-363 of the Board packet for the upcoming March 22, 2023 meeting ["the 3/22/2023 Board packet (agenda item F3)]. Suspecting that Mr. Navazio would do what he has done, I wanted to preserve a record of my warning. So I attached it as an exhibit to one of my written statements attached to the minutes of the Board's February 22, 2023 meeting (see pages 358-360 of the 3/22/2023 Board packet).

3. Where a local government seeks to justify transfers from one or more of its enterprise funds "for a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund," NRS 354.613(1)(c) instructs that the cost allocation must be "approved by the governing body under a non-consent item that is separately listed on the agenda for a regular meeting of the governing body." Since this is the justification for the District's proposed central services cost plan, what needs to be established for the Board to render its approval? I will address this question below but in the interim, let's continue with my analysis.

4. Page 12 of the 3/22/2023 Board packet represents Mr. Navazio's proposed central services cost plan for 2023-24. Note where he proposes that \$3,046,198 be transferred from the District's Utility, Community Services and Beach Funds to allegedly pay for legitimate 2023-24 central services costs "for a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund" [see NRS 354.612(1)(c)].

5. Let's compare this plan, shall we, to the central services cost plan approved for 2022-23. That plan appears at page 045 of the packet of materials prepared by staff in anticipation of the Board's May 26, 2022 meeting ("the 5/26/2022 Board packet"). There we see that based upon Mr. Navazio's

recommendation, the Board approved \$1,887,589 of transfers from the District's Utility, Community Services and Beach Funds to allegedly pay for legitimate 2023-24 central services costs "for a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund."

6. That mean that within a single fiscal year, the District's legitimate central services costs have allegedly increased by an unbelievable 61.38% or \$1,158,609.

7. Page 26 of the 3/22/2023 Board packet represents Mr. Navazio's summary of revenues and expenses assigned to "Parks" now part of the General Fund. There you will see where he estimates there will be \$2,135,358 of negative cash flow. Of which \$1,683,500 will be assigned to capital improvement projects. Meaning the portion of negative cash flow attributable to operations will be \$451,858.

8. But wait! The amount of estimated negative cash flow is really more than the bottom line \$2,135,358 represented. It's really \$603,500 in Facility Fees allegedly earmarked for this "Parks" sub-fund. So let's take this revenue source out of the equation and then we see that the total amount of estimated operational negative cash flow totals \$1,055,358.

9. Now compare this \$1,055,358 of additional operational expenses associated with "Parks" now assigned to the General Fund, and the central services costs transfer increase of \$1,158,609 above. They're within \$100,000 of one another.

10. Let's see if we can get the two numbers to match exactly. I think we can get close. At page 24 of the 3/22/2023 Board packet Mr. Navazio tells us that the Revenue Sources for this "Parks" summary "include facility fees, inter-fund transfers and facility rentals." Okay. Do we see an inter-fund transfer revenue entry on the summary Mr. Navazio has prepared? I believe we do. It appears on page 26 of the 3/22/2023 Board packet and it's called "interfund services" revenue (exactly what "services" the cost of which is assigned to "Parks" do we furnish to other District Funds?). And how much is it? \$112,600. If this figure represents an artificial revenue source/subsidy like facility fees to reduce the amount of operational expenses reported, it means that the operational expenses associated with "Parks" should be increased by a like amount. Which means total additional operational expenses associated with "Parks" now assigned to the General Fund total \$1,167,358. Now compare this number to the \$1,158.609 of central services costs transfers. THEY'RE ESSENTIALLY IDENTICAL!

11. Which means that rather than legitimate General Fund revenues, the source of revenue necessary to assign "Parks" expenses to the General Fund becomes the increase in central services costs transfers JUST AS I HAVE PREDICTED!

12. Dirty, dirty Mr. Navazio!

13. Okay. Let's return to the question of what needs to be established for the Board to render its approval of Mr. Navazio's central services cost allocation plan? Staff won't share the truth with the Board but I will. There are regulations which have been adopted by the Committee on Local Government Finance which provides guidance. And they appear at NAC 354.865, et seq. Have any of you ever read these regulations? Have staff EVER presented evidence to the Board which supports the requirements of these regulations? Then how can you possibly approve Mr. Navazio's proposed central services cost allocation plan?

14. So let's get all of these regulations on the table so we can all be on the same page. Okay? I have listed them in my February 20, 2023 e-mail to the Board: Those that:

- a. Result in "an equitable distribution of general, overhead, administrative and similar costs of the local government;"
- b. Only allocate costs for services and property that have been properly "assignable or chargeable to the cost objective(s) of th(os)e (enterprise) fund(s) from which an allocation has been made;
- c. Only allocate indirect costs for services and property provided "on a centralized basis;"
- d. In any manner allocate payments for any "costs which are billable directly to a specific department, agency or enterprise fund;"

- e. Are "necessary and reasonable for the proper and efficient administration and performance of the enterprise fund(s)" from which an allocation has been made;
- f. Are "of a type generally recognized as ordinary and necessary for the operation of the (enterprise) fund(s)" for which an allocation has been made;
- g. Are reasonable insofar as "market prices for comparable services or property" are concerned;
- h. Are "consistent with sound business practices;"
- i. Are "consistent with...uniform...policies, regulations and procedures;"
- j. Are the product of "prudence under the circumstances considering (staff's) responsibilities to each pertinent governmental unit (against which they have assessed)...its employees, and...the general public;"
- k. Have been "adequately...documented...for independent verification;" and,
- l. Have been "determined in accordance with generally accepted accounting principles" ("GAAP").

15. Do any of you think that the \$3,046,198 Mr. Navazio proposes transferring satisfies *any* of these mandatory requirements? Are they reasonable? Necessary? Prudent? Ordinary and in line with market prices for comparable services? Consistent with sound business practices? Other than being the means to justify the necessary end result, has the Board even asked just one of these questions? Has staff provided answers? Of course not. Because these transfers are required regardless of how one gets to the bottom line answer. I submit there is no justification whatsoever for any of these proposed transfers. And it's staff's job to find to the contrary! So staff, DO YOUR JOB. And Board, don't let staff get away without doing their job!

16. Let me share with each of you one more fact which SCREAMS that Mr. Navazio's alleged central services cost allocation plan is phony. Return to Mr. Navazio's plan at page 12 of the 3/22/2023 Board packet. Take a look at the column for the Utility Fund. 41.2 full time equivalent employees ("FTEs"), and \$927,930 proposed to be charge for its fair and equitable share of the central services the General Fund allegedly furnishes to Utility. Do you know that at least four of the FTEs whose costs are assigned to the Utility Fund are business office employees? And they work in their own Public Works building on Sweetwater. And they have their own computers, software, communications system, etc. They outsource their billings and process payments for the water and sewer services the District furnishes. The turnover in Public Works is almost non-existent. Employees remain with the District for decades. So the HR Services the General Fund allegedly furnishes to the District's Utility Fund are essentially non-existent.

So you tell me. What services provided by the General Fund are provided to the 41.2 employees who work out of Public Works? If Public Works had to outsource those services and pay for them to the private sector, what sort of costs do you think they would incur? How much do you think it would cost to outsource payroll for 41.2 Public Works employees? Could our business office purchase some payroll software and simply perform this function themselves? And how would those costs compare to the nearly \$928K Mr. Navazio proposes charging the Utility Fund? The answers to these questions just don't pass the smell test. No matter who is doing the smelling. It's phony to the nth degree every which way one looks. Which means these are NOT legitimate central services transfers. Which means they are unlawful ones. These are the facts.

17. I keep telling you that it doesn't matter what it is when it comes to IVGID. The more one peels away the layers of the onion, the closer one gets to a core of evil, lies, deception and waste. And here we have yet another example of the same principle~

I urge each of you to **REJECT** Mr. Navazio's so called preferred means to deal with funding of our public parks after assigning their costs to the General Fund. And to call it out for what it really is. **REJECT** Mr. Navazio's central services cost allocation plan which you're required by the NRS to approve. Tell staff to come up with some other means of covering the financial shortfall Mr. Navazio proposes for the General Fund. That's his job! I sincerely doubt that when Trustee Schmitz suggested public park expenses be assigned to and paid from existing General Fund tax revenues, she had in mind that staff would come up with a disingenuous and deceitful alternative to cost cutting to come up with the financial means to pay for it [although I sure did because I know who these people are (are you listening Gail and Whiner Riner?)]. If that's all we're going to do, then I say do nothing. Leave things as they are even though they are terribly wrong. They're nothing more than that con with three pods and a pea which has been performed for decades on the streets of New York.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #4 – IMPOSING CONSEQUENCES ON STAFF WHO
REFUSE TO SHARE EACH AND EVERY PROPOSED EXPENSE
INCLUDED WITHIN THE PROPOSED “SERVICES AND
SUPPLIES” NUMBERS**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Presentation of a proposed budget which perpetuates a basic structure flaw by premising all calculations upon the refusal to have disclosed each and every estimated services and

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-Recreation_Standby_and_Service_Charges.pdf).

supplies expense as opposed to a summary of those expenses. And that's the purpose of this written statement.

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – use of services and supplies numbers taken from air without any back up verification⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: If the Board doesn't know each and every expense included within a services and supplies summary, how can it know what's necessary and what's not? How can it know what to cut and what to continue? How can it know what it is actually being requested to approve? That's why I have made several public records requests to examine those expenses. And because staff refuse to make those records available for my examination, probably because they are embarrassing or evidence waste or wrongdoing, there must be a penalty. And for the reasons stated in the attached e-mail, I propose that penalty. Because things as they presently stand are not acceptable.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #4 - The Consequences of Staff's Refusal to Provide Disclosure of Every Proposed Services and Supplies Expenditure (as Opposed to a Summary of Such Expenditures) Included in Proposed Budget

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
 Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #4 - The Consequences of Staff's Refusal to Provide Disclosure of Every Proposed Services and Supplies Expenditure (as Opposed to a Summary of Such Expenditures) Included in Proposed Budget
 Date: Mar 21, 2023 5:26 PM
 Attachments: [Travel Authorizations.pdf](#)

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because the District's basic budget structure perpetuates EVERYTHING that's wrong with the IVGID, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's budget recommendations, I shall deal with them piecemeal. And this is my third such budget recommendation.

Staff have refused to share each and every proposed Services and Supplies expenditure included within its proposed fund budgets so the Board and the public can discuss which ones can be eliminated and reduce comparable financial pressure on the Rec Fee. I have made public records requests how many times? And look how staff respond. In fact, at pages 315-345 of the packet of materials prepared by staff in anticipation of the Board's March 22, 2023 meeting ("the 3/22/2023 Board packet"), you will find a written statement attached to the proposed minutes of the Board's February 22, 2023 meeting which addresses this very subject. Also at pages 237-244 of the same 3/22/2023 Board packet you will find a written statement attached to the proposed minutes of the Board's February 8, 2023 meeting which also addresses this very subject. That is, staff's refusal to permit examination of the Services and Supplies detail matters..

Not knowing which expenditures are included within Services and Supplies and whether they are really required means the Board has no idea of the expenditures included therein which are UNnecessary. Instead, the Board and the public are asked to simply trust staff's word for whatever they are proposing. And their word ultimately results in no cost reductions, waste, and in course, no reduction in the Rec Fee. This is unacceptable.

Let me share some examples of expenditures under Services and Supplies for the current fiscal year staff have hidden from the Board and the public which very easily could/can be avoided reducing pressure on the Rec Fee and the utility rates we charge.

1. Kate Nelson's attendance at Kaye Shackford's lifestyle behavior seminar in Sep of 2022 at a cost to the public of nearly \$6,000 - to advance her professional growth;
2. Kate Nelson's future attendance at the California Water Environment Ass'n convention in San Diego in April of 2023 to discuss the success of the WRRF aeration project at a cost to the public of nearly \$2,700 - to advance her career growth;
3. Mike Gove's attendance at Kaye Shackford's lifestyle behavior aka professional growth seminar in Sep of 2022 at a cost to the public of nearly \$6,000 - to advance his professional growth;

Items 2-3 above are documented in the travel authorization attached to this e-mail. And we see that just for Kate Nelson, that's nearly \$8,000 of travel and conference expenditures in less than a single fiscal year. And for what?

Note: these are just isolated examples. All are included under Services and Supplies. And just here we're looking of potential savings of nearly \$15,000! And you're telling me all of these expenses were vital, required, reasonable in amount, and could not have been deleted from the budget assuming they were in fact budgeted?

For these reasons I propose that staff's proposed workshop budget be REJECTED as a matter of course. If staff is going to refuse to share each and every expense included under Services and Supplies as I have asked, then the Board should respond by REDUCING these budgetary amounts by the amount of the Rec and Beach Fees, thus eliminating these subsidies. Then the Board shall tell staff to figure it out for themselves insofar as a balanced budget is concerned. And if they refuse, the Board should agendize their termination(s) as District employees. Because if you don't come up with a consequence for staff non-transparency, we are destined to come up with the same faulty budgets time and time again.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. He sees his role to be that of an accommodator for his boss Indra. And so he compromises his integrity to make the District's finances work the way staff want them to work. And here we see the third of the many examples of this principle. In other words, rather than cutting expenses to result in a balanced or revenue positive budget without any subsidies, staff intentionally overspend on such vital expenditures as these with the intent of covering the financial deficiencies with the subsidies of: the Recreation ("RFF") and Beach ("BFF") Facility Fees, allocated central services cost transfers, and inter-sub-fund transfers given those sub-funds are all within the umbrella Community Services Fund and thus exempt from NRS 354.613 liability. The time has come to put a stop to this insanity. And here I've suggested a first step.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #5 – SHOULD WE DISSOLVE OUR INTERNAL
SERVICES FUND AND OUTSOURCE OUR BUILDINGS, FLEET
AND ENGINEERING NEEDS TO THE PRIVATE SECTOR?**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Continuation of a worthless internal services department whose real purpose is to provide over compensated and benefited jobs at local parcel/dwelling unit owners’ expense.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._- _Recreation_Standby_and_Service_Charges.pdf).

Presentation of a proposed budget which perpetuates this basic structure flaw is an incredible waste. And that's the purpose of this written statement.

My E-Mail of March 22, 2023: On March 22, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – continuation of an internal services department/fund⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: When one really understands the District's internal services fund and how it is funded, one quickly understands it interjects unnecessary overhead and waste into the system. Which means it costs more than outsourcing. For the reasons stated in the attached e-mail, I ask that internal services be dissolved. Because things as they presently stand are not sustainable.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #5 - It's Time to Dissolve the District's Internal Services Fund

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #5 - It's Time to Dissolve the District's Internal Services Fund
Date: Mar 22, 2023 12:58 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because the District's basic budget structure perpetuates EVERYTHING that's wrong with the IVGID, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's budget recommendations, I shall deal with them piecemeal. And this is my fourth such budget recommendation. Elimination of staff's internal services fund altogether and instead, outsource all of the services allegedly included therein to the private sector.

We've discussed this before. Take a look at staff's proposed summary of revenues and expenses assigned to all three sub-funds (fleet, buildings and engineering) under internal services [see page 127 of the packet of materials prepared by staff in anticipation of the Board's upcoming March 22, 2023 meeting ("the 3/22/2023 Board packet")]. Essentially 100% of budgeted revenue comes from the inter-fund services unreimbursed staff whose salaries and benefits are assigned to the internal services fund are able to bill out to the fund's ONLY customer; other District Divisions. Therefore there is an incentive for internal services staff to furnish unnecessary or marginally beneficial services because if billings for these services do not take place, there will be no money to pay for employees' salaries and benefits. And in the legal world, this is called CHURNING OF FEES. That's what our internal services division is doing for us. CHURNING FEES so it's more costly for us to furnish internal services, than to outsource them to the private sector.

So how much are we talking about in revenues which are required? Nearly \$3.5 million! Now let's look at the estimated expenses which are assigned to this fund. \$3.568 million which is \$121,463 MORE than the revenues staff are estimated to bill out. And of this \$3.568 million of expenses, how much goes to employee salaries and benefits? According to Mr. Navazio a whopping 71.32% or \$2,544,597. And for how many employees? 15.4 total. 7 assigned to Fleet (see page 116 of the 3/22/2023 Board packet), 4.4 assigned to engineering (see page 117 of the 3/22/2023 Board packet), and 4 assigned to building (see page 119 of the 3/22/2023 Board packet). And at what rates?

Staff tell us that they can't bill out 100% of their time to other District Divisions. So they have to "jack up" by 25% (see page 120 of the 3/22/2023 Board packet) the hourly fees they do bill out to make up for this wasted down time. Just look at the personnel cost increases in just the last five years. So for buildings, we paid \$597,058 in personnel costs in fiscal year 2019-20, and Mr. Navazio is projecting we spend nearly the same (\$569,250) in 2023-14. But that's for only 4 employees, whereas we had 7.5 five years ago (see page 119 of the 3/22/2023 Board packet). That's a 87.5% decrease in personnel with no real decrease in personnel costs in just five short years.

Or fleet, we paid \$779,733 in personnel costs in fiscal year 2019-20, and Mr. Navazio is projecting we spend \$1,080,035 in 2023-24 (see page 116 of the 3/22/2023 Board packet). That's a 38.51% increase in personnel costs in just five short years or 7.7%/year, and the number of employees is the same.

Or engineering. We paid \$639,450 in personnel costs in fiscal year 2019-20, and Mr. Navazio is projecting we spend \$932,187 in 2023-14. And that's for only 4.4 employees, whereas we had 5.1 five years ago (see page 117 of the 3/22/2023 Board packet). That's a 45.77% increase in personnel costs in just five short years or over 9%/year.

So for instance, mechanics working in fleet bill out their time at nearly \$100/hour. And engineers working in engineering bill out their time at between \$120-\$150 or more/hour. When they do this, it means they are actually charging more than what it would cost us if we were to outsource these functions to the private sector. And we wouldn't need to pay for the infrastructure which goes along with our internal staff that currently we're forced to pay. For instance, we need to pay for vehicles and all of their ancillary costs for most of our internal services employees. When we outsource, all of these costs are included in the private sector fees we are charged. Also for fleet, we have to pay for all sorts of tools and machinery because without the same, our in house staff can't do its job. Yet when we outsource, all of these costs are included in the private sector fees we are charged.

So bottom line, it actually costs us MORE to have an internal services department than it would cost to outsource. And real world experience has demonstrated that the competence of the services provided by the private sector when outsourcing is markedly higher than relying upon our in-house staff. Don't believe me? Why are we hiring CMARs to manage our large construction projects? I thought our in-house staff were competent enough to save us money by performing their own construction management? And look at the Mountain Course cart path replacement project fiasco. Our professional staff wasn't even able to pick up on the fact our contractor was not adhering to the construction detail the subject of our contract.

Then there are phony expenses we must throw into the mix with our in-house staff - like central services costs. Finally, when we outsource we only contract for services we actually need. Since that's not the case with our in-house staff, we save money as well.

For all these reasons it's more than time to DISBAND internal services.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. So he compromises his integrity to make the District's finances work the way staff want them to work. And here we see the fourth of the many examples of this principle. In other words, creating an overly expensive internal services department/fund whereby the employees whose costs are assigned to this fund have but one customer; other District Divisions. And because funds are not budgeted as revenues to this fund, our employees have a conflict of interest in that if they cannot bill other District Divisions for their services, they cannot generate the funds necessary to pay their salaries and benefits. So we overpay.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #6 – IMPOSING CONSEQUENCES ON STAFF WHO
REFUSE TO SHARE THE PARTICULARS OF UNREIMBURSED
STAFF TIME BILLED TO OTHER DISTRICT DEPARTMENTS**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have another example. Presentation of a proposed budget which perpetuates a basic structure flaw by premising all internal services calculations upon the refusal to have disclosed the particulars of each and every estimated internal services expenditure. And that’s the purpose of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._- _Recreation_Standby_and_Service_Charges.pdf).

My E-Mail of March 20, 2023: On March 20, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – use of internal services revenue numbers taken from air without any back up verification or verification of necessity⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: If the Board doesn't know the particulars of each and every expense included within internal services revenue summaries, how can it know what's necessary and what's not? How can it know what to cut and what to continue? How can it know what it is actually being requested to approve? That's why I have made several public records requests to examine the particulars of those

expenses. And because staff refuse to make those records available for my examination, probably because they are embarrassing or evidence waste or wrongdoing, there must be a penalty. And for the reasons stated in the attached e-mail, I propose that penalty. Because things as they presently stand are not acceptable.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #6 - The Consequences of Staff's Refusal to Provide Disclosure of the Particulars of All Internal Services Billings (as Opposed to a Summary of Such Particulars) Included in Proposed Budgets and Outsource Their Services to the Private Sector

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #6 - The Consequences of Staff's Refusal to Provide Disclosure of the Particulars of All Internal Services Billings (as Opposed to a Summary of Such Particulars) Included in Proposed Budgets and Outsource Their Services to the Private Sector
Date: Mar 21, 2023 5:26 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because the District's basic budget structure perpetuates EVERYTHING that's wrong with the IVGID, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's budget recommendations, I shall deal with them piecemeal. And this is my fifth such budget recommendation. Elimination of staff's internal services fund and instead, outsourcing all of the services allegedly included therein to the private sector

Staff have refused to share the particulars of its billings to the District's other Departments which involuntarily use the over priced services internal services furnish. so the Board and the public can discuss which ones can be eliminated and reduce comparable financial pressure on the Rec Fee. I have made public records requests how many times? And look how staff respond. In fact, at pages 377-395 of the packet of materials prepared by staff in anticipation of the Board's March 22, 2023 meeting ("the 3/22/2023 Board packet"), you will find a written statement attached to the proposed minutes of the Board's February 22, 2023 meeting which addresses this very subject. That is, staff's refusal to provide the particulars of the services allegedly furnished by internal services for the Beach House and Fleet Department presentations.

For these reasons I propose that staff's proposed workshop budget, at least for internal services, be REJECTED as a matter of course. If staff are going to refuse to share the particulars of each and every service furnished under unreimbursed internal services as I have asked, whether asked for or not, then the Board should respond by REDUCING these budgetary amounts by the amount of the Rec and Beach Fees, thus eliminating these subsidies. Then the Board shall tell staff to figure it out for themselves insofar as a balanced budget is concerned. And if they refuse, the Board should agendize their termination(s) as District employees. Because if you don't come up with a consequence for staff non-transparency, we are destined to come up with the same faulty budgets time and time again.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. He sees his role to be that of an accommodator for his boss Indra. And so he compromises his integrity to make the District's finances work the way staff want them to work. And here we see the sixth of the many examples of this principle. In other words, rather than cutting expenses to result in a balanced or revenue positive budget without any subsidies, staff have intentionally created an overly expensive internal services fund whereby the employees whose costs are assigned have but one customer; other

District Divisions. And because funds are not budgeted to this fund as revenue, our employees have a conflict of interest in that if they cannot bill other District Divisions for their services, they cannot generate the funds necessary to pay their salaries and benefits. So in order to discover the precise services furnished to the District's other Divisions, and at what cost, I have submitted a series of public records requests. But staff have refused to produce the records requested for my examination. And as a result, there's no way to determine the legitimacy of the bills submitted to the District's other Divisions. And that means the District's other Divisions are involuntarily subsidizing the costs of the District's internal services division. And since the District's other Divisions from which internal services transfers are made rely upon the Recreation ("RFF") and Beach ("BFF") Facility Fees and water/sewer utility rates and charges local parcel owners are forced to pay to cover the differences between revenues and expenses, just like central services cost transfers, internal services over spending is subsidized by the RFF, BFF and the District's water/sewer utility rates and charges. The time has come to put a stop to this insanity. And here I've suggested a first step.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR MARCH 22, 2023 MEETING –
AGENDA ITEM E – THE BASIC STRUCTURAL BUDGETARY PROBLEMS
LOCAL PARCEL/DWELLING UNIT OWNERS FACE WHICH REQUIRE
ADDRESSING – #7 – HOW CAN YOU DETERMINE THE RFF/BFF
BEFORE PROCEEDING UNDER NRS 318.201 TO FIND THE
AMOUNTS REQUIRED TO MAKE THE DISTRICT'S REC-
REATION/BEACH FACILITIES AVAILABLE TO BE USED
BY ASSESSED PARCELS/DWELLING UNITS?**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste the District engages in which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with parcel/dwelling unit owners’ “availability” to access and use District recreation and beach facilities and the programs offered thereat⁴. it’s the same old, same old. And here we have

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

another example. Determination of the RFF/BFF amounts prior to determining the actual need therefore, if any. And that's the purpose of this written statement.

My E-Mail of March 22, 2023: On March 22, 2023 I sent an e-mail to the Board objecting to one of the basic structures of the District's budget – Mr. Navazio's determination of the BFF/RFF before the Board made that determination pursuant to NRS 318.201 of the amounts necessary, if any, to make the District's recreation/beach facilities available to those parcels/dwelling units to be assessed⁵. Rather than re-stating all that is included therein, I simply direct the reader to that e-mail.

Conclusion: These facts demonstrate that the RFF/BFF are really invalid special taxes against property⁶. Rather than need, the District first establishes a RFF/BFF based upon what the market will bear, and then it budgets whatever expenses it can conjure up thereagainst. The greater the RFF/BFF, the greater the expenses which can be charged thereagainst. Is it really that simple? Yes it is. For the reasons stated in the attached e-mail, I ask that staff be instructed to reduce the RFF/BFF to those amounts actually required to make the District's recreation/beach facilities available to be accessed and used by those parcels/dwelling units proposed to be assessed.

And You Wonder Why the RFF/BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers depending upon how the Board drafts the survey questions.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement.

⁶ NRS 361.445 instructs that "the assessment made by the county assessor and...the Department (of Taxation), as equalized according to law, shall be the *only* basis for property taxation by any city, town, school district, road district or other district in that county."

EXHIBIT "A"

Re: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #7 - How Can You Determine the RFF/BFF You Require Before You've Determined the Amounts You Require to Make the Public's Recreational/Beach Facilities Available to be Used by Those Parcels/Dwelling Units Which Are Assessed?

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: Re: March 22, 2023 IVGID Board Meeting - Agenda Item E - Problems With Staff's Proposed Budget (Workshop) - #7 - How Can You Determine the RFF/BFF You Require Before You've Determined the Amounts You Require to Make the Public's Recreational/Beach Facilities Available to be Used by Those Parcels/Dwelling Units Which Are Assessed?
Date: Mar 22, 2023 1:57 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

This agenda item is labeled as a third "Budget Workshop." Because the District's basic budget structure perpetuates EVERYTHING that's wrong with the IVGID, I submit my criticisms. And because those criticisms are targeted to specific aspects of staff's budget recommendations, I shall deal with them piecemeal. And this is my sixth such budget recommendation. The RFF/BFF are really invalid taxes because staff determine the amounts before determining the actual needs, if any.

Take a look at page 14 of the packet of materials prepared by staff in anticipation of the Board's March 22, 2023 meeting ("the 3/22/2023 Board packet"). There you will see that Mr. Navazio has determined the "baseline" RFF/BFF for 2023-24 (\$364/\$416) even though the Board hasn't yet determined its needs to make the public's recreational facilities and beaches available to be used by those parcels/dwelling units which will be assessed (the finding the Board actually makes when it is asked to adopt the RFF/BFF).

Moreover, these amounts are less than those determined necessary for 2022-23 (\$330/\$450). How have the beaches' costs to be available for local parcel's/dwelling units' use actually decreased in a single year?

I remind each of you that when you approve the RFF/BFF, you pass a resolution [like 1893 for 2022-23 {see pages 228-231 of that packet of materials prepared by staff in anticipation of the Board's May 26, 2022 meeting ("the 5/26/2022 Board packet")}] which adopts a report (see pages 232-237 of the 5/26/2022 Board packet) which at paragraph II represents that "the amount of moneys required for the fiscal year extending from July 1, 2022, to June 30, 2023, has been determined by this Board to be about \$X.00 for the Recreation Facility Fee and \$Y.00 for Beach Facility Fee for the proper servicing of said identified bonds and for the administration, operation, maintenance and improvement of said real properties, equipment and facilities." When has the Board determined it requires a RFF/BFF of \$364/\$416? Since the answer is never, how does Mr. Navazio get off suggesting a RFF/BFF in these amounts?

Moreover, look where Mr. Navazio suggests the RFF go: \$2,416,700 to CIPs and \$567,919 (for 3.8 employees) to Community Services Admin. We've talked about this before. Community Services Admin is a phony operational expense. It pays NONE of the costs the District incurs to make recreational facilities available to be used by those parcels/dwelling units which are assessed.

Mr. Navazio is a deceitful person. Just like his predecessor Gerry Eick. He sees his role to be that of an accommodator for his boss Indra. And so he compromises his integrity to make the District's finances work the way staff want them to work. And here we see the sixth of the many examples of this principle. In other words, rather than cutting expenses to result in a balanced or revenue positive budget without any subsidies, staff have intentionally created a pigeon hole to spend on purely admin purposes. The time has come to put a stop to this mis-use of our RFF/BFF. .

Respectfully, Aaron Katz

March 22 IVGID Meeting

I moved to Incline, over 10 years ago, to take advantage of the many recreational activities the community offers. While I chose the Tahoe region for the wealth of outdoor activities it has to offer, I chose Incline specifically because of its unique community-owned recreational venues. While I don't personally utilize all the venues, I understood that collectively they contribute to the quality of life and the community as a whole.

I believe the facility fee we pay is a bargain in relation to the value of the venues it helps to support. I factored both the facility fee and the costs for incremental pay-for-use fees for the rec center, ski, tennis, and golf facilities into my personal equation in deciding to move here. I don't begrudge others for utilization of individual facilities that I don't personally use, even when those facilities are supported by rec fees. It doesn't bother me that I may be subsidizing others use of those facilities. Almost all residents I interact with feel the same.

I believe that the rate increases proposed for Diamond Peak and the Golf Courses that pertain to the Resident Picture Pass Holders are excessive. They are particularly outrageous for the Incline residents who are seniors and who are the primary users of these facilities during off peak hours. Some of these rates increases are 20, 75, 100, and over 200 % increases. Increases such as these not due to inflation or market adjustments, the only thing that I can attribute the magnitude of these increases to is that they are punitive rate increases. Is it the intent of this board to punish residents for using their own facilities?

Based on these proposed rates, next year's projected revenue from usage by PPH for these facilities is overly optimistic. This reduced usage by PPH will also result in lower revenues for ancillary facilities such as food & beverage and shops. Again, I must ask, why are the IVGID Trustees trying to persuade the residents of Incline not to use their own facilities?

I am hopeful that the discussion/debate on increasing fees is not fueled by individuals who feel the facility fee should be eliminated or that none of their fees should go towards any of the facilities they don't personally utilize. That is not a view that benefits the overall community. Nor do I believe it is a view shared by the majority. And it is inconsistent with the inherent understanding the vast majority of homeowners had when they purchased in Incline Village.

Word Count: 425



Good Evening Trustees,

The Incline Village REALTORS® would like to bring to your attention the letter attached below. The letter is written by Mick Homan and provides information disputing comments made on the record by Trustees. The Association believes that it is prudent that the Trustees and IVGID staff rectify potential misinterpreted data in order to provide clarity and transparency for the public. Changes to policy should be based on facts that can lead our elected officials to informed and rational decisions; allowing misinformation to guide a policy decision is irresponsible and damaging to our community. Please address this potential misinterpretation at tonight's meeting in order to provide the community with the accurate information they deserve.

The Incline Village REALTORS® believe that IVGID should provide top-of-the-line services to its constituents at a net zero cost. We are not directly opposed to raising recreational rates in order to operate services as best as possible, however, we believe these decisions need to be made in order to maintain the net zero policy. Homeowners value the recreational facilities offered and perceive these as a great form of value in their homes. The services IVGID provides are key to the enjoyment of our community and provide a great unique benefit that attracts people from all over the globe to our little mountain town.

Thank you,

Grant C. Meyer

dotloop verified
03/22/23 2:54 PM PDT
TAUM-2F3A-4G2IjMWW

Grant Meyer
Incline Village REALTORS® President

Kendra Murray

Kendra Murray
Incline Village REALTORS® CEO

To: Members of the IVGID Board of Trustees
From: Mick Homan
986 Chip Court, Incline Village

Communication to IVGID Board of Trustees Regarding Golf Operations Rate Setting For 2023

I listened into the Board of Trustee meeting from March 8 and have some concerns about the discussion involving golf rates and budgets for the coming 2023 golf season. I'm specifically concerned by numbers that members of the Board of Trustees were using in referring to the annual subsidy golf was receiving, which was then used to push for higher rate increases than were proposed in Mr. Howard's proposal. Trustee Schmitz on a couple occasions referred to annual \$4 million that was being provided to support golf operations. This number was double the \$2 million annual subsidy that was previously mentioned by Ms. Schmitz in a prior meeting. Trustee Tulloch repeated this subsidy figure, converting it to \$500 subsidy per parcel. Neither the \$2 million or the \$4 million annual subsidy has any basis in reality. It's possible these numbers were influenced or sourced from others in the District that have published articles purporting to portray golf operations as not carrying their own weight. Having penetrated all of the numbers utilized in at least one such article, it's obvious the authors either did not understand how all of the published numbers fit together, or were taking portions of published numbers out of context to paint a mis-leading picture.

As an auditor, finance professional and controller/chief accounting officer for almost 40 years, I've prepared, audited and analyzed financial reports my entire professional career. I utilized that background to look in detail at the Statements of Sources and Uses for fiscal 2021, 2022 (both summary and detailed line item) and fiscal year to date fiscal 2023. I also looked at the Statements of Revenues, Expenses and Changes in Net Position from fiscal 2022. Finally, I went through the "Golf Season Actual to Budget Comparison" for the 2022 golf season that was presented at the December 14 meeting. Each of these documents is published on the IVGID website. None of those reports show results anywhere close to approaching either of those figures. What the real numbers show is as follows (note that the summary below utilized the sources and uses statements since the site didn't include revenue, expense and fund balance statements for each of the periods):

1. Fiscal 2021 – Champ course uses exceeded sources by \$196,623, while Mountain course sources exceeded uses by \$40,364, for a net use of \$156,259. Facility fees for the venues (combined) were \$255,901, resulting in a net "subsidy" of \$412,160.
2. Fiscal 2022 – Champ course uses exceeded sources by \$627,565, while Mountain course uses exceeded sources by \$817,550, for a net use (subsidy) of \$1,445,115. This included \$556,000 of capital improvements at the Mountain course, primarily for the cart path project. Excluding that project, the net use (subsidy) was closer to \$900,000. No facility fees were allocated to golf in fiscal 2022, so there was no additional "subsidy" for that.
3. For fiscal YTD 2023 (through January) –Champ course uses exceeded sources by \$59,554, while Mountain course sources exceeded uses by \$669,967, for a net source of \$610,413. Facility fees for the venues (combined) were \$1,005,436 (most to fund the Mountain course, again primarily for the cart path project), resulting in a net "subsidy" of \$395,023. This subsidy turns into an excess source of \$113,417 if you exclude the mountain course cart-path driven capital improvements of \$508,440.
4. As it relates to the "Golf Season Actual to Budget Comparison" for the 2022 golf season, this may be the best representation of golf operations since it looks at a 12-month period

containing a single golf season rather than the fiscal years that split the season over 2 fiscal years. Per that report, the Champ course sources exceeded uses by \$350,881, while the Mountain course uses exceeded sources by \$481,090, for a net use of \$130,209. This period included combined facility fees of \$162,916, resulting in a "subsidy" of \$293,125. However, excluding the mountain course capital improvements of \$508,440, again related primarily to the cart path project, there may have been no subsidy.

As you can see from the above summary, none of the actual results from any recent period comes close to the numbers being mentioned publicly in the Board of Trustee meetings. As both a resident of the District and a member of its Audit Committee, the events summarized above from past Trustee meetings is concerning.

My initial concern was that the Board may be privy to different sets of numbers versus what is being published by the District on its website, or that the numbers presented on the website were not the "real numbers." If either was true, that would raise significant concerns about the District's underlying financial reporting practices and published results. Having checked with District staff it was confirmed that the published numbers were correct.

Given that the published numbers are in fact correct, that raises concerns about 1) what set of events or circumstances led to Board of Trustee members using materially inaccurate and misleading numbers in a public Board of Trustees meeting forum and 2) how those materially inaccurate and misleading numbers could be used to influence golf rate setting that directly impacts residents of the district. If this was a simple mistake and mis-read of available financial information by the Trustees, then I believe it would be appropriate to set the record straight in a future meeting. If not, then an investigation may be in order to determine if there was an intent to mislead.

Fortunately, the actual results are being presented again as part of the Board of Trustee materials for the March 22 meeting. Accordingly, each of the Trustees should be grounded in reality when discussing this item, which should result in a more productive discussion.

Taking off my Audit Committee hat, I have some other observations about this agenda item. These observations are more rooted in my 40 years as a business person and finance and accounting professional for one of the most successful companies in the world and my 30 years as a member of various private and semi-private golf clubs.

First, I would be very hesitant to use the most recent fiscal years as your basis for setting rates for the coming season. Fiscal years 2020-21 and 2021-22 were both significantly impacted by the global COVID pandemic and fires in the region. COVID impacted available revenues primarily through the increase in tee-time intervals by up to 50%, reducing the number of available tee times by up to 1/3. Fires in the region resulted in air quality that reduced both visitor and resident play. I know Darren has modeled pieces of that impact into the current year revenue projections (i.e., increased revenues from shortening the tee time intervals, thereby adding up to 20% mor revenue slots), but it was not clear that all the Trustees grasped that in the March 8 meeting.

