

NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at **6:00 p.m.** on **Wednesday July 29, 2020** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directive 006, 016, 018 and 021, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 4:00 p.m. on Wednesday, July 29, 2020) or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*
- C. PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.
- D. APPROVAL OF AGENDA (*for possible action*)

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

-OR-

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

- E. DISTRICT STAFF UPDATE (*for possible action*)
 - 1. Review with the Board of Trustees, by the District General Manager, the long range calendar – **page 3**
 - 2. Verbal Update from Eddie Ableser of Tri-Strategies on the State of Nevada Legislative Special Session (July 8, 2020 to July 19, 2020) (*for discussion only*)
- F. REPORTS TO THE IVGID BOARD OF TRUSTEES*
 - 1. Audit Committee Chairman Matthew Dent
- G. CONSENT CALENDAR (*for possible action*)
 - 1. Grant of Easement to NV Energy on District Property APN: 131-240-02 for the Purposes of Constructing, Operating, Adding to, Modifying, Removing, Accessing and Maintaining Above and Below Ground Communication Facilities and Electric Line Systems (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 4 - 16**

Incline Village General Improvement District

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

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

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of July 29, 2020 - Page 2

H. GENERAL BUSINESS (*for possible action*)

1. Review, discuss and possibly approve an item for the 2020/21 Fiscal Year allowing the District to enter into an agreement for media buying services for 2020/21; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities; Vendor: EXL Media (Requesting Staff Member: Marketing Manager Paul Raymore) – **pages 17 - 38**
2. Review and discuss projected Fiscal Year 2019-20 Year-End Fund Balances **and** review and discuss possible next steps in designating funds in support of priority Capital Improvement Projects (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 39 - 43**

I. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

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

K. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, July 24, 2020 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of July 29, 2020) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

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

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT,
DECLARATION OF EMERGENCY,
DIRECTIVE 006 (SECTION 3), 016, 018
AND 021.**

- Vorderbruggen Building (Administrative
- Post Office
- Post Office
- Shopping Center
- Branch of Washoe County Library
- Recreation Center
- Incline Village

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

Board of Trustees: Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Peter Morris.

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

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

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

DATE	DAY OF THE WEEK	TIME	LOCATION	TYPE OF MEETING - 2020	COMPLETED MEMORANDUMS WITH ALL BACK UP MATERIALS FOR AGENDA ITEMS FROM BOARD MEMBERS DUE DATES	ITEMS SLATED FOR CONSIDERATION
08/12	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	08/03/2020 8 a.m.	Utility Rate adjustments (fee schedules) – pushed out from the April 14, 2020 meeting Provide bid results for the installation of the electrical panels (Bandelin) Board Policy 7.1.0 and Board Practice 7.2.0 (Trustee Dent) Export Project Manager RFQ for Legal Services or an item to discuss what the Board would like to do regarding legal services Capital Improvement Projects Board priorities Present Burnt Cedar Pool Conceptual Design IT Licensing Project (Navazio/Gove) Talk about the refund to the rate payers Utility Rate adjustments (fee schedules) – pushed out from the April 14, 2020 meeting
08/26	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	08/17/2020 8 a.m.	Approve Burnt Cedar Pool Final Design contract Review, Discuss, and possibly select a preferred alternative for the Ski Way and Diamond Peak Parking Lot Reconstruction Project
TRAINING	TRAINING	TRAINING	OML TRAINING Audit Committee (including at large members and BOT)	OML TRAINING Audit Committee (including at large members and BOT)	AVAILABLE DATES PLEASE PICK ONE	August 4 (afternoon), 5 (afternoon), 7, 12, 14, 17, 21, 27, 28
09/09	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	08/31/2020 8 a.m.	
09/30	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	09/21/2020 8 a.m.	
10/14	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	10/05/2020 8 a.m.	
10/28	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	10/19/2020 8 a.m.	
11/11	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	11/02/2020 8 a.m.	Review of the Watermain Project (see award made on 06/23/2020)
11/25	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	11/16/2020 8 a.m.	<i>Typically cancelled</i>
12/09	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	11/30/2020 8 a.m.	Review of the Washpad Project (see award made on 06/23/2020)
12/30	Wednesday	6 p.m.	Chateau - VIRTUAL	Regular Board Meeting	12/21/2020 8 a.m.	<i>Typically cancelled</i>