Second, it was interesting that only one of the Trustees even inquired as to how the proposed rates stack up against competition. That should be an obvious consideration that places limits on how far rates can be pushed. It was encouraging to hear that daily non-resident rates look to be in line with

market rates. It was also encouraging to see the discount to the Hyatt is being eliminated – I’m not sure why we, as resident owners of the golf facilities, would provide a discount to a business that uses premium pricing for all of its facilities, and does not provide discounts to locals. But there was no discussion of whether the play passes are in line with the market. The Tahoe Mountain Club (TMC) has a non-member all you can play pass that is priced at \$2,750 for individuals and \$4,000 for a couple. While there are restrictions on playing (no play on Friday/Saturday and restrictions on certain times during the day), that facility has 2 championship courses and a full practice facility, with range balls included. Rates for IVGID facilities are considerably higher. By comparison, the limited play Championship course only pass for couples is proposed to be priced at over a 25% premium over the TMC, and importantly the IVGID pricing doesn’t include range balls. Play pass members of IVGID tend to be heavy users of the practice range. Their spending on range balls is typically spending upwards of \$500 and significantly more for couples. This makes the IVGID pricing differential even higher.

Third, I would also question whether all the proposed revenue increases were properly modeled into the budgets that were included in the Board packets. There are a couple of factors to demonstrate this point. First, I would look back to fiscal 2019-20 - as this is the last fiscal year that was not heavily impacted by COVID. Service revenue in that year was \$4,037,036 at the Championship course. This fiscal (or at least this upcoming golf season) should represent a return to pre-covid golf levels. Tee intervals will be back to normal and there are no anticipated restrictions in travel impacting player’s ability to golf. Since fiscal 2019-20, cumulative golf rates have increased fairly significantly. Including the proposed rate increases, daily rates are up around 10-15% and all-you-can-play pass rates would be up in a range of 40% to over 70% based on the various options. Yet, somehow, services charges in the budgets included in the Board package are below the actual revenue in fiscal 2019-20. Even if you were to assume a relatively conservative overall 20% cumulative increase in rates, that would result in revenues closer to \$5 million for the championship course. The same relationship exists for the Mountain course. In summary, the revenue projections in the proposed budget just don’t coincide with the proposed rate increases.

I have a couple of additional points as it relates to the historical results and how that informs rate setting for the coming year. Unfortunately, the District’s fiscal year does not line up well with the golf season. In business, most companies have the luxury of selecting a fiscal year that lines up with its business model (for example, most retailers will select a fiscal year that does not end in December, toward the end of their traditional busiest season). Darren and District management were wise to present a golf operations review in the December 14 Board meeting that converted the results to more of a golf season calendar. As noted earlier, this may be the best representation of golf operations since it looks at a 12-month period containing a single golf season rather than the fiscal years that split the season over 2 fiscal years. Unfortunately, that information was not included in the Board packet for the March 22 meeting. Per point 4., above, there was very little subsidy required for the most recent golf season period after adjusting for the mountain capital projects. Second, there is obviously significant capital being expended over the 2 fiscal years that comprise both the 2022 and 2023 golf seasons. The mountain course cart paths and Championship course carts are both expenditures that only recur on a periodic basis. It is important to keep in mind that these will both have lives of up to 10-15 years, and not try to recover the cost through a single year’s rate setting.

I have an additional observation relating to what approach the Board decides to take on whether each Venue needs to stand on its own. As it relates to golf operations, it is important to understand the golf club business model. Country clubs view themselves as an integrated set of revenue producing assets. And while each of the assets needs to be optimized, they typically do not expect each asset to fund

itself. Specifically, virtually all golf clubs have banquet/event facilities that are used for weddings and other special event. These venues provide significant revenues that subsidize the overall club's operating results. They also have food & beverage operations that are marketed to members, predominantly on a year-round basis. Annual dues are only set after factoring in the contributions from banquet and other revenue-producing amenities. The fact of the matter is that it would be extremely rare for a golf club with a broad membership to stand on its own with only golf activities, unless golf operations are conducted on a year-round basis. This is important when considering the golf operations of IGVID due to its unique circumstances. The golf season is short in the Tahoe region. Golf can only produce its significant revenues in a 4-1/2 to 5-month period. Further, under the current business model utilized by IVGID, banquet facilities of the golf venues are not included as part of the golf operations. In addition, the Board made a decision to sub-optimize the restaurant/bar operations of the golf venues by keeping them open only during the golf season. While these components of the business model and related decisions may be the best overall for the District, they negatively impact the reported results of golf operations. This needs to be considered when establishing rates. Given the unique circumstances of the golf operations and utilization of the Chateau, it would be disingenuous or naïve to expect golf to cover all of the related costs.

Another observation – related to the allocation of central services and debt services. As it relates to debt service, all of the District's debt supporting recreational activities will be repaid in full in fiscal 2022-23. And it is unclear whether any of this debt was used specifically for the golf venues. Accordingly, the Trustees should consider excluding this line item from results used as the basis for setting golf rates. As it relates to central services, the Trustees should consider what is in this allocation of IVGID central services/staff and whether its appropriate for golfers to specifically be responsible for covering that cost. In that respect, are beach-goers and rec center users also covering their share of that cost?

Finally, an observation as a fairly new resident. I moved to Incline to take advantage of the basket of recreational activities the community offers. While I chose the Tahoe region for the wealth of outdoor activities it has to offer, I chose Incline specifically because of its unique community-owned recreational venues. While I don't personally utilize all the venues, I understood that collectively they contribute to the quality of life and the community as a whole. I believe the facility fee we pay is a bargain in relation to the value of the venues it helps to support. I factored both the facility fee and the costs for incremental pay-for-use fees for the rec center, ski and golf facilities into my personal equation in deciding to move here. I don't begrudge others for utilization of individual facilities that I don't personally use, even when those facilities are supported by rec fees. I don't care that I may be subsidizing others use of those facilities. Almost all residents I interact with feel the same. I am hopeful that the discussion/debate on golf fees is not fueled by individuals who feel the facility fee should be eliminated or that none of their fees should go towards any of the facilities they don't personally utilize. That is not a view that benefits the overall community. Nor do I believe it is a view shared by the majority. And it is inconsistent with the inherent understanding the vast majority of homeowners had when they purchased in Incline Village. Further, going down that path leads to a bad destination where we begin to debate the beach, rec center, parks and other venues and pressure them all to move to fee-for-use models. I don't think the Board really wants to move in that direction.

I realize this note covered a lot of territory. However, these factors, and likely many more are all important to consider. If these factors are all covered in more detailed budget workshops between staff and Trustees, that is great. If not, then I find the overall approach and lack of penetration in the public

Trustee meetings to be troubling. To an observer, they appear to be set up to push a pre-disposed agenda putting staff in "gotcha" situations rather than constructive dialogues with qualified dedicated staff aimed at getting to balanced constructive solutions.

I hope that everyone here this evening is ready for the IVGID bi-monthly marathon show, where the Trustees try to prove that they have digested a 350-700 page packet of mostly gobbledygook.

Do you Trustees think for one minute that the directors of Exxon or Apple go into a meeting after reviewing a 350-700 page packet? You would be very wrong to think that. They receive an executive summary of every item on the agenda – probably 10-40 pages at most. And woe be the secretary that actually reads the packet, prepares the E/S and leaves out an important detail. Maybe it is time for the board to hire their own secretary that is solely responsible to them and preps the E/S.

Our esteemed staff loves to load up the packet with a plethora of tomfoolery for every meeting.... Then they omit really important stuff like a reason for the Thorndal contract.

Whether it be non-profit refunds, free water mains for billionaires, lot line adjustments or today's nonsense dujour.... Erin Fiore's proposal to give employees some kind of "offset" for them being denied beach access, staff continually throws crap into the packet to waste the board's time and energy. I loved her suggestion for IVGID to pay for gas and child care. Kind of cheap – don't you think. I say give them all a free car, child care to age 18, and free booze at the Grill.

Secondly, the board should concentrate on the master plans. Staff continually deflects from the master plans with anything that tickles their fancy. Your mandate is to stick to the master plan. Bad tennis courts aside. If the item is not in the master plan – revise the master plan. If an item brought up by staff is not in the master plan, kick it off the agenda.

The fact is that IVGID senior management fails the taxpayers constantly. Whether it is concealing public records, not following the board's and the audit committee directions, mismanaging public works projects, pushing the Santini-Burton option as the only choice for a dog park, or coming to the board with bogus budgets..... their performance is pathetic.

Finally, I would like to comment on the comments made by Croley and Riner at a prior meeting. Their comments were vacuous. They contained no facts just empty accusations upon some board members. Did Croley publicly reveal that he indirectly received money as an IVGID sub-consultant who did management training back in September? No.

Indra and IVGID management know how to take care of their cheerleaders like Croley. I do not know what part of the \$10K that IVGID spent on training went to Croley, but I am sure that it was more than enough to pay for a couple of Big Macs.

MINUTES

SPECIAL MEETING OF APRIL 5, 2023 Incline Village General Improvement District

The special meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Board Chairman Matthew Dent on Wednesday, April 5, 2023 at 5:00 p.m. at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustee Sara Schmitz, Trustee Michaela Tonking, Trustee Dave Noble, Trustee Ray Tulloch and Chairman Matthew Dent. Members of the public physically present were Michael Briggs, Elyse Gut, Mary Horsley, Steven Ross, Monica Hill, Scott Hill, Don Weber, Mick Homan, Trevor Alt, Kent Walrack, Steve Trevino, Amy Trevino, Bill Jordan, Cheryl Evans, Ann Valdes, John Hancock, John Jensen, James Wiek, Heidi Hittner, Aaron Katz, Judith Miller, Margaret Martini, Cliff Dobler and others.

C. INITIAL PUBLIC COMMENTS*

Michael Briggs read from a prepared statement, which is attached hereto.

Elyse Gut read from a prepared statement, which is attached hereto.

Mary Horsley read from a prepared statement, which is attached hereto.

Steven Ross read from a prepared statement, which is attached hereto.

Monica Hill read from a prepared statement, which is attached hereto.

Scott Hill read from a prepared statement, which is attached hereto.

Don Weber commented that he and his wife have been residents for the past 5 years; one of the factors they used in relocating to Incline Village was the exceptional amenities available to all of the residents which includes the beach access, two golf courses, recreation and tennis centers, ski resort and other things. He continued that while they use all of the amenities, a good amount of the time is spent at the recreation center and golf courses; he is the Treasurer at Incline Village Golf Club. He stated that all of the amenities are there for primarily for the

benefit of the residents and the past fee structure has recognized this fact with preferential rates to residents; this is commonly done at cities and communities around the country. He stated his guess is that there are over 50% of local residents who golf already are members of the 6-8 golf clubs; they have noticed that there is small number of local outspoken residents who continually verbally abuse the Trustees and employees of IVGID. He continued that his experience with the employees of IVGID at the beaches, Chateau, Golf Course and Recreation Center has been exceptional; the employees go out of their way to give all customers, both residents and non-residents, a pleasant and welcoming experience. He stated that the local outspoken small group seems to be hijacking; the Trustees are attempting to change the pricing and culture of the various amenities. He continued that he is also aware of miss-information which has been spread throughout the community with respect to the operating results for the golf courses and the usage of the residents who happen to be members of the 5 or 6 golf clubs in Incline Village. He stated that one of the Trustees has also been spreading disinformation about the financial results which is grossly misstated; he would hope that decisions for upcoming pricing for golf usage be made with the correct facts regarding both usage and financial results. He continued that it has been said that "liars figure and figures don't lie"; it appears that some of the local outspoken group members have put together financial results which supports their agenda. He stated that in the case of at least one Trustee, the gross misstatements have been repeated in the Community; he has heard numbers as large as a 4 million dollars loss for the golf courses last year. He continued that it is his understanding that at least two Trustees have financial ties to one member of the outspoken group and Trustee Tulloch has a work conflict; based on these previously undisclosed conflicts and the distribution of misstated financial information, he believes that Trustees Dent, Schmitz and Tulloch should recuse themselves from voting on any financial matters pertaining to the Incline Village venues. He continued that they should also consider resigning from their positions as Trustees; he wants all residents of the Community to enjoy the amenities of this wonderful community. He stated that his fear is that the miss-information being spread is pitting local residents against each other which is unfortunate.

Mick Homan read from a prepared statement, which is attached hereto.

Trevor Alt commented that his parents bought their house in the early 80's and part of the reason why they paid what was quite a lot of money was for the range of amenities that are in Incline Village. He continued that he has always understood that although he may not utilize all of them, he is paying a recreation fee so that the whole community can have various choices and have all of the amenities available to them. He stated that he started out as an attorney but became a firefighter; he was able to buy his parents' home from them but he never made

more than \$30/per hour so his annual all you can play pass represents quite a lot of working hours for him. He continued that if it is eliminated, he can take his green fees elsewhere; many of his buddies in Reno pay \$200 per month to belong to Duncan Golf which offers them 4-5 different courses that they can play unlimited all year round. He stated that he shows off the amenities to some of these people, but if it is going to become let's stick it to the golfers, then he thinks he will be taking his business elsewhere; it is biting the hand that feeds you when it comes to picking on the golf clubs. He continued that today he went skiing and paid \$25 for a day pass which is 8 hours of skiing so why does he need to pay \$75-\$100 for 4 hours of golf; the figures that he saw before depreciation, showed that the golf course lost \$119,000 last year. He continued that in context like an organization like IVGID, is almost negligible; if rates need to be raised by \$1 to make up the \$119,000, that is fine, but he feels like his recreation fee is potentially subsidizing the recreation center. He stated that there is no daily fee at the beaches so it does feel like he is being picked on with making it half of the amount of non PPH golf rates; the whole intent was as parcel owners they own the beaches, golf course and ski resort; parcel owners should be given a heck of a deal on this things as they do not need to be profit centers.

Kent Walrack commented he purchased his home 4 years ago and made it his full time residence as of June 1, 2022. He stated he had a food and beverage background in his career and is still a Board Member of the National Restaurant Association out of Washington D.C.; he wanted to give that perspective on some of the comments he has. He continued that he joined TIGC golf club this last summer; the golf course is spectacular and the friendliness of the community has been unbelievable; he commends the community on offering those kind of services. He stated he recently received the email with regards to the memorandum from the Director of Golf/Community Services; he studied it intently and after going through reviewing the 6 areas where there will be rate increases, he came to section 5 of the memorandum which provides alternatives to raising revenue where the answer to that was none. He continued that in his 38 year business career, that was never an option so he would like to propose an alternative so that additional money can be raised without having to entirely focus on green fees and the membership as there are other areas to raise money which includes food and beverage and pro shop sales. He stated that as he studied the financial reports and with his history as a Board Member of the National Restaurant Association, the \$637,000 of revenue for food and beverage for an operation like the Chateau should be generating at least 3 million dollars per year. He continued that the fact that it is only generating \$637,000 per year is a crime to the food and beverage industry; he referenced a destination restaurant perspective such as the Tap Room at Pebble Beach, the La Hacienda at TPC Scottsdale, the Addison Restaurant in San Diego, the Broadmoor Penrose Room and the Deuce at

Pinehurst. He stated that the Community should be generating that kind of revenue by creating a destination restaurant at the Chateau; he noticed that the floor plan has an open bar and area where golfers can have a drink and there is a tremendous Chateau wedding event center.

Steve Trevino read from a prepared statement, which is attached hereto.

Amy Trevino read from a prepared statement, which is attached hereto.

Bill Jordan commented that he and his wife do not use all of the resources because he cannot ski due to knee replacements and they don't go to the beaches very often because his wife cannot swim and she thinks it's an evil place. He continued that all that is left is golf and it seems like they are being treated like the enemy; they are not the enemy and everyone should be working together and not sitting there having the Board of Trustees saying the price needs to keep being raised so the golfers can be stable on their own. He stated that the golfers are trying to tell the Board of Trustees that they are spending a lot of money; they double tip the people that work at the Chateau which means the employees are happy. He continued that because they are paying the base, the employees could be used almost for free. He stated they are not the enemy and to see these increases, it seems like they are being treated as the enemy.

Cheryl Evans read from a prepared statement, which is attached hereto.

Ann Valdes commented that she sent each of the Trustees an email so she is going to share it with the crowd and hopes that the Trustees read her email. She stated that she has lived in the beautiful Village for over 30 years, her children attended the local schools and as a family, they all enjoy the great amenities the Community offers. She continued that for the past 16 years, she has been a member of the IVGC golf ladies club which is a golf club that has been involved in the Community for over 50 years; she wrote the letter to express her deep concern over the Board of Trustee's latest idea of pre-booking fees for the many golf clubs in the Village. She continued that the members of these golf clubs generate a large amount of revenue to the IVGID economy with club luncheons, dinners, purchases at the pro shop, driving range and green fees. She stated that adding the pre book fee to each local club golfer is unjust and targets the members, the locals who live here and pay taxes and recreation fees; she asked why the locals are being targeted. She continued that they are a community and she feels like the Board of Trustees are dividing this fine Village; she hopes thoughts are re-evaluated and that the community is given what they will appreciate and deserve.

John Hancock congratulated the Board of Trustees and Staff for doing a wonderful job in keeping the golf courses in pristine condition year after year. He stated he was a small business owner in a competitive business and most of the time the solution to financial woes was not simply to increase the rates; generally you have to find innovative ways to increase revenue which has been spoken about many times tonight. He continued that he has a few perspectives he would like to share; one of them is when he books a tee time or reservation at Incline Bowl, public golf course or golf moose, he is making a contract to pay up front and to be there. He stated that one of the difficulties with the unlimited pass program is once you have paid the money, you don't feel more of a financial obligation to actually show up; he does not know how much revenue has been lost because people have booked tee times that other people could have used. He continued that he talked to the Marshalls who monitor the tee sheets and he is under the impression that there is a certain amount of revenue slippage by no shows; he thinks that finding a solution to that problem could substantially increase revenue without causing an undue financial burden on anyone. He stated that he noticed that when there are shot gun starts, they could perhaps offer 9 hole rates/tee times to residents and the general public to fill in. He continued that he has a hard time getting tee times for himself but it seems like others don't; it galls him when he cannot get a tee time and people don't show up so perhaps there could be a system where people could book and be on a waiting list if needed.

John Jensen submitted read from a prepared statement, which is attached hereto.

James Wieck commented that he is the Vice President of the Lake Tahoe Polo Club which is the oldest men's golf club in the basin and the oldest men's golf club in Incline Village; one of their founding members was instrumental in them getting back the facilities such as Diamond Peak and the golf courses from a corporation whom owned it in the 1960s. He continued that raising the rates for offsetting the financial needs of the golf course is understandable, but removing the ability for the golf clubs to play on Fridays, Saturdays and Sundays would essentially destroy the clubs. He stated that their club was designed as a networking unit where people could go and exchange ideas and discuss business services to further business adventures in town; if he takes into consideration on what the club spends on an annual basis, his club spends about \$50,000 on green fees, about 30% at food and beverage and 40-50% in the pro shop and other facilities. He continued that to remove them, it creates a bigger financial deficit than what is being experienced now whether the numbers are correct or not. He stated he wants to remind the Trustees and the Community that one of the founders was very instrumental in the Community having the facilities; the history of that should not be forgotten and longstanding clubs that have been here since the Community has owned the courses should not be neglected or forgotten.

Heidi Hittner commented that she can't wait to retire and join one of the golf clubs so she can play full time. She thanked the Diamond Peak team for the ability to have an extended season and the exceptional conditions. She referenced golf and stated that she thinks this is the first meeting she has been to and heard overwhelming productive and balanced feedback which she hopes the Trustees are taking to heart. She continued that there are a couple of key things to reinforce; retaining the season pass play that is unlimited play, is critical and detrimental to the clubs and many of the members to remove that option. She stated that the play pass is nice and not competitive with other golf offerings who usually allow you to have multiple players on a play pass so adding that option would be helpful. She stated that in the past, they have been able to use a pro rata amount of punch card balance to apply to venues; she would recommend that the Trustees continue to think about that option for picture pass holders. She continued that there has been support to remove the \$10 pre-booking for picture pass holders and to not limit the club fees. She stated she is going to take a different approach to the recommendation next; because everyone lives in Tahoe, most people have had an ACL injury or they have a friend or family member who has had one which informs their point of view on how they should treat an ACL injury but they are not orthopedic surgeons. She continued that if they had an ACL injury, they would engage a trusted expert, a surgeon, with demonstrated outcomes and they would communicate expectations of what they want to accomplish post-surgery such as tennis or paddle boarding. She stated it would inform their ability to communicate effectively with the expert, orthopedic surgeon, on the outcome and the effective treatment. She continued that the community is fortunate to have the Director of Golf/Community Services, a trusted expert with 37 years of experience in running public and private golf venues; leveraging his expertise and being able to use the opportunity to find creative ways to support the community is something that is not being taken advantage of effectively. She stated that the current approach strikes her as trying to use Dr. Google to fix an ACL.

Aaron Katz provided written statements to be attached to the meeting minutes. He commented that he has just heard 17 members out of 8200 parcel Owners speak in favor of the golf structure; he does not know what percentage that is, but it is nothing. He continued that these people are takers in the Community; a taker is a person who would insist on their disabled neighbors who cannot play golf are involuntarily forced to substitute the cost of their rounds of golf. He stated that although they should be embarrassed, they aren't, which goes to the heart of their real love for the community; congratulations, this is what one division/one team is all about. He stated that the Director of Golf/Community Services said he needs a new business model; he is right, he does. He continued that the problem is not so much revenue, it is expenses and he has some suggestions; everyone, including

private club members pays in advance to reserve a tee time, the cost is on a sliding scale and the farther out you reserve, the more you pay and the cost is non-refundable, do away with all play passes. He suggested to do with all play passes and asked what good they are if prime tee times are not available because they are controlled by the clubs. He also suggested doing away with couples passes; there is one cost for a round of golf if you are a picture pass holder and another cost if you are a non-picture pass holder; that is what one division, one team means. He continued that if the Board of Trustees won't do away with the play passes, they should at least consider black out days like 4th of July or Labor Day when they can get 3 times the normal rate. He also suggested eliminating discounted non-profit rates to the non-profits that take over the courses; they are much lower than even recovering the operational costs, jack up prices for yield management times like 4th of July, remove all full time benefited golf employees as the job is seasonal which is why it is costing so much, eliminate financial reporting which is juiced with revenues from ancillary activities like bar cart sales, the grill, alcoholic beverage sales; if you want to know what golf is really losing, that is how you do it.

Judith Miller commented that she has been a member of the Mountain Niners' and she enjoyed the course; it embodies the ideal of a public recreation facility and its affordable and not overly fancy. She continued that she thinks the community really needs to look into the fact that there are two courses and consider all of the expenses of the courses which has not been done in the past; she noted that IT costs were added to the central services that are distributed and stated it is a large amount of over 1 million dollars. She stated that golf probably uses IT; she appreciates the fact that there are so many people present but she really wishes they were present at more IVGID meetings so they could really understand the finances. She continued that she does not think that the venue managers have an idea of all of the costs involved; it's not just that IT is missing but it's the way in which the central services are distributed. She stated that even the consultant has said that the methodology is not fair for distributing the services; she suggested taking a step back and having the finances analyzed in a better way as recommended by the consultant. She continued that the Championship course has more of the trappings of a private course; certain clubs do not appear on the website and she cannot even find Incline Village Golf Club, ladies club and Polo club because they are not listed. She asked if that is appropriate to give favored tee times to clubs that are not open to the public.

Margaret Martini read from a prepared statement, which is attached hereto.

Cliff Dobler commented that most people have been twirling and spinning golf tee times and rates; he calls to their attention to something much more important and

can be accomplished with very little effort which would be investing the pile of cash that amounts to 49.5 million dollars as of 6/30/2022. He continued that as usual, the District has two policies; they are policies 10.1 and 11.1 which were done in 2008 and does not designate anyone in charge; read the policies, get a good chuckle and produce new policies. He stated that the budget summary indicates that in fiscal year 23/24, the District will squeeze out \$105K per year in interest yielding two tenths of 1%; he asked why it is so little, and stated that current rates on certificates of deposits average 4.9% for a duration ladder of 3-12 months. He continued that the Nevada local government investment pool has a distribution rate of 3.5% as of last January; interest on U.S. government money market funds are over 4% dependent on the blended maturities so what's up; has the Director of Finance again failed to conduct an investment manager or has he decided the money is best put under a mattress as he awaits the second great depression or is it another way of deflating the budget to show how well he is doing moving forward after taking losses in 2021. He stated that the bank checking accounts have available cash of about 15 million dollars which is adequate to operate the day to day activities; almost 35 million dollars is just sitting earning practically no interest. He continued that assuming an overall annual interest rate of over 4.5%, and with some prudent management, the District could generate over 1.5 million dollars per year instead of \$105K; this extra money is not chump change. He stated that the 2023/24 preliminary budget indicates the use of funds will exceed sources by about 9 million dollars; a closer look reveals that almost 6 million dollars is drained for the beach fund to complete the beach building and boat ramp. He continued that the money for the improvements have already been raised and 6.6 million dollars is sitting idle; go invest in some 12 month certificate of deposits as the projects will not get started for another year or two. He stated that after the beach set aside and adjusting for a major increase in interest income, the cash drain for the District is less than 1.5 million dollars; it seems as though there is no need for utility fees. He continued that the utility fund has been made solid by borrowing and receiving a grant leaving the 14 million dollar pipeline set aside to sit idle for years; buy some longer term certificates of deposits.

Angie Lalor commented she and her husband purchased their home in Incline Village about 5 years ago but she started visiting the Tahoe region in the early 90s with her husband, whose family had a home in south lake Tahoe. She continued that they knew they wanted to retire in the area and they looked at homes around the entire South, North and East shore area; they ultimately chose to buy in Incline for two main reasons. She stated the first reason was the close knit community feel and the second reason was the wide variety of recreation venues that are offered; the fact that the community offered and underwrote all of the venues at such a nominal fee was very important to them. She continued that prior to moving to the area, they were not golfers, boaters, tennis or pickle ball players but they

loved the fact that all of the recreational venues were available; they understood that the annual fee was going to support venues they did not use, but they clearly understood the broader benefit to the community and to them as Owners. She stated that she gets concerned when she looks at recent board meetings and the rhetoric around the recreational venues, golf in particular, but the rest of the venues will come. She continued that it is clear that the model they bought into is under attack by a small but very vocal group of critics who do not have the best interest of the broader community in mind and it appears that a few of the Board Members are very aligned with them. She stated she strongly encourages the Board to step back and listen to the majority; she firmly supports the District's historical practices of charging the annual recreational fee and utilizing it to support the full basket of recreational venues that the District owns. She continued that the model works and makes Incline a very special place to reside; please don't destroy it.

Jeannie Reeth commented she has owned a home in Incline for 20 years and has lived in the area full time for the past 8 years; she has raised her kids in Incline and she cares deeply about the Community. She stated she is the President of the Mountain Niners' Golf Club which is a group of about 150 women in town who have had a wonderful experience sharing time together on the beautiful golf courses. She continued that she greatly values the amenities in the Community, even the ones she does not use because they are part of what makes it a wonderful place to live. She stated she believes any substantial changes to the model of how the community is run needs to be made thoughtfully and with extensive community input; not aggressively pushed through without regards to the implications. She continued that the changes that are being discussed for golf seem substantial and seem to reflect a desire to move away from past models; they are being proposed on a timetable that seems unreasonable for appropriately collecting community input. She stated that Niners' are primarily a social club and many members have learned to play golf through the group, herself included; it has been a great way to get more people in the community to use the amenities and the group connects people more deeply to the community. She continued that these are good things that people should be supporting and encouraging, not destroying; her primary ask is that the Board of Trustees does not ignore all of the comments that have been made. She stated that aggressive golf fee increases would be prohibitive for many in their group and any pre booking fee, no matter how small, would cripple them operationally; by the nature of a golf club, they have to reserve times to play as a group well in advance. She stated they felt the need to speak loudly and in numbers to the Board of Trustees because they did not feel they had any voice in the process, and any perspective they might express were landing on deaf ears which feels wrong; she encouraged all of the Trustees to be thoughtful about the impact that the changes will have on the community members and the wonderful

organization that allows them to connect together in using them because they should be encouraged.

Trustee Schmitz thanked everyone for their time, effort and passion because everyone has passions and things that they take to heart; she would like to see everyone more often. She stated that the Trustees have to make very difficult decisions sometimes and have to follow Board policies; the Trustees are first trying to gain understanding of where they are. She continued that if anyone goes out to the District website, on the financial transparency page, there is a tab that says District Financials; the latest one is for the end of January and the current fiscal budget can be found and you will see that there is a \$520K facility fee that is allocated to the golf courses. She explained that the facility fee is like a subsidy that is allocated to the Championship course out of the recreation fee in addition, the bottom line nets to a negative \$588K; if these two numbers are added together, there is a subsidy that is by the facility fee or by using fund balance of \$1.1 million dollars for the Championship course. She continued that on top of it, there are capital improvements that are budgeted for the Championship course which total \$1.28 million dollars; the total between the numbers for the Championship course is over \$2.3 million dollars in the current fiscal year budget. District General Counsel Nelson jumped in and stated this is turning into a discussion and would be more appropriate under a General Business item. Trustee Schmitz stated she was trying to clarify items brought up in public comments and some clarity on the financial numbers.

D. APPROVAL OF AGENDA (for possible action)

Board Chairman Dent asked for any changes to the agenda. Trustee Tulloch stated he would like item F.1 moved to after item F.2. Trustee Noble stated he disagrees and thinks golf should be addressed now while everyone is here. Trustee Tonking stated she would like to keep the agenda order as is. Trustee Schmitz stated she prefers to leave the agenda order as is. Trustee Tulloch withdrew his proposal. Trustee Schmitz asked that the order of the venue manager presentations be slightly changed during the budget discussion from what is currently in the packet. Board Chairman Dent indicated the agenda is approved as submitted.

E. CONSENT CALENDAR (for possible action)

- 1. SUBJECT: Review and possibly approve an agreement with Thorndal, Armstrong for legal services as it relates to the Beach Deed and IVGID Beaches in the not-to-exceed amount of \$50,000.00**

Trustee Schmitz made a motion to accept and approve the consent calendar item. Trustee Noble seconded the motion. Chair Dent called the question and the motion passed unanimously.

F. GENERAL BUSINESS (for possible action)

- 1. SUBJECT: Review, discuss and possibly take action on the following issues related to Golf (a) Revise the Golf Play Pass structure to include 10-play, 20-play, 30-play or 40-play passes for Adult Picture Pass Holders (PPHs) thereby eliminating Adult PPHs All You Can Play and couples passes, (b) Revise PPH Daily Golf Rates to potentially be 50% of the Non-PPH Daily/Hourly Golf Rates, (c) Increase rates for Daily Green Fees a minimum of 5% and a potential maximum of 11% (d) Changes to the Pre-Book fees at both the Mountain and Championship Courses; at present, the Golf Club members are not charged a Pre-Book fee while Non-Club PPHs are charged a Pre-Book fee of \$10 per person for all reservations made 2 or more weeks in advance at the Championship Golf Course and \$5 at the Mountain Course (e) Discuss the allotment of prime time and weekend Tee-times for Golf Clubs, (f) Retain the current non-profit organization rates as approved last year in compliance with the pricing policy which excludes operating overhead costs; and (g) Increase the Range fee rates \$1 per product for the Incline Village Golf Courses for the 2023 season.**

Trustee Schmitz further explained the financial information used in reaching the statement about a \$4M loss in golf can be found on the District website budgeted financial statements. Trustee Tulloch made statements pertaining to the financials and the golf rates. He wanted to clarify that all of the proposals have come from the Staff and not the Board of Trustees. Trustee Tonking made statements about the budget and explained she has met with Staff on this item as she is the Board liaison. Director of Golf/Community Services Howard and Director of Finance Navazio provided an overview of the submitted material. There was substantial discussion on the item related to the financial material including supplemental material and overall financial reporting methodology that was presented to support recommendations for updates to the rate structure. It was determined that Trustee Schmitz would work with the Director of Golf/Community Services to assist with refining the supporting financial material and that there would like be a special meeting

held regarding golf rates. This item can be viewed on livestream starting around 1 hour and 32 minutes.

2. SUBJECT: Fiscal Year 2023-2024 Budget Workshop #3 – Operating Budget Update, Capital Improvement Plan Update and Final Facility Fees (Venue Manager Presentations) (Requesting Staff Members: District General Manager Indra Winqest and Director of Finance Paul Navazio)

District General Manager Indra Winqest and Director of Finance Paul Navazio provided an overview of the submitted material. Staff requested Board direction on Board priority projects such as the Incline beach house, beach access, snowflake lodge, admin building, recreation center and community Dog Park. The venue manager's and supporting Staff provided presentations on preliminary budgets to include the General Fund, Public Works, Community Services, Beaches, etc. The Trustees reviewed, discussed and asked questions related to various aspects of the budgets including potential concepts for the Recreation and Beach facility fees and budgetary direction on board priority projects. It was noted that Staff would provide the tentative budget to the State no later than April 15, 2023; Staff will track all changes to the preliminary budget to inform the Board of the changes made. It was also noted that Staff will continue to refine the budget prior to the formal adoption set for May 25, 2023. This item can be viewed on livestream starting around 1 hour and 32 minutes.

G. FINAL PUBLIC COMMENTS*

Frank Wright commented he would have made a comment at the beginning of the meeting but was not able to get through. He stated he is the representative for Crystal Bay and Crystal Bay is like the dog you let out of the door and don't really care if it comes back; everything that goes on with the recreation fee is unfair to the people that live in Crystal Bay. He continued that they get nothing for it and now they are finding out that there is a golf course that is being monopolized by golf clubs that have secret and selective members who get preferred tee times in February and lower rates; it is sick. He stated that those making comments about keeping the rates and preferred tee times the same are sick people; they are not present as a Community but for their own self-serving purpose. He continued that it is an unfair advantage; he filed an election law complaint with the Secretary of State on the basis of the preferred treatment that goes on at the golf courses. He stated that the block of voters are able to control a lot of votes; it is sad and sick and it does go on; the Director of Golf/Community Services is right behind it all. He continued that there was talk about lessons and asked who is giving the lessons;

there was no mention about the revenues from the lessons. He asked if the golf pros who are paid x amount of dollars on a salary are out giving lessons are double dipping and are the lessons available to the poor slob that are teeing off at 5 p.m. He stated that something is wrong and that he hopes the Board of Trustees does what is right; don't listen to the guys who are trying to get a freebie and the guys who are trying to control the assets for their own personal use; make it fair for everyone including golf fees and tee times.

Cliff Dobler commented that he owns 2 golf courses and he might know a little about golf. He stated that last fall the Director of Golf/Community Services mentioned that the golf situation is not sustainable and he can't get Staff unless there is housing for them. He asked how the Director of Golf/Community Services expects to get labor here which represents 55% of the cost of food and beverage delivery which is also a half of a million dollars in labor. He continued that he is in contradiction with himself because the food and beverage budget is double what it was last year; he does not understand how he can talk out of both side of his mouth. He stated either there is an unsustainable product that can't be staffed until there is housing for them or you have Staff and that's not an issue. He continued that the course won't be open in May so 1500 rounds are dumped at \$110 average price which is \$165K so there is a deep dive in the hole. He stated that there are 7 years of revenues, expenses and capitalized costs all done by the CPA firms that are documented; the courses lose \$800K per year. He continued that all of the bologna boys that are saying it's this and that cannot back it up, because it's coming right from the audit reports that are completed. He stated that it is obvious that there is not a positive way of explaining things; Staff printed out 30 pages of supplemental data for the golf about the tee times and they were in different formats; a government can't even put the information in one format that works.

H. ADJOURNMENT (for possible action)

The meeting was adjourned at 12:46 a.m. on 4/6/2023.

Respectfully submitted,

Melissa N. Robertson
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 Michael Briggs

Submitted by Elyse Gut

Submitted by Mary Horsley

Submitted by Steven Ross

Submitted by Monica Hill

Submitted by Scott Hill

Submitted by Mick Homan

Submitted by Steve Trevino

Submitted by Amy Trevino

Submitted by Cheryl Evans

Submitted by John Jensen

Submitted by Aaron Katz

Submitted by Margaret Martini

Dear IVGID Trustee,

I am Michael Briggs, 582 Douglas Court, and President of the Tahoe Incline Men's Golf Club.

I have heard and read a few cries of *"Incline residents cannot obtain morning tee times; they are all going to the organized clubs."* That claim is unsubstantiated, inaccurate and grossly misleading.

Here are the verifiable facts:

- Over 50% of the picture pass golfers belong to an Incline Golf Group and those golf groups are allocated only 37% of the morning tee times and 26% of the daily tee times.
- Last year, I personally made over 48 morning tee time reservations through the IVGID website within a 2-week window.

Conclusion: Picture pass golfers are not being locked out from making desirable morning reservations by over-allocating tee times to Incline Golf Groups!

The proposal to prohibit or reduce the tee times that are allocated to Incline Golf Groups on weekends (possibly including Fridays) is based on a false premise. IVGID policies should be based upon verifiable data, not on histrionics and false claims.

TIGC does not exclusively hold tournaments during the "prime-time" morning hours. This year, 9 of our tournaments start at 1:30 p.m. or later and 1 starts at 12:00 Noon.

During the 14 weeks defined as "summer," TIGC has a limited number of tournaments on weekends:

- We have 5 Sunday afternoon couples' events;
- a 3-day Member-Guest tournament where our visitors pay higher "guest" green fees; and
- 3 other 1-day tournaments.

For 3 of these tournaments we already reserved and paid for barbecue space at Burnt Cedar Beach.

We also have weekend open tee times, none of which are on Sundays.

TIGC has members who reside here and elsewhere and work full-time, so keeping weekend tournaments and open tee times is important to us.