DATE	DAY OF THE WEEK	TIME	LOCATION	TYPE OF MEETING - 2021	COMPLETED MEMORANDUMS WITH ALL BACK UP MATERIALS FOR AGENDA ITEMS FROM BOARD MEMBERS DUE DATES	ITEMS SLATED FOR CONSIDERATION
01/13	Wednesday	6 p.m.		Regular Board Meeting		
01/27	Wednesday	6 p.m.		Regular Board Meeting		
02/10	Wednesday	6 p.m.		Regular Board Meeting		
02/24	Wednesday	6 p.m.		Regular Board Meeting		
03/10	Wednesday	6 p.m.		Regular Board Meeting		
03/24	Wednesday	6 p.m.		Regular Board Meeting		
04/14	Wednesday	6 p.m.		Regular Board Meeting		
04/28	Wednesday	6 p.m.		Regular Board Meeting		
05/12	Wednesday	6 p.m.		Regular Board Meeting		
05/26	Wednesday	6 p.m.		Regular Board Meeting		
06/09	Wednesday	6 p.m.		Regular Board Meeting		
06/30	Wednesday	6 p.m.		Regular Board Meeting		
07/14	Wednesday	6 p.m.		Regular Board Meeting		

<i>Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar</i>
RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware
TRPA EIS Contract at Diamond Peak
WCSD Joint Agreement
Split Ordinance 7 (allow 45 days ahead of action)
Enterprise vs special revenue accounting
Public correspondence
Policy 3.1.0 – contract authorization levels including GM which ties to the Trustee handbook
Trustee handbook
General Manager’s job description clean up

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplished no later than June 1, 2021.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
General Manager

FROM: Joseph J Pomroy, P.E.
Director of Public Works

Michael Lefrancois, P.E.
Senior Engineer

SUBJECT: Grant of Easement to NV Energy on District Property APN: 131-240-02 for the Purposes of Constructing, Operating, Adding to, Modifying, Removing, Accessing and Maintaining Above and Below Ground Communication Facilities and Electric Line Systems

DATE: July 16, 2020

I. RECOMMENDATION

Staff recommends that the Board of Trustees makes a motion to:

1. Approve Grant of Easement to NV Energy on District Property APN: 131-240-02 for the Purposes of Constructing, Operating, Adding to, Modifying, Removing, Accessing and Maintaining Above and Below Ground Communication Facilities and Electric Line Systems.
2. Authorize Staff to execute the easement documents upon review by District Counsel.

II. DISTRICT STRATEGIC PLAN

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

III. BACKGROUND

NV Energy is requesting the District grant an easement on District Parcel APN 131-240-02, an 80-acre parcel that hosts a portion of the Championship Golf Course, located in Incline Village, in the area of Chip Court. The estimated easement area is 224 square feet for the installation of new residential service including overhead cables. The existing service is in a similar configuration but hung from a tree so the proposed improvement will include a new pole and result in a safer installation. The easement is adjacent to Chip Court and does not impact District use of the parcel.

The District and NV Energy followed the notification requirements in Resolution 1475, A Resolution Establishing Policy for the Granting of Easements Across District Property, that requires written notice be given to owners of property within three hundred (300) feet of the District property at least thirty (30) days prior to the date the request will be considered. NV Energy mailed out notices in June. The easement document, notification letter, notification map and Resolution 1475 are included as attachments.

IV. FINANCIAL IMPACT AND BUDGET

NV Energy will be required to prepare and record all easement documents. NV Energy is responsible for construction of all improvements. There is no financial impact to the District.

V. ALTERNATIVES

No alternatives provided. The District works cooperatively with public agencies and utility companies to provide necessary easements and encroachments to facilitate providing public services to the community.

VI. COMMENTS

Providing NV Energy access to maintain this infrastructure is beneficial to the communities of Incline Village and Crystal Bay as well as the Incline Village General Improvement District as it helps ensure the reliable delivery of utility service.

This item has been placed on the Consent Calendar because it is a routine matter and follows Resolution 1475.