Restricting our weekend tee times is a solution without a problem.

Remember, the golf courses are primarily for the picture pass golfers. Incline Golf Groups and their over 500 members provide tangible and intangible benefits to the community. I urge the Trustees to recognize that value. We should be allowed to proceed with our schedules for tournaments and open tee times that are already established for 2023.

Thank you.

*Michael Briggs
582 Douglas Ct.*

Good evening. Thank you for the opportunity to share my thoughts.

- I am a 29 year resident of IV. I wake up every day thankful for living in one of the most beautiful places on earth. And the icing on the cake is I get to live surrounded by mostly peaceful, friendly, kind and caring people who appreciate the same beauty in this small community as I'm afforded.
- I am here to speak on behalf of the Mountain Niners golf club
- We are a social golf club open to all women regardless of their golf ability. You could categorize us as a "teaching" golf club in a way.
- We play 9 hole rounds at the Mountain Course
- I joined to learn how to play golf. I praise the 2 founders of this golf group, as they have given many women here a quality of life that some can only hope for, not to mention the avenue to learn a wonderful sport.
- We have had a very positive relationship with the golf course staff, are flexible in how and when our reservations are made, to serve not only the course, but also the entire golfing community.
- We bring a substantial amount of revenue to the course and IVGID, not only in greens fees, but also in F&B.
- If you're looking for additional revenue from the golf courses, I believe the current recommendation addresses that concern.

- If you're looking for ways to open the courses for more residents who are not members of golf groups, I believe that has been addressed as well at the Champ Course. The Mountain Course is always open at any time, 7 days a week to golfers, as the Niners only play 9 holes, and only 2 days a week in prime time.
- We moved into this community due to the model in which it was created and developed: being a community-oriented place, offering healthy living outdoor activities and amenities. We certainly realized at the time we would not be utilizing all the amenities offered, while subsidizing them in a small way. We were happy to support all of them for the greater good of the community.
- Many of us live in this community because of those amenities for residents. We feel it was a community developed for residents, not tourists. That is not to say tourists aren't welcomed. Why are you trying to change this model, especially without community input?
- I fully support the current recommendation to eliminate pre-booking fees for all picture pass holders, giving them the flexibility to book tee times at their convenience and in advance.
- I ask that you give serious consideration to your actions, should they be to adopt these pre booking fees and what kind of detriment this could place on all the non profit golf groups.

Thank you.

Elyse Gut

Mary J. Horsley
939 Incline Way
Incline Village, NV 89451

I retired and purchased a home here in Incline 7 years ago. I have enjoyed all the outdoor activities Lake Tahoe has to offer, from snow shoeing in winter, to hiking, kayaking, and golfing during the summer.

I am a grateful member of the 40 year old Teester's Women's Golf Club, having served as Treasurer, Golf Community participant and currently, Vice President.

The Incline Village golf courses have been a source of great recreation for me and for building friendships. Besides living in God's country they are one of the primary reasons I came to Incline. The staff at both courses, are always friendly and accommodating.

I am frustrated by the current debate that is pitting the golf community against the BOT, thereby placing Darren Howard in the middle. Darren has worked very hard these past three years with golfers, club leaders and community members to develop fair, impartial, and affordable, green fees and play passes.

The multi-million-dollar losses professed by BOT are shameful and beyond inaccurate as attested to by a member of the IVGID audit committee. That member determined the combined losses in recent years ~~were~~ ^{were} LESS than \$700k and almost reached a break-even last season.

The green fees increase and the proposal to restrict the number of play days for the golf clubs reveal how little IVGID values its residents. Why does IVGID not take into consideration the revenues each club brings in via lunches and events at the Chateau? We also spend money at your pro shop and eat at your restaurant!

You probably don't hear this much in hoity toity Incline; I'm a widow of many years living on a fixed income. I budget my shekels each year to purchase an AYCP pass at the Mountain Course; I can't afford both courses. While I am blessed to live in Incline, if it is IVGID's intention to destroy the golf community, I will take my green fees to any number of beautiful golf courses in the Lake Tahoe/Reno/Carson City region.

My name is Steven Ross and I have been a resident on Incline Village for five years. I first want to thank our IVGID employees for their hard work and encourage them to continue to do a great job in spite of the vitriol that comes out at some of these meetings by a handful of individuals. I do not believe these individuals represent the community.

Democracy is sometimes fragile and unfortunately can sometimes be hijacked by determined individuals. What we are doing now is part of that democratic process. You trustees are an important part of this representative democratic process, but with that there are certain responsibilities. One of those responsibilities is to ensure that the community has been informed of any potential conflicts of interest that each individual might have. We all have potential conflicts but it is essential that they be publicly reported and dealt with appropriately.

Mr Tulloch, as an employee of the Rose Mountain ski resort I believe that you have a significant conflict of interest with respect to the recreation facilities here in Incline Village. Not only with respect to Diamond peak but will all of our recreation venues. Because I do not know how significant this is I have filed an inquiry with the Nevada Commission on Ethics with the expectation they will evaluate the severity of the conflict and make appropriate recommendations. In the meantime I believe it would be best that you recuse yourself and abstain from all votes that have to do with the financials of our recreation facilities.

Mr. Dent, again it is essential that financial disclosures be true and complete. I failed to find your disclosure of the large second and third mortgages on your property provided by Mr. Dobler and his family trust. I have filed a separate complaint with the Ethics Commission regarding this matter and I would suggest that you also should recuse yourself and abstain from voting on any financial matters until this issue is resolved.
Thank you.

Public Comment for IVGID Board Meeting 4/5/23

Name: Monica Hill

Address: 1093 Tiller Drive

My parents, lifelong California residents, 30 years ago selected Incline Village as the community in which to buy a second home. My husband and I followed them here over 18 years ago.

They, as well as we, selected IV because of the "cluster" of wonderful community amenities, including:

the Resident Beaches and Boat Launch

Diamond Peak ski area,

the Recreation Center,

Racquet facilities,

Two Golf Courses – which also offered open, undeveloped space for walking, sledding, cross-country skiing and hiking during the offseason,

And many great community programs.

Every homeowner in IV can attest to having paid a premium to purchase a home in this community.

We gladly paid this premium because of the GROUP of venues which were OWNED by the community to benefit, first and foremost, the members OF THE COMMUNITY.

And we knew that we could access these venues at reduced or even bargain rates, the biggest bargain, by far, being the free beaches. We understood that these venues were NOT intended to be, nor WERE to be, operated as stand-alone profit centers. They were operated as a group, and since we, the residents, essentially own them, we were happy to pay the Rec Fee to support them. While the Beaches, the Rec Center, Community Programs, and the Golf Courses may not make a profit on their own, bundled together with Diamond Peak and the Rec Fee, things have worked really well for over 50 years.

My parents never played a round of golf, skied a single day, played a game of tennis, or launched a boat, but they were proud to be part of a community that had these amenities available, and which made their property more desirable and valuable.

My husband and I don't play tennis, pickle ball, or swim in the pools, and we didn't play golf or use the beaches much until after our retirement, but we have always been proud to financially support, through our annual Rec Fee, all the IVGID venues since they are part of a total package that makes IV such an amazing community.

We believe that our venues, **which are owned by the community**, benefit the entire community and add to the joy of living here, and whether or not you use them, they **clearly add to the value of our homes.**

Regarding Golf, I am disturbed at the disingenuous manner that some of our Trustees recently fed the community wildly incorrect data, and generated hysteria among non-golfers, to further the agenda of a few disgruntled residents, some of whom are known to have purchased influence amongst our trustees through undisclosed loans and campaign contributions. I urge you to listen to what the MAJORITY of our residents want and go back to the basics and run this town for the benefit of those residents.

April 5, 2023 IVGID Board Meeting Public Comment – Scott Hill, Incline Village

I'm going to channel Frank Wright here by saying his famous and oft-repeated line: "we've got a problem here!" The problem is that one very wealthy individual is trying to hijack this town, and three of our Trustees.

Public records show that Mr. Dobler has significantly financed the campaigns of Trustees Schmitz, Dent and Tulloch, and has, moreover, loaned *more than \$1.5M* to Trustee Dent through the Dobler Family Trust. As we all know, money means influence.

Mr. Dobler has a personal vision of Incline which breaks from the model that this community has used successfully for 50 years. He wants to break apart all of our venues into separate profit centers, and has chosen Golf as his first target. He feeds these three Trustees with false narratives, including that 'our courses lose over \$1M'; somehow, these three Trustees inflated that number to \$2M several months ago *with no new facts*, and two meetings ago they had the audacity to spread the false and disingenuous narrative that the number was really \$4M, when in fact the Champ course approached break-even for the 2022 golf season.

When Mr. Homan, an audit committee member and a CPA with more than 40 years of experience, relayed ^{MORE ACCURATE} ~~the correct~~ numbers to the Board before the last meeting, complete with factual

back-up, these Trustees simply pushed the Golf agenda item to the next meeting, with no apology or correction to their prior statements.

Back to Mr. Dobler. So why is he so intent on putting these false narratives about Golf out to these Board members and to the broader community? Well, one possible reason is that Mr. Dobler was suspended from playing golf for a time last year after repeatedly demeaning and disparaging our younger and older Golf staff who were just trying to do their jobs.

As a result of this embarrassment, Mr. Dobler is now attacking not only Golf but also the 7 resident Golf Clubs, all while being a member of one of the Golf Clubs! These Clubs collectively have over 550 members who are all residents and picture pass holders, and who are the backbone of support for the golf courses, playing all season long, not just in the prime summer months, *paying upfront for nonrefundable Play Passes, and supporting Food and Beverage with lunches and banquets at the Chateau and Aspen Grove.* The Clubs represent about 55% of our resident golfers, and will only use 35% of AM tee times in 2023.

We need to put Mr. Dobler's one-man race to power in check, we need to look at the real numbers for Golf, and we need to recognize that the cornerstone of our community is to have a collection of affordable venues available to our residents, managed collectively.

Mick Homan

Incline Village resident

- Lots of people are expressing their support to retain the historical IVGID model
 - Add me to that list. I support the model. Its been very successful
 - The rec fee and ski operations are funding both capital and operating cash shortfalls on all other facilities.
 - It's providing residents with
 - FREE use of the beach, trails and parks,
 - BELOW market rates on skiing, racquet facilities and the rec center,
 - and AT or BELOW MARKET rates on golf
 - We shouldn't change that model without a transparent debate.
- More importantly, I entered this debate because it was being fueled by a materially false and misleading narrative about golf's finances
 - And certain Trustees used that narrative push for dramatic fee increases
 - I wanted to make sure the Trustees had an unbiased set of facts
 - That false financial narrative is now debunked.
 - The courses aren't losing millions. ✓
 - In fact, last year, operating cash flow was within a couple hundred thousand dollars of breakeven.
 - That's just over \$30 per parcel
 - Unfortunately, a new false narrative is being spread - aimed at the golf clubs in town. It's being asserted that the clubs:
 - Are paying less than non-club members
 - Are taking all the good tee times and crowding out other ~~residents~~
 - And are being subsidized ~~with~~^{by} their full time utilization of 2 pros
 - But the real data shows these are all false:
 - Club members have the exact same rate structure as every resident,
 - Some pay less per round, but that's because they purchase season or multi play passes – that's no different from passholders for the Ski, racquet and rec center venues.
 - On tee time availability, I sent the Board the daily tee time summary I worked with the golf staff
 - It shows the clubs take about 35% of available morning tee times and about 25% of all tee times at the champ course

- I also worked with the pros to plot out the portion of their time dedicated to the clubs. The fact is, about 25% of their time is dedicated to the clubs
- That's commensurate with the club's tee time percentage
- I also looked at the supplemental budget forecast for tonight.
- I believe its overly conservative
- There's 20% more tee times, a 5-11% increase in rates, and we're eliminating the AYCP passes and forcing that group into higher priced rounds – and yet we're only projecting a 15% increase in golf revenue?
- Part of that's because Darren is only projecting that 50% of the added tee times will be used.
- That ~~kind of~~ flies in the face of the narrative that people can't get a tee time.
- ~~Finally~~ on the second supplement on tee time usage. It looks at club usage as a percentage of projected rounds.
- If its being used to assess tee times available to the public, It should look at club usage as a percentage of available rounds like my analysis did
- In any event, please listen to what you're hearing and weigh the merits and credibility of the arguments.
- ~~In my experience~~ if one side of a debate needs to use false narrative to make their case, ~~their~~ case can't stand on its merit.

- Moving away from that model hurts us all, but will disproportionately hurt the working members of the community
 - The community already has huge issue with working families being pushed out of the community due to affordability
 - One of the key benefits that enables some of these families to stay is the range of affordable recreational amenities
 - But this push will chip away at that benefit, which could accelerate the exodus of working families
 - That will worsen an already troubling labor issue for all business in the district and deliver a dramatic blow to the social fiber of the community
- The current proposals are already making golf unaffordable for many families.

My name is Steve Trevino, Incline resident for 16 years. I'm here to comment on what appears now to be an annual rate increase for the resident golfers. Any of the rate increases proposed this year would put the cost at nearly 6,000 dollars for a season couples pass. And basically doubled since 2019. And I understand you are contemplating eliminating the all you can play passes? So basically doubling our costs and reducing our play. We as golfers thank you and your staff for that..

My first question is...what exactly are you trying to accomplish with these absorbent increases over the last several years. If your goal is to try and make the golf courses and associated facilities financially self sufficient, you clearly do not understand the dynamics of these amenities.

I want to give you a quick example of similar circumstances I was personally involved with in my profession before retiring. I was in the engineering and operation side of the electric utility business for 35 years. And for almost 30 years, in the PUD and MUD sectors. Similar to what we have here in Incline being a General Improvement District. The public's and municipals were much more rewarding to work for because your first priority were the residents of your community. I worked with and for the very people we served. Again, in my opinion similar to how you as a board and your staff should approach your jobs.

My last 12 years, I worked for a PUD that provided electric and water services in a geographical area similar to Incline. The water department, overall was not self sufficient. The majority of the revenue generated was during the summer, similar to our golf course facilities.. In order to make the water department financially stand alone, the rates to the residents would have to have been so astronomical and outrageous that this option was simply not feasible. But its an essential commodity to the residents. On the other hand our electric department was very stable financially, due to the consistent revenue throughout the year. So what is the solution to this dilemma where you have a commodity or an essentially amenity that cannot be self sufficient or viable on its own, but yet is an intergal part of the community. Simple. We utilized the stable revenue from the electric side to assist, subsidize, or whatever term you want to use in order to provide services at a reasonable price. We viewed the company as a whole and its financial health as a whole. Not pit one department against another. My understanding is that this District as a whole, is in a good financial position. Quit punishing the golfers of this community and take the same approach. In my opinion, you as a board and your staff need to put the residents of this community first. Quit pitting one department over another.

You want to generate additional revenue? You have the Chatau and restaurant sitting there idol for at least half the year. Put your staff to task to be creative, innovative and resourceful and start utilizing that facility year around!

Dear Board Members:

I'm Amy Trevino, secretary of the Teesters Women's Golf Club and a resident. I'm here once again, ~~to find up~~, trying to understand some of the issues that keep coming up year after year. The suggestion that each club pay \$10 for every play day every player signs up to play would truly stifle the Teesters Club. Our play dates and times have already been set this year. We are not a big club. I think we usually take up four to five tee times per play day. We have always worked well with the club pros and staff. We can change dates, change times if needed. Right now they are set for Wednesdays and Fridays at Champ Course, Mondays at the Mt. Course. What was behind the Board's direction to increase the level of cost-recovery from golf user charges for services, that staff are recommending? Why isn't the revenue derived from the weddings and events included in the cost analysis?

After reading the proposal by the Director of Golf, I did some calculations that would pertain to me and my husband personally. If we each bought a 40 round golf pass it would come to \$5,920. Mt. Course would be extra. Teesters play most Mondays at the Mt. Course, so a 20 play pass for me to play would add \$780, totaling \$6700. None of this includes the \$10 that we would have to pay for our play days ~~that are set and we sign up for a month in advance.~~

I wonder how manageable it is going to be for the staff to figure out off Golf Genius, how many will be playing on certain days if we have to wait to sign up two weeks before to skip the \$10. Also, our tournaments will not be able to sign up ahead of time. How do we order lunches for the banquets, know a head count for tee prizes, prize money?

It makes sense to look into the resources available to the golf course for funding outside of raising fees, elimination of passes, penalizing the golf clubs. I shudder to think a possibility of our golf clubs having to quit being golf clubs due to exorbitant fees and what it

would do to the course and the real estate that benefits everyone, regardless if one golfs or not.

My husband and I are avid golfers. Contrary to a few disgruntled homeowners opinion most of us are retired, on fixed incomes and don't have the capability to pay more and more and more money every year for five months of play time.

We moved here because of this golf course and amenities offered. I still feel we can come up with ways to bring in more revenue, if that is the concern, than just taking the easy way out every year raising rates. Remember, this golf course, tennis, rec center, ski resort, beaches are here for the benefit of all but still an option for each homeowner to decide what they want to take advantage of, what they want to pay for.

I'm not sure where the research for costs came from for comparisons as it was pretty vague. I would like to know which courses were looked at and how close they compare to ours. We are unique and club members bring in a huge source of revenue for the golf courses. We should be recognized for that, not demeaned for it.

Thank you.

My name is Cheryl Evans and I have been a full time, home owning resident of Incline Village for about 25 years. I am also a Board member of the Teeters Golf Club here in Incline. The Teesters have been in existence for 40 years in this community.

I moved here, like many of you, not only for the beauty of the area and its small community feel but for the many diverse outdoor activities it offers us. One of the unique qualities of Incline is all the venues that our community provides. Some private like the beaches, but most public like the ski resort and golf courses. We have seen over the past 3 years hordes of new people flocking to our area for the same reasons. This seems to have put a strain on our venues and the community itself. For whatever reason a small group of residents are pushing for a new and very different model for the fees at the golf courses which could prove disastrous for the golf clubs.

As a long time homeowner, I am aware that we pay the highest property taxes in the state of Nevada, part of which goes to my annual recreation fees. In exchange we are allotted 5 picture cards or punch cards to access these venues. However annually, my recreation fees increase and the punch card value decreases. How is this fair?

Additionally, the proposed new golf fee structure is onerous and places an undo burden not only on the golf clubs but on residents who count on these community services. The proposed fee schedule which includes charging clubs a prebooking fee would essentially shut down the Teesters golf club. As I mentioned, the Teesters have been playing golf here for 40 years this season. This club and many others are what binds our community together, a way for the men & women of this community to share common interests and continue to build that sense of community that makes us unique.

Every year our fees have increased and every year we pay them because we know that life includes cost of living increases. But the proposed increases should not be passed onto its loyal residents and golf clubs, especially the prebooking fees on clubs. The proposed rate increase that PPH pay 50% of the non-PPH rates is a ridiculous rate increase and will likely drive away many residents due to cost alone. Frankly, I have always thought that residents who pay these high property taxes should be able to enjoy pre booking tee times without these fees at all, as well as reasonable golf fees. We have already heard that tee times will be 10 minutes apart this year, which allows the course to book hundreds more tee times during the season. While I applaud the golf course staff for looking at innovative ways to make more money, this will also result in extremely slow rounds of golf. Why aren't we looking at passing these additional revenue sources onto visitors, who are the ones really putting the strain on our community?

We've heard a lot about the issue of resident club tee time usage. Club members make up over 50% of the Incline residents who play golf. However, the tee times that are set aside for clubs only represent 26% of all tee times in 2023.

There are a few angry people who have been passing along false information that say the clubs use up ALL the tee times and that the little guy can't a tee time. Mr Homan's memo to the board is based on factual information and shows that the local golf club do not take up ALL the tee times, in fact it's a lower percentage than the number of resident golfers they represent.

This small group of angry residents, claim that their motivation for complaining to the board about the golf courses and the golf clubs is because their looking out for the little guy.

I believe that this small group might have an alternate motive for complaining about the golf course staff and clubs. One member of this group was suspended from the golf courses last summer by golf management for verbally harassing the golf course employees. Members of this group have been suspended from other IVGID meetings for verbally harassing residents. It sounds like settling the score for these instances is the real motivation of this group for going after the golf course staff and the clubs, not some altruistic "looking out for the little guy".

When I hear about a member of this small group of vocal residents, who has been suspended from using IVGID facilities for harassing and bullying IVGID employes and residents, loaning large sums of money to a Trustee that may not have been disclosed properly and these same angry individuals are the primary contributors to three of IVGID Trustees political campaigns it makes me sick.

How can any Trustee accept funds from any individual who have been suspended from IVGID facilities for harassing, bullying and verbal abusing IVGID employees and Incline residents? What is the nature of the two large promissory notes (loans?) to Trustee Dent? Should these notes have been disclosed to the public? If so, why weren't they? When will Trustees Schmitz and Tulloch correct the record for the materially false and misleading statements they made regarding the golf's operations and the golf community itself? Are we allowing a vocal minority of residents to drive the Board's agenda as a quid pro quo for funding their campaign's and lending them money?

Words: 416

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL APRIL 5, 2023 MEETING – AGENDA
ITEM F(1) – PROPOSED GOLF RATES FOR FISCAL YEAR 2023-24**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and preferential treatment the District furnishes which ends up costing local parcel/dwelling unit owners even though this waste has nothing to do with the costs the District incurs to make its public recreation facilities “available” to be accessed and used by those local parcels/dwelling units which are assessed⁴. And here we have another example of a grossly over compensated employee who is either incompetent, or has bowed to pressure by giving his allegiance to a small special interest group (our core golfers who are primarily members of private golf clubs) rather than the vast number of local parcel owners who are involuntarily subsidizing his salary and benefits. In either circumstance, it’s time for him to go! And these are the purposes of this written statement.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fill(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ This is the justification staff claims for its involuntary assessment of the Recreation (“RFF”) and Beach (“BFF”) Facility Fees (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.2._-_Recreation_Standby_and_Service_Charges.pdf).

Prologue: Let's begin by examining the compensation and benefit costs Mr. Howard and his crew of assistant pros are costing local parcel owners. Although this information is in principle generally "out there" for all to see, finding it is an herculean task unless you know where to look. And insofar of most of this subject is concerned, I know where to look!

I and others believe staff's financial reporting is incomplete and deceitful for a number of reasons. Revenues are thrown into sub-funds which have no business being assigned. A prime example would be the subsidy of facility fees. Staff refuse to report this revenue separately as unearned income. Instead it makes it look to the non-financial parcel owner that this is income earned from sales. This practice deceitfully makes it look to the outsider that the District is making money when it isn't. On the other hand, expenditures are removed from those sub-funds by allocating portions to other sub-funds when there's no reason for allocation other than to spread the losses all around. This deceitfully makes it look to the outsider that the District is cutting costs when it really isn't. We have the problem with dubious expenses being assigned which have no business being assigned. An example would be the many procurement card purchases we've been recently uncovering such as employee meals because they "had a hard week." Then for years staff were improperly assigning operational maintenance and repairs to capital. This way they could argue that staff's operational costs were at break even, and our RFFs/BFFs were only going to pay for capital. Notwithstanding all of these practices, let's use staff's numbers to demonstrate their personnel costs are excessive.

Let's start with Darren Howard; Director of golf operations. What is his compensation? We have to go back to page 052 of the packet of materials prepared by staff in anticipation of the Board's May 26, 2022 meeting⁵ ("the 5/26/2022 Board packet") in order to learn the answer. There we learn that Mr. Howard's pay grade is "40." To learn what that grade corresponds to in dollars and cents, we're forced to go to page 055 of the 5/26/2022 Board packet⁶. There we learn that the range is 141,001 - \$197,401 annually⁶ plus benefits. And this doesn't include a projected cost of living adjustment ("COLA") of 7.8%⁷.

Mr. Howard has two assistant pros working under him. He has admitted to a number of residents in our community that the job of these pros is to cater to the whims of our private golf club. However to hide their true reason for being, one or more is called an "Assistant Golf Pro/Tournament Coordinator," and the other is called a "Senior Head Professional."⁵ What is the pay grade for our Senior Head Professional at the Champ Course? Go to page 055 of the 5/26/2022 Board packet⁶. There we learn the range for a grade "27" employee is \$74,767 - \$104,674 annually⁶ plus benefits.

⁵ A copy of this page is attached as the first page to Exhibit "A" to this written statement.

⁶ A copy of this page is attached as the second page to Exhibit "A" to this written statement.

⁷ This revelation appears to the side of the asterisk on page 91 of the packet of materials prepared by staff in anticipation of the Board's April 5, 2023 meeting⁷ ("the 4/5/2023 Board packet"). A copy of this page is attached as Exhibit "B" to this written statement.

And this doesn't include a projected cost of living adjustment ("COLA") of 7.8%⁷. What is the pay grade for our "Assistant Golf Pro/Tournament Coordinator?" This number is not shared with the public. However, local resident Cliff Dobler asserts that salary costs for these three employees exceed \$400,000 annually plus benefits. And that their scope of work is essentially 100% to our local private clubs.

My E-Mails of March 20, April 1 and April 5, 2023: On March 20, April 1, and April 5, 2023 I sent mails to the Board sharing the truth about Darren Howard and my recommendations to address Golf's massive losses staff have a penchant for racking up year-after-year after his tutelage⁸. Rather than re-stating all that is included therein, I direct the reader to those e-mails.

However, I will attach some additional exhibits which are mentioned in those e-mails. First, we have Mr. Howard's November 2021 – October 2022, rather than fiscal year 2021-2022, summary of "Golf Season" operations for budget comparison for Champ Golf⁹. Note how Mr. Howard has changed the reporting period to make it look as if Champ Golf is not losing as much money as it really is.

Next, we have Mr. Howard's November 2021 – October 2022, rather than fiscal year 2021-2022, summary of "Golf Season" operations for budget comparison for Mountain Golf¹⁰. Again note how Mr. Howard has changed the reporting period to make it look as if Champ Golf is not losing as much money as it really is.

Next, we have page 82 of the 4/5/2023 Board packet. This page represents: 1. The last four years of summarized actual losses assigned to Champ Golf; and, 2. The proposed summarized 2023-24 budgeted losses assigned to Champ Golf¹¹.

Next, we have page 97 of the 4/5/2023 Board packet. This page represents: 1. The last four years of summarized actual losses assigned to Mountain Golf; and, 2. The proposed summarized 2023-24 budgeted losses assigned to Mountain Golf¹².

Conclusion: Mr. Howard is not fit to be a Director of Community Services. He performs essentially no duties associated with any other recreation venue than golf. He is grossly overpaid and for twelve full months/year when our golf courses are only open for 5 months out of the year. The same with Head Golf Pro Nick Hollinga. And merchandise manager Gret Merritt. If the Board doesn't make the changes I suggest, look for business as usual.

⁸ These e-mails are collectively attached as Exhibit "C" to this written statement.

⁹ This page is attached as the first page to Exhibit "D" which is attached to this written statement.

¹⁰ This page is attached as the second page to Exhibit "D" which is attached to this written statement.

¹¹ This page is attached as the first page to Exhibit "E" which is attached to this written statement.

¹² This page is attached as the second page to Exhibit "E" which is attached to this written statement.

And You Wonder Why the RFF and BFF Which Pasy For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

**Incline Village General Improvement District
Community Services – Championship Golf Course
Executive Summary
Operating Budget FY 2023/24**

- Utilize venue and/or community surveys to evaluate and measure customer service as it relates to service demands.
- Allocate capital expenditures to maintain services and facilities

Budget Highlights

Revenue/Sources

- Golf rates (Green Fees and Play Passes) has been increased by an average of 5% to 11%, and have been evaluated in relation to Board-approved cost-recovery targets.
- Increased budgeted rounds based on moving tee times back to 10-minute intervals and popularity of golf.
- Food and Beverage revenue is based on 5% to 7% increase over 2022/2023 budget.
- Merchandise Sales projected at a 5% increase over 2022/2023 budget.

Staffing –

	<u>Actuals</u> <u>FY2019-20</u>	<u>Actuals</u> <u>FY2020-21</u>	<u>Actual</u> <u>FY2021-22</u>	<u>Budget</u> <u>FY2022-23</u>	<u>Baseline</u> <u>FY2023-24</u>
<u>Staffing</u>					
FTE's*	43.9	30.2	31.4	31.3	31.3

*Based on budget

The FY23/24 budget reflects 31.1 positions, essentially unchanged from FY2022/23.

- ✶ Personnel costs increased for cost-of-living adjustments and hourly rates to remain competitive within the regional market.

Operations and Maintenance

- Preliminary budget reflects an overall 3% decrease from baseline in expenses.
- Inflationary cost increases deferred maintenance as well as other deferred expenses from the past two COVID seasons have been taken into consideration for all expenses, as well as reducing staffing where it is feasible.
- Reduction of Marketing expenses by \$14,050.
- Reduction in Fleet due to new golf carts and maintenance free batteries.

Capital

- Capital expenditures include funding to replace Bar Carts, Fairway Mower and Maintenance Vehicles

Incline Village General Improvement District Community Services – Mountain Golf Course Executive Summary Operating Budget FY 2023/24

Budget Highlights

Revenue/Sources

- Golf rates (Green Fees and Play Passes) has been increased by an average of 5% to 11% and have been evaluated in relation to Board-approved cost-recovery targets.
- 2023 budgeted rounds for Mountain Course are based on closing 9 holes starting in mid-September for cart path work and moving tee times back to 12 minute intervals.
- Food and Beverage revenue is based on 5% increase over 2022-2023 budget, based on being able to be fully staffed and no restrictions
- Merchandise Sales projected at a 5% increase, with more emphasis from Merchandise staff being involved at the Mountain course.

Staffing –

	<u>Actuals</u> <u>FY2019-20</u>	<u>Actuals</u> <u>FY2020-21</u>	<u>Actuals</u> <u>FY2021-22</u>	<u>Budget</u> <u>FY2022-23</u>	<u>Baseline</u> <u>FY2023-24</u>
<u>Staffing</u>					
FTE's*	11.6	10.9	12.0	11.6	11.6

*Based on budget

- The FY23/24 baseline budget reflects 11.6 positions, essentially unchanged from FY2022/23.
- ★ Personnel costs in the baseline budget reflect an increase of 7.8% due to cost-of-living adjustments and hourly rates to remain competitive within the competitive labor market.

Operations and Maintenance

- Preliminary budget reflects an overall 16% decrease for operations, maintenance and capital expenses,
- Inflationary cost increases, deferred maintenance as well as other deferred expenses from the past two COVID seasons have been taken into consideration for all expenses.
- Reorganizing staffing levels and changing the management position to only 7 months have helped with reducing wages.
- Reducing Marketing budget by \$9500
- Reducing operating supplies where it will not affect day-to-day operations.

Capital

- Capital expenditures include funding for Phase II of Cart Path Replacement Project

EXHIBIT "B"

2022 - 2023 Authorized Positions

Job Title	Class	Grade	FTE
PUBLIC WORKS PROGRAM COORD II	FTYR	21	1.00
PUBLIC WORKS TECHNICIAN	FTYR	21	1.00
HHW and EWASTE TECHNICIAN	PT	n/g	0.50
DIR GOLF OPS/COMMUNITY SVCS	FTYR	40	1.00 *
1st ASSISTANT CHAMPIONSHIP	FTYR	18	1.00 *
SR. HEAD GOLF PROFESSIONAL	FTYR	27	1.00 *
OUTSIDE SERVICES SUPERVISOR	S	n/g	0.87
OUTSIDE SERVICES STAFF	S	n/g	3.76
GOLF SHOP STAFF	S	n/g	2.20
ASST GOLF PRO/TOURNAMENT COORD	SM	n/g	0.84 *
DISTRICT MERCHANDISER	FTYR	20	1.00
LEAD GOLF SHOP STAFF	S	n/g	1.69
STARTER/RANGER	S	n/g	2.83
TEACHING PROFESSIONAL	S	n/g	0.15
GROUNDS SUPERINT. GOLF COURSES	FTYR	33	1.00
ASSISTANT SUPERINTENDANT	FTYR	24	1.00
MAINTENANCE	FTYR	18	1.00
MAINTENANCE GROUNDS WORKER	S	n/g	9.45
IRRIGATION TECHNICIAN	S	n/g	1.37
MOUNTAIN COURSE ASSISTANT SUPERINTENDANT	FTYR	23	1.00
DIRECTOR OF FOOD AND BEVERAGE	FTYR	33	1.00
FOOD & BEVERAGE ASST. MANAGER	FTYR	21	1.00
EXECUTIVE CHEF	FTYR	25	1.00
SOUS CHEF	FTYR	21	1.00
COOK	S	n/g	5.69
PREP COOK	S	n/g	1.08
DISHWASHER	S	n/g	0.68
BARTENDER	S	n/g	1.43
SERVER	S	n/g	1.80
BUSSER	S	n/g	0.83
GRILLE HOST	S	n/g	0.60
FOOD COURT CASHIER	S	n/g	3.01
BAR CART ATTENDANT	S	n/g	0.89
FOOD & BEVERAGE CASHIER	S	n/g	1.26
EVENT COORDINATOR	FTYR	20	1.00
SNOWFLAKE SUPERVISOR	S	n/g	0.50
BANQUET BAR CAPTAIN	PT	n/g	0.31
BANQUET BARTENDER	PT	n/g	0.05
BANQUET SERVER	PT	n/g	0.58
BANQUET CAPTAIN	PT	n/g	0.77
BANQUET COOK	PT	n/g	0.77
BANQUET DISHWASHER	PT	n/g	0.48
BANQUET CHEF	FTYR	21	1.00
CHATEAU RECEPTIONIST	PT	n/g	0.60
FACILITY OPERATIONS LEAD	FTYR	16	1.00
FACILITIES OPERATIONS ASSITANT	PT	n/g	0.19
SALES & EVENT COORDINATOR	FTYR	23	1.00
SKI RESORT GENERAL MANAGER	FTYR	38	1.00
MOUNTAIN OPERATIONS MANAGER	FTYR	31	1.00
RECEPTIONIST/SR ADMIN CLERK	FTYR	18	2.00
LIFT TECHNICIAN	FTYR	19	1.00
LIFT MANAGER	FTYR	26	1.00
LIFT MAINTENANCE TECHNICIAN	FTYR	21	2.00
LEAD LIFT OPERATOR	S	n/g	0.50
LIFT OPERATOR X TICKET CHECKER	S	n/g	7.12
ASSISTANT LIFT MANAGER	FTYR	24	1.00
LIFT MAINTENANCE LABORER	S	n/g	0.50

3/20/22 Board Pack et
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
Standard Salary Ranges
Effective July 1, 2022

Top of Ranges increased 9.4%
from previous year
Min to Max 40%

GRADE	HOURLY			BI-WEEKLY			ANNUAL		
	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
16	\$21.02	\$25.22	\$29.43	\$1,682	\$2,018	\$2,354	\$43,722	\$52,467	\$61,211
17	\$22.07	\$26.48	\$30.89	\$1,765	\$2,118	\$2,472	\$45,900	\$55,081	\$64,261
18	\$23.18	\$27.81	\$32.45	\$1,854	\$2,225	\$2,596	\$48,209	\$57,850	\$67,492
19	\$24.33	\$29.20	\$34.07	\$1,947	\$2,336	\$2,725	\$50,614	\$60,737	\$70,860
20	\$25.54	\$30.65	\$35.76	\$2,044	\$2,452	\$2,861	\$53,133	\$63,760	\$74,387
21	\$26.83	\$32.19	\$37.56	\$2,146	\$2,575	\$3,005	\$55,799	\$66,959	\$78,119
22	\$28.17	\$33.80	\$39.44	\$2,254	\$2,704	\$3,155	\$58,595	\$70,314	\$82,032
23	\$29.57	\$35.48	\$41.40	\$2,366	\$2,839	\$3,312	\$61,504	\$73,805	\$86,106
24	\$31.05	\$37.26	\$43.48	\$2,484	\$2,981	\$3,478	\$64,592	\$77,511	\$90,429
25	\$32.61	\$39.13	\$45.65	\$2,609	\$3,130	\$3,652	\$67,827	\$81,392	\$94,957
26	\$34.24	\$41.09	\$47.94	\$2,739	\$3,287	\$3,835	\$71,224	\$85,469	\$99,713
27	\$35.95	\$43.13	\$50.32	\$2,876	\$3,451	\$4,026	\$74,767	\$89,721	\$104,674
28	\$37.74	\$45.29	\$52.84	\$3,019	\$3,623	\$4,227	\$78,505	\$94,207	\$109,908
29	\$39.63	\$47.56	\$55.49	\$3,171	\$3,805	\$4,439	\$82,439	\$98,927	\$115,414
30	\$41.61	\$49.93	\$58.26	\$3,329	\$3,995	\$4,660	\$86,551	\$103,861	\$121,171
31	\$43.70	\$52.44	\$61.18	\$3,496	\$4,195	\$4,894	\$90,891	\$109,069	\$127,247
32	\$45.88	\$55.05	\$64.23	\$3,670	\$4,404	\$5,138	\$95,426	\$114,511	\$133,596
33	\$48.18	\$57.81	\$67.45	\$3,854	\$4,625	\$5,396	\$100,204	\$120,245	\$140,286
34	\$50.59	\$60.71	\$70.83	\$4,047	\$4,857	\$5,666	\$105,227	\$126,272	\$147,317
35	\$53.11	\$63.74	\$74.36	\$4,249	\$5,099	\$5,949	\$110,476	\$132,572	\$154,667
36	\$55.76	\$66.92	\$78.07	\$4,461	\$5,353	\$6,245	\$115,987	\$139,184	\$162,381
37	\$58.56	\$70.27	\$81.98	\$4,685	\$5,622	\$6,559	\$121,805	\$146,166	\$170,527
38	\$61.48	\$73.78	\$86.08	\$4,919	\$5,902	\$6,886	\$127,884	\$153,461	\$179,038
39	\$64.56	\$77.47	\$90.39	\$5,165	\$6,198	\$7,231	\$134,288	\$161,146	\$188,003
40	\$67.79	\$81.35	\$94.90	\$5,423	\$6,508	\$7,592	\$141,001	\$169,201	\$197,401
41	\$71.17	\$85.41	\$99.64	\$5,694	\$6,833	\$7,971	\$148,039	\$177,647	\$207,254
42	\$74.74	\$89.68	\$104.63	\$5,979	\$7,175	\$8,370	\$155,451	\$186,541	\$217,631
43	\$78.48	\$94.17	\$109.87	\$6,278	\$7,534	\$8,790	\$163,236	\$195,883	\$228,530
44	\$82.39	\$98.87	\$115.35	\$6,592	\$7,910	\$9,228	\$171,379	\$205,655	\$239,931
45	\$86.51	\$103.81	\$121.12	\$6,921	\$8,305	\$9,689	\$179,945	\$215,934	\$251,923

EXHIBIT "C"

April 5, 2023 IVGID Board Meeting - Agenda Item F(1) - More Proposed Changes to 2023-24 Golf Rates That Your Staff Just Weren't Able to Think Of

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: April 5, 2023 IVGID Board Meeting - Agenda Item F(1) - More Proposed Changes to 2023-24 Golf Rates That Your Staff Just Weren't Able to Think Of
Date: Apr 1, 2023 10:11 PM

Chairperson Dent and Other Honorable Members of the Board -

So here your vaunted staff with so much schooling and experience have come up with a series of proposals to increase revenues as if this were the only problem insofar as our inability to operate our golf courses on a revenue neutral or positive cash flow basis were concerned. And still Mr. Howard proclaims that "the proposed rates, while generating a slightly higher level of cost-recovery in comparison to current rates, WILL REMAIN AT A LEVEL BELOW THE COST PER ROUND" (see page 10 of the Board packet). In other words, **another year of massive, involuntary, financial subsidies by an overwhelming majority of local parcel/dwelling unit owners.** Good job Mr. Howard!

Well I'm here to tell you this is NOT good enough! A Director of Community Services must be more creative. You have to eliminate overspending. You have to develop "an entirely different business model" (see page 12 of the Board packet). So what have you come up with especially because you REFUSE to cut operational costs? And what more can be creatively recommended? These are the subjects of this e-mail.

Here are my recommendations in addition to those in my earlier e-mail below insofar as pre-booking fees are concerned:

Let's Change the Financial Reporting to Confuse the Hell Out of We Peons: Well this is a good one. Mr. Howard has come up with financials which demonstrate that golf operations are essentially break even! What? That's right. Take a look at pages 20-21 to the Board packet. For the 2022 golf season at the Champ Course the District actually made \$80,498. And for the Mountain Course the District only lost \$123,128. Do you know the old adage numbers don't lie but liars' explanation of the numbers do? That's what's at play here.

But first we need to give Mr. Howard a bit of a break. He's NOT smart enough to have come up with this one. He had to resort to the assistance of his colleague who is another overpaid deceiver, Director Paul Navazio. Don't believe me? Keep reading.

First of all, look at the period for which these financial summaries were created; November 2021 when there were no golf operations through October of 2022 when golf operations for the entire 2022 golf season were ending. That's great except never, never, never before has the District reported golf operations like these other than July 1 to June 30 of each fiscal year. In fact to prove my point, go to pages 82 and 97 of the Board packet. Both are reported in fiscal years. So now we understand Msrs. Howard and Navazio are attempting to compare apples to oranges. And I'm sure because more revenues can be legitimately reported. Good job fellas!

Second of all, and not that I believe ANY of staff's phony financial reporting numbers, but look at staff's 2022-23 financial reporting for the Champ Course on page 82 of the Board packet. \$465,576 of losses after the subsidy of \$520,251 of RFFs. Total loss - \$985,827. Remember, Mr. Howard wants you to think the Champ Course actually made a \$80,498 profit (see page 20 of the Board packet). It didn't.

Let's go to staff's 2022-23 financial reporting for the Mountain Course on page 97 of the Board packet. \$300,751 of losses after the subsidy of \$1,120,874 of RFFs. Total loss - \$1,440,625. And remember

\$500,701 of losses after the subsidy of \$1,139,074 of net loss. Total loss = \$1,449,023. And remember, Mr. Howard wants you to think the Mountain Course only lost \$123,128 (see page 21 of the Board packet). It didn't.

That's a total loss of \$2,435,452!

But wait. There's more.

Third of all, Mr. Howard's phony financials purport to deduct our RFFs subsidies added to operational revenue from the bottom line to allegedly demonstrate how wonderful golf performed financially last season. So again, let's start with staff's November 2021-October 2022 financial reporting for the Champ Course (see page 20 of the Board packet). See where Mr. Howard reduced \$67,752 of facility fee revenue at the bottom of the page from the adopted budget (note: there was no adopted budget for these numbers because the Board was operating under a different fiscal year)? See where facility fee revenue of \$51,055 was initially credited under Sources? The numbers don't match.

Fourth of all, continue looking at this page. Do you see the \$181,455 of transfers at the top of the page? That's really \$181,455 of additional financial subsidies from excess fund balance which has made it look like the Champ Course earned a profit when it really lost money. Sneaky, sneaky Mr. Navazio.

Fifth of all, let's look again at staff's November 2021-October 2022 financial reporting for the Mountain Course (see page 21 of the Board packet). See where Mr. Howard reduced \$631,568 of facility fee revenue at the bottom of the page from actuals? See where facility fee revenue of \$111,861 was initially credited under Sources? Again, the numbers don't match.

Now one could explain all of this as "voodoo economics." But that would be unkind to the voodoo profession. I call it just phony financial reporting intended to confuse the hell out of the pig (you and I are pigs) to show us what staff want us to see..

Yield Management: I made this recommendation insofar as pre-booking fees are concerned. It has equal application here. There are certain days and times when the District can command surcharged or tiered pricing based upon yield management fundamentals. I mean more than days of the week or holidays. Early morning hours and special holidays. Whereas private club members with 40 play passes at the Champ Course will be paying \$74.00 or \$44.98 after 2 P.M. on these dates/at these times (see page 13 of the Board packet), can't we get hundreds of dollars more per round at these dates/times from non-PPHs? Staff's waste is unnecessarily costing us thousands if not tens of thousands of dollars on each of these "tiered" days/times.

The fix is to adopt **black out dates/times** for play passes. That way private club members will have to pay the going surcharged rate or let other members of the public pay those rates because play passes are doing something else. And if the PPH core golfers in town who would purchase play passes don't like it, do what Gaily Krolick recommends. MOVE!

Eliminate Play Passes Altogether: This is the better fix. We have a daily PPH rate and non-PPH rate. That's it! No play passes to artificially bring down the price to private club members. After all, aren't we "one division, one team?" So isn't it about time to start acting as such?

Additionally, understand that play passes aren't for all PPHs. They're essentially only for private club members. What good does it do the PPH who is not a member of a private club to buy a play pass if he/she can't get a prime T-time to use his/her pass since all are already pre-booked by these clubs? Since it doesn't, under Mr. Howard's proposal he is in essence giving private club members a discount from the daily PPH rate. Eliminate the play passes, increase revenues, and now make treatment of all PPHs the same. And if the PPH core golfers in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate Guest Fees: Like I said, one division one team means that we have a daily PPH rate and a daily non-PPH rate. That's it! No guest fees to artificially bring down the price to select non-PPHs. This is wrong, and unnecessary. And since discounted "guest" fees are NOT offered at any of our other recreation venues, why golf? Just more preferences to our core golfers which are being subsidized by

recreation venues, why give just more preferences to our core golfers which are being subsidized by the rest of us. And if the PPH core golfers in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate Couples Passes: I understand staff are recommending the elimination of this discriminatory and preferential product to our core golfers. Since I agree, I have nothing more to say about it. Except if the local couples in town don't like it, do what Gaily Krolick recommends. MOVE!

Eliminate Discounted Charity Rates: And STOP referring the beneficiaries of these rates as "charities." They're qualified non-profits. Not every non-profit is a charity.

At the proposed \$4,290 non-profit rate to take over the Champ Course (see page 11 of the Board packet), the net cost/golfer assuming all 72 potential spots can be sold, works out to \$59.59 per round. Now how does this compare to our actual costs per round according to staff at \$129.81 (see page 9 of the Board packet)? Or \$108.70 excluding capital? Or \$87.56 excluding everything other than operating costs? In other words, WE LOSE MONEY! And if we compare these numbers to the retail rates we conceivably could be generating, THE LOSSES ARE EVEN GREATER! And for what? And why? We don't exist to be making public facilities available to outsiders for less than our costs so they can make profits at our expense. And we don't exist so local parcel/dwelling unit owners can pay the deficiency. And I thought outsiders' rates would never be lower than the PPH rate. Stupid me. So why is there a charity rate?

Let's look at the proposed \$2,310 non-profit rate to take over the Mountain Course (see page 11 of the Board packet). The net cost/golfer assuming all 72 potential spots can be sold by the non-profit, works out to \$32.08 per round. Now how does this compare to our actual costs per round according to staff at \$75.23 (see page 9 of the Board packet)? Or \$66.40 excluding capital? Or \$52.47 excluding everything other than operating costs? In other words, again WE LOSE MONEY! And if we compare these numbers to the retail rates we conceivably could be generating, THE LOSSES ARE EVEN GREATER! And for what? And why? So why is there a charity rate?

Eliminate these preferential rates and let these non-profits pay the going PPH or non-PPH rate.

I don't want to hear the disingenuous argument that these charities are entitled to rates below our costs because some of our PPHs are members. Well my answer is STEP TO THE PLATE PPH MEMBERS. You pay the difference between the discounted rate you seek for your non-profit and the normal PPH rate. Instead of making your non-golf neighbor subsidize your non-profits' discounted rate. And if the non-profits in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate the Two Full Time PGA Golf Pros Who Exclusively Coordinate Tournament Administration For Mostly Local Private Clubs: According to Cliff Dobler, Mr. Howard has admitted that the District hires two employees who are PGA members to work exclusively administering essentially 330 tournaments per season, at least 80% represent private golf club tournaments. This is outrageous. If all they perform are administrative functions, and assuming it's appropriate at local parcel/dwelling unit owners' expense, shouldn't we be replacing these administrative persons with lower cost hourly minimum wage employees?

And why are we offering full time benefited positions for these two? The golf season in Incline Village lasts maybe 5 months per year. Why are we paying/benefiting these individuals for an additional 7 months' worth of work?

Eliminate Financial Reporting Which Includes Ancillary Matters: such as Bar Cart sales, club rentals, range ball rentals, food and beverage sales, Grille Restaurant sales, merchandise sales, Chateau sales, etc. Let's view each of these functions on their own so we can determine whether it makes financial sense to continue operating them. Moreover, their salary costs alone exceed \$200K combined. This is an unnecessary and wasteful expense.

Hopefully you will incorporate all or at least some of these recommendations. Respectfully, Aaron Katz

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

From: <s4s@ix.netcom.com>
Sent: Apr 1, 2023 2:00 PM
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: April 5, 2023 IVGID Board Meeting - Agenda Item F(1) - It's Time to Terminate Community Services Director Darren Howard as an IVGID Employee - SECOND REQUEST

Chairperson Dent and Other Honorable Members of the IVGID Board -

On March 20, 2023 I e-mailed to all of you suggesting that our real problem with Golf is Darren Howard. So if you wanted to fix the problem, Mr. Howard needed to go. I have replicated that e-mail below to refresh your recollections.

Now with respect to April 5, 2023's upcoming Board meeting, I have additional evidence to support of my request. And that's the purpose of this e-mail.

Let's take a step backwards for a moment. Just like Susan Herron has been given the disingenuous title of Director of Admin Services with a big pay raise, Mr. Howard has been given the disingenuous title of Director of Community Services to justify a big paycheck. Even though Mr. Howard is nothing more than venue manager for Champ Golf. That's it. Don't believe me? Why don't you ask Mike Bandelin, our venue manager for Diamond Peak, what Mr. Howard does for Ski? Or Sheila Leijon, our Director of Parks and Recreation, what Mr. Howard does for Parks and Recreation. Or Bill Vandenburg, our Director of Food and Beverage, what Mr. Howard does for Food and Beverage? The answers to all of these questions is NOTHING! Why then the title? Because Mr. Howard is nothing more than venue manager for Champ Golf. But in order for us to pay him what he requires, we need to create the allusion Mr. Howard's duties and benefit to the District go way beyond golf even though they don't.

Okay. What are we paying Mr. Howard for his vast experience and qualifications as the Director of Community Services? According to the current fiscal year's budget, he is a salary category "40" full time employee (see page 052 of the 5/26/2022 Board packet). What is the pay range for such an employee? Between \$141,001-\$197,401 (see page 055 of the 5/26/2022 Board packet). What is staff proposing for Mr. Howard's compensation for the new upcoming 2023-24 fiscal year? A 7.8% increase "due to cost-of-living adjustments...to remain competitive within the competitive labor market" (see page 91 of the 4/5/2023 Board packet). This increase could push Mr. Howard's annual salary to as much as a whopping \$212,800 plus benefits!

So what is Mr. Howard being paid Indra? And while you're figuring out what to tell the public, let's see what we're getting for our money, shall we?

Mr. Howard has authored an April 5, 2023 staff memo on this agenda item. Notwithstanding "Golf" has been operating at a \$2M> annual loss for the last several years, Mr. Howard continues to REFUSE to do what's necessary to make this venue business cash flow neutral. And his excuse? Although he's come up with some revenue increases, without addressing some of the fundamental structural flaws, he concludes that "the proposed rates, while generating a slightly higher level of cost-recover in comparison to current rates, will remain at a level BELOW THE COST PER ROUND." I and others I know feel this is UNACCEPTABLE!

At the Board's March 22, 2023 meeting as well as the one upcoming on April 5, Mr. Howard told us that "if the board requires that the golf courses cover Operational, Overhead, Debt and Capital (costs) on a yearly basis, this would require AN ENTIRELY DIFFERENT BUSINESS MODEL" (see page 12 of the 4/5/2023 Board packet). On March 22, 2023 I asked the Board to instruct Mr. Howard to go back to the drawing board and come up with an entirely different business model. SO WHERE IS IT MR. HOWARD?

Let's continue.

At page 7 of the 4/5/2022 Board packet Mr. Howard recommends that the Board "eliminate pre-

book fees for all PPHs at both golf courses." And this is because SIX (6) or so of our local private clubs have ALREADY pre-reserved nearly 1/3 of all prime T-times at the Champ Course for the entire 2023 season. And this is notwithstanding the fact the Board hasn't approved such pre-reservations. And what have these clubs paid to IVGID for the privilege of pre-reserving these T-times? Nada. Nothing. Zero!

Now look at page 9 of the 4/5/2023 Board packet. There Mr. Howard tells us that "projected total Green Fee revenue" at the Champ Course when estimated at a 5%, 8% or 11% increase in rates. will total "\$x," "\$y," or "\$z" PLUS a \$82,800 Pre-book fee if approved."

Now look at page 10 of the 4/5/2023 Board packet. There Mr. Howard tells us that "projected total Green Fee revenue" at the Mountain Course when estimated at a 5%, 8% or 11% increase in rates. will total "\$x," "\$y," or "\$z" PLUS a \$16,160 Pre-book fee if approved."

I don't understand. On one hand Mr. Howard is telling us staff is recommending there be no pre-book fee at either course to any PPH. And on the other, there will be \$82,800 of pre-book fees at the Champ Course, and another \$16,160 at the Mountain Course. That's nearly \$100K of additional pre-book fees Mr. Howard wants to leave on the table!

Now we don't understand how Mr. Howard came up with these numbers because he doesn't explain in his memorandum (another example Indra of NON-Transparency). But let's assume our local private golf clubs have pre-reserved 8,280 2023 rounds at the Champ Course (roughly 1/3 of all such possible rounds), and 1,616 2023 rounds at the Mountain Course. That would work out to \$10/round. Which if this were the case, it is NOT enough!

The fact Mr. Howard has "caved in" to what I expect is private club pressure, rather than exercising his impartial recommendation to bridge the financial gap, demonstrates to me he's NOT an employee we need here at IVGID. And the fact he may be garnering an annual salary of \$212,800, IMO is A CRIME. As well as a WASTE.

Two final points. Point 1: I have been informed that Mr. Howard has made the representation to Trustee Tonking and others that his recommendations would include a pre-booking fee of \$10/booking, applied to all pre-bookings. Specifically including those of our private golf clubs. Now if this is true, then Mr. Howard is either an incompetent or a liar. Take your pick because it really makes no difference. And the net result of being either is: "you're fired."

I am certain that our local core golfers will be vehemently opposed to these suggestions. Well let me be the first to recommend that if you don't like it, do what our esteemed Gail Krolick suggested. MOVE! The fact you people are too cheap to pay for your own golf and have no reservations in asking your non-golf playing neighbor to subsidize the cost of YOUR recreation, translates into one word. **TAKER!**

There should be a pre-booking fee for ALL pre-bookings. The amount should be non-refundable, paid up front at the time of the pre-booking, and be based on a sliding scale. Thus the farther out one pre-books, the higher the fee. And exercising yield management, the greater the demand for a pre-booking date (such as 4th of July weekend), the greater the fee. You see, although I'm no golf pro like Mr. Howard, my management recommendations are worth infinitely more than his. This is an example of the old adage, "you don't need to be a baker to know what a good cake tastes like." And I'm not even being paid, let alone over paid!

Point 2: The public's golf facilities are NOT your private country club. So stop demanding that's how they should operate. And to add insult to injury, you won't even pay the type of membership fee you would be expected to pay to any other private country club. Why? Because you're a **TAKER!** Pure and simple.

Respectfully, Aaron Katz

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

From: <4s@ix.netcom.com>

Sent: Mar 20, 2023 4:11 PM

To: Dent Matthew <dent_trustee@ivgid.org>

Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>

Subject: March 22, 2023 IVGID Board Meeting - Agenda Item G(7) - It's Time to Terminate Community Services Director Darren Howard as an IVGID Employee.

Chairperson Dent and Other Honorable Members of the IVGID Board -

So finally and belatedly I have just had the opportunity to read the Board packet for next Wednesday's meeting. And the first thing which sticks out to me is the arrogance and incompetence of employee Darren Howard, our Director of Golf aka Director of Community Services. And what I've seen tells me it's time for Mr. Howard to go.

What I've seen on the agenda is a request to keep the charity rates for next season at the DISCOUNTED rates approved last year. In other words, between last meeting and this one Mr. Howard has allowed himself to buckle to the pressure of more takers in our community. The ones who insist on using public recreation facilities, exclusively and at a discount, so they can make money for their flavors of the month at the public's expense. When it was revealed at the last Board meeting that staff is proposing a \$4 million LOSS for golf next season, Mr. Howard is backing off his initial recommendation that the non-profit rate LOSE even more money.

Okay. Let's get the facts on the table.

At the Board's March 8, 2023 meeting Mr. Howard presented his proposed golf rates for the upcoming 2023-24 season. There he informed us, in part, that:

1. Daily green fee rates to non-picture pass holders ("PPHs"), on average, exceeded our fully loaded (operating, overhead, capital and debt service) cost at both courses;
2. Daily green fee rates to a PPH's guest cover our operating and overhead (but NOT capital nor debt service) costs;
3. Daily and season pass rates to PPHs fall well below the previously suggested cost recovery target for play at both courses;
4. Notwithstanding, a proposed 5% increase to daily rates at the Champ Course will cover operating and overhead costs;
5. But a proposed 5% increase in daily rates at the Mountain Course will remain at a level below the cost per round (i.e., they will NOT cover operating and overhead costs);
6. Although non-profit rates to take over exclusive use of our golf courses so they can make money for their particular flavors of the month will cover operational costs ONLY (thus NOT covering overhead, capital nor debt service costs) they will not increase from last year's rates.

EXHIBIT "D"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
CHAMPIONSHIP GOLF**

Exhibit 7

GOLF SEASON ACTUAL TO BUDGET COMPARISON

November 2021 - October 2022

	Adopted Budget	Actual	Remaining Budget
SOURCES			
Charges for Services	3,663,085	3,749,017	85,932
Facility Fees	204,220	51,055	(153,165)
Investment Earnings	(916)	625	1,541
Proceeds from Capital Asset Dispositions		21,446	21,446
Transfers In	185,393	181,455	(3,938)
TOTAL SOURCES	<u>4,051,782</u>	<u>4,003,599</u>	<u>(48,183)</u>
USES			
Salaries and Wages	1,454,969	1,385,919	69,050
Employee Fringe	419,316	378,475	40,841
Total Personnel Cost	<u>1,874,285</u>	<u>1,764,394</u>	<u>109,892</u>
Professional Services	3,300	7,314	(4,014)
Services and Supplies	1,032,730	1,068,004	(35,274)
Insurance	80,469	70,020	10,449
Utilities	250,896	269,084	(18,187)
Cost of Goods Sold	599,989	496,541	103,448
Central Services Cost	215,026	195,900	19,126
Capital Improvements	479,080	148,249	330,831
Debt Service	4,119	790	3,329
TOTAL USES	<u>4,539,895</u>	<u>4,020,296</u>	<u>519,599</u>
SOURCES(USES)	<u>(488,113)</u>	<u>(16,697)</u>	<u>471,416</u>
Less Facility Fee	<u>(692,333)</u>	<u>(67,752)</u>	
Less Facility Fee and CIP	<u>(213,253)</u>	<u>80,498</u>	

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
MOUNTAIN GOLF**

GOLF SEASON ACTUAL TO BUDGET COMPARISON

November 2021 - October 2022

	Adopted Budget	Actual	Remaining Budget
SOURCES			
Charges for Services	982,689	888,216	(94,473)
Facility Fees	447,447	111,861	(335,586)
Non Operating Income/Leases	42,822	13,938	(28,884)
Investment Earnings	(916)	13,077	13,993
Proceeds from Capital Asset Dispositions		17,029	17,029
TOTAL SOURCES	1,472,042	1,044,121	(427,921)
USES			
Salaries and Wages	485,498	382,677	102,821
Employee Fringe	145,495	122,449	23,047
Total Personnel Cost	630,993	505,126	125,867
Professional Services	3,000	3,559	(559)
Services and Supplies	370,216	346,717	23,499
Insurance	18,501	5,977	12,524
Utilities	98,084	96,593	1,491
Cost of Goods Sold	109,849	63,230	46,619
Central Services Cost	74,004	32,962	41,042
Capital Improvements	1,138,000	508,440	629,560
Debt Service	1,874	1,225	649
TOTAL USES	2,444,522	1,563,828	880,694
SOURCES(USES)	(972,480)	(519,707)	452,773
Less Facility Fee	(1,419,927)	(631,568)	
Less Facility Fee and CIP	(281,927)	(123,128)	

EXHIBIT "E"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
CHAMPIONSHIP GOLF**

Prior Fiscal Year - Current Fiscal Year - Preliminary

	Actuals FY2019-20	Actuals FY2020-21	Actuals FY2021-22	Adopted Budget FY2022-23	Baseline Budget FY2023-24	Preliminary Budget FY2023-24	Tentative Budget FY2023-24	Final Budget FY2023-24
SOURCES								
Charges for Services	4,037,096	3,214,950	3,062,626	3,778,822	3,967,900	4,466,948		
Facility Fees	171,994	33,019	-	520,251	449,900	-		
Investment Earnings	-	-	248	(2,748)	(2,748)	(2,748)		
Proceeds from Capital Asset Dispositions	10,330	14,176	21,446	-	-	-		
Transfers In	-	-	181,455	-	-	-		
TOTAL SOURCES	4,219,420	3,262,146	3,265,775	4,296,325	4,415,052	4,464,200		
USES								
Salaries and Wages	1,511,829	1,170,676	1,256,237	1,535,541	1,696,508	1,685,996		
Employee Fringe	421,675	349,938	360,061	457,288	499,113	508,115		
Total Personnel Cost	1,933,504	1,520,615	1,616,298	1,992,829	2,195,621	2,194,111		
Professional Services	6,010	6,403	5,234	6,380	6,380	6,380		
Services and Supplies	1,119,686	797,277	885,825	1,061,193	1,110,500	1,029,864		
Insurance	68,363	72,765	77,941	81,800	96,300	96,300		
Utilities	244,614	227,960	223,990	252,595	268,100	268,100		
Cost of Goods Sold	913,275	491,861	437,588	615,505	646,300	598,955		
Central Services Cost	236,800	225,626	179,012	231,348	256,443	366,628		
Capital Improvements	-	-	96,520	334,700	449,900	329,500		
Debt Service	-	(1,213)	182,305	185,551	-	-		
Transfers Out	623,201	-	-	-	-	-		
TOTAL USES	5,145,453	3,341,294	3,704,713	4,761,901	5,029,544	4,889,838		
SOURCES(USES)	(926,034)	(79,148)	(438,937)	(465,576)	(614,492)	(425,638)		

4/5/2023 Board packet

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
MOUNTAIN GOLF**

Prior Fiscal Year - Current Fiscal Year - Preliminary

	Actuals FY2019-20	Actuals FY2020-21	Actuals FY2021-22	Adopted Budget FY2022-23	Baseline Budget FY2023-24	Preliminary Budget FY2023-24	Tentative Budget FY2023-24	Final Budget FY2023-24
SOURCES								
Charges for Services	724,464	809,745	717,965	1,004,338	1,054,500	1,070,810		
Facility Fees	327,607	222,882	-	1,139,874	232,000	-		
Non Operating Leases	40,256	41,464	54,791	43,989	45,300	44,383		
Investment Earnings	-	-	248	(2,748)	(2,748)	(2,748)		
Proceeds from Capital Asset Dispositions	244,352	(8,002)	17,029	-	-	-		
TOTAL SOURCES	1,336,679	1,066,090	790,033	2,185,453	1,329,052	1,112,445		
USES								
Salaries and Wages	320,393	346,777	356,823	500,207	558,748	521,258		
Employee Fringe	96,581	112,455	115,737	162,915	176,343	176,253		
Total Personnel Cost	416,974	459,232	472,560	663,122	735,091	697,511		
Professional Services	7,025	2,296	1,759	2,570	2,570	2,570		
Services and Supplies	483,269	333,305	345,354	381,890	404,900	417,165		
Insurance	15,687	16,725	17,932	18,800	22,100	22,100		
Utilities	83,695	84,117	88,192	98,346	108,300	108,300		
Cost of Goods Sold	64,580	61,792	47,980	113,366	119,000	108,100		
Central Services Cost	54,800	56,533	61,381	77,236	84,629	126,031		
Capital Improvements	-	-	556,500	1,138,000	723,200	626,200		
Debt Service	-	-	1,225	1,874	-	-		
Transfers Out	1,592,962	-	-	-	-	-		
TOTAL USES	2,718,191	1,013,999	1,592,883	2,495,204	2,199,790	2,107,977		
SOURCES(USES)	(1,381,513)	52,090	(802,849)	(309,751)	(870,738)	(995,532)		

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL APRIL 5, 2023 MEETING – AGENDA
ITEM F(1) – PUBLIC COMMENT – RESPONDING TO RESIDENT MICK
HOMAN'S MISREPRESENTATION OF FACT THAT GOLF'S CURRENT
FISCAL YEAR'S LOSSES OF \$2+ MILLION OR GREATER HAVE
NO BASES IN REALITY**

Introduction: At this meeting fellow resident and local core golfer Mick Homan gave public comment in opposition to proposed modifications to fiscal year 2023-24 golf rates. Mr. Homan made reference to a letter he had sent to the Board on this subject¹, and stated his oral comments were based thereupon. Mr. Homan asked we grant concurrence to his conclusions "as an auditor, finance professional and controller/chief account officer for almost 40 years," and as one of the newest members to our Audit Committee. And what conclusions was he talking about? That members of the Board's and staff's representations concerning the extent of losses at both of our golf courses, and the comparable financial subsidy local parcel/dwelling unit owners have been forced to make for decades, has no "basis in reality." And that these Board members "either did not understand how all of the published numbers fit together, or (a)re taking portions of (the) published numbers out of context to paint a mis-leading picture.

The District's Summary of Sources and Uses Assigned to Championship and Mountain Golf For The Last Four (4) Years: Not that I believe staffs' financial reporting of District operations, however, if one takes an opposite view, staff has reported massive financial losses at the District's two golf courses for at least the last four (4) years. These losses are reported at pages 135 and 139 of the packet of materials prepared by staff in anticipation of the Board's March 26, 2023 meeting² ("the 3/26/2023 Board packet"). For the Champ Course, actual losses of more than \$1,098,028³ for FY2019-20 [after adding \$171,994 of Recreation Facility Fee ("RFF") subsidies], more than \$112,167⁴ for FY2020-21 (after adding \$33,019 of RFF subsidies), more than \$1,782,938⁵ for FY2021-22 [after adding

¹ That letter is attached as Exhibit "A" to this written statement.

² These pages are attached as Exhibit "B" to this written statement. The summary for Champ Golf appears at the first page of the exhibit, and the one for Mountain Golf appears at the second page of the exhibit.

³ I say "more" because there are no "Use" entries for capital or debt service notwithstanding they were actually incurred. That is unless the \$623,201 "Transfers Out" entry represents payment of these expenses to other funds/sub-funds and the "Transfers Out" entry represents the funds necessary to have accomplished the same.

⁴ I say "more" because there are no "Use" entries whatsoever for capital nor debt service notwithstanding they were actually incurred.

⁵ I say "more" because there are no "Facility Fee" subsidies reported notwithstanding they had to have been actually provided.

\$185,393 of excess funds transfers (“Transfers In”) subsidies], and estimated losses of more than \$985,827⁶ for FY2022-23 [after adding \$520,251 of RFF subsidies]. And For the Mountain Course, actual losses of more than \$1,709,120⁷ for FY2019-20 (after adding \$327,607 of RFF subsidies), more than \$170,792⁸ for FY2020-21 (after adding \$222,882 of RFF subsidies), more than \$963,795⁹ for FY2021-22, and estimated losses of more than \$1,449,625¹⁰ for FY2022-23 [after adding \$1,139,874 of RFF subsidies].

My Spreadsheet Which Details 2022-23 Budgeted Champ and Mountain Golf Losses of Nearly \$2.5 Million Combined! Given members of the Board were using 2022-23 golf numbers to conclude “the annual subsidy golf was receiving,” I felt it appropriate to prepare a spreadsheet which clearly set forth both of these subsidies on a single page. And this spreadsheet is attached as Exhibit “C” to this written statement.

My E-Mails to Mr. Homan Insofar as His Findings Were Concerned: Armed with this information, On April 6, 2023 I sent Mr. Homan an e-mail pointing him to exactly where staff had set forth an annual 2022-23 subsidy of nearly \$2.5 Million¹¹. On April 7, 2023 Mr. Homan responded basically telling me my numbers and IVGID staff’s numbers were wrong, and that golf operations were basically financially break even¹¹. And on April 7, 2023 I took another look at Mr. Homan’s numbers just to make sure my conclusions were valid and matched the Board’s and staff’s¹¹. They were and did.

Mr. Homan And His Clan Care More About \$2.5 Million of Subsidies Coming From the Overwhelming Majority of Local Parcel/Dwelling Unit Owners, Than The Ones Who Are Too Old and Infirm to Play Golf: I would never, ever ask my neighbor to financially subsidize the cost of anything purchased on my personal behalf. But apparently Mr. Homan doesn’t feel likewise. In my book that makes him a “taker.” And it gives insight to the type of person he really is. Which in IVGIDville translates into the same wrongs as those who are the product of the IVGID culture.

⁶ I say “more” because there are no “Source” entries to make up for the reported deficiency.

⁷ I say “more” because there are no “Use” entries for capital or debt service notwithstanding they were actually incurred. That is unless the \$1,592,962 “Transfers Out” entry represents payment of these expenses to other funds/sub-funds and the “Transfers Out” entry represents the funds necessary to have accomplished the same.

⁸ I say “more” because there are no “Use” entries whatsoever for capital nor debt service notwithstanding they were actually incurred.

⁹ I say “more” because there are no “Facility Fee” subsidies reported notwithstanding they had to have been actually provided.

¹⁰ I say “more” because there are no “Source” entries to make up for the reported deficiency.

¹¹ This e-mail is part of the string of e-mails between Mr. Homan and me concerning this subject matter. That string of e-mails is attached as Exhibit “D” to this written statement.

Conclusion: A friend of mine once told me that in this world, there are givers and takers. And it's obvious Mr. Homan and his band of 550 or so minions are not givers. That wouldn't matter to me but for the fact over 8,200 local parcel/dwelling unit owners are forced to involuntarily subsidize the cost of these core golfers.

Mr. Homan and his colleagues apparently aren't embarrassed about their behavior because they think it's acceptable to demand financial subsidies from their neighbors because they're willing to provide comparable financial subsidies to their neighbors insofar as their recreation is concerned. Well that's fine insofar as Mr. Homan's neighbors are concerned. But it's not insofar as Judy and me are concerned. So how do they respond? They chastise the messenger.

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

To: Members of the IVGID Board of Trustees
From: Mick Homan
986 Chip Court, Incline Village

Communication to IVGID Board of Trustees Regarding Golf Operations Rate Setting For 2023

I listened into the Board of Trustee meeting from March 8 and have some concerns about the discussion involving golf rates and budgets for the coming 2023 golf season. I'm specifically concerned by numbers that members of the Board of Trustees were using in referring to the annual subsidy golf was receiving, which was then used to push for higher rate increases than were proposed in Mr. Howard's proposal. Trustee Schmitz on a couple occasions referred to annual \$4 million that was being provided to support golf operations. This number was double the \$2 million annual subsidy that was previously mentioned by Ms. Schmitz in a prior meeting. Trustee Tulloch repeated this subsidy figure, converting it to \$500 subsidy per parcel. Neither the \$2 million or the \$4 million annual subsidy has any basis in reality. It's possible these numbers were influenced or sourced from others in the District that have published articles purporting to portray golf operations as not carrying their own weight. Having penetrated all of the numbers utilized in at least one such article, it's obvious the authors either did not understand how all of the published numbers fit together, or were taking portions of published numbers out of context to paint a mis-leading picture.

As an auditor, finance professional and controller/chief accounting officer for almost 40 years, I've prepared, audited and analyzed financial reports my entire professional career. I utilized that background to look in detail at the Statements of Sources and Uses for fiscal 2021, 2022 (both summary and detailed line item) and fiscal year to date fiscal 2023. I also looked at the Statements of Revenues, Expenses and Changes in Net Position from fiscal 2022. Finally, I went through the "Golf Season Actual to Budget Comparison" for the 2022 golf season that was presented at the December 14 meeting. Each of these documents is published on the IVGID website. None of those reports show results anywhere close to approaching either of those figures. What the real numbers show is as follows (note that the summary below utilized the sources and uses statements since the site didn't include revenue, expense and fund balance statements for each of the periods):

1. Fiscal 2021 – Champ course uses exceeded sources by \$84,406, while Mountain course sources exceeded uses by \$51,694, for a net use of \$32,712. Facility fees for the venues (combined) were \$255,901, resulting in a net "subsidy" of \$288,613.
2. Fiscal 2022 – Champ course uses exceeded sources by \$627,565, while Mountain course uses exceeded sources by \$817,550, for a net use (subsidy) of \$1,445,115. This included \$556,000 of capital improvements at the Mountain course, primarily for the cart path project. Excluding that project, the net use (subsidy) was closer to \$900,000. No facility fees were allocated to golf in fiscal 2022, so there was no additional "subsidy" for that.
3. For fiscal YTD 2023 (through January) – Champ course uses exceeded sources by \$59,554, while Mountain course sources exceeded uses by \$669,967, for a net source of \$610,413. Facility fees for the venues (combined) were \$1,005,436 (most to fund the Mountain course, again primarily for the cart path project), resulting in a net "subsidy" of \$395,023. This subsidy turns into an excess source of \$113,417 if you exclude the mountain course cart-path driven capital improvements of \$508,440.
4. As it relates to the "Golf Season Actual to Budget Comparison" for the 2022 golf season, this may be the best representation of golf operations since it looks at a 12-month period

containing a single golf season rather than the fiscal years that split the season over 2 fiscal years. Per that report, the Champ course sources exceeded uses by \$350,881, while the Mountain course uses exceeded sources by \$481,090, for a net use of \$130,209. This period included combined facility fees of \$162,916, resulting in a "subsidy" of \$293,125. However, excluding the mountain course capital improvements of \$508,440, again related primarily to the cart path project, there may have been no subsidy.

As you can see from the above summary, none of the actual results from any recent period comes close to the numbers being mentioned publicly in the Board of Trustee meetings. As both a resident of the District and a member of its Audit Committee, the events summarized above from past Trustee meetings is concerning.

My initial concern was that the Board may be privy to different sets of numbers versus what is being published by the District on its website, or that the numbers presented on the website were not the "real numbers." If either was true, that would raise significant concerns about the District's underlying financial reporting practices and published results. Having checked with District staff it was confirmed that the published numbers were correct.

Given that the published numbers are in fact correct, that raises concerns about 1) what set of events or circumstances led to Board of Trustee members using materially inaccurate and misleading numbers in a public Board of Trustees meeting forum and 2) how those materially inaccurate and misleading numbers could be used to influence golf rate setting that directly impacts residents of the district. If this was a simple mistake and mis-read of available financial information by the Trustees, then I believe it would be appropriate to set the record straight in a future meeting. If not, then an investigation may be in order to determine if there was an intent to mislead.