VII. BUSINESS IMPACT

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

APN(s): 131-240-02

The undersigned hereby affirms that this document, including any exhibits hereby submitted for recording does not contain the personal information of any person or persons (Per NRS 239B.030)

**RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:**

Land Resources
NV Energy
P.O. Box 10100 MS S4B20
Reno, NV 89520

GRANT OF EASEMENT

Incline Village General Improvement District, (“Grantor”), for One Dollar (\$1.00) and other good and valuable consideration – receipt of which is hereby acknowledged – and on behalf of itself and its successors and assigns, grants and conveys to Sierra Pacific Power Company, a Nevada corporation, d/b/a NV Energy (“Grantee”) and its successors and assigns a perpetual right and easement:

1. to construct, operate, add to, modify, maintain and remove aboveground and/or underground communication facilities and electric line systems for the distribution and transmission of electricity, consisting of poles, other structures, wires, cables, conduit, duct banks, manholes, vaults, transformers, service boxes/meter panels, cabinets, bollards, anchors, guys, and other equipment, fixtures, apparatus, and improvements (“Utility Facilities”) upon, over, under and through the property legally described in Exhibit A attached hereto and by this reference made a part of this Grant of Easement (“Easement Area”);
2. for ingress and egress to, from, over and across the Easement Area for the allowed purposes defined in numbered paragraph 1 above and for all other activities permitted by this agreement;
3. to remove, clear, cut or trim any obstruction or material (including trees, other vegetation and structures) from the surface or subsurface of the Easement Area as Grantee may deem necessary or advisable for the safe and proper use and maintenance of the Utility Facilities in the Easement Area.

Grantee will be responsible for any damages, proximately caused by Grantee negligently constructing, operating, adding to, maintaining, or removing the Utility Facilities, to any tangible, personal property or improvements owned by Grantor and located on the Easement Area on the date Grantor signs the Grant of Easement. However, this paragraph does not apply to, and Grantee is not responsible for, any damages caused when Grantee exercises its rights under numbered paragraph 3 above.

APN(s): 131-240-02
RW# RW-0518-2020
Proj. # 3005789245
Project Name: E-986 CHIP CT – SO – WOODBRIDGE CONSTRUCTION
GOE (Rev. 2017)

Grantor covenants for the benefit of Grantee, its successors and assigns, that no building, structure or other real property improvements will be constructed or placed on or within the Easement Area without the prior written consent of Grantee, such structures and improvements to include, but not be limited to, drainage, trees, bridges, signage, roads, fencing, storage facilities, parking canopies, and other covered facilities. Grantee and Grantor must document Grantee's consent by both signing Grantee's standard, recordable use agreement. Grantor retains, for its benefit, the right to maintain, use and otherwise landscape the Easement Area for its own purposes; provided, however, that all such purposes and uses do not interfere with Grantee's rights herein and are in all respects consistent with the Grantee's rights herein, Grantee's electrical practices, and the National Electrical Safety Code.

To the fullest extent permitted by law, Grantor and Grantee waive any right each may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this Grant of Easement. Grantor and Grantee further waive any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

[signature page follows]

APN(s): 131-240-02
RW# RW-0518-2020
Proj. # 3005789245
Project Name: E-986 CHIP CT – SO – WOODBRIDGE CONSTRUCTION
GOE (Rev. 2017)



W.O. 3005789245

Incline Village General Improvement District

APN: 131-240-02

EXHIBIT "A"
EASEMENT

A portion of the Southwest quarter of Section 14, Township 16 North, Range 18 East, M.D.M., Washoe County, Nevada; situated within that Parcel of land described in the Grant, Bargain, Sale Deed, recorded as File Number 1626864 on December 1, 1992, Official Records of Washoe County, Nevada, more particularly described as:

An easement being the northerly 22 feet of the 10 foot walkway between Lot 40 and Lot 41 as shown on the Official Plat of Fairway Estates No. 1, Tract Map 840, recorded as File Number 390025 on July 29, 1963, Official Records of Washoe County, Nevada.

Said Easement contains 224 square feet more or less.

See Exhibit "A-1" attached hereto and made a part thereof.

Prepared by Leland Johnson, P.L.S.