Fortunately, the actual results are being presented again as part of the Board of Trustee materials for the March 22 meeting. Accordingly, each of the Trustees should be grounded in reality when discussing this item, which should result in a more productive discussion.

Taking off my Audit Committee hat, I have some other observations about this agenda item. These observations are more rooted in my 40 years as a business person and finance and accounting professional for one of the most successful companies in the world and my 30 years as a member of various private and semi-private golf clubs.

First, I would be very hesitant to use the most recent fiscal years as your basis for setting rates for the coming season. Fiscal years 2020-21 and 2021-22 were both significantly impacted by the global COVID pandemic and fires in the region. COVID impacted available revenues primarily through the increase in tee-time intervals by up to 50%, reducing the number of available tee times by up to 1/3. Fires in the region resulted in air quality that reduced both visitor and resident play. I know Darren has modeled pieces of that impact into the current year revenue projections (i.e., increased revenues from shortening the tee time intervals, thereby adding up to 20% mor revenue slots), but it was not clear that all the Trustees grasped that in the March 8 meeting.

Second, It was interesting that only one of the Trustees even inquired as to how the proposed rates stack up against competition. That should be an obvious consideration that places limits on how far rates can be pushed. It was encouraging to hear that daily non-resident rates look to be in line with

market rates. It was also encouraging to see the discount to the Hyatt is being eliminated – I’m not sure why we, as resident owners of the golf facilities, would provide a discount to a business that uses premium pricing for all of its facilities, and does not provide discounts to locals. But there was no discussion of whether the play passes are in line with the market. The Tahoe Mountain Club (TMC) has a non-member all you can play pass that is priced at \$2,750 for individuals and \$4,000 for a couple. While there are restrictions on playing (no play on Friday/Saturday and restrictions on certain times during the day), that facility has 2 championship courses and a full practice facility, with range balls included. Rates for IVGID facilities are considerably higher. By comparison, the limited play Championship course only pass for couples is proposed to be priced at over a 25% premium over the TMC, and importantly the IVGID pricing doesn’t include range balls. Play pass members of IVGID tend to be heavy users of the practice range. Their spending on range balls is typically spending upwards of \$500 and significantly more for couples. This makes the IVGID pricing differential even higher.

Third, I would also question whether all the proposed revenue increases were properly modeled into the budgets that were included in the Board packets. There are a couple of factors to demonstrate this point. First, I would look back to fiscal 2019-20 - as this is the last fiscal year that was not heavily impacted by COVID. Service revenue in that year was \$4,037,036 at the Championship course. This fiscal (or at least this upcoming golf season) should represent a return to pre-covid golf levels. Tee intervals will be back to normal and there are no anticipated restrictions in travel impacting player’s ability to golf. Since fiscal 2019-20, cumulative golf rates have increased fairly significantly. Including the proposed rate increases, daily rates are up around 10-15% and all-you-can-play pass rates would be up in a range of 40% to over 70% based on the various options. Yet, somehow, services charges in the budgets included in the Board package are below the actual revenue in fiscal 2019-20. Even if you were to assume a relatively conservative overall 20% cumulative increase in rates, that would result in revenues closer to \$5 million for the championship course. The same relationship exists for the Mountain course. In summary, the revenue projections in the proposed budget just don’t coincide with the proposed rate increases.

I have a couple of additional points as it relates to the historical results and how that informs rate setting for the coming year. Unfortunately, the District’s fiscal year does not line up well with the golf season. In business, most companies have the luxury of selecting a fiscal year that lines up with its business model (for example, most retailers will select a fiscal year that does not end in December, toward the end of their traditional busiest season). Darren and District management were wise to present a golf operations review in the December 14 Board meeting that converted the results to more of a golf season calendar. As noted earlier, this may be the best representation of golf operations since it looks at a 12-month period containing a single golf season rather than the fiscal years that split the season over 2 fiscal years. Unfortunately, that information was not included in the Board packet for the March 22 meeting. Per point 4., above, there was very little subsidy required for the most recent golf season period after adjusting for the mountain capital projects. Second, there is obviously significant capital being expended over the 2 fiscal years that comprise both the 2022 and 2023 golf seasons. The mountain course cart paths and Championship course carts are both expenditures that only recur on a periodic basis. It is important to keep in mind that these will both have lives of up to 10-15 years, and not try to recover the cost through a single year’s rate setting.

I have an additional observation relating to what approach the Board decides to take on whether each Venue needs to stand on its own. As it relates to golf operations, it is important to understand the golf club business model. Country clubs view themselves as an integrated set of revenue producing assets. And while each of the assets needs to be optimized, they typically do not expect each asset to fund

itself. Specifically, virtually all golf clubs have banquet/event facilities that are used for weddings and other special event. These venues provide significant revenues that subsidize the overall club's operating results. They also have food & beverage operations that are marketed to members, predominantly on a year-round basis. Annual dues are only set after factoring in the contributions from banquet and other revenue-producing amenities. The fact of the matter is that it would be extremely rare for a golf club with a broad membership to stand on its own with only golf activities, unless golf operations are conducted on a year-round basis. This is important when considering the golf operations of IGVID due to its unique circumstances. The golf season is short in the Tahoe region. Golf can only produce its significant revenues in a 4-1/2 to 5-month period. Further, under the current business model utilized by IGVID, banquet facilities of the golf venues are not included as part of the golf operations. In addition, the Board made a decision to sub-optimize the restaurant/bar operations of the golf venues by keeping them open only during the golf season. While these components of the business model and related decisions may be the best overall for the District, they negatively impact the reported results of golf operations. This needs to be considered when establishing rates. Given the unique circumstances of the golf operations and utilization of the Chateau, it would be disingenuous or naïve to expect golf to cover all of the related costs.

Another observation – related to the allocation of central services and debt services. As it relates to debt service, all of the District's debt supporting recreational activities will be repaid in full in fiscal 2022-23. And it is unclear whether any of this debt was used specifically for the golf venues. Accordingly, the Trustees should consider excluding this line item from results used as the basis for setting golf rates. As it relates to central services, the Trustees should consider what is in this allocation of IGVID central services/staff and whether its appropriate for golfers to specifically be responsible for covering that cost. In that respect, are beach-goers and rec center users also covering their share of that cost? *

Finally, an observation as a fairly new resident. I moved to Incline to take advantage of the basket of recreational activities the community offers. While I chose the Tahoe region for the wealth of outdoor activities it has to offer, I chose Incline specifically because of its unique community-owned recreational venues. While I don't personally utilize all the venues, I understood that collectively they contribute to the quality of life and the community as a whole. I believe the facility fee we pay is a bargain in relation to the value of the venues it helps to support. I factored both the facility fee and the costs for incremental pay-for-use fees for the rec center, ski and golf facilities into my personal equation in deciding to move here. I don't begrudge others for utilization of individual facilities that I don't personally use, even when those facilities are supported by rec fees. I don't care that I may be subsidizing others use of those facilities. Almost all residents I interact with feel the same. I am hopeful that the discussion/debate on golf fees is not fueled by individuals who feel the facility fee should be eliminated or that none of their fees should go towards any of the facilities they don't personally utilize. That is not a view that benefits the overall community. Nor do I believe it is a view shared by the majority. And it is inconsistent with the inherent understanding the vast majority of homeowners had when they purchased in Incline Village. Further, going down that path leads to a bad destination where we begin to debate the beach, rec center, parks and other venues and pressure them all to move to fee-for-use models. I don't think the Board really wants to move in that direction. *

I realize this note covered a lot of territory. However, these factors, and likely many more are all important to consider. If these factors are all covered in more detailed budget workshops between staff and Trustees, that is great. If not, then I find the overall approach and lack of penetration in the public

Trustee meetings to be troubling. To an observer, they appear to be set up to push a pre-disposed agenda putting staff in "gotcha" situations rather than constructive dialogues with qualified dedicated staff aimed at getting to balanced constructive solutions.

EXHIBIT "B"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
CHAMPIONSHIP GOLF**

Prior Fiscal Year - Current Fiscal Year - Proposed
For fiscal year 2023, 07/01/2022 - 06/30/2023

	Actuals FY2019-20	Actuals FY2020-21	Current Budget FY2021-22	Baseline FY2022-23	Tentative FY2022-23	Final FY2022-23
SOURCES						
Charges for Services	4,037,096	3,214,950	3,334,825	3,501,560	3,778,822	3,778,822
Facility Fees	171,994	33,019	-	-	520,251	520,251
Investment Earnings	-	-	-	(2,748)	(2,748)	(2,748)
Proceeds from Capital Asset Dispositions	10,330	14,176	-	-	-	-
Transfers In	-	-	185,393	-	-	-
TOTAL SOURCES	4,219,420	3,262,146	3,520,218	3,498,812	4,296,325	4,296,325
USES						
Salaries and Wages	1,511,829	1,170,676	1,332,115	1,517,923	1,528,829	1,535,541
Employee Fringe	421,675	349,938	392,310	427,536	445,016	457,288
Total Personnel Cost	1,933,504	1,520,615	1,724,425	1,945,459	1,973,845	1,992,829
Professional Services	6,010	6,403	7,980	6,380	6,380	6,380
Services and Supplies	1,119,686	797,277	978,452	1,050,235	1,007,515	1,061,193
Insurance	68,363	72,765	77,800	81,800	81,800	81,800
Utilities	244,614	227,960	231,740	254,680	252,595	252,595
Cost of Goods Sold	913,275	491,861	563,440	591,625	615,505	615,505
Central Services Cost	236,800	225,626	206,865	225,776	231,806	231,348
Capital Improvements	-	-	1,143,542	206,700	334,700	334,700
Debt Service	-	(1,213)	183,519	185,551	185,551	185,551
Transfers Out	623,201	-	-	-	-	-
TOTAL USES	5,145,453	3,341,294	5,117,763	4,548,206	4,689,697	4,761,901
SOURCES(USES)	(926,034)	(79,148)	(1,597,545)	(1,049,394)	(393,372)	(465,576)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
MOUNTAIN GOLF

Prior Fiscal Year - Current Fiscal Year - Proposed
For fiscal year 2023, 07/01/2022 - 06/30/2023

	Actuals FY2019-20	Actuals FY2020-21	Current Budget FY2021-22	Baseline FY2022-23	Tentative FY2022-23	Final FY2022-23
SOURCES						
Charges for Services	724,464	809,745	942,821	989,975	1,004,338	1,004,338
Facility Fees	327,607	222,882	-	-	1,139,874	1,139,874
Non Operating Leases	40,256	41,464	40,890	40,890	40,890	43,989
Investment Earnings	-	-	-	(2,748)	(2,748)	(2,748)
Proceeds from Capital Asset Dispositions	244,352	(8,002)	-	-	-	-
TOTAL SOURCES	1,336,679	1,066,090	983,711	1,028,117	2,182,354	2,185,453
USES						
Salaries and Wages	320,393	346,777	454,601	518,165	502,837	500,207
Employee Fringe	96,581	112,455	132,328	143,561	161,177	162,915
Total Personnel Cost	416,974	459,232	586,929	661,726	664,014	663,122
Professional Services	7,025	2,296	4,170	2,570	2,570	2,570
Services and Supplies	483,269	333,305	373,994	375,045	380,666	381,890
Insurance	15,687	16,725	17,900	18,800	18,800	18,800
Utilities	83,695	84,117	89,300	99,340	98,346	98,346
Cost of Goods Sold	64,580	61,792	105,100	110,355	113,366	113,366
Central Services Cost	54,000	56,533	72,390	74,191	76,863	77,236
Capital Improvements	-	-	695,849	600,000	1,138,000	1,138,000
Debt Service	-	-	1,874	1,874	1,874	1,874
Transfers Out	1,592,962	-	-	-	-	-
TOTAL USES	2,718,191	1,013,999	1,947,506	1,943,901	2,494,499	2,495,204
SOURCES(USES)	(1,381,513)	52,090	(963,795)	(915,784)	(312,145)	(309,751)

EXHIBIT “C”

Final 2022-23 Budgeted Sources/Uses For Golf
 May 26, 2022 Board Packet

Page	Champ Golf Revenues	Champ Golf Interest		Champ Golf Expenses	Champ Golf Capital	Champ Golf Debt	Champ Golf RFF Subsidy	Champ Golf Sub-Totals
135	\$ 3,778,822							\$ 3,778,822
135		\$ (2,748)						\$ -
135				\$ 4,241,650				\$ (4,241,650)
135					\$ 334,700			\$ (334,700)
135						\$ 185,551		\$ (185,551)
							\$ 520,251	\$ -
135	Sub-Totals							\$ (983,079)
Page	Mountain Golf Revenues	Mountain Golf Interest	Mountain Golf Leases	Mountain Golf Expenses	Mountain Golf Capital	Mountain Golf Debt	Golf BFF Subsidy	Mountain Golf Sub-Totals
139	\$ 1,004,338							\$ 1,004,338
139		\$ (2,748)						\$ -
			\$ 43,989					\$ -
139				\$ 1,355,330				\$ (1,355,330)
139					\$ 1,138,000			\$ (1,138,000)
139						\$ 1,874		\$ (1,874)
							\$ 1,139,874	\$ -
139	Sub-Totals							\$ (1,490,866)
	Total Budgeted Losses							\$ (2,473,945)

EXHIBIT "D"

Re: Final 2022-23 Budgeted Sources/Uses For Golf - P.S.

From: <s4s@ix.netcom.com>
To: "Mick Homan" <homan_audit@ivgid.org>
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf - P.S.
Date: Apr 7, 2023 2:40 PM

Mr. Homan -

I went back to your letter to look at your numbers.

First of all, I don't know where you got them so it's hard for me to evaluate.

On the other hand I shared with you where my numbers came from. Pages 135 (for the Champ course) and 139 (for the Mountain course) of the 4/5/2023 Board packet. And these pages reference financials for fiscal years 2021-22) and YTD.

But since you were questioning where Trustee Schmitz's numbers came from for the current fiscal year (2022-23), that's why I responded. And my numbers were staff's for the current fiscal year.

So let's go to your numbers for fiscal year 2023 YTD - You state uses exceeded sources by \$59,544 at the Champ course, and sources exceeded uses by \$669,967 at the Mountain Course for a net loss of \$610,413 excluding facility fee subsidies totaling \$1,005,436. Net subsidy = \$395,023.

Let's compare these numbers to pages 135/139 of the 4/5/2023 Board packet. Now understand that these pages refer to baseline budgeted FY2022-23 which is different than your actuals YTD.

However with that said, uses exceed sources by \$465,576 at the Champ course, and uses exceed sources by \$309,751 at the Mountain Course for a net loss of \$775,327 excluding facility fee subsidies totaling \$1,660,395. Net subsidy = \$2,435,722. Although our numbers are worlds apart, that doesn't mean that the numbers being bantered about by Trustees Schmitz and Tulloch were unsubstantiated (although I agree they were excessive, what difference does it make if the subsidy is \$4M or \$2.5M? Both numbers are horrendous).

My purpose was not to debate with you whether we can simply ignore the negative cash flow because most can be assigned to CIPs for one year at the Mountain Course (although we're about to have our second year in a row of such CIPs at the Mountain Course). Nor whether it's more accurate to do a "Golf Season Actual to Budget Comparison" for the 2022 golf season even though for decades the comparisons have always been on a fiscal year basis. Rather, it was merely to show you where the numbers actually appeared.

Which is what I believe I have done.

Thank you for the opportunity to clarify. Aaron Katz

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

From: <s4s@ix.netcom.com>
Sent: Apr 7, 2023 1:03 PM
To: Mick Homan <homan_audit@ivgid.org>
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf

Thank you Mr. Homan.

You don't need to be a baker to know what a good cake tastes like.

And one does not need to be a financial professional for over 40 years (like Mr. Navazio allegedly is) to know that your numbers are wrong. Sorry.

I am less concerned with the precise amount of the subsidy, but combined for 2022-23, staff tells us it was budgeted at nearly \$2.5M! And NO ONE should be subsidizing your golf. NO ONE. And certainly not to the tune of \$2.5M annually! I would never, never, never demand that my disabled neighbor who is not capable of playing golf subsidize your 40 or greater rounds in a season. So the fact you would sends a distressing message.

Oh. The subsidy is even greater than \$2.5M/annually. Single family residential water customers pay huge surcharges once their monthly use exceeds 20K gallons. The reason is disingenuously to encourage conservation. However, your golf courses pay NO SUCH SURCHARGES even though they use many millions of gallons of water in a golf season. They get a disingenuous exemption. Millions of gallons versus my 20K. Who is being encouraged to waste water and who is not? Who is underpaying for capital given its use, and who is not? That's another subsidy.

In any event, my recollection of the subsidy all District water customers are paying for golf courses' irrigation usage is \$1M annually! It might be a bit more or less but there is no question it is additional preferential treatment the golfers benefit from. So now that puts us up to \$3.5M in annual subsidies. These are the facts and I've pointed you to where in staff's disclosures that number comes from. If you want to ignore them, that's your choice.

And BTW, the District has ALWAYS reported its finances via a fiscal year format. So for Darren Howard and Mr. Navazio to change it to a combination of two fiscal years, to alter the net loss, is totally inappropriate. And you as a financial professional should know that. Of course if you or Mr. Howard has an agenda, then I understand.

.....

Finally, let me share with you why it's relevant where you moved from.

Your letter goes through quite a litany of reasons why you and your family made IV your permanent home. With all due respect, I don't believe them. I believe what Joe Wolf told us all some years ago insofar as all core golfers are concerned. You moved here because there's no state income tax and you would be paying one of the largest if you were a resident of California. Which I suspect you were, although I'm not going to take the time to research.

Again, these are the facts.

Anytime you want to discuss all that's wrong here in IVGIDville, and believe me it's essentially everything, I'm happy to engage with you civilly (if that's possible). But the reason why I reached out to you is because you complained that the numbers being bantered about were fantasy because they were not documented anywhere. You were wrong. If you were right, then explain to me why we have a Rec Fee? According to you there is no financial deficiency that needs to be plugged with the subsidy of the RFF at the golf courses but for a year here or there attributable to one time CIPs. But if you look at the Report for collection of the RFF/BFF the Board adopts each year, a finding is made that \$X.00 is required to plug that deficiency. So there must be a deficiency and for you to state it only comes from Parks, Tennis and the Rec Center, when DP is spinning off a couple of million dollars/annually to cover those losses (what your colleagues refer to as "one division, one team," is disingenuous.

Respectfully, Aaron

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

From: Mick Homan
Sent: Apr 7, 2023 11:57 AM
To: s4s@ix.netcom.com
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf

Mr. Katz,

With all due respect, I stand by my numbers and analysis. If you take the time to read the letter I sent to the Board of Trustees in advance of the March 22 meeting, you will see those number and a reference to the IVGID financial records they were obtained from.

As a side, I fail to see any relevance in where I moved here from.

Mick Homan

Get Outlook for iOS

From: s4s@ix.netcom.com
Sent: Thursday, April 6, 2023 12:42 PM
To: homan_audit@ivgid.org
Subject: Final 2022-23 Budgeted Sources/Uses For Golf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello Mr. Homan -

Since we're both neighbors and property owners who are assessed the RFF/BFF, with your permission I'd like to correct some of your statements last night.

In your written statement you comment that "neither the \$2 million or the \$4 million annual subsidy (for golf) has any basis in reality."

With due respect, it has real reality. Maybe not the \$4 million annually bantered about by some, but at least nearly \$2.5 million. The current 2022-23 fiscal year budgeted numbers show a \$2,473,945 annual subsidy for golf. And the numbers come from staff. I am not saying I agree with any of staff's numbers. However, if you accept them as being true, then this is the result. In reality.

I have attached a spreadsheet which will show you how I have come up with this number.

And where do these numbers come from? Pages 135 and 139 from the Board packet for its May 26, 2022 meeting (this packet is online under 2022 archived packets). This was the meeting where the final budget for fiscal year 2022-23 was adopted. So these are the numbers.

If you had attended Board meetings the way I do, you would understand that the numbers and the format within which the District reports its budgets to the State, differs from pages 135 and 139. But staff claim they want the public to be able to understand their numbers. And for this reason they have created these spreadsheet summaries for each of our funds/sub-funds. I agree they make a lot more sense than what is sent to the State.

You and I would probably get into a major disagreement on what these numbers really mean, the benefit to the community, the value of the RFF/BFF, and probably most other things IVGID related. But that's not my purpose here. The numbers are the numbers and at the end of the day, budgeted expenses assigned to golf exceed revenues by nearly \$2.5M. And that means the subsidy has to come from somewhere. It is my hope you see that my conclusions are accurate and they come from real numbers.

One final question if you don't mind. You state you are a recent migrant to our community. From where did you come? Would it have been California?

Thank you. Aaron Katz

Public Comment - IVGID Board Meeting 4-5-2023 by Margaret Martini

The definition of Fairness is the impartial treatment or behavior without favoritism or discrimination

So the Trustees tonight are tasked with trying to find fairness in providing a golf experience for the parcel owners, the six golf clubs and the general public

It becomes difficult to find fairness when about 600 residents belonging to golf clubs want substantial preferences... and have the privilege of pre-registering in February ... over residents that do not belong to golf clubs.

So I ask the question why would this Board provide preferences without a reasonable fee paid for the preferences. Based on my knowledge the list of preferences are as followed:

- 1) Golf Clubs have obtained reservations on over 8,200 round of golf for the entire upcoming season. Non Club members get NO advanced reservations unless they pay \$10 two weeks in advance.
- 2) Prime morning tee times are reserved mostly to the Golf clubs and ,I assume, to non residents thus leaving Non Club residents searching for tee times in the late afternoon.
- 3) Golf Club members predominately purchase play passes which lock in a fixed cost per round for both the shoulder season and the high season. Most non club members probably do not buy play passes and must pay higher rates during the high season.
- 4) The Golf Clubs pay nothing for the proportion share of costs for two concierges at \$200,000 per year which organize the Golf Clubs tournaments and weekly shotgun events.
- 5) The Golf clubs pay nothing for the Golf Genies reservation system. Non Golf Club Members have no reservation system.
- 6) Golf Club members claim they enhance the Facilities food and beverage operations when based on the 2023-2024 preliminary budget the Facilities fund loses money. So IVGID is actually providing an accommodation.
- 7) IVGID Staff never provides a comparison study of golf rates at other Golf Courses in the Tahoe Basin.
- 8) State Statute and Board Policy requires that an enterprise fund set rates and charges for services to recovers the cost including depreciation and debt service. According to Mr. Howards presentation the current rates do not satisfy the requirements.

The facts are simple. Over the past 7 years the Championship and Mountain Golf Courses have lost \$1,618,000 per year for operations and capital improvements. These are audited numbers not hearsay. Why do all residents have to chip in for preferences provided to a group of people.

Preferences and Fairness cannot be equal. Trustees must find a way to fairness.



MINUTES

REGULAR MEETING OF APRIL 12, 2023 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 Board Chairman Matthew Dent on Wednesday, April 12, 2023 at 6:00 p.m. at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees Raymond Tulloch, Matthew Dent, David Noble and Michaela Tonking.

Members of Staff present were Director of Public Works Brad Underwood, Director of Human Resources Erin Feore and Director of Finance Paul Navazio. Members of the public physically present were Myles Riner, Trish McKowen, Aaron Katz, Judith Miller and others.

C. INITIAL PUBLIC COMMENTS*

Chairman Dent read from a prepared statement, which is attached hereto.

Myles Riner read from a prepared statement, which is attached hereto.

Trish McKowen read from a prepared statement, which is attached hereto.

Aaron Katz submitted written statements and they are attached. He commented that Dr. Riner talked about 4.6 million dollars set aside but to his knowledge, zero is set aside. He stated he hates it when people come speak facts like they know something and the truth is they know nothing. He referenced trying to communicate to children and asked what to communicate to them when the Board packet is 1020 pages at 7:23 p.m. on the Friday before Easter; people are expected to come in intelligent and this is outrageous and he hopes something is done about it. He referenced the admin building and asked what is it that people do not understand; there is no money to pay for a new admin building, so Staff is in a position where they lie to the public which happens over and over again. He referenced that Staff has budgeted \$40K for an admin building assessment; he had asked where the money will come from and the response was the general fund. He continued by asking where the money would come from in the general fund since Staff is

budgeting 2 million dollars more than the revenues that are available. He stated that Staff then called it central services; it can be called whatever they want it to be called but it is not central services and he has gone through it painstakingly to point out why central services is phony; it is nothing more than a subsidy just like the recreation fee is a subsidy for community services and just like the beach fee is a subsidy for the beaches; central services is a subsidy for the general fund. He asked where the money comes from for the subsidy; it comes from the beach fee, recreation fee and the utility fees they are forced to pay; his recreation fee and beach fee are paying for the admin building. He stated that Staff will be planning sometime in the future to come to the Trustees with a budget that has 3,5, or 7 million dollars for the new admin building, because the wonderful employees cannot work in the dungeon; the money is going to come from the recreation fee, put your foot down and stop it and nip it in the bud now.

Cliff Dobler read from a prepared statement, which is attached hereto.

Margaret Martini commented that it was very late the last meeting and she did not get to stay for her public comment; she would like to address the diatribe about the purported conflict of interest that was directed at Chairman Dent and Trustee Tulloch. She stated that Trustee Tulloch has no conflict of interest as far as employment is concerned; everyone has a right to choose where they work and she is sure Trustee Tulloch is not stealing secrets from the ski manager; the whole premise is beyond absurd and goes to show the diversionary tactics that the golf community has stooped to try to disparage a member of the Board. She continued that the accusations have no merit; just as Trustee Tulloch has the right to work where he wants, Chairman Dent has the right to do his financial business where he wants. She asked who people are in the community to make the decision to disparage Chairman Dent's personal financial decisions; the show was a perfect example of diversionary tactics used by crooked politicians and the examples indicate that the golf community do not want qualified people in leadership positions like CPA's on the Audit Committee. She stated that anyone with a brain can see right through the circus that was the last meeting's public comments by the golfers. She continued that CEO business executives would have been in the unemployment line if you ran your companies as poorly as IVGID is run.

Frank Wright commented that he was in the Bay Area this weekend and he was shocked at the number of CVS stores that had to close their doors because of looters; people were coming in the store, taking things off the shelf and running out the door and now the store is forced to close down as they cannot afford to stay open because they are losing so much inventory. He continued that he looks at the golf courses the same way; there is a group of golfers who are looters as they are taking advantage of the golf courses and begging for lower rates to keep their

costs down while the rest of the community pays for it. He stated that they have the gall to show up, much like the looters show up when they lose the stores in their community; the difference is, the District has something called the recreation fee that keeps the golf courses running at the expense of people in town; CVS does not have that luxury. He stated that the District's local looters have the audacity to come to the meetings and yell and scream that they are being taken advantage of by the poor people in town that can't afford to pay for the other people's golf. He stated it is sick and wrong; if there is not a Board that looks at the financials and says the District can't continue this way, the District will eventually go broke if someone takes away the recreation fee; the golf courses won't be able to operate unless there is subsidy from all of the others who don't play golf. He continued that the arrogant golfers that come to the meeting and say how long they have lived here and justify taking from others does not get it; what gets it is financials and how to operate a business and make money. He stated that it's not done here and the District operates businesses for the sake of a very few who have taken advantage of other for many years and it is time to put an end to it; it's time to do the right thing financially and run the golf courses to make a profit and make it fair for everyone in town and not just the golfing community. He continued that it is time that something is finally done; for the people who want to come every week and complain about the cost for playing golf, pay for what is worth and don't take advantage of people in town who don't play golf; do not steal from the community.

Yolanda Knaak commented that the livestream was not working. She stated that she hopes people can work together and work out the budget so that people are not so upset; she hopes the community will pull together.

D. APPROVAL OF AGENDA (for possible action)

Chairman Matthew Dent asked for any changes to the agenda; he stated that item F.1. is going to be pulled from Consent Calendar and will now be item G.1. under General Business and item F.3. will be pulled from Consent Calendar and will now be item G.2 under General Business. Trustee Tonking requested that item G.6 and G.7. be moved up to the top of the agenda. It was determined that item F.1. will become item G.1, item F.3. becomes item G.2., G.6. becomes item G.3. and item G.7. becomes G.4. Chairman Matthew Dent stated that the agenda is approved as revised.

E. REPORTS TO THE BOARD*

E.1. Utility Rate Study – Additional Information to be Provided Based Upon Board Feedback from the March 8, 2023 Utility Rate Study

Presentation (Requesting Staff Member: Director of Public Works Brad Underwood)

Director of Public Works Brad Underwood and Shawn Koorn with HDR provided an overview of the submitted material. A new public hearing date is planned for June 7, 2023. This item can be view on livestream starting at approximately 43 minutes.

F. CONSENT CALENDAR (for possible action)

F.1. First Non-Profit Contract Award - Third Party Administrator - Unemployment Claims (Requesting Staff Member: Director of Human Resources Erin Feore) (*this item was moved to General Business Item G.1.*)

F.2. Approval of the Nevada Water/Wastewater Agency Response Network (NvWARN) Agreement for Mutual Emergency Aid (Requesting Staff Member: Director of Public Works Brad Underwood)

F.3. Approval of a Contract Amendment with Shaw Engineering and Reduce Spending Authority Within the Watermain Replacement Crystal Peak Road Project (CIP #2299WS1705) (Requesting Staff Member: Director of Public Works Brad Underwood) (*this item was moved to General Business Item G.2.*)

F.4. Review and Approve Meeting Minutes of March 8, 2023 (Requesting Staff Member: District Clerk Melissa Robertson)

Trustee Tonking made a motion to approve Consent Calendar Items F.2 and F.4. as presented. Trustee Tulloch seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G. GENERAL BUSINESS (for possible action)

G.1. First Non-Profit Contract Award - Third Party Administrator - Unemployment Claims (Requesting Staff Member: Director of Human Resources Erin Feore) (*formally Consent Calendar Item F.1.*)

Trustee Tonking stated she has a conflict of interest due to the benefits her sister receives so she will not be voting on this item.

Trustee Noble moved to approve the contract for services for 2023 as presented. Trustee Tulloch seconded the motion. Chairman Dent called the question and the motion passed 3-0 with Trustees Noble, Tulloch and Dent in favor of the motion. Trustee Tonking abstained.

G.2 Approval of a Contract Amendment with Shaw Engineering and Reduce Spending Authority Within the Watermain Replacement Crystal Peak Road Project (CIP #2299WS1705) (Requesting Staff Member: Director of Public Works Brad Underwood) (*formally Consent Calendar Item F.3.*)

Director of Public Works Brad Underwood provided an overview of the submitted material. There was a brief discussion on this item. This item can be view on livestream starting at approximately 54 minutes.

Trustee Tonking made a motion that the Board of Trustees approve a contract amendment with Shaw Engineering in the amount of \$1,949.00 resulting in a new contract amount of \$60,249.00 and amended CIP budget to reduce spending authority within the project account in the amount of \$196,382.00. Trustee Noble seconded the motion. Trustee Tulloch requested that the motion include that the Director of Public Works will bring back information to the Board of Trustees as discussed. Trustee Tonking and Trustee Noble approved this addition to the motion. Chairman Dent called the question and the motion passed 4-0.

G.3. SUBJECT: Receive, Discuss and Possibly Approve FY 2023/2024 Tentative Budget (Form 4404LGF) to be Filed by the District to the Nevada Department of Taxation by April 15, 2023 (Requesting Staff Member: Director of Finance Paul Navazio) (*formally General Business Item G.6.*)

District General Manager Indra Winquest and Director of Finance Paul Navazio provided an overview of the submitted material. There was some discussion on this item. This item can be view on livestream starting at approximately 1 hour.

Trustee Tonking made a motion that the Board of Trustees approve the report on the tentative budget for FY 2023/2024 to be Filed by the

District to the Nevada Department of Taxation by April 15, 2023 as required by NRS 354.596. Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G.4. SUBJECT: Review, Discuss and Possibly Approve Resolution Number 1901: A Resolution Preliminarily Approving the Report for Collection of Recreation Standby and Service Charges for Fiscal Year 2023/2024 and Setting the Public Hearing Date for Thursday, May 25, 2023 at 6 p.m. (*formally General Business Item G.7.*)

Director of Finance Paul Navazio provided an overview of the submitted material. There was some discussion on this item. This item can be view on livestream starting at approximately 1 hour and 30 minutes.

Trustee Tonking made a motion that the Board of Trustees adopt Resolution Number 1901 which Preliminarily Approves the Report for Collection of Recreation Standby and Service Charges, also known as the Recreation facility fee and Beach Facility Fee for \$780.00 in aggregate and sets the Public Hearing Date for Thursday, May 25, 2023 at 6 p.m. Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G.5. SUBJECT: Review, Discuss and Possibly Approve the Award of the Design-Build Contract for Diamond Peak Base Lodge Walk in Cooler and Food Prep (Kitchen) Reconfiguration (CIP #3453BD1806) to Brycon Corporation (Requesting Staff Member: Director of Public Works Brad Underwood) (*formally General Business Item G.1.*)

Diamond Peak General Manager Mike Bandelin and District Project Manager Bree Waters provided an overview of the submitted material. There was some discussion on this item. This item can be view on livestream starting at approximately 1 hour and 34 minutes.

Trustee Tonking made a motion that the Board of Trustees approve the award for the design build contract for Brycon Corporation for Diamond Peak Base Lodge Walk in Cooler and Food prep reconfiguration for \$516,390 based on schematic design and approve an augmentation to the FY 22/23 CIP project budget of \$478,557.00 and reduce the amount that is in the FY 23/24 preliminary CIP project budget for \$478,557; the remaining funds of \$321,443.00 are

recommended to remain in the FY 23/24 CIP project budget until a GMP is negotiated at a 100% design. Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G.6. SUBJECT: Review, Discuss and Possibly Approve CMAR Construction Agreement with Granite Construction plus an Owners Construction Risk Reserve; a 3.5% Owners CMAR Contract Contingency; a Materials Testing and Inspection Services Agreement with GES Plus a Testing Contingency of 10%; an Amendment to the Contract with HDR Engineering for Construction Support Services; Budget Augmentation to Increase Project Funding and Allocate SRF Loan Funds, and Authorize Chair and Secretary to Execute Contracts with Granite Construction, GES, and HDR for the Effluent Export Pipeline Replacement Project CIP2524SS1010 (Requesting Staff Member: Director of Public Works Brad Underwood) *(formally General Business Item G.2.)*

Director of Public Works Brad Underwood and District Principal Engineer Hudson Klein provided an overview of the submitted material. There was some discussion on this item. This item can be view on livestream starting at approximately 1 hour and 40 minutes. It was noted that Staff will bring back an estimated cost estimate at the 5/25 Board of Trustees Meeting and the tentative project start date is 5/1.

Trustee Tonking made a motion that the Board of Trustees approve:

1. Approve CMAR Construction Agreement with Granite Construction for the Effluent Pipeline Project with a Guaranteed Maximum Price in the Amount of \$10,831,500 (Inclusive of \$1.466M Owner Controlled Risk Reserve).
2. Approve 3.5% Owner CMAR Contract Contingency for the Effluent Pipeline Project GMP1 in the Amount of \$328,000.
3. Approve a Materials Testing and Inspection Services Agreement with Geotechnical & Environmental Services Inc for the Effluent Pipeline Project GMP1 in the amount of \$331,517.
4. Approve 10% Materials Testing and Inspection Contingency for the Effluent Pipeline Project in the Amount of \$33,150.
5. Approve an Amendment to the Contract with HDR Engineering for Construction Support Services in the Amount of \$48,686.

6. Approve a Project Budget Augmentation of \$1,930,493 to Increase the FY22/23 CIP Budget for the Effluent Pipeline Project (CIP#2524SS1010) to \$14,000,000 (Utility Fund).
7. Approve a Budget Amendment of \$3,710,000 in SRF Loan Proceeds (Revenues) to Reflect Eligible Reimbursable Costs Anticipated to be Charged to the Utility Fund Through FY22/23.
8. Authorize Chair and Secretary to Execute Contracts with Granite Construction, GES, and HDR.

Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G.7. SUBJECT: Review, Discuss and Possibly Approve the Award of the Construction Contract for the Wetlands Effluent Disposal Facility Improvements (CIP #2599SS1103) to McCuen Construction (Requesting Staff Member: Director of Public Works Brad Underwood) (*formally General Business Item G.3.*)

Director of Public Works Brad Underwood provided an overview of the submitted material. There was a brief discussion on this item. This item can be view on livestream starting at approximately 1 hour and 58 minutes.

Trustee Tonking made a motion that the Board of Trustees approve:

1. Award the Construction Contract for the Wetlands Effluent Disposal Facility Improvements (CIP #2599SS1103) to McCuen Construction for the Amount of \$200,524.05.
2. Authorize Staff to Execute Change Orders for Additional Work for 10% of the Construction Contract Value in the Amount not to Exceed \$20,000.
3. Authorize Staff to Perform Construction Services and Inspection as Required, not to Exceed \$25,000.
4. Authorize Chair and Secretary to Execute Contracts.

Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

G.8. SUBJECT: Effluent Storage Project (#2599SS2010) Project Partnership Agreement with US Army Corps of Engineers (Requesting Staff Member: Director of Public Works Brad Underwood) (*formally General Business Item G.4.*)

Director of Public Works Brad Underwood and Engineering Manager Kate Nelson provided an overview of the submitted material. There was a brief discussion on this item. This item can be view on livestream starting at approximately 2 hour and 1 minute.

Trustee Tonking made a motion that the Board of Trustees authorize the General Manager to execute the Project Partnership Agreement, in substantially the form presented, with the United States Army Corps of Engineers (USACE) for the Effluent Storage Project (#2599SS2010). Trustee Noble seconded the motion. Chairman Dent called the question and the motion passed 4-0.

**G.9. SUBJECT: Review, Discuss and Possible Approve Policy
22.1.0 Disclosure of Community Non-Profit Involvement
(formally General Business Item G.5.)**

District General Counsel Josh Nelson provided an overview of the submitted material. The Board of Trustees provided input on changes that they would like to see made to the policy. There was no action taken at this time.

H. REPORTS TO THE BOARD - CONTINUED*

H.1. Treasurer's Report

Trustee Tulloch provided an overview of the bills that have been paid.

H.2. District General Manager's Report

District General Manager Winquest provided an overview of the General Manager's report.

I. REDACTIONS FOR PENDING PUBLIC RECORDS REQUESTS*

There were none.

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

District General Manager Winquest provided an overview of the long range calendar.

K. BOARD OF TRUSTEES UPDATE

Chairman Dent mentioned that the survey for the Incline Beach Facility went out and it is set to close on 4/14 at 9 a.m.

L. FINAL PUBLIC COMMENTS*

Jack Dalton thanked Trustee Tonking for bringing up the third rail subject of the golf because there is a lot of community interest and unfortunately not very much publicity which is what IVGID does not bless the community with. He continued that they don't have much information; he is not throwing stones and he is just stating they don't have information. He stated that he has a lie detector test for the Trustees and he is going to see who read all 1023 pages of the Board packet and understood all of the information; it is too much and 4 days is too short. He referenced the expenses and stated the meetings should be at the Chateau as the place was packed and the golfers are going to be out in full; he thinks it was a pretty civil meeting relatively speaking but a few months ago, there were 3 sheriffs when the place was also packed which was he does not think was necessary. He stated that the issue with the livestream is not new; it has happened several times before and the question is why; it is unacceptable that the members of the public do not have the ability to make a public comment.

Cliff Dobler commented that in the capital budget, there was 3.8 million dollars for several years to do the ski way and diamond peak parking and all of the sudden that has been eliminated and now it is only \$480K; this needs clarification. He referenced Granite and stated it is disturbing regarding the complete conflict of interest that Granite has; they were hired to help and they did the estimate in December of 2022; he thought it was done by HDR. He continued that they prepared the estimate with 23 line items and then come back 4 months later with the same 23 line items with the cost escalating on the overall aggregate by 42.6% and yet he has heard nothing from the Board about going back to Granite to find out why there are large discrepancies occurred; some of them were 600%. He stated he does not get it and how the District can proceed this way as it is the largest project ever taken on by IVGID and it is not off to a good start; there has already been 5.5 million dollars destroyed and he would like to see someone get a hold of it because it is not going well. He continued that he knows the Board was put up against a wall but it is the Community's money and it is not being spent well. He stated he would like the Board to take a look at the 5 year cash flow; he spent a lot of time making it simple to understand and determine the recreation fee; he thinks that it is the format that should be used because any other format is hard to understand.

M. ADJOURNMENT (for possible action)

The meeting was adjourned at 8:25 p.m.

Respectfully submitted,

Melissa N. Robertson
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 Chairman Dent

Submitted by Myles Riner

Submitted by Trish McKowen

Submitted by Aaron Katz

Submitted by Cliff Dobler

We're a Board to represent the ENTIRE community, not special interests; not the dog owners, not the golfers, not the skiers, not the pickleball players, but the ENTIRE community. We all work very hard and listen to the perspectives of all, and yes, we listen to special interest groups, but then we MUST make decisions that will sustain our venues for years to come.

Instead of inciting divisiveness, filing, and sharing alleged ethics violations, asking for resignations and other non-productive community dividing activities, how about a better approach?

How about demonstrating for our youth how adults can listen to and understand the perspectives of others and how compromise is attained for the benefit of the ENTIRE community? The District resources, including staff and available funds, are limited. Choices must be made as how best to utilize those resources for a sustainable future.

I would like to touch on a few of these allegations that are circulating.

First, regarding the alleged ethics violations. Anyone may FILE an ethics complaint. The complaint is confidential, even to the person for which the complaint was filed and they won't be aware UNTIL the commission determines it is worth investigating. At that point, the Ethics Commission will notify the person there is an investigation underway. That timeline to determine if an investigation is warranted could take several weeks and even months. The ONLY way this complaint is known is because the person who filed it shared the filing publicly.

Again, anyone can FILE a complaint and ONLY after finding an issue is the District informed. It's unfortunate people publicly shared their filed complaints as if there was a violation. They shared what they FILED, not what was deemed a violation. I personally believe there will be nothing deemed to be in violation of any Statutes and believe I have filed my Financial Disclosure Statements correctly over the last 9 years. This is 3rd time I have addressed this issue in the last 6 years. Regarding the allegations of Trustee Tulloch, I do not see the conflict and if there is an

issue I am sure we will hear from Ethics. When conflicts arise Trustees can seek guidance from Ethics on how to handle a situation this could be abstaining from voting, acknowledging but still voting and Ethics Department is very helpful in guiding the right approach in this process. All the Trustees except for Trustee Noble and even our GM had a or multiple ethics complaints filed against them, Trustee Noble just hasn't been on the Board long enough. To my knowledge, nothing has come from these previous and current complaints filed against this Board or our GM.

Moving on, over the last couple months we have received allegations questioning Trustee Tonking's residency in Incline Village. I have responded verbally and via email, however, in consultation with our Audit Committee Chair Chris Nolet, I feel like this is another item we should address. Trustee Tonking notified me that the first quarter of this year would be busy for her work schedule, and she would be attending several meetings via Zoom during this time. Trustee Tonking still resides in Incline Village and we are happy to have her attend meetings in person, when she can, just like tonight.

Lastly, Trustee Schmitz referenced budget numbers for golf at the March 8th meeting and again at the April 5th meeting. These numbers can be found on the IVGID website and I have seen no intent by Trustee Schmitz to lie or misrepresent the numbers. When we misspeak, we are happy to correct the record such as Trustee Tulloch did last meeting regarding a quick calculation he did in his head. We have taken a deep dive into Golf financials this year to truly understand where and how we can improve while creating sustainability.

Moving forward, I feel people need to find constructive ways to discuss issues and seek compromise instead of upsetting and dividing our community.

Our board is working with staff and the community to seek out and find compromise. It would be better to have meaningful dialog rather than

organized divisiveness. Emails are not a substitute for meaningful dialog and human interaction.

As Board Chair, I am asking for community members to respectfully share their perspective with the Board and understand the Trustees are elected to make difficult decisions, decisions are based on fairness to all and sustainability of our venues in the best interest of the ENTIRE community. Thank you.

Dr. Myles Riner
Incline Village

Today I would like to talk about the Flash Vote survey on the Beach House renovation for Incline Beach that just was emailed out today.

Let me just mention a few questions about using Flash Vote surveys to get a feel for the preferences of Incline Residents.

Was this survey sent only to people who signed up to participate in Flashvote surveys, or were other residents invited to respond? How does Flashvote validate the people who sign up to participate in these surveys? The Flashvote website has no reference to any independent analysis or validation of the Flashvote process, nor can I find one on the Internet. With only 2 days to respond to the survey, the risk is even greater that some might try to rally selected participants to be sure to respond to the survey, and be sure to respond in a particular way, so as to skew the results. You trustees should know the answers to these questions.

You deferred this Beach House survey to give you time to make sure that the survey questions were fair and unbiased. Unfortunately, it is neither. The survey made no effort to inform respondents about the Beach House issues before asking the survey questions. For example, no mention of the \$4.5 Million dollars that have already been set aside for this project from several prior years of Rec Fee collections. No discussion of what kinds of improvements and amenities have been proposed for the Beach House, and how much each might cost. These are critical facts.

There is a clear bias in the way these survey questions were constructed: to validate the preference of the majority on the Board to spend as little as possible on this project. For example, the question regarding costs for the project talks about the total cost per parcel owner for each level of spending, but ignores the \$4.5 Million already set aside for the project. It also ignores the ~~chance~~ ^{likelihood} that this project would be funded over twenty or thirty years, increasing the additional ANNUAL REC FEE by a nominal \$25 or \$50 at most. There was no mention of what amenities this additional funding would purchase.

as if it would be assessed as a lump sum in a single year.

Soon Incline residents will lose access to the Lone Eagle and the Nest. Our community deserves to have a well-designed, well-constructed and first-class operation at Incline Beach that serves great food and drink; one that meets the high standard for recreational facilities in our community. We don't need t a restricted-budget cut-rate Beach House with limited services, inadequate seating, and a shoddy appearance. I urge you to ignore the results of this clearly biased survey.

I'm Trish McKowen. My family moved to Incline Village 55 years ago when my dad, Jay Johnson got a job working for Boise Cascade selling many of the lots on the golf course in the 1960's. He was an avid golfer and Club Champion and like many of the early residents of Incline I understand the IVGID model with all the recreational amenities... and how, at each one of these venues, the priority has always been the property owners.

Full Transparency, I have been an IVGID employee 3 different times, First at age 13 working at the Burnt Cedar Snack Bar, Second, 7 years as a lifeguard and Third as Personal Trainer at the Rec Center. I was taken aback when it was disclosed at the last meeting that Cliff Dobler was kicked off the golf course after harassing and mistreating IVGID employees.

Knowing this, I need to bring up what was shared at the last board meeting by another concerned citizen... that being the conflict of interest that Trustees, Tulloch, Schmitz, and Dent appear to have with Cliff Dobler. Undisclosed campaign donations and million dollar plus loans to Trustee Dent. That resident has filed an ethics violation with the Nevada division of boards and commissions for these conflicts of interest.

Personally, I have never met Mr. Dobler, he speaks at every board meeting like a master puppeteer trying to further his personal agenda. Do any of us know if **the three board members** with conflicts of interest are buying everything that Mr. Dobler is selling? Does anyone really know what his agenda is? I believe we should all be concerned.

At the last meeting we heard from several very smart people like Mr. Homan who is on the audit committee, spending over 70 hours to get the board up to speed on the golf course financials, providing a clear financial picture for the Trustees to make informed decisions regarding golf rates. I understand after receiving those financials Trustee Schmitz was quoted in The Tahoe Tribune as saying, "Given the data we've had tonight, we can see there's a considerable amount of confusion." Confusion or maybe a considerable amount of work to do to get it right. Who is confused, the audit committee member who worked for decades as a CFO at one of the largest companies in America. Are the residents confused because certain board members are still throwing out erroneous numbers which the report said have no basis in reality. Or is it certain board members who are confused because they don't seem to understand the exorbitant rate increases and how eliminating the All You Can Play pass will impact the golf resident community. So much for prioritizing the residents. The Duncan Courses and The Tahoe Mountain Club are aware and are reaching out to the Incline golf community with more affordable options. To me this is truly shameful, you're retired and on a fixed income and you can't afford to play golf in your hometown on courses that were created for your benefit.

Before speaking tonight, I called my 88-year-old mother Barbara who happens to have a street in town named after her. I told her IVGID nonresident employees can no longer go to the beach. Dad's favorite sport golf is in peril with the All You Can Play Pass on the Chopping Block. Plans are underway to build a multi-million-dollar dog park. I once asked Trustee Schmitz, "What do you think is the number one priority facing our community? She said, "A dedicated dog park." Really, I think it's "Affordable Housing, for our teachers, service, and essential workers, maybe there's a way to scrap the multi-million-dollar dog park to shore up the golf courses and repurpose the dog park property for much needed affordable housing.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM G(6) – TENTATIVE BUDGET – BAMBOOZING THE BOARD INTO APPROVING
THE PAYMENT OF UP TO AN ADDITIONAL \$313,637 IN SALARIES FOR THE
HIRING OF A SCANT THREE (3) NEW EMPLOYEES**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³ altogether! However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and ends justifying means mentality which permeates the District and in the end costs local parcel/dwelling unit owners. And here it’s another mis-use. Deceitfully securing the Board’s consent for staff to hire three new colleagues of their own increasing our bloated personnel costs by \$224,026-\$313,637 just in salaries! And that’s the purpose of this written statement.

Prologue: The Board packet for this meeting that consists of 1,020 pages⁴. Which is not even made available to the Board nor the public for examination until the Friday evening before the meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. A holiday weekend no less (Easter). Are you kidding me? What happened to the Board’s edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/J._-_Long_Range_Calendar4.12.pdf.

least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. It's almost as if staff are intentionally attempting to overload the agenda for Board meetings in the hope these matters will simply be "rubber stamped" by the Board rather than critically examined. Like I said, outrageous! And it explains why I simply do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best that I can. And here's it's using the RFF/BFF for expenditures having nothing to do with furnishing the availability for my local Incline Village parcel, which is involuntarily assessed, to access and use public recreation facilities (insofar as the RFF is concerned) and beach facilities (insofar as the BFF is concerned)⁵ upon the condition I augment that purchase with user fees.

My E-Mail of April 12, 2023: With that said, on April 12, 2023 I sent the Board an e-mail⁶ alerting members to the fact that staff were about to add three (3) additional full time employees to an already bloated corps, and increasing our outrageous personnel salary costs by \$224,026-\$313,637 plus COLA increases of 7%-9% plus benefits and undisclosed hiring benefits.

Conclusion: There's only one way to deal with these people Board members. First, expressly don't approve the hiring of these three new employees. If our GM thinks he needs them; then exercise the authority you already have and use existing budgeted amounts to pay their salaries and benefits. Second, do *not* increase tentatively budgeted personnel costs. Keep them where they are and let staff figure out how to spend within their means. Finally, I thought the Board was hiring a consultant to evaluate our employee needs, their scope of work, their efficiencies/lack thereof, and their fair compensation. We need such a consultant more than we need these three (3) new proposed employees.

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ This what staff tell us the RFF/BFF pay for [see pages 999-1000 of the packet of materials prepared by staff in anticipation of this April 12, 2023 Board meeting ("the 4/12/2023 Board packet")].

⁶ That e-mail is attached as Exhibit "A" to this written statement. Rather than restating its contents, the reader is encouraged to examine the same him/herself.

EXHIBIT "A"

Re: April 12, 2023 Board Meeting - Agenda Item G(6) - As If Our Personnel Corps Were Not Grossly Overstaffed, Now Staff Want Approval to Spend an Additional \$\$224,026-\$313,637 Just in Salaries For Three More of Their Own

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: Re: April 12, 2023 Board Meeting - Agenda Item G(6) - As If Our Personnel Corps Were Not Grossly Overstaffed, Now Staff Want Approval to Spend an Additional \$\$224,026-\$313,637 Just in Salaries For Three More of Their Own
Date: Apr 12, 2023 2:28 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

The Board packet for this meeting that consists of and unbelievable 1,020 pages. Which was not even made available to the Board nor the public for examination until the Friday evening before this upcoming meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. Are you kidding me?

What happened to the Board's edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. I can't believe that you members do. Especially because I picked up my packet before any of you picked up yours (I could tell because all of your packets were sitting at the front door to the admin building, ready to be picked up).

It's almost as if staff are intentionally attempting to overload the agenda and overwhelm materials for Board meetings in the hope agenda matters will simply be "rubber stamped" by the Board rather than being critically examined and discussed. Like I said, outrageous!

And these facts help to explain why I simply do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best I can. And for purposes of this compromise, it means asking questions of the Board I hope members will investigate and answer. So with that said,

I am so much bothered by pages 990-998 of the Board packet where Mr. Navazio tells us he wants the Board to approve, by de facto approval of his tentative budget, the hiring of three (3) additional employees (another HR Ass't, a Public Works Inspector II, and a Ski Operations Manager (I thought this is what Mike Bandelin is)] at a base salary cost of between \$224,026 - \$313,637 plus a 7%-9% COLA increase in salaries not incorporated into the schedule which appears at pages 055-056 of the May 26, 2022 Board packet.

It just goes on and on and the Board does nothing. Right? What's wrong with you people? What don't you get?

We don't have enough employees? We aren't paying them enough? We don't lose enough money each year operating a slew of money losing recreation businesses? We don't involuntarily assess local parcel owners enough to cover the financial shortfall between revenues and expenses assigned to our Community Services and Beach Funds?

Moreover, our GM already has the power to hire whoever he wants and to pay them whatever he wants because you as a Board have abdicated away your statutory duty "to hire and retain...employees...to effect the purposes of this chapter" (see NRS 318.180) and "to prescribe the(ir) duties...and fix their compensation" (see NRS 318.185). So why is he sticking job descriptions for these three new jobs into the tentative budget you are being asked to approve?

When are you going to put your collective feet down? And I thought the Board was going to retain a consultant to evaluate all of our employee positions, their scope of duties, their titling (i.e., directorships?) and their compensation. Shouldn't we be doing this before we hire more and more?

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM G(6) – TENTATIVE BUDGET – PAYING FOR AN ADMINISTRATIVE BUILDING
ASSESSMENT USING RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES
TO SUBSIDIZE OVERSPENDING IN THE DISTRICT’S GENERAL FUND**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³ altogether! However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and ends justifying means mentality which permeates the District and in the end costs local parcel/dwelling unit owners. And here it’s another mis-use of our RFF/BFF. An Administration Building “assessment” billed to the General Fund. And that’s the purpose of this written statement.

Preface: As I’ve explained so many times before, our staff intentionally budget to overspend on expenses assigned to the General Fund. And oftentimes these expenses have nothing to do with advancing the District’s limited purposes and powers⁴. Nevertheless, rather than reducing

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ Such as reimbursing the District’s share of real property tax refunds due to invalid assessment practices. Or lobbying State legislators to support, oppose or influence legislation. Or paying attorney’s fees to end citizen Mark Smith’s public records concealment litigation. Or paying attorney’s

expenditures, staff have concocted a revenue source disingenuously called allocated central services costs which are allegedly paid for with transfers from the District's Utility, Community Services and Beach enterprise funds. But since staff budget to overspend in the District's Community Services Fund, and rather than cutting costs staff have concocted another disingenuous revenue source called the RFF, that overspending is subsidized by the RFF. And since staff budget to overspend in the District's Beach Fund, and rather than cutting costs staff have concocted another disingenuous revenue source called the BFF, this overspending is subsidized by the RFF/BFF. In other words, overspending/mis-spending in the District's General Fund is subsidized by RFF/BFF transfers from the District's Community Services/Beach Funds. And that's what we have here.

Prologue: The Board packet for this meeting that consists of 1,020 pages⁵. Which is not even made available to the Board nor the public for examination until the Friday evening before the meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. A holiday weekend no less (Easter). Are you kidding me? What happened to the Board's edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. It's almost as if staff are intentionally attempting to overload the agenda for Board meetings in the hope these matters will simply be "rubber stamped" by the Board rather than critically examined. Like I said, outrageous! And it explains why I simply do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best that I can. And here's it's using the RFF/BFF for expenditures having nothing to do with furnishing the availability for my local Incline Village parcel, which is involuntarily assessed, to access and use public recreation facilities (insofar as the RFF is concerned) and beach facilities (insofar as the BFF is concerned)⁶ upon the condition I augment that purchase with user fees.

My E-Mail of April 12, 2023: With that said, on April 12, 2023 I sent the Board an e-mail⁷ alerting members to the fact staff have proffered a tentative budget that pays \$40K of RFF/BFF subsidies to the General Fund so staff have a funding source to pursue a spiffy new administration building having nothing to do with making the public's recreation and beach facilities available to be accessed and used by those local parcels/dwelling units which are involuntarily assessed.

fees to sue citizen Kevin Lyons for unfair business practices. Of donating public funds to favored non-profits like "We the People;" etc.

⁵ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/J._-_Long_Range_Calendar4.12.pdf.

⁶ This what staff tell us the RFF/BFF pay for [see pages 999-1000 of the packet of materials prepared by staff in anticipation of this April 12, 2023 Board meeting ("the 4/12/2023 Board packet")].

⁷ That e-mail is attached as Exhibit "A" to this written statement. Rather than restating its contents, the reader is encouraged to examine the same him/herself.

Conclusion: The RFF/BFF are supposed to be used for very specific and limited purposes dealing with the availability of public recreation privileges to those local parcels/dwelling units which are assessed. Yet instead, staff think these "fees" are available at their beck and call for essentially any expense of their choosing. And here it's a spiffy new admin building for staff. If you Board members can buy into this one, you can buy into essentially anything else. Which in the end costs we local parcel/dwelling unit owners because we're the ones who must pay. You need to put your collective feet down to the floor AND JUST SAY NO!

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

Fwd: April 12, 2023 Board Meeting - Agenda Item H(2) - Using the RFF/BFF to Pay For Staff's Spiffy New Admin Bldg Even Though it Has Zero to Do With Making Recreation or Beach Facilities Available For My Access and Use - DON'T YOU DARE

From: Judith Miller <pupfarm1@gmail.com>
 To: Aaron Katz <s4s@ix.netcom.com>
 Subject: Fwd: April 12, 2023 Board Meeting - Agenda Item H(2) - Using the RFF/BFF to Pay For Staff's Spiffy New Admin Bldg Even Though it Has Zero to Do With Making Recreation or Beach Facilities Available For My Access and Use - DON'T YOU DARE
 Date: Apr 12, 2023 2:40 PM

----- Forwarded message -----

From: <s4s@ix.netcom.com>
 Date: Wed, Apr 12, 2023 at 2:29 PM
 Subject: April 12, 2023 Board Meeting - Agenda Item H(2) - Using the RFF/BFF to Pay For Staff's Spiffy New Admin Bldg Even Though it Has Zero to Do With Making Recreation or Beach Facilities Available For My Access and Use - DON'T YOU DARE
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>

Chairperson Dent and Other Honorable Members of the IVGID Board -

The Board packet for this meeting that consists of an unbelievable 1,020 pages. Which was not even made available to the Board nor the public for examination until the Friday evening before this upcoming meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. Are you kidding me?

What happened to the Board's edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. I can't believe that you members do. Especially because I picked up my packet before any of you picked up yours (I could tell because all of your packets were sitting at the front door to the admin building, ready to be picked up).

It's almost as if staff are intentionally attempting to overload the agenda and overwhelm materials for Board meetings in the hope agenda matters will simply be "rubber stamped" by the Board rather than being critically examined and discussed. Like I said, outrageous!

And these facts help to explain why I simply do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best I can. And for purposes of this compromise, it means asking questions of the Board I hope members will investigate and answer. So with that said,

I am so much bothered by page 874 of the Board packet where Mr. Navazio states that "At the Budget Workshop on April 5th the Board provided specific feedback...incorporated into the Tentative Budget...Admin Building Facility Assessment - \$40,000 has been added (General Fund)."

What's wrong with you people? What don't you get?

Staff and Mr. Navazio have an AGENDA. And it's counter to the NRS, and the interests of local parcel owners. And they don't care what they need to do to accomplish the same because in their view, the ends justify the means. How many times have I given you evidence of the same? How many more times are you going to require me to do this? Or is it YOU JUST DON'T CARE?

Staff INTENTIONALLY budget to overspend. They refuse to cut costs. And they don't care where the money comes from. So now they're proposing nearly \$2M of overspending in the General Fund. And their fix for the same is to transfer portions of the RFF from Community Services and the BFF from Beach into the General Fund under the guise the General Fund is providing vital services to these other departments which have to be paid for. Liar, liar, pants on fire!

So now we learn that not only do staff need these transfers to pay for the vital central services allegedly provided by the General Fund, but they require \$40,000 to pursue construction of a spiffy new Admin Bldg because that's what our admin staff require. Except that's NOT what the RFF/BFF are for. And each of you know this. Want a spiffy new admin bldg? Use the ad valorem taxes you receive each year. Or start operating the District's commercial recreation businesses at a profit.

But don't lie to me about what the RFF/BFF pay for, and then hijack my RFF/BFF to pay for your crappy admin bldg. Got it?

This is another example of why our staff are liars, people like me tell the truth, and you people attack the messenger. How about doing what's right for once? Reduce central services cost transfers by \$40K and KILL the admin building assessment CIP because staff doesn't have the money.

If you as a Board don't, then you're just as dirty as your staff...Again.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM G(6) – REJECTION OF STAFF'S PROFFERED ALLOCATED CENTRAL SERVICES
COST PLAN GIVEN IT DOES NOT REPRESENT AN "EQUITABLE DISTRIBUTION OF
GENERAL OVERHEAD AND ADMINISTRATIVE COSTS INCURRED BY THE
DISTRICT'S GENERAL FUND (TO)...SUPPORT THE OPERATIONS OF
(ITS)...ENTERPRISE FUNDS"**

Introduction: Well "here's another one" according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³ altogether! However in the interim, and in order to provide evidence in support of dissolution, let's examine another example of the waste and ends justifying means mentality which permeates the District and in the end costs local parcel/dwelling unit owners. And here it's another money losing PGA golf Junior League. And that's the purpose of this written statement.

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³ NRS 318.490(1)-(2) instruct that "whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated."

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completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. It's almost as if staff are intentionally attempting to overload the agenda for Board meetings in the hope these matters will simply be "rubber stamped" by the Board rather than critically examined. Like I said, outrageous! And this explains why I do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best that I can. Call out issues for research and explanation.

Because The District is Required to Adopt a Central Services Cost Plan on a Non-Consent Item at a Regular Meeting of the Board⁵, Staff's Proposed Plan is Presented at Pages 893-895 of The Packet of Materials Prepared by Staff in Anticipation of This Board Meeting⁶ ("the 4/12/2023 Board Packet") For Tentative Approval:

But According to NAC 354.867, The "Plan" *Must* be Supported by Facts of The Following:

"1. That the costs which may be allocated to an enterprise fund of a local government pursuant to paragraph (c) of subsection 1 of NRS 354.613 must be reasonable...and include only the amounts remaining after the deduction of any applicable credits. The costs must also be:

(a) Necessary and reasonable for the proper and efficient administration and performance of the enterprise fund;

(b) Consistent with policies, regulations and procedures that apply uniformly to the enterprise fund and other activities of the local government;

(c) Determined in accordance with generally accepted accounting principles; and,

(d) Documented adequately for independent verification.

2. In determining whether a cost is a reasonable cost for the purposes of subsection 1, consideration must be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the enterprise fund;

⁵ See NRS 354.613(1)(c) which states that "the loan or transfer proposed to be made...for a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund (must be)...approved by the governing body under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body."

⁶ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.6._-_General_Business_-_Form_4404LGF.pdf.

(b) Whether the cost is consistent with sound business practices, the indicia of an arm's length transaction, and the requirements and restraints imposed by state laws and regulations;

(c) The market prices for comparable services or property;

(d) Whether the persons incurring the cost acted with prudence under the circumstances considering their responsibilities to each pertinent governmental unit and its employees, and to the general public; and

(e) Any significant deviations from the established practices of the local government that may have unjustifiably increased the cost."

Facts Which Support The Above Findings Are NEVER Presented to the Board: And in my opinion, they must. Even the most cursory of examinations of the materials in support of this agenda item reveals that the so called General Fund expenses which are proposed to be transferred from the Utility, Community Services and Beach Funds do not satisfy the above-requirements. Which would make approval of the proposed Plan arbitrary, capricious, the product of an abuse of discretion and invalid.

Contrary to Staff's Representations, The District's Central Services Cost Plan Represents Nothing More Than a Financial Subsidy For All Overspending Assigned By Staff to the District's General Fund: For decades prior to the adoption of NRS 354.613⁷ in 2011, IVGID staff routinely transferred sums from the District's Utility and Community Services enterprise funds to its General Fund without consequence. Similarly, after the Beach enterprise fund was created in 2008⁸, transfers from the Beach Fund to the District's General Fund also took place without consequence. And admittedly⁹, their stated intent was nothing more than to cover the financial shortfall between revenues and overspending assigned by staff to the General Fund.

Although after enactment of NRS 354.613 the Board adopted a Central Services Cost Allocation Plan which its members asserted represented an "equitabl(e) distribut(ion of) general, overhead and administrative costs Incurred by the District's General Fund (to)...support the operations of (its)... Enterprise Funds¹⁰, in-truth-and-in-fact the transfers were as they had always been; to cover the

⁷ Which *prevents* "the governing body of a local government (from)...loan(ing) or transfer(ing) money from an enterprise fund, money collected from fees imposed for the purpose for which an enterprise fund was created, or any income or interest earned on money in an enterprise fund" but for very limited purposes.

⁸ See Resolution No. 1783.

⁹ See note 12, on page 44, of the District's 2004-05 Comprehensive Annual Financial Report ("the 2004-05 CAFR").

¹⁰ See page 043 of the packet of materials prepared by staff in anticipation of the Board's May 26, 2022 meeting ("the 5/26/2022 Board packet").

financial shortfall between revenues and expenses assigned to the General Fund. In fact, on May 26, 2022 staff inadvertently admitted this fact:

Although staff represent that only “eighty percent (80%) of...eligible costs of the Accounting budget is allocated based on budgeted non-personnel costs exclusive of capital and debt transfers,” and “one-hundred percent (100%) of (the) costs of the Human Resources budget plus twenty percent (20%) of the eligible costs of the Accounting budget are (similarly) allocated based on...full-time equivalent (FTE) positions,”¹⁰ the truth of the matter is that those transfers extend to *all* non-personnel costs assigned to this fund exclusive of capital and debt. Page 114 of the 5/26/2022 Board packet depicts a summary of estimated 2022-23 sources (i.e., revenues) and uses (i.e., expenses) budgeted to the District’s General Fund. That is \$4,117,002 of revenues, and \$6,773,405 of expenses¹¹. Given budgeted personnel costs total \$4,279,462, and budgeted capital improvement (“CIP”) costs total \$633,000, *all* remaining expenses assigned to the District’s General Fund total \$1,860,943. And given there are \$1,887,589 of budgeted central services cost transfers, it’s clear that this subsidy really pays for *all* remaining operational expenses and *not* just those assigned to Accounting and Human Resources.

Let’s go through the same analysis for staff’s proposed 2023-24 budget and Allocated Central Services Cost Plan. Page 890 of the 4/12/2023 Board packet depicts a summary of tentative estimated 2023-24 sources and uses budgeted to the District’s General Fund. That is \$4,657,977 of revenues, and \$6,019,847 of expenses¹². Given tentative personnel costs total \$4,913,733, and tentative CIP

¹¹ The summary only discloses \$4,885,816 of expenses. But this number is deceitful inasmuch as \$1,887,589 of central services cost revenue is depicted as a negative expense. When this negative is reversed and removed, the reader is left with \$6,773,405 of expenses just as I represent!

¹² The summary discloses \$6,019,847 of expenses. But this number is deceitful inasmuch as \$1,957,320 of central services cost revenue is depicted as a negative expense. When this negative is reversed and removed, the reader is left with \$7,977,167 of expenses; a net \$1,361,870 financial shortfall! At Trustee Schmitz’s urging that the payment of expenses assigned to the District’s public parks be assigned to its General Fund, and at the Board’s February 22, 2023 meeting, staff recommended an additional \$1,176,529 of transfers be made to the General Fund to pay for IT expenses, as “the preferred means to create budget capacity in (the) General Fund” [see pages 150-151 of the packet of materials prepared by staff in anticipation of the Board’s February 22, 2023 meeting (“the 2/22/2023 Board packet”)]. Therefore proposed central services cost transfers were increased by \$1,012,968 from \$2,033,230 [see page 076 of the packet of materials prepared by staff in anticipation of the Board’s January 25, 2023 meeting (“the 1/25/2023 Board packet”)] to \$3,046,198 [see page 12 of the packet of materials prepared by staff in anticipation of the Board’s March 22, 2023 meeting (“the 3/22/2023 Board packet”)]. Given staff have not yet finalized the central services cost transfers it is recommending (see page 895 of the 4/12/2023 Board packet), in fact it has highlighted in yellow the possible amounts to be assigned to “Parks,” I suspect the negative \$1,361,870 will be eliminated by either removing expenses assigned to “Parks” from the General Fund tentative budget, or increasing central services cost transfers by a like amount. In either event, it will

costs total \$615,000, *all* remaining tentative expenses assigned to the District's General Fund total \$491,114. And given there are \$1,957,320 of tentative proposed central services cost transfers¹³, it's clear that this subsidy really pays for *all* remaining operational expenses and *not* just those assigned to Accounting and Human Resources. In fact, they really pay for *MORE*¹⁴!

Accordingly, Just Like The Recreation Facility Fee ("RFF") Represents a Subsidy Which Plugs the Financial Shortfall Between Revenues and Expenses Assigned to The General Fund, and The Beach Facility Fee ("BFF") Represents a Subsidy Which Plugs the Financial Shortfall Between Revenues and Expenses Assigned to The Beach Fund, Central Services Cost Transfers Represent a Subsidy Which Plugs the Financial Shortfall Between Revenues and Expenses Assigned to The General Fund:

My E-Mail of April 12, 2023: With that said, on March 26, 2023 I sent the Board an e-mail¹⁵ asking members *not* approve staff's proposed allocated central services cost plan for many of the reasons noted herein. The reader is directed to that e-mail for further particulars.

Conclusion: One can affix any label one wants to the financial subsidy staff calls central services cost transfers. And one can come up with any methodology one wants which produces the end results staff intends. But at the end of the day a subsidy is still a subsidy. And just as just as we represent, central services cost transfers represent nothing more than a financial subsidy which plugs the shortfall between budgeted revenues and operational expenses assigned to the General Fund.

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

become apparent that these transfers represent the financial shortfall between revenues and expenses assigned to the General Fund, almost to the penny!

¹³ See page 895 of the 4/12/2023 Board packet.

¹⁴ At least the \$1,361,870 of positive cash flow (see page 895 of the 4/12/2023 Board packet) which can be transferred to excess fund balance to fund construction of a new administration building.

¹⁵ That e-mail is attached as Exhibit "A" to this written statement. Rather than restating its contents, the reader is encouraged to examine the same him/herself.

EXHIBIT "A"

Re: April 12, 2023 Board Meeting - Agenda Item G(6) - REJECT STAFF'S PROFFERED ALLOCATED CENTRAL SERVICES COST PLAN GIVEN IT REALLY DOES NOT REPRESENT AN "EQUITABLE DISTRIBUTION OF GENERAL OVERHEAD AND ADMINISTRATIVE COSTS INCURRED BY THE DISTRICT'S GENERAL FUND (TO)...SUPPORT THE OPERATIONS OF (ITS)...ENTERPRISE FUNDS"

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <lonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
 Subject: Re: April 12, 2023 Board Meeting - Agenda Item G(6) - REJECT STAFF'S PROFFERED ALLOCATED CENTRAL SERVICES COST PLAN GIVEN IT REALLY DOES NOT REPRESENT AN "EQUITABLE DISTRIBUTION OF GENERAL OVERHEAD AND ADMINISTRATIVE COSTS INCURRED BY THE DISTRICT'S GENERAL FUND (TO)...SUPPORT THE OPERATIONS OF (ITS)...ENTERPRISE FUNDS"
 Date: Apr 12, 2023 1:05 PM

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The Board packet for this meeting that consists of and unbelievable 1,020 pages. Which was not even made available to the Board nor the public for examination until the Friday evening before this upcoming meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. Are you kidding me?

What happened to the Board's edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. I can't believe that you members do. Especially because I picked up my packet before any of you picked up yours (I could tell because all of your packets were sitting at the front door to the admin building, ready to be picked up).

It's almost as if staff are intentionally attempting to overload the agenda and overwhelm materials for Board meetings in the hope agenda matters will simply be "rubber stamped" by the Board rather than being critically examined and discussed. Like I said, outrageous!

And these facts help to explain why I simply do not have the time to do the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best I can. And for purposes of this compromise, it means asking questions of the Board I hope members will investigate and answer. So with that said,

Because the District is required to adopt a Central Services Cost Plan on a non-consent item at a regular meeting of the Board [see NRS 354.613(1)(c)], staff have included a Proposed Plan at Pages 893-895 of the Board packet for tentative approval. But According to NAC 354.867, the "Plan" *Must* be supported by facts of the following

:"1. That the costs which may be allocated to an enterprise fund of a local government pursuant to paragraph (c) of subsection 1 of NRS 354.613 must be reasonable...and include only the amounts remaining after the deduction of any applicable credits. The costs must also be:

- (a) Necessary and reasonable for the proper and efficient administration and performance of the enterprise fund;
- (b) Consistent with policies, regulations and procedures that apply uniformly to the enterprise fund and other activities of the local government;
- (c) Determined in accordance with generally accepted accounting principles; and,
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2. In determining whether a cost is a reasonable cost for the purposes of subsection 1, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the enterprise fund;
- (b) Whether the cost is consistent with sound business practices, the indicia of an arm's length transaction, and the requirements and restraints imposed by state laws and regulations;
- (c) The market prices for comparable services or property;
- (d) Whether the persons incurring the cost acted with prudence under the circumstances considering their responsibilities to each pertinent governmental unit and its employees, and to the general public; and
- (e) Any significant deviations from the established practices of the local government that may have unjustifiably increased the cost."

But Facts Which Support The Above Findings Are *NEVER* Presented to the Board: And in my opinion, they *must*. Until those facts are supported, I hope eac

Moreover, if you go through the mechanics, you will discover that staffs' Plan represents nothing more than a financial subsidy for the financial shortfall betw

Just like the RFF represents a financial subsidy for overspending assigned to the Community Services Fund. And the BFF represents a financial subsidy for

Conclusion: One can affix any label one wants to the financial subsidy staff calls central services cost transfers. And one can come up with any methodology one wants which produces the end results staff intends. But at the end of the day a subsidy is still a subsidy. And just as just as I represent, central services cost transfers represent nothing more than a financial subsidy which plugs the financial shortfall between budgeted revenues and operational expenses assigned to the General Fund. DON'T let staff get away with this. And force them to prove facts which support the findings NAC 354.867 mandates you find. Because they don't exist.

If you do as I suggest does it mean that staff won't have the funds it needs to continue overspending in the General Fund? You bet! But isn't it time you started doing the right thing rather than playing with our finances because the ends justify the means?

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers. Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM C – PUBLIC COMMENT – ANOTHER MONEY LOSING RECREATION SUBSI-
SIZED BY THE RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES –
THE JUNIOR LEAGUE**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³ altogether! However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and ends justifying means mentality which permeates the District and in the end costs local parcel/dwelling unit owners. And here it’s another money losing PGA golf Junior League. And that’s the purpose of this written statement.

Prologue: The Board packet for this meeting that consists of 1,020 pages⁴. Which is not even made available to the Board or the public for examination until the Friday evening before the meeting at 7:23 P.M. The Friday evening before the beginning of a weekend. Are you kidding me? What happened to the Board’s edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

⁴ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/J._-_Long_Range_Calendar4.12.pdf.

within the short period of time proffered. It's almost as if staff are intentionally attempting to overload the agenda for Board meetings in the hopes these matters will simply be "rubber stamped" by the Board rather than being critically examined. Like I said, outrageous! And it explains why I simply do not have the time to being the Board's job of critically examining and questioning matters brought forward for possible action. So I must compromise and do the best I can.

My E-Mail of March 26, 2023: With that said, on March 26, 2023 I sent the Board a copy of an e-mail I sent to our General Manager⁵ asking a number of questions pertaining to the District's participation in the Professional Golf Association's ("PGA's") Junior league program. Did Indra respond? Were and are my suspicions unwarranted? I don't think so!

Conclusion: No matter what it is, District staff by and large are not able to administer anything on a revenue neutral nor positive cash flow basis. And here's another example. And if one takes this example, changes the name of the program to one offered through the auspices of the Recreation Center, and then multiplies itself by 105 or more, one may be able to understand how the Recreation sub-fund loses in excess of \$1 million annually.

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁵ That e-mail is attached as Exhibit "A" to this written statement. Rather than restating its contents, the reader is encouraged to examine the same him/herself.

EXHIBIT "A"

A Study in IVGIDomics - The PGA Junior League

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: A Study in IVGIDomics - The PGA Junior League
Date: Mar 26, 2023 11:51 AM

Chairperson Dent and Other Honorable Members of the IVGID Board -

I keep telling you the closer you look, the dirtier it gets. And here again, I feel we have evidence of the principle stated. It's called the PGA Junior League.

If you're not familiar with the program you can read about it here:
<https://www.yourtahoeplace.com/events/pga-junior-league>.

According to the District, the "PGA Junior League is open to intermediate golfers ages 7 – 13. There will be 2-3 scheduled practices and 4 matches during the summer months." The "fee (is) \$199 per player (\$99 collected at registration online + \$100 for Coaches and facility fee collected in the Golf Shop."

Okay. So for the benefit of us all, please answer my questions Indra:

1. Is this program available to the general public as a whole? Or just the kids of local parcel owners?
2. Who gets the \$99 collected at registration online? Is it the PGA?
3. Who gets the \$100 for coaches and facility fee? Does it all go to IVGID as revenue? Or does part of it go to the coaches and part to IVGID as a facility fee? And if the latter, what is the division between coaches and IVGID?
4. What do participants pay for use of our golf courses for "2-3 scheduled practices and 4 matches?" Or is the fee for that use included within the \$100 collected in the Golf Shop?"
- 5.. Will any of the "4 matches during the summer months" be held at one of our IVGID courses? If so, how many and which courses?
6. If matches will take place at our IVGID courses and other PGA Junior League teams will be competing, what will those team players pay IVGID?
7. Does the program make money or lose money for IVGID? Do we have financials which reveal how much money is made or lost?
8. Assuming it loses money, is your justification the fact that this is what a community is all about? If not, what is your justification?

Okay Board members. Take this example and multiply it by 105! I've now described the Rec Center to you. Is it starting to make sense?

And for you Trustee Schmitz, you'd agree with me would you not that because this program benefits the general public as a whole, wouldn't it be more appropriate to assign the costs to the General Fund? Just as you are proposing for our public parks; right? And if you agree, where does the money come from to pay for it? Would it simply be to increase the amount of central services cost transfers coming from our RFF, BFF and the utility rates and charges local parcel owners are assessed?

So now that you trustees know the play book, what if anything do you intend to do about it?

Thank you for your cooperation. Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM C – PUBLIC COMMENT – IT'S TIME FOR OUR DIRECTOR OF FINANCE,
PAUL NAVAZIO, TO BE LET GO BECAUSE HE INTENTIONALLY LIES TO THE
BOARD AND THE PUBLIC INSOFAR AS THE DISTRICT'S FINANCES/
FINANCIAL REPORTING ARE CONCERNED**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³ altogether! However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and ends justifying means mentality which permeates the District and in the end costs local parcel/dwelling unit owners. And here it’s another one of our senior management. Finance Director Paul Navazio. Has the time come for the District to terminate his employ because he does not speak the truth? That’s the purpose of this written statement.

Prologue: A Board packet for this meeting that consists of 1,020 pages⁴. Which is not even made available to the Board or the public for examination until the Friday evening before the meeting

¹ Go to <https://www.djkhaledoofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

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at 7:23 P.M.⁵ The Friday evening before the beginning of a weekend. Are you kidding me? What happened to the Board's edict that Board packets must be completed and made available to the Board and the public which have asked to receive the same at least a week before a meeting? This behavior is outrageous inasmuch as *no one* has the time to read and understand this much material within the short period of time proffered. It's almost as if staff are intentionally attempting to overload the agenda for Board meetings in the hopes these matters will simply be "rubber stamped" by the Board rather than being critically examined. Like I said, outrageous! And it explains why I simply do not have the time to being the Board's job of critically examining and questioning matters brought forward for possible action.

My E-Mail of April 10, 2023: With that said, let's return to Mr. Navazio. On April 10, 2023 I sent the Board an e-mail⁶ providing evidence as to how Mr. Navazio had intentionally manipulated staffs' discussion of the legal authority for adoption of new Recreation ("RFF") and Beach ("BFF") Facility Fees. In the same, I pointed the Board to the following facts:

1. NRS 318.197(1) which instructs that: "The board may fix, and from time to time increase or decrease...recreational facility(y)...rates, tolls or charges other than special assessments, including... charges...for the **availability of service;**"

2. In addition to "standby service charges...for the availability of service," NRS 318.197(1) provides for these additional rates, tolls or charges:

a. "Service charges...for services or facilities furnished by the district;"

b. "Standby service charges, for services or facilities furnished by the district;"

c. "Annexation charges;" and,

d. "Minimum charges?"

3. The proposed Report attached to proposed Resolution No. 1901⁷ wherein staff has asked the Board to find that the new RFF/BFF are: "RECREATION STANDBY AND SERVICE CHARGES (ALSO

⁵ The e-mail from the District Clerk notifying me that my copy of the Board packet for this meeting is available for my pick-up at the District's administrative offices is attached as Exhibit "A" to this written statement.

⁶ That e-mail is attached as Exhibit "B" to this written statement.

⁷ See pages 1002-1008 of the packet of materials prepared by staff in anticipation of this Board meeting [go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/G.7._-General_Business_-_Resolution_No._1901.pdf ("the 4/12/2023 Board packet")].

KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)⁸...for the availability of use of the recreational facilities above described⁹ (in other words, "facilities" rather than "service");

4. NRS 318.201(1) which instructs that: "Any board which has adopted rates pursuant to this chapter may, by resolution...elect to have such charges for the forthcoming fiscal year collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the county's general taxes" **conditioned upon** those charges being for District recreation "services and facilities" furnished to "each parcel of real property" assessed¹⁰;

5. Mr. Navazio's representation of fact that the Board "is required to approve a resolution which outlines the billing and collection process set forth in Nevada Revised Statutes 318.197 (establishing **standby service charges for services and facilities furnished by the District**) and 318.201 (establishing the method of collection);"¹¹ and,

6. Mr. Navazio's representation of fact that Nevada Revised Statutes 318.197 permits the Board to "**establish...standby service charges for services and facilities furnished by the District;**"¹¹

And I concluded that:

1. *Not* every rate, toll or charge authorized by NRS 318.197(1) can be legitimately collected on the county tax roll pursuant to NRS 318.201(1). But only those which pay for recreation "services and facilities" furnished by the District to "each parcel of real property" assessed;

2. So of the five (5) possible NRS 318.197(1) rates, tolls and charges referenced above, the *only* ones which possibly pay for "services and facilities" furnished by the District to "real property," are:

a. "Service charges...for services or facilities furnished by the district" to real property;

b. "Standby service charges, for services or facilities furnished by the district" to real property;
and,

c. "Standby service charges...for the availability of service(s)" to real property.

⁸ See page 1003 of the 4/12/2023 Board packet.

⁹ See page 1005 of the 4/12/2023 Board packet.

¹⁰ NRS 318.201(1) goes on to state that "in such event, (the Board) shall cause a **written report** to be prepared and filed with the secretary, which shall contain a description of **each parcel of real property receiving such services and facilities** and the amount of the charge for each parcel for such year, computed in conformity with the charges prescribed by the resolution."

¹¹ See page 1000 of the 4/12/2023 Board packet.

3. But the RFF/BFF do *not* pay for “services” furnished to real property. Nor do they pay for “facilities” furnished to real property. And since they don’t pay for either, “standby service charges” do not pay for services or facilities furnished to real property;

4. Nor do they pay for “standby service charges...for the availability of **service(s)**” to real property;

5. Moreover, staff is not telling us that the RFF/BFF represent “standby service charges...for the availability of **service(s)**” to real property. Rather, we are told they represent “standby service charges ...for the availability of **facilities**” to real property;

6. However, NRS 318.197(1) does *not* recognize “standby service charges...for the availability of” facilities to real property;

7. Therefore there is no authority under NRS 318.197(1) for the Board to adopt this RFF/BFF;

8. Mr. Navazio’s representations to the contrary are intentionally false because he has an agenda to follow; and as a result,

9. He needs to be terminated as a public employee.

Conclusion: Not every rate and charge the Board is authorized to fix pursuant to NRS 318.197(1) can permissibly be collected on the county tax roll pursuant to NRS 318.201. Yet here we have evidence that’s exactly what staff have asked the Board to do. Moreover, portions of the report proposed to be adopted contain impermissible findings prepared by Mr. Navazio, to which I object. Hopefully for the reasons stated in other e-mails sent to the Board which are attached to other written statements requested to be attached to the minutes of this meeting, the Board will refuse to: pass the proposed subject resolution, adopt the proposed subject report, and terminate Mr. Navazio’s employ because he is a public employee who intentionally lies to the Board and the public because it suits his personal agenda?

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I’ve now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

4/12 BOT Meeting Packet

From: Melissa N. Robertson <mnr@ivgid.org>
To: s4s@ix.netcom.com <s4s@ix.netcom.com>
Subject: 4/12 BOT Meeting Packet
Date: Apr 7, 2023 7:23 PM

Hello,

The Meeting packet is available for pickup outside of Admin. Thank you.

Melissa Robertson

District Clerk

Incline Village General Improvement District

893 Southwood Boulevard

Incline Village Nevada 89451

P: 775-832-1268

mnr@ivgid.org

<http://yourtahoeplacc.com>

EXHIBIT "B"

I Am Tired of Bringing to the Board's Attention Staff Lies After Lies Without Consequence. When Do You Intend to Do Something About It? Here it's Finance Director Navazio Who Knows Damn Well What He's Done!

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: I Am Tired of Bringing to the Board's Attention Staff Lies After Lies Without Consequence. When Do You Intend to Do Something About It? Here it's Finance Director Navazio Who Knows Damn Well What He's Done!
Date: Apr 10, 2023 9:57 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

On April 8, 2023 I wrote to each of you insofar as staff's request the Board adopt new RFFs/BFFs and order their collection on the tax roll (see below). In particular I outlined rate, toll charge by rate toll charge the Board was authorized to adopt pursuant to NRS 318.197(1), and the rate, toll charge staff was proposing the Board adopt (see discussion below). Don't you recall I shared with you those rates, tolls and charges could be?

1. "Service charges...for services or facilities furnished by the district;"
2. "Standby service charges, for services or facilities furnished by the district;"
3. "Charges for the availability of service;"
4. "Annexation charges;" and,
5. "And minimum charges?"

But **NOT** all of these charges can be permissibly charged to real property. Let alone **involuntarily**. Which in this case is necessary because staff intends to collect the same pursuant to NRS 318.201. And as I explained before, **NOT** all rates tolls and charges the Board is allowed to fix pursuant to NRS 318.197 can be collected pursuant to NRS 318.201. Rather, the only ones that can are those which pay for **services and facilities furnished to real property**. So which of these charges do?

Certainly **NOT** "service charges...for (recreation) services or facilities furnished by the district." If you disagree, tell me what recreation services or facilities the District is capable of furnishing to **real property**. Yes I can make the argument such services or facilities can possibly be furnished to **people**. But which can be furnished to **real property**? Since the answer is none, simply stated the RFF/BFF **cannot** represent "service charges...for (recreation) services or facilities furnished by the district." Moreover, how can they be involuntarily levied? Besides, the Report **doesn't** state that's what the RFF/BFF represent. Instead, it tells us they purportedly represent charges "for the availability of use of the recreational **facilities** above described." Do we not take the Report at its word?

Nor can the RFF/BFF represent "charges for the availability of (some recreation) **service**." If you disagree, tell me what recreation **services** the District proposes making available to **real property**. Yes I can make the argument such services can possibly be furnished to **people**. But which can be furnished to **real property**? Since the answer is none, simply stated the RFF/BFF **cannot** represent "charges...for the availability of (recreation) **service(s)**" furnished by the district. Moreover, how can they be involuntarily levied? And besides, the Report **doesn't** state that's what the RFF/BFF represent. Instead, it tells us they purportedly represent charges "for the availability of use of the recreational **facilities** above described."

Moreover, don't you recall I shared with you that because of paragraph I of the Report to be adopted by the resolution staff request you adopt, the type of rate, toll or charge staff is asking you adopt is an "annual charge...for the availability of use of the recreational **facilities** above described? And **not** "service charge(s)...for services or facilities furnished by the District." But rather, charges "for the availability of use of the recreational **facilities** above described." But take a very close look at NRS 318.197(1). **Nowhere** does it expressly recognize a rate, toll or charge "for the availability of use of...recreational **facilities**." Do we not take the Report at its word?

Nor can the RFF/BFF represent "annexation charges." If you disagree, tell me what recreation **annexation** charges the District proposes furnishing to **real property**. Since the answer is none, simply stated the RFF/BFF **cannot** represent recreation "annexation charges." Moreover, how can they be involuntarily levied? Besides, the Report **doesn't** state that's what the RFF/BFF represent. Instead, it tells us they purportedly represent charges "for the availability of use of the recreational **facilities** above described." Do we not take the Report at its word?

Now the RFF/BFF can represent "minimum (recreation) charges." After all, since user fees must be paid on top of the RFF/BFF, the latter only represent a portion or a minimum of the total charge. But how do they represent "minimum (recreation) charges" to **real property**? And how can they be involuntarily levied? Simply stated, they can't! Besides, the Report **doesn't** state that's what the RFF/BFF represent. Instead, it tells us they purportedly represent charges "for the availability of use of the recreational **facilities** above described." Do we not take the Report at its word?

That leaves only one, remaining, possibly permissible NRS 318.197(1) charge. And that would be "standby service charges, for (recreation) services or facilities furnished by the district." But since I've demonstrated the District is not capable of furnishing recreation **services** to real property, how can it possibly assess "standby service charges" for **real property's** mere availability to access and use those **services**? Similarly, since I've demonstrated that the District is not capable of furnishing recreation **facilities** to **real property**, how can it possibly assess "standby service charges" for **real property's** mere availability to access and use those **facilities**? And how can they be involuntarily levied? Simply stated, they can't! And besides, the Report **doesn't** state that's what the RFF/BFF represent. Instead, it tells us they purportedly represent charges "for the availability of use of the recreational **facilities** above described." Do we not take the Report at its word?

Therefore any way one crumbles the cookie, the RFF/BFF do not represent NRS 318.197(1) charges capable of furnishing some benefit to **real property**.

So let's get to Mr. Navazio's lies.

Lie #1: There is **no such rate, toll or charge** authorized by NRS 318.197(1) capable of involuntary levy against real property. Yes in a vacuum, there are "charges for the availability of (a) **service**." But there are no comparable charges recognized for "the availability of **facilities**." Mr. Navazio's representation to the contrary is **not true!**

Lie #2: Listen to Mr. Navazio at page 1,000 of the 4/12/2023 Board packet: "As part of the annual budget process, the Board is required to approve a resolution which outlines the billing and collection process set forth in Nevada Revised Statutes 318.197 (**establishing standby service charges for services and facilities furnished by the District**) and 318.201 (establishing the method of collection), as well as the preliminary amount of the Recreation Facility Fee (RFF) and Beach Facility Fee (BFF)." Mr. Navazio is telling you that the Board can adopt standby service charges for services **and facilities** furnished even though that's **not** what NRS 318.197 says.

Now why would Mr. Navazio intentionally lie to the Board and the public? Please don't tell me this was simply a "slip of the tongue." Mr. Navazio is far too sharp for that. Which means that in his mind, the end justifies the means. Thank you Mr. Navazio.

Now to the Board. What do you do with a public employee who intentionally lies to you and the public because it suits his personal agenda? You know what to do. And I expect each of you to do your jobs!

Respectfully, Aaron Katz

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

From: <s4s@ix.netcom.com>

Sent: Apr 8, 2023 12:02 PM

To: Dent Matthew <dent_trustee@ivgid.org>

Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>

Subject: April 12, 2023 Board Meeting - Agenda Item #0(1) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #1 - What the RFF/BFF Really Represent - And Not What You Tell Us They Represent

Chairperson Dent and Other Honorable Members of the IVGID Board -

Well now for the first time we're taking a REAL look at what the RFF/BFF represent. And how that's far different from what staff and the Board represent.

So the issue for you as a Board. Are you going to continue LYING to local parcel owners because the ends justify the means? Or are you going to tell local parcel owners the truth which means elimination of the RFF/BFF?

THE ENDS JUSTIFY THE MEANS: Because the District is only a limited form of local government, unlike a county, city or unincorporated town, it only has limited means of raising revenues. And with our bloated staff, they are unable to generate adequate revenues to cover the costs they assign to the Community Services and Beach Funds. That leaves staff with a choice. Do they reduce expenses to the level of revenues? Or do they continue spending like drunken sailors and look elsewhere for a revenue source to plug the deficiency (aka a subsidy)? Because in the past staff have relied upon the latter, to them it doesn't really matter what you call the RFF/BFF nor justify its involuntary assessment. It's really nothing more than a means to an end. What end? A balanced budget.

NRS 318.197(1): One of the few things staff and past Boards and people like me agree upon, are that other than ad valorem taxes (NRS 225), the District's ability to raise revenues is pretty much limited by NRS 318.178(1). That is, "The board may fix, and from time to time increase or decrease...other recreational facilit(y)...rates, tolls or charges other than special assessments, including, but not limited to:"

1. "Service charges...for services or facilities furnished by the district;"
2. Standby service charges, for services or facilities furnished by the district;"
3. Charges for the availability of service;"
4. "Annexation charges;" and,
5. "And minimum charges."

What Type of Charge Does Staff Tell Us the RFF/BFF Represent: Look at the "REPORT FOR COLLECTION ON THE COUNTY TAX ROLL" staff have presented (see pages 1003-1008 of the 4/12/2023 Board packet(for your adoption: There staff tell us that "RECREATION STANDBY AND SERVICE CHARGES (ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)...for the availability of use of the **recreational facilities** above described" (see paragraph I at page 1005 of the 4/12/2023 Board packet).

Now listen to what the District's Finance Director tells us the Recreation ("RFF") and Beach ("BFF") Facility Fees represent: "These fees are established based on the revenues required to support debt, capital expenditure and operations for the District's various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to support the operations of the District funded by the Community Services Fund and Beach Fund, respectively" (see pages 999-1000 of the 4/12/2023 Board packet). In other words, the difference between revenues and expenses, system wide, assigned by staff to the Community Services (insofar as the RFF is concerned) and Beach (insofar as the BFF is concerned) Funds, respectively.

What the Rates, Tolls and Charges the District Fixes Can Legitimately Be Spent On: NRS 318.197(1) gives us the answer: "The board may fix, and from time to time increase or decrease...rates, tolls or charges other than special assessments...and pledge the revenue for the payment of any indebtedness or special obligations of the district."

Where in NRS 318.178(1) Do You See That the Board May Fix Rates and Charges For the

"Availability of Facilities?" NOWHERE!

Putting Aside the Fact Staff Have Told Us That the RFF/BFF Represent Charges...For (Recreation) Services...Furnished by the District" to Those Parcels/Dwelling Units Which They Propose Assessing, But What Such Recreation "Services" Do Staff Propose Furnishing Which Are Paid For With the RFF/BFF? NONE!

Putting Aside the Fact Staff Have Told Us That the RFF/BFF Represent Charges...For... (Recreation) Facilities...Furnished by the District" to Those Parcels/Dwelling Units Which They Propose Assessing, But What Such Recreation "Facilities" Do Staff Propose Furnishing Which Are Paid For With the RFF/BFF? NONE!

Since Staff Tell Us They *Don't* Propose Furnishing Any "Services" Whatsoever to Those Parcels/Dwelling Units They Propose Assessing in Consideration of Paying the RFF/BFF, How Can They Propose Standby Service Charges, for the Mere Availability to Access and Use "Services...Furnished by the District?" They *CAN'T*!

Since Staff Tell Us They *Don't* Propose Furnishing Any "Facilities" Whatsoever to Those Parcels/Dwelling Units They Propose Assessing in Consideration of Paying the RFF/BFF,

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR APRIL 12, 2023 MEETING – AGENDA
ITEM G(7) – APPROVAL OF RESOLUTION NO. 1901 WHICH ADOPTS A PRE-
LIMINARY REPORT ELECTING TO COLLECT 2023-24 RECREATION (“RFF”)
AND BEACH (“BFF”) FACILITY FEES ON COUNTY TAX ROLL**

Introduction: Well “here’s another one” according to my friend DJ Khaled¹! I keep telling the IVGID Board and the public that the District is not being properly managed² and as a consequence, the facilities and services it furnishes can be more efficiently and fairly provided by another district³, or Washoe County, or more preferably, IVGID should simply be dissolved³. However in the interim, and in order to provide evidence in support of dissolution, let’s examine another example of the waste and ends justifying means mentality which ends up costing local parcel/dwelling unit owners.

Even though the District cannot legitimately recover its proposed RFF/BFF for the forthcoming fiscal year on the County tax roll, that’s exactly what the Board proposes by way of this Resolution No. 1901 and the preliminary report adopted thereby. And that’s the purpose of this written statement.

My E-Mails of April 8 and 10, 2023: On April 8, 2023 I sent a series of e-mails to the Board sharing my views as to the reasons why it should not approve the subject resolution nor its adopted report for the collection of the RFF/BFF on the county tax roll. Those e-mails are attached as Exhibits “A” through “I” (each dealing with a separate basis) to this written statement. On April 10, 2023 I followed up with another. And it is attached as Exhibit “J” to this written statement. Rather than restating all that is included in those e-mails, I direct the reader to the same.

¹ Go to <https://www.djkhaledofficial.com/>.

² NRS 318.515(1)(a) and 318.515(3)(a)-(d) instruct that “upon notification by the Department of Taxation or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that...a district of which the board of county commissioners is not the board of trustees is not being properly managed...the board of county commissioners of the county in which the district is located shall hold a hearing to consider...(a) adopt(ion of) an ordinance constituting the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt(ion of) an ordinance providing for the merger, consolidation or dissolution of the district...(c) fil(ing) a petition in...district court for the...appointment of a receiver for the district; or, (d) determin(ing) by resolution that management and organization of the district...remain unchanged.”

³ NRS 318.490(1)-(2) instruct that “whenever a majority of the members of the board of county commissioners...deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, or if the board of trustees of a district, by resolution...agrees to such a merger, consolidation or dissolution, the board of county commissioners shall so determine by ordinance, (that)...(b) the services of the district are no longer needed or can be more effectively performed by an existing unit of government (or)...that the district should be dissolved, merged or consolidated.”

Conclusion: Not every rate and charge the Board is authorized to fix pursuant to NRS 318.197(1) can permissibly be collected on the county tax roll pursuant to NRS 318.201. Yet here we have evidence that's exactly what staff have asked the Board to do. Moreover, portions of the report proposed to be adopted contain impermissible findings to which I object. Hopefully for the reasons stated in the attached e-mails, the Board will refuse to pass the proposed subject resolution and refuse to adopt the proposed subject report.

And You Wonder Why the RFF and BFF Which Pay For This and Other Similar Waste Local Parcel/Dwelling Unit Owners Are Forced to Involuntarily Pay is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

EXHIBIT "A"

April 12, 2023 Board Meeting - Agenda Item #G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #1 - What the RFF/BFF Really Represent - And Not What You Tell Us They Represent

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item #G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #1 - What the RFF/BFF Really Represent - And Not What You Tell Us They Represent
Date: Apr 8, 2023 12:02 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Well now for the first time we're taking a REAL look at what the RFF/BFF represent. And how that's far different from what staff and the Board represent.

So the issue for you as a Board. Are you going to continue LYING to local parcel owners because the ends justify the means? Or are you going to tell local parcel owners the truth which means elimination of the RFF/BFF?

THE ENDS JUSTIFY THE MEANS: Because the District is only a limited form of local government, unlike a county, city or unincorporated town, it only has limited means of raising revenues. And with our bloated staff, they are unable to generate adequate revenues to cover the costs they assign to the Community Services and Beach Funds. That leaves staff with a choice. Do they reduce expenses to the level of revenues? Or do they continue spending like drunken sailors and look elsewhere for a revenue source to plug the deficiency (aka a subsidy)? Because in the past staff have relied upon the latter, to them it doesn't really matter what you call the RFF/BFF nor justify its involuntary assessment. It's really nothing more than a means to an end. What end? A balanced budget.

NRS 318.197(1): One of the few things staff and past Boards and people like me agree upon, are that other than ad valorem taxes (NRS 225), the District's ability to raise revenues is pretty much limited by NRS 318.178(1). That is, "The board may fix, and from time to time increase or decrease...other recreational facilit(y)...rates, tolls or charges other than special assessments, including, but not limited to:"

1. "Service charges...for services or facilities furnished by the district;"
2. Standby service charges, for services or facilities furnished by the district;"
3. Charges for the availability of service;"
4. "Annexation charges;" and,
5. "And minimum charges."

What Type of Charge Does Staff Tell Us the RFF/BFF Represent: Look at the "REPORT FOR COLLECTION ON THE COUNTY TAX ROLL" staff have presented (see pages 1003-1008 of the 4/12/2023 Board packet(for your adoption: There staff tell us that "RECREATION STANDBY AND SERVICE CHARGES (ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)...for the availability of use of the **recreational facilities** above described" (see paragraph I at page 1005 of the 4/12/2023 Board packet).

Now listen to what the District's Finance Director tells us the Recreation ("RFF") and Beach ("BFF") Facility Fees represent: "These fees are established based on the revenues required to support debt,

capital expenditure and operations for the District's various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to support the operations of the District funded by the Community Services Fund and Beach Fund, respectively" (see pages 999-1000 of the 4/12/2023 Board packet). In other words, the difference between revenues and expenses, system wide, assigned by staff to the Community Services (insofar as the RFF is concerned) and Beach (insofar as the BFF is concerned) Funds, respectively.

What the Rates, Tolls and Charges the District Fixes Can Legitimately Be Spent On: NRS 318.197(1) gives us the answer: "The board may fix, and from time to time increase or decrease...rates, tolls or charges other than special assessments...and pledge the revenue for the payment of any indebtedness or special obligations of the district."

Where in NRS 318.178(1) Do You See That the Board May Fix Rates and Charges For the "Availability of Facilities?" *NOWHERE!*

Putting Aside the Fact Staff Have Told Us That the RFF/BFF Represent Charges...For (Recreation) Services...Furnished by the District" to Those Parcels/Dwelling Units Which They Propose Assessing, But What Such Recreation "Services" Do Staff Propose Furnishing Which Are Paid For With the RFF/BFF? *NONE!*

Putting Aside the Fact Staff Have Told Us That the RFF/BFF Represent Charges...For... (Recreation) Facilities...Furnished by the District" to Those Parcels/Dwelling Units Which They Propose Assessing, But What Such Recreation "Facilities" Do Staff Propose Furnishing Which Are Paid For With the RFF/BFF? *NONE!*

Since Staff Tell Us They *Don't* Propose Furnishing Any "Services" Whatsoever to Those Parcels/Dwelling Units They Propose Assessing in Consideration of Paying the RFF/BFF, How Can They Propose Standby Service Charges, for the Mere Availability to Access and Use "Services...Furnished by the District?" They *CAN'T!*

Since Staff Tell Us They *Don't* Propose Furnishing Any "Facilities" Whatsoever to Those Parcels/Dwelling Units They Propose Assessing in Consideration of Paying the RFF/BFF, How Can They Propose Standby Service Charges, for the Mere Availability to Access and Use "Facilities Furnished by the District?" They *CAN'T!*

Moreover, What Exactly Are "Standby Service Charges?" And Do the RFF/BFF Legitimately Represent Such Charges? Remember that *NOWHERE* in NRS 318 nor the NRS for that matter is the term defined. So how can you as a Board represent that the RFF/BFF comport to that definition?

Given the District Proposes Using the RFF/BFF to Accumulate Funds to Pay For Current and Future Capital Improvement Project ("CIP") Costs to be Assigned to the Community Services and Beach Funds, Respectively, How Can This Use be Reconciled with NRS 318.197(1)'s Instruction That They be Limited to the Payment of "Any Indebtedness or Special Obligation...of the District?" At the Board's April 5, 2023 meeting, didn't it clearly inform the public that insofar as the Community Services Fund was concerned, no portion of the RFF whatsoever was required for operational or debt service costs because budgeted revenues were sufficient to pay for those costs? And that only a portion of CIP costs were required to be subsidized by the RFF because roughly 2/3 would be paid for by transfers from fund balance?

And didn't the Board similarly inform the public that insofar as the Beach Fund was concerned, the BFF was required to subsidize the difference between revenues and expenses of all kinds assigned by staff?

In other words, the RFF/BFF have *NOTHING* to do with "service charges...for services...furnished by the district;" nor "service charges...for...facilities furnished by the district;" nor, "standby service charges, for services...furnished by the district;" nor, "standby service charges, for...facilities furnished by the district;" nor, "charges for the availability of service." Instead they pay for the difference between revenues and expenses of all kinds, system wide, assigned by staff to the Community

Services (insofar as the RFF is concerned) and Beach (insofar as the BFF is concerned) Funds, respectively. Since that difference insofar as the Community Services Fund is concerned for 2023-24, we're only talking about roughly 1/3 of projected CIP costs. And since that difference insofar as the Beach Fund is concerned for 2023-24, we're talking about the total difference.

But You're Really Paying For a Whole Lot More: How do you think we accumulated excess fund balances in the Community Services and Beach Funds? Because in the immediate past, the RFF/BFF were set at levels in excess of amounts required for the mere availability for those parcels/dwelling units which were assessed to access and use the District's recreation and beach facilities. Or the Board budgeted monies to pay for CIPs which were never prosecuted (like the Diamond Peak Master Plan) and at some point in time, those funds were retained permanently in fund balance. Or the Board budgeted monies to pay for CIPs, those CIPs were prosecuted, but the costs were less than what was budgeted. Thus those excess funds were retained permanently in fund balance.

Then you have the situation where the RFF/BFF were used for purposes having nothing to do with making the District's recreation and beach facilities available for access and use by those parcels/dwelling units which were assessed. An example being the loss of ad valorem tax revenues withheld by the county as our collection agent. You will recall that as a result of the latest ad valorem tax refund suit, the county entered into a settlement agreement whereby refunds were agreed to be made to the owners/former owners of all parcels within IVGID's boundaries. The county contended that the District was responsible for its portion of those refunds. And the way that the county exacted reimbursement payments, was through unilateral offset against District ad valorem taxes it was collecting on the District's behalf. The loss of this budgeted revenue meant that staff had to either reduce expenses by a like amount, or use the RFF/BFF to plug the financial deficiency. Staff chose the latter. Which means the RFF/BFF were *NOT* used for the purposes represented.

If You Have Any Doubts as to Whether or Not the District Possesses Such Charges, Doesn't *Dillon's Rule* [See NRS 244.137(4)] Instruct That "If There is Any Fair or Reasonable Doubt Concerning the Existence of a Power, That Doubt is Resolved *Against* the Board of (the Local Government) and the Power is *Denied*?"

Moreover, What Are the "Just and Reasonable" Costs [See NRS 704.040(1)-(2)] the District Proposes Incurring to Make the District's Recreation "Services" Merely Available to Be Accessed and Used By Those Parcels/Dwelling Units They Propose Assessing? And How Do They Compare to What the RFF/BFF Are Proposed to Pay For in the Real World? Although we know the financial shortfall, system wide, *nowhere* have staff informed the Board of the "just and reasonable" costs the District proposes incurring for the mere "availability" to access and use those "services." And before any of you tell me that NRS 704.040's "just and reasonable" requirement has no relevance to this discussion, please understand that NRS 704.040(2) instructs that "every unjust and unreasonable charge for (a) service of a public utility is unlawful;" and, the District is a "public utility" under NRS 704.020(2)(a) inasmuch as it operates a "plant or equipment, or any part of a plant or equipment, within this State for the production, delivery or furnishing for or to other persons, including private or municipal corporations, heat, gas, coal slurry, light, power in any form or by any agency, water for business, manufacturing, agricultural or household use, or sewerage service, whether or not within the limits of municipalities."

What Are the "Just and Reasonable" Costs the District Proposes Incurring to Make the District's Recreation "Facilities" Merely Available to Be Accessed and Used By Those Parcels/Dwelling Units They Propose Assessing? And How Do They Compare to What the RFF/BFF Are Proposed to Pay For in the Real World? Although we know the financial shortfall, system wide, *nowhere* have staff informed the Board of the "just and reasonable" costs the District proposes incurring for the mere "availability" to access and use those "facilities."

Conclusion: So please don't adopt a resolution which tells me the RFF/BFF pay for one thing when the truth is they don't. And don't propose charging my property for something, when that something does not comport with the kinds of fees and charges which are permissible under NRS 318.197(1) because the means justify the ends.

You and your staff are treating the RFF/BFF as if they were tax revenues. They're budgeting to these numbers relying upon their receipt to help pay for intentional overspending. This is wrong. And which bottom line should lead to the conclusion that the RFF/BFF are really not legitimate fees and charges and for this reason, they should not be involuntarily assessed. And if you refuse, in my eyes you are no better than your disingenuous staff.

Thank you for your attention to and consideration of this matter and your hopeful refusal to adopt the resolution and report made the subject of this agenda item. Respectfully, Aaron Klatz

EXHIBIT "B"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #2 - The Amount of Money Required to Make the Beaches and Other Public Recreation Facilities Available to be Used Upon the Condition Additional User Fees Are Paid

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #2 - The Amount of Money Required to Make the Beaches and Other Public Recreation Facilities Available to be Used Upon the Condition Additional User Fees Are Paid
Date: Apr 8, 2023 1:09 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the first. The amount of money staff require to make the beaches and other public recreational facilities available for local parcel owners' access and use conditioned upon their paying additional user fees [BTW, this makes the RFF/BFF NRS 318.197(1) "minimum charges," doesn't it?].

Because NRS 318.201(1) addresses the process for the Board to collect the RFF/BFF on the tax roll, the first thing you have been presented with is a report which preliminarily reads as follows at Paragraph II (see page 1006 of the 4/12/2023 Board packet): "The amount of moneys required for the fiscal year extending from July 1, 2023, to June 30, 2024, has been determined by this Board to be about \$X.00 for the Recreation Facility Fee and \$Y,00 for Beach Facility Fee for the proper servicing of said identified bonds and for the administration, operation, maintenance and improvement of said real properties, equipment and facilities rather than to make the beaches and othe recreational facilities available to accessed and used by those parcels which are assessed (the latter is what staff represent to the Board and the public).

Literally, what are the costs associated with "the proper servicing of said identified bonds and for the administration, operation, maintenance and improvement of said real properties, equipment and facilities?" Wouldn't they be the

difference between budgeted revenues and intentional overspending assigned by staff to the District's Community Services (insofar as the RFF is concerned) and Beach (insofar as the BFF is concerned) Funds? Wouldn't that be 100% of the RFF/BFF staff have already told you are required to be next fiscal year's RFF/BFF?

Yet given staff and the Board tell local parcel/dwelling unit owners and the public that the RFF represent standby service and service charges for the mere availability to access and use the same public recreational facilities which are available to be accessed and used by any member of the general public without paying the RFF, wouldn't you think those costs would be LESS? So how come they're not?

Listen to what our Finance Director, Mr. Navazio, tells us the RFF/BFF pay for (this appears at pages 999-1000 of the April 12, 2023 Board packet): "Each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer's Office. These fees are established based on the revenues required to support (i.e., subsidize) debt, capital expenditure and operations for the District's various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to (financially) support the operations of the District funded by the Community Services Fund and Beach Fund, respectively."

Putting aside the issue of the difference in subsidies to merely making the beaches and other recreational facilities available to be used by those parcels which are assessed versus the difference between budgeted revenues and expenses assigned to the Community Services Fund (insofar as the RFF is concerned) and the Beach Fund (insofar as the BFF is concerned), respectively, understand that your staff are perpetually untruthful. And why? Because they have an agenda to fulfill. And that agenda dictates that the ends justify the means. And the ends dictate that a funding source be created to pay for future unidentified, unappropriated and unbudgeted pet projects like The Beach House, Snowflake Lodge, reconstruction of Ski Way, and construction of a new, spiffy Admin Bldg for our beleaguered staff, etc. Let me demonstrate what I mean.

Let's examine the Community Services budget for fiscal year 2020-21. If one removes the RFF subsidy (\$1,735,612) assigned to actual revenues, one sees that total revenues from all other sources were \$16,333,929. Now let's compare this revenue to actual expenses (\$15,286,400). The reported difference (\$1,047,469) is MORE than actual expenses. This means that only a portion of the RFF was necessary to plug the difference between revenues and expenses system (at least Community Services systems) wide. And rather than refunding the unnecessary portions to those parcels which were assessed because they weren't really required, the RFF together with the \$1,047,469 of positive cash flow were transferred to excess fund balance. Therefore, the RFF was not just a revenue source for the alleged shortfall between budgeted revenues and intentional overspending. It became a funding source for future unappropriated, unbudgeted, pet projects or unforeseen expenses! Which explains why we have such a large excess fund balance in the Community Services Fund.

Let's go through the same exercise for the Beach Fund for fiscal year 2022-23. If one removes the BFF subsidy (\$2,556,840) assigned to budgeted revenues, one sees that total revenues from all other sources are estimated at \$635,290. Now let's compare this revenue to budgeted overspending (\$2,631,439). Again the reported difference (\$1,996,149) is \$560,691 more than budgeted expenses. This means that again, rather than refunding the unnecessary portions to those parcels which were assessed, the BFF together with the \$560,691 of positive cash flow were transferred to excess fund balance. Therefore, here the BFF was not just a revenue source for the alleged shortfall between budgeted revenues and intentional overspending. It became a funding source for future unappropriated, unbudgeted, pet projects or unforeseen expenses! Which explains why we had such a large excess fund balance in the Beach Fund.

And what does any of this have to do with the amounts required for those parcels/dwelling units which are assessed's

mere availability to access and use the beaches and other recreational facilities? Obviously nothing!

So what do we do with public employees who intentionally mis-state the facts and as a result, convince our innocent trustees to rubber stamp the mis-statement? Because they have an agenda, and the ends justify the means, if you're Indra we give them promotions to "directorships," with a commensurate increase in compensation. And you wonder why we just don't seem to be able to reduce our negative cash flow?

Respectfully, Aaron Katz

EXHIBIT "C"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request You Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #3 - Limiting the Number of Parcels Being Assessed to Just Those Whose Past RFFs/BFFs Are Delinquent0

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
 Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request You Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #3 - Limiting the Number of Parcels Being Assessed to Just Those Whose Past RFFs/BFFs Are Delinquent0
 Date: Apr 8, 2023 1:16 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the second. Limiting the number of parcels subject to the RFF/BFF to just those whose past RFFs/BFFs or portions thereof are delinquent.

NRS 318.201(9) instructs that "After the (required public) hearing, when the board has made a final decision on a service charge or fee to be collected on the county tax roll, the secretary shall prepare and file a final report, which shall contain a description of each parcel receiving the services and the amount of the charge, with the county assessor for inclusion on the assessment roll." Were it not for what I am about to share with you, I fully expect our Board secretary would be telling the County Treasurer to collect the RFF from 8,206 local parcels, and the BFF from 7,748 parcels. But staff will neglect to share with the Board NRS 318.201(4) which reads as follows: "The board may make the election specified in subsection 1 (that is to collect the RFF/BFF on the tax roll) with respect **only** to delinquent charges and may do so by preparing and filing the written report, giving notice and holding the hearing therein required only as to **such delinquencies**."

In other words, if the owner of a parcel subject to the District's RFF/BFF is not delinquent in his/her/its payment of past RFFs/BFFs, it is wrong for the District to instruct the County Treasurer to collect BFFs and/or RFFs for the forthcoming fiscal year (2023-24) on the tax roll! So how should the District collect BFFs and/or RFFs for the forthcoming fiscal year from parcels/dwelling units which are **not** delinquent in their payment of previous years' RFFs/BFFs? NRS 318 provides the ways and each of you can read them for yourselves rather than me doing so on your behaves. But bottom line, we **don't** do what staff suggests we do!

So what do we do with public employees who intentionally mis-state remedies and as a result, convince our innocent trustees to rubber stamp their. mis-statements/omissions? Because they have an agenda, the ends justify the means, and if you're Indra we give them promotions to "directorships" commensurate with increases in compensation. And you wonder why we just don't seem to be able to reduce our negative cash flow?

Respectfully, Aaron Katz

EXHIBIT "D"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #4 - Unreasonably Charging Local Parcel/Dwelling Unit Owners More Than the District's Costs to Furnish Service Charges and Standby Service Charges, for Services or Facilities Furnished by the District, or Charges for the Mere Availability of Service

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #4 - Unreasonably Charging Local Parcel/Dwelling Unit Owners More Than the District's Costs to Furnish Service Charges and Standby Service Charges, for Services or Facilities Furnished by the District, or Charges for the Mere Availability of Service
Date: Apr 8, 2023 1:39 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the third. The number of parcels subject to the RFF/BFF, and the amounts of the RFF/BFF based upon that number.

According to Mr. Navazio, "each year, the District establishes...annual Recreation and Beach Facility Fee(s)...collected from property owners within the District through a levy placed on the(ir) property tax bill(s)" [see pages 999-1000 of the the 4/12/2023 Board packet]. In accordance with NRS 318.201(1); 'staff prepare (a) report for (their) collection (as) recreation standby and service charges (also known as the RFF and the BFF) on the Washoe County Tax Roll (see page 1000 of the 4/12/2023 Board packet). Per section I of that report (see page 1005 of the 4/12/2023) you are asked to find that "the following annual charges are for **the availability of use of the recreational facilities** above described."

"At (a publicly noticed) meeting the Board of Trustees (will) t(ake) action (via resolution)...approv(ing) the) preliminary report as well as set(ting a) public hearing (date, generally held in May of each year) to consider final action for the forthcoming fiscal year" (that's the upcoming April 12, 2023 date). "Upon...conclusion of the (final) hearing the Board (will) be asked to approve a final report which will contain a description of each parcel of real property receiving...services and facilities(, and) the (final) amount of the charge(s)...for such year" [see NRS 318.201(8) and (9) as well as page 1000 of the 4/12/2023 Board packet]. By reason of section 4(b) of that resolution you will be asked to "find that each parcel assessed pursuant to this Resolution (rather than the owner of each such parcel) and in its report for the collection on the Washoe County tax roll of standby and service charges for the fiscal year 2023-2024 is specifically benefited as follows...availability of the use of IVGID's beaches; boat launch ramp; Championship golf course; Mountain golf course; tennis facilities; the Chateau and

Aspen Grove; Diamond Peak Ski Resort, and (the) Recreation Center" (see page 230 of the 5/26/2022 Board packet).

Okay. What are the "just and reasonable" costs [NRS 704.040(2) make EVERY charge that a public utility district like IVGID charges UNLAWFUL unless the charge is "just and reasonable" the District incurs to merely make the public's recreational facilities available for use just by those local parcels (rather than the owners of each such parcel) which are assessed? Although staff want you to believe those costs are identical to the RFF/BFF, that's not the case. By definition they have to be less because in the next breath (see paragraph 3 at page 229 of the 5/26/2022 Board packet) you are told they pay for "the acquisition, administration, operation, maintenance and improvement of the recreational facilities, including the improvements thereon, and of the servicing of bonds issued or to be issued therefor," and you have no idea what those costs actually are. You need to insist upon the fact that these mere "availability" numbers are required.

BTW, to those who counter that the "just and reasonable" requirement only applies to the District's water, sewer and solid waste disposal services it furnishes, are you telling me it's unacceptable for the District to charge unjust and unreasonable water, sewer and solid waste disposal rates and charges, yet it is acceptable to charge unjust and unreasonable beach and recreation service rates and charges? I don't think so.

And regardless, since the fees a GID charge for a service it furnishes for which a special benefit is conferred, that charge must be no more than the District's actual costs incurred. Because if the "fee" unreasonably exceeds the value of the specific services for which it is charged, it will be held (to be) invalid as something other than a fee" (like a tax) [see *Executive Aircraft Consulting, Inc.*, 252 Kan. 421, 845 P.2d 57, 62 (1993) quoting *National Cable Television Assn Inc. v.F.C.C.*, 554 F.2d 1094, 1106 (D.C. Cir. 1976)].

Now the proposed report and resolution referenced above will tell you what the RFF/BFF pay for. But it's not the "just and reasonable" cost the District incurs to merely make the public's recreational and beach facilities available for use just by those local parcels (rather than the owners of each such parcel) which are assessed. It's for "the acquisition, administration, operation, maintenance and improvement of the recreational facilities, including the improvements thereon, and...the servicing of bonds issued or to be issued therefor," which represent nothing more than the difference between revenues and overspending, globally, assigned by staff to the Community Services (insofar as the RFF is concerned) and Beach (insofar as the BFF is concerned) Funds, respectively are concerned. Don't they? If you answer "no," then my question to you is what other costs are not included in the acquisition, administration, operation, maintenance and improvement of the recreational facilities, including the improvements thereon, and of the servicing of bonds issued or to be issued therefor? There aren't any, are there?.

So you see that staff are attempting to get you to set the RFF/BFF at levels for one thing, while having you find they pay for something else. Are you going to stand for this?

So what I am asking is that you find no more than just and reasonable RFFs/BFFs that pay for nothing more than the costs the District incurs to make the public's recreational facilities available for use by just those local parcels/dwelling units (rather than the owners of each such parcel)/dwelling unit which are assessed, rather than the remainder of the world's tourists who do not pay.

So what do we do with public employees who intentionally mis-state the facts and as a result, convince our innocent trustees to rubber stamp mis-statements such as these? Because they have an agenda, the ends justify the means, and if you're Indra we give them promotions to "directorships," with a commensurate increase in compensation. And you wonder why we just don't seem to be able to reduce our negative cash flow?

Respectfully, Aaron Katz

EXHIBIT “E”

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request You Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future VCIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #5 - Providing Standing to Parcel Owners So They Can Seek Refund of Past RFFs/BFFs They've Been Involuntarily Forced to Pay Without Due Process

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request You Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future VCIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #5 - Providing Standing to Parcel Owners So They Can Seek Refund of Past RFFs/BFFs They've Been Involuntarily Forced to Pay Without Due Process
Date: Apr 8, 2023 1:51 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the fourth. Allowing parcel owners who want to seek refund of the RFF/BFF they've been forced to pay the procedural standing and Due Process means to do so.

This is supposed to be America. And in America there can be no taking of property nor other rights without Due Process of Law. That means a forum for citizens to petition their government to seek the recovery of property which has been improperly taken from them without the opportunity to challenge the taking's validity.

It is for this very reason that NRS 318.201(12) states that "All laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, are applicable to such charges." And paragraph 8 of the resolution staff will proposed pursuant to NRS 318.201(9) [see pages 230-231 of the 5/26/2022 Board packet], will have the Board stating that the RFF/BFF "shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from the general taxes for the District, and shall be delinquent at the same time and thereafter be subject to the same delinquent penalties; and all laws applicable to the levy, collection, and enforcement of general taxes of the District, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale are applicable to such charges." And paragraph VI of the report the resolution pursuant to

NRS 318.201(9) will adopt (see page 236 of the 5/26/2022 Board packet) will state that "all laws applicable to the levy, collection and enforcement of general taxes of the District, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, are applicable to" the RFF/BFF.

This is called Due Process of Law, and it is for the very same reason paragraph 102(c) of Ordinance No. 7 provides a procedural mechanism before a parcel owner's recreation privileges can be suspended or revoked. So why not the same Due Process here?

The laws for seeking refund of general taxes paid to the county require that the claimant first seek administrative review. This takes place by filing written appeal with the County Board of Equalization ("BOE") within designated time limits. If the claimant is not satisfied with the results of his/her/its appeal with the County BOE, he/she/it can file appeal to the State BOE. If still not satisfied, he/she/it may seek judicial review. This is the very process the League to Save Incline Assets went through when it challenged the assessment practices of our then County Assessor.

But these laws do not work when it comes to seeking refund of the RFF/BFF even though the resolution the Board adopts and NRS 318.201 declare. The reason being a claimant cannot make it through the door of first stage administrative review (the County BOE) because the only appeals the county BOE will entertain are those related to the assessment of real property. And because here those who pay the RFF/BFF are not challenging their validity based upon assessed valuation grounds, such claimants cannot make it into the first appeal door, the second appeal door (the State BOE), nor seeking judicial review. So if you're of the mindset you only want to make it look to the casual observer that Due Process rights are being afforded to local parcel owners when they're not, go ahead and do what you've been doing for decades - NOTHING. Which will guaranty that any such claimants are deprived of Due Process of law.

But if you believe claimants should be entitled to exercise their due process rights to administrative review, you will adopt an administrative process like you've done for Ordinance No. 7 which provides for that review. And that's what needs to be done here!

Respectfully, Aaron Katz

EXHIBIT "F"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future Vital CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #6 - Adopting Regulations For Connection to/Disconnection From the District's Recreation Facilities and Their Proffered Services

From: <s4s@ix.netcom.com>
To: "Dent Matthew" <dent_trustee@ivgid.org>
Cc: "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future Vital CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #6 - Adopting Regulations For Connection to/Disconnection From the District's Recreation Facilities and Their Proffered Services
Date: Apr 8, 2023 2:12 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the fifth. Allowing parcel owners who want to disconnect from the District's recreation facilities and the taking of their services, to do so.

Let's consider what the RFF/BFF pay for. At least according to staff, NRS 318.201(9) requires the Board to adopt a resolution determining the amount of the RFF/BFF, what it represents, against which local parcels it should be levied, and instructing the County Treasurer to collect the same on the county tax roll. Paragraph 4 of that resolution (see pages 229-230 of the 5/26/2022 Board packet) will state as follows: "The Board of Trustees finds that each parcel assessed pursuant to this Resolution and in its report for the collection on the Washoe County tax roll of standby and service charges for the fiscal year 2023-2024 is specifically benefited as follows:" And Paragraph 4(b) of that resolution (see page 230 of the 5/26/2022 Board packet) will state as follows: "The Board specifically finds that the availability of the use of IVGID's beaches; boat launch ramp; Championship golf course; Mountain golf course; tennis facilities; the Chateau and Aspen Grove; Diamond Peak Ski Resort, and Recreation Center...are all benefits which...are provided to said properties whether or not they are developed."

Paragraph 6 of that resolution (see page 230 of the 5/26/2022 Board packet) will state as follows: "Th(e final)...report [adopted pursuant to NRS 318.201(9)], as revised, changed, reduced or modified, if any, is hereby adopted." That report will be labeled a "REPORT FOR COLLECTION ON THE COUNTY TAX ROLL OF RECREATION STANDBY AND

SERVICE CHARGES (ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE) PROCEDURE FOR COLLECTION UNDER NRS 318.201" (see page 232 of the 5/26/2022 Board packet). Section I of that report (see page 234 of the 5/26/2022 Board packet) will state that: "The following annual charges are for the availability of use of the recreational facilities above described."

Based upon the above recitals, according to the District the RFF/BFF are "annual...standby and service charges...for the (mere) availability of use of the recreational facilities above described." This description has been very artfully drafted to comply with NRS 318.197(1) which states "The board may fix, and from time to time increase or decrease...rates,tolls or charges other than special assessments, including, but not limited to,service charges and standby service charges, for services or facilitiesfurnished by the district (and) charges for the availability of service,"

So do you know what a standby service charge is for the availability of service? Why don't you ask Josh? Although you won't find a definition in the NRS, I think you will be advised it means some sort of property levy imposed on physically connected or immediately adjacent parcels capable of being physically connected for the mere availability of some type of public health and sanitation service (like water, sewer, and possibly solid waste disposal) of direct benefit to those parcels which are assessed assuming the provider is capable of delivering those services. Under this definition, the RFF/BFF are not legitimate standby service charges.

First of all, no "service" is delivered in consideration of payment.

Second of all,no District recreation facility is physically connected to those parcels/dwelling units which are assessed.

Third of all, no District recreation facility is capable of physical connection to the overwhelming majority of parcels which are assessed because they are not immediately adjacent.

Fourth of all, according to the District no recreation services nor facilities are furnished to those parcels which are assessed.

Fifth of all, because no recreation services are capable of being furnished to those parcels which are assessed, payment of theRFF/BFF cannot possibly be for the "availability" to access and use those services. Although according to the District recreation facilities are capable of being furnished to those parcels which are assessed. So according to the District, payment of the RFF/BFF can and is for the "availability"to access and use those facilities. But take another look at NRS 318.197(1). According to its plain language, although standby service charges can be fixed for the "availability of service," there is nothing which states it can be fixed for the "availability of facilities."

Since the District tells us the RFF/BFF represent standby service charges for the availability of facilities, sixth of all, there is no statutory authority for the District's involuntary assessment of the RFF/BFF.

Seventh of all, the District is not capable of delivering the recreation facilities it proffers to all parcels which are assessed. If all such parcels demanded water or sewer services at the same time, the public's water and sewer systems are capable of delivering the same. But if all parcels which are assessed demand access to and use of the District's recreational facilities at the same time, the District is incapable of delivering.

Eighth of all, assuming for purposes of argument that the RFF/BFF pay for public recreation services rather than facilities, those services are not equivalent to health and sanitation services supplied to properties, and not people.

Finally, take a look at NRS 318.197(4) which states: "The board shall prescribe and enforce regulations for the connection withand the disconnection from properties of the facilities of the district and the taking of its services." Okay. Where are those regulations? After all, the statute is clear in that those regulations SHALL be prescribed.

You and your followers may think the District's recreational facilities are "world class" and the greatest thing since butter to bread. But not all of us share those views. And we'd like to have our properties disconnected from recreation properties of the facilities of the district and the taking of their recreation services. So how do we exercise this right? Regulations need to be adopted as NRS 318.197(4) instructs!

Respectfully, Aaron Katz

EXHIBIT "G"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #7 - The District's Exemptions From Paying The RFF/BFF Are Not Allowed Under NRS 318, Under Any Other NRS or De the Constitution

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #7 - The District's Exemptions From Paying The RFF/BFF Are Not Allowed Under NRS 318, Under Any Other NRS or De the Constitution
Date: Apr 8, 2023 2:39 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the sixth. Excepting, excluding or exempting parcels subject to the RFF/BFF from making payment based upon who the identity of the owner(s) of those parcels.

Staff proposes the District will continue to exempt favored collaborators, including itself, from paying the RFF/BFF (see paragraph I(D) at page 1005 of the 4/12/2023 Board packet) notwithstanding **nowhere** in NRS 318 nor anywhere else in the NRS nor the Constitution are such exemptions recognized. So where is the authority? The answer is **nowhere**. It was fabricated by IVGID staff. And don't let your Josh counsel you that the power to fix rates and charges includes the power to fix those rates on a discriminatory or preferential basis (i.e., \$0 for some parcels, and \$780 for others).

Let's start with Policy No. 16.1.1. ¶2.0.6 of that Policy defines "Exempt Real Property...to be real property...located within the current geographic boundaries of the District...which Washoe County has exempted from paying Washoe County property tax(es). Exempt Real Property includes but is not limited to, real property that is used or intended for use for religious or educational purposes, condominium and town house common areas that do not include any Dwelling Units, and publicly owned property." Based upon this authority, listen how the Board excepts and excludes parcels/dwelling units in the report presented to be approved through ¶I(D) of the report adopted by ¶6 of the resolution (see page 234 of the 5/26/2022 Board packet) I anticipate will ultimately be adopted pursuant to NRS 318.201(9): "Lots, parcels and areas of land...or the portions thereof used, or intended to be used, for religious...or educational purposes; common areas without occupied structures appurtenant to a condominium or townhouse cluster; and publicly owned lands...In addition, any parcel which is (1) undeveloped, and (2) subject to a deed restriction, acceptable to IVGID staff, preventing any and all development...in perpetuity...(3) whose owner agrees to waive in perpetuity on his own behalf as well as on behalf of his successors and assigns any right to demand in the future any recreation privileges arising from or associated with said parcel is also excepted and excluded from the (RFF/BFF) charges imposed."

As I have stated many times before, IVGID is a limited purpose special district. Its basic powers "must be one or more of those (expressly) authorized in NRS 318.116 as supplemented by the sections of this chapter designated therein" [see NRS 318.055(4)(b)] and no other [see A.G.O. No. 63-61, p. 102 at p. 103 (August 12, 1963)]. So take a look at NRS 318.197(1). Do you see anywhere where a GID has the power to except and exclude any of the rates, tolls and charges it is empowered to fix? Take a look at NRS 318.116. Do you see anywhere where a GID has the power to pass laws or to legislate because the State has chosen not to? Do you see anywhere where a GID has the power to fill any legislative void omitted by the Legislature? Harking back to *Dillon's Rule*, don't you recall that "if there is any fair or reasonable doubt concerning the existence of a power, that doubt is (to be) resolved against the (local government) and the power...*denied*." Is there any fair or reasonable doubt concerning the District's power to except and exclude parcels/dwelling units from paying the rates, tolls and charges it is empowered to fix? Regardless of the answer, IVGID has no power to adopt BFF/RFF exceptions, exclusions and exemptions.

I know where this language comes from and it's Article 10, ¶1 of the Nevada Constitution which states "1. The Legislature shall provide by law for a uniform and equal rate of...taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property... (Notwithstanding,) 8. The Legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy or the substitution of other sources for fossil sources of energy." But this portion of the Constitution pertains to TAXES rather than fees. And it requires uniformity (see Article 4, ¶21 of the Constitution which states that "in all cases...where a general law can be made applicable, all laws shall be general and of uniform operation throughout the State") which is what you DON'T have when you fix Rec Fees of \$780 annually for my home, and \$0 annually for property owned by IVGID. Which means it has no application to the RFF/BFF.

Please think about this subject now that staff have presented their preliminary NRS 318.201(1) report for you to approve. ALL exemptions/exceptions need to be deleted because they are discriminatory, preferential, non-uniform and expressly not authorized anywhere in NRS 318.

Respectfully, Aaron Katz

EXHIBIT "H"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #8 - The RFF/BFF Are Not Legitimate Standby Service Charges

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Ray Tulloch <ray@tulloch4ivgidtrustee.com>
 Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #8 - The RFF/BFF Are Not Legitimate Standby Service Charges
 Date: Apr 8, 2023 6:58 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the seventh. The RFF/BFF cannot be legitimate NRS 318.197(1) standby service charges for the mere availability of services for a variety of reasons. Here I concentrate on the fact the District is NOT capable of rendering those services to those parcels/dwelling units which are assessed; certainly not on the latter's time schedule.

But before I make my argument, please understand that just because staff tell us the RFF/BFF are NRS 318.197(1) standby service charges for the mere availability to access and use the District's beach and public recreation facilities, **DOESN'T** make it so! That's because "the nature of (a)...charge that (the) law imposes is *not* determined by the label given...but (rather,)//its operating incidence" [see Clean Water Coalition v. The M Resort, LLC, 127 Nev. 301, 255 P. 3d 247, 256 (2011) citing State v. Medeiros, 89 Haw. 361, 973 P.2d 736, 741 (1999)]. Thus "courts will determine and classify (monetary exactions) on the basis of realities" [see Hukle v. City of Huntington, 134 W.Va. 249, 58 S.E.2d 780, 783 (1950)] rather than labels, looking to their "operative effect" [see Emerson College v. City of Boston, 39 Mass. 415, 462 N.E.2d 1098, 1105 (1984)]. Especially when as here the RFF/BFF were "undoubtedly drafted with [NRS 318.197(1)'s predecessor's labeling] firmly in mind" [see Rider v. County of San Diego, 1 Cal.4th 1, 15, 820 P.2d 10 (1991)]. In other words, courts will not allow the ends to justify the means.

Now with that said, although the Nevada Supreme Court has never interpreted the term "standby service charge," courts in other jurisdictions have. And those courts [such as Keller v. Chowchilla Water Dist., 80 Cal.App.4th 1006, 1011, 96 Cal.Rptr. 246, 250-251 (2000)] have defined the exaction to mean some sort of monetary *levy against property* imposed for the mere availability to water and/or sewer [see Medeiros, supra, at 89 Haw. 367, 973 P.2d 742 (1999); Chapman v. City of Albuquerque, 65 N.M. 228, 335 P.2d 558, 562 (1959); Graham v. City of Lakewood Village, 796 S.W.2d 800, 801 (1990); Lakeside Utilities Corp. v. Bernum, 5 Ohio.St.3d 99, 449 N.E.2d 430, 431 (1983)] services [in other words, health and sanitation services {see McMillan v. Texas National Resources Conservation Comm'n, 983 S.W.2d 359, 365 (1998)}] (rather than *facilities*) delivered [see State v. City of Port

Orange, 650 So.2d 1, 3 (1994); Chapman, supra, at 65 N.M. 228, 335 P.2d 561] or capable of delivery (Chapman, supra, at 335 P. 564), and of direct benefit [see Solvang Mun. Improvement Dist. v. Board of Supervisors, 112 Cal.App.3d 545, 552, 169 Cal.Rptr. 391 (1980)] to those real properties [see Kennedy v. City of Ukiah, 69 Cal.App.3d 545, 553, 138 Cal.Rptr. 207 (1977)] which are assessed, whether or not those services are actually used [see San Diego Cty. Water Auth. v. Metro. Water Dist., 117 Cal.App.4th 13, 27, 11 Cal.Rptr. 446, 457 (2004)]. So as you can see, one of the necessary requisites is that the public entity assessing the RFF/BFF, **MUST** be capable of actually providing the service if the property assessed were to be an actual customer and requesting the service.

But here the District is **NOT** capable of furnishing these services to all real properties which are assessed if/when they want to access and use those services. Just look at golf. The District is capable of offering a maximum of twenty-four (24) T-times per hour at each of its golf courses. But there are over 8,200 assessed parcels. What happens when more than twenty-four (24) seek to access and use prime T-times at once? The District is **NOT** capable. Same result if we speak of the eleven (11) or so tennis courts we have, or the limited number of fitness equipment we have at the Rec Center. And because the District is **NOT** capable, it may not legitimately assess recreation standby service charges ["**no standby fee c(an) lawfully be assessed...if other property owners (can) appropriate...all other remaining (T-times) before**" just one who seeks the same and is assessed the standby service fee (see McMillan, Id.)!]

Now I can go through a similar analysis for each of the other elements of a standby service charge and conclude what I've concluded here; that the RFF/BFF are not legitimate NRS 318.197(1) standby service charges. Is that what you want me to do? Assuming not, the proposed resolution and report staff have presented for your approval should NOT be adopted because the District is **NOT** capable of delivering the recreation services represented in consideration of forced payment of the RFF/BFF/

But let me ask you this. Have I presented enough questions as to the validity of staff's RFF/BFF? If so, why wouldn't we want to get a final and binding interpretation once and for all? I am not suggesting spending another \$100K or so with the Balkenbush law firm for a non-binding opinion. Rather, I am suggesting a NRS 43.100)1_ validation petition. This statute instructs that the Board "may file or cause to be filed a petition at any time in the district court in and for any county in which the municipality is located or any act or project is undertaken....0praying a judicial examination and determination of the validity of any power conferred or of any instrument, act or project of the municipality, whether or not such power has been exercised, such instrument has been executed or otherwise made or such act or project has been taken." "Upon hearing the court shall examine into and determine all matters and things affecting the question submitted, shall make such findings with reference thereto and render such judgment and decree thereon as the case warrants" [see NRS 43.140(1)]. That judgment shall be full and determinative forever once final.

Now why wouldn't you want to resolve this issue once and for all forever?

Respectfully, Aaron Katz

EXHIBIT "I"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #9 - Impermissible Use of NRS 318.201 to Collect the RFF/BFF on the County Tax Roll

From: <s4s@ix.netcom.com>
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #9 - Impermissible Use of NRS 318.201 to Collect the RFF/BFF on the County Tax Roll
Date: Apr 8, 2023 6:59 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the eighth. Using a procedure to collect the RFF/BFF on the county tax roll (see NRS 318.201), that is not authorized by statute.

Most Board members probably believe that any rate or charge which can be fixed pursuant to NRS 318.197(1) can be collected by the County Treasurer on the county tax roll. But if that's you, you're respectfully wrong. The only such rates or charges that can be collected in this manner are those which represent payment for services or facilities delivered to real property. Don't believe me? Take a look at the title page to the report presented by staff in support of their request the RFF/BFF be collected by the County Treasurer on the tax roll (see page 1003 of the 4/12/2023 Board packet). There we are told that the report which follows has been initiated as the "PROCEDURE FOR COLLECTION UNDER NRS 318.201." So let's examine NRS 318.202(1) and (9).

NRS 318.201(1) instructs that "Any board which has adopted rates pursuant to this chapter may...elect to have such charges...collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the county's general taxes (by)...caus(ing) a written report to be prepared and filed with the secretary (that report appears at pages 1003-1008 of the 4/12/2023 Board packet), which shall contain a **description of each parcel of real property receiving such services and facilities and the amount of the charge for each parcel for such year.**" Similarly, NRS 318.201(9) instructs that "After the (noticed public) hearing, when the board has made a final decision on a service charge or fee to be collected on the county tax roll, the secretary shall prepare and file a final report, which shall contain **"a description of each parcel receiving the services and the amount of the charge,** with the county assessor for inclusion on the assessment roll."

So it's pretty clear the RFF/BFF must furnish District recreation services or facilities to real property as a pre-requisite to being able to collect those charges on the county tax roll!

But according to staff, that's *NOT* what the RFF/BFF pay for. As elsewhere discussed in one of the other e-mails transmitted to the Board today, the District does not furnish any recreation "services" to the real property which is proposed to be assessed. Nor does it furnish any recreation "facilities" to the real property which is proposed to be assessed. Rather, those services at best are furnished to **people**. Paragraph 4(a) to the resolution the Board will ultimately be requested by staff to adopt (see page 229 of the 5/26/2022 Board packet) states that "Ordinance No. 7 sets forth in detail the specifics of the benefits available to property owners of all properties" (i.e., **people**). And paragraph 4(c) [see page 230 of the 5/26/2022 Board packet] states that "the Trustees find that the **owners of the parcels** (i.e., **people**) set forth herein are directly benefited in a fair and reasonable way."

Accordingly, ¶60 of Ordinance No. 7 instructs that: "Every eligible...Parcel may receive any combination of up to five (5) Cards (redeemable by **people**) that are IVGID Recreation Passes and/or Recreation Punch Cards."

And as former Finance Director Gerry Eick used to tell us year after year in his annual budget statement letter addressed to the "Board of Trustees and Citizens of Incline Village and Crystal Bay" (see page 10 of the 2018-19 Budget), "Each eligible parcel that pays the RFF can have five cards issued in the form of picture passes and/or punch cards or a combination of both. The Picture Passholder ('PPH') [i.e., a **person**] gets preferred pricing and/or preferred access to the District's major (recreation) venues or program(s)...A Punch Card Holder (i.e., a **person**) receives the opportunity, at designated venues, to reduce their user fees from the rack rate to the PPH rate."

And it's pretty clear the RFF/BFF do not pay for recreation services or facilities furnished to real property.

The proposed resolution and report staff have presented for your approval should NOT be adopted because the RFF/BFF fail to deliver recreation services or facilities to real property.

Respectfully, Aaron Katz

EXHIBIT "J"

April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #10 - The Amounts Required Based Upon the Number of Parcels/Dwelling Units Subject to the RFF/BFF

From: <s4s@ix.netcom.com>
 To: Dent Matthew <dent_trustee@ivgid.org>
 Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
 Subject: April 12, 2023 Board Meeting - Agenda Item G(7) - Staff's Request the Board Adopt a RFF/BFF to Cover the Shortfall Caused by Their Overspending and to Create a Funding Source For Future CIPs Like The Beach House, Snowflake Lodge, Ski Way and Staff's Cherished Spiffy New Admin Bldg - #10 - The Amounts Required Based Upon the Number of Parcels/Dwelling Units Subject to the RFF/BFF
 Date: Apr 10, 2023 1:00 PM

Chairperson Dent and Other Honorable Members of the IVGID Board -

Each of you know I am opposed to the RFF/BFF. The reasons are several fold, they're set forth in a companion e-mail I have contemporaneously sent to the Board, and I'm not going to repeat them here. Other than to observe they represent invalid special taxes against real property rather than the standby and service charges staff will ask you to MISrepresent to local parcel/dwelling unit owners and the public.

But putting my opposition aside, there are a series of actions staff is going to ask you as a Board to take, or not take, which are wrong. And I want each of you to be aware of the same before such actions are presented to you by staff for your approval.

This e-mail addresses the ninth. The amounts required for the RFF/BFF based upon the number of parcels which should be assessed the RFF/BFF in comparison to the lesser number bantered by staff. Not that I contend the RFF/BFF are permissible NRS 318.197(1) rates, tolls or charges, for purposes of this argument I assume *arguendo* that they are.

Paragraph II of the Report staff wants the Board to adopt pursuant to proposed Resolution No. 1901 (see page 1006 of the 4/12/2023 Board packet) states that "The amount of moneys required for the fiscal year extending from July 1, 2023, to June 30, 2024, has been determined by this Board to be about \$_____ for the Recreation Facility Fee and \$_____ for Beach Facility Fee for the proper servicing of said identified bonds and for the administration, operation, maintenance and improvement of said real properties, equipment and facilities." Once the Board fills in these blanks, each individual property's RFF/BFF can be calculated by dividing the number of parcels/dwelling units subject to either/both. **But what are the correct number of parcels/dwelling units subject to the RFF/BFF?**

At the Board's March 22, 2023 meeting, staff told the Board there were 7,748 parcels/dwelling units subject to the BFF, and 8,206 parcels/dwelling units subject to the rFF (see page 14 of the 3/22/2023 Board packet). **But these numbers are not accurate!**

If you do an historical review of these numbers, you will discover that they have remained pretty much the same for decades. Notwithstanding, parcels were added to the Recreation Roll when the District acquired unbuildable lots from the county which had IVGID's recreation privileges. And they were added when the first phase of Boulder Bay condominiums were completed. And they were added when the owner of that parcel on Highway 28 which was escaping assessment asked the Board some months ago to be added to the Recreation Roll so he could obtain recreation privileges. And I have consistently called to the Board's attention parcels which are escaping assessment. Etc., etc., etc. The point here being that the number of parcels used by staff is **not accurate**.

So why does this matter?

Because if the Board determines that \$X.00 are required and the number is divided by less parcels/dwelling units than should legitimately paying their fair share, those of us who are paying **will be paying too much!** Which is exactly what staff have been doing for some time, and propose doing again for the forthcoming fiscal year.

Because of these anomalies, several years ago Indra told us that staff were going to perform an audit to determine the correct number, and report back to the Board and the public. So did staff ever perform this audit? Have they determined the correct number? The answers are "no" and "no."

So before you come up with numbers to insert into the blanks above, you need to determine the correct number of parcels/dwelling units subject to the RFF/BFF (otherwise, how much are the RFF/BFF going to be per parcel/dwelling unit? Or are we simply picking numbers out of the air? Or is it that the amounts staff want the Board to insert are really NOT the amounts which are required? What's important is the amount of the RFF/BFF per parcel/dwelling unit). And if your staff can't do its job, you already know what my response is.

Respectfully, Aaron Katz

Public Comments - April 12, 2023 by Clifford F. Dobler

The Effluent pipeline project started back 12 years ago when IVGID management convinced the prior boards to collect \$2 million per year from rate payers, start the project in 2015 and be done three years later. The estimated cost was \$23 million.

Nothing was done other than applying band aids, shaking off governmental agencies, faking stories about government funding and doing repairs after repairs.

The reality was \$5.3 million was spent, of which, \$3.1 million was written off as useless exercises and paying for staff time, and another \$2.2 million for replacements which will be written off when abandoned next year.

In 2019, IVGID Staff, who were unable to manage the project, was tossed out and the Board decided to engage Granite Construction to assist in getting the project underway.

After fund and games for nearly four years, in January, 2023 HDR Engineers estimated that construction costs alone would be \$57,000,000. IVGID management, having no wisdom, and apparently not reading the estimate, failed to consider design, permits, staff time, inspection services and other consultants. Those additional costs will amount to several million dollars. So the budget remains at \$57 million achieved by lowering the construction estimates.

The phasing to install the pipe will be over four years with 5,500 LF in 2023, 11,000 LF in 2024, 9,500 LF in 2025 and 5,000 LF in 2026. The IVGID budget indicates each year will cost the exact same amount of \$14.5 million. Impossible with such wide variances.

Now tonight, you are being asked to approve contracts to install ONLY 5,365 LF of pipe, and when combined with other costs and pipe already purchased, will amount to \$13.6 million (page 313) or a staggering \$2,500 per LF. Applying that LF price to the entire 31,000 LF project the price tag will be \$77.5 million not including inflation. This is another \$20.5 million not budgeted.

A closer look at the Granite contract for \$9.4 million which consists of 23 line items when compared to the HDR January, 2023 estimate, pricing on line items have increased in the aggregate by 42.6%. You have received details of those increases. There is no explanation provided. This is what happens without competitive bidding.

So with the tag price up to \$77.5 million and another \$5.3 million in past waste \$82.8 will be the new hump to surpass.

Bets can be found that the end price will exceed \$100 million. Anyone in on it. After all this is Nevada.

PS: The HDR contract beginning on page 331 provides the Amendment purpose only to be removed in the second paragraph of Subtask 9.2 in the scope of work? Trustee Dent and Noble are you ok with this. Notice no signature by any staff member.