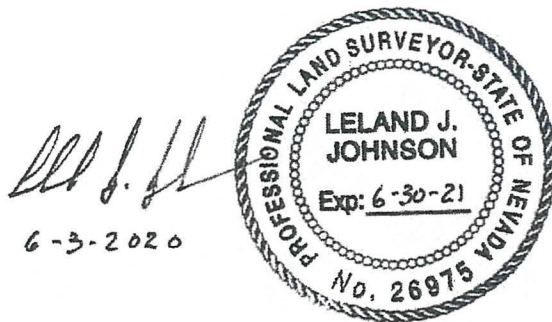
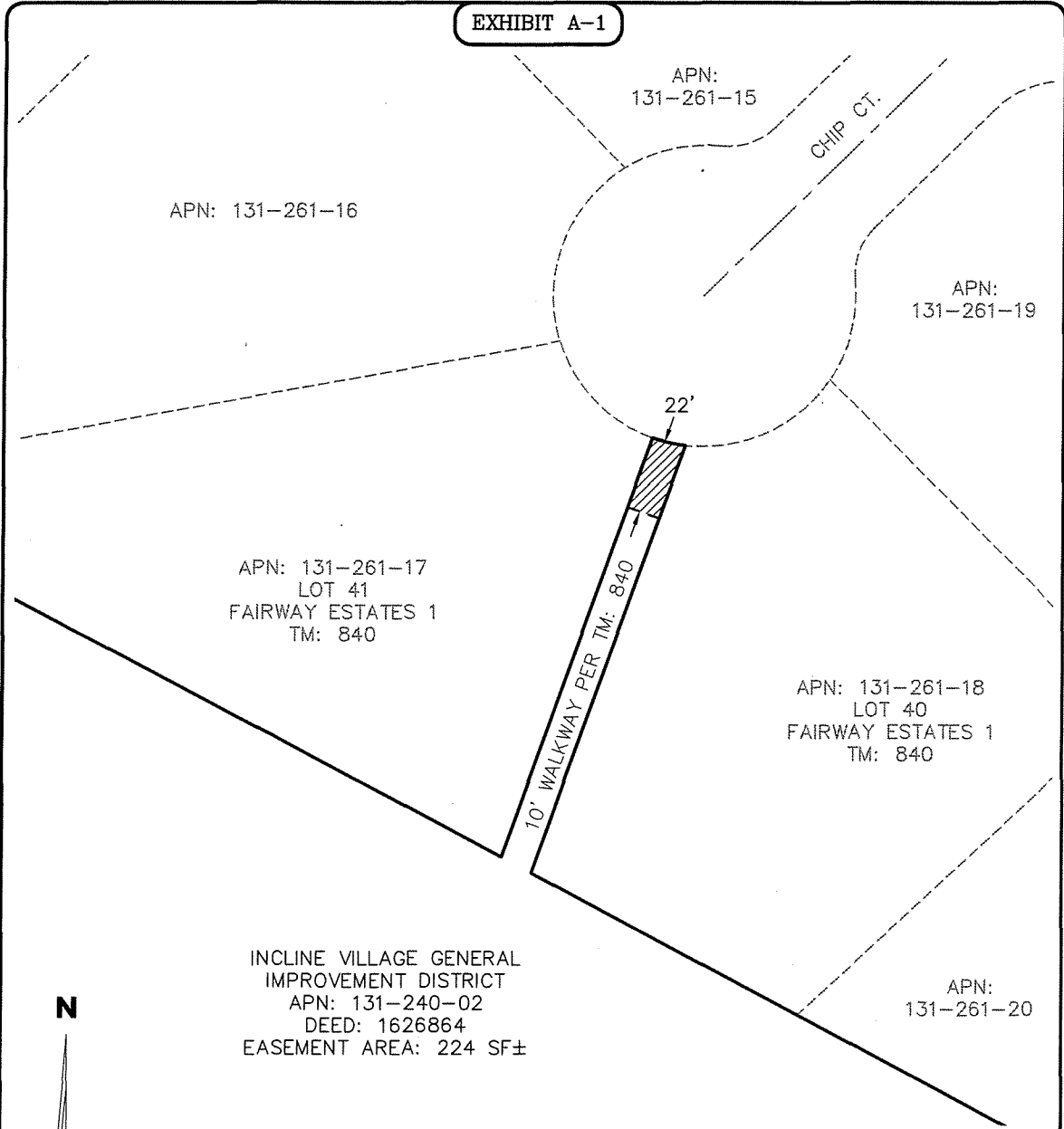


EXHIBIT A-1



APN: 131-261-16

APN:
131-261-15

CHIP CT.

APN:
131-261-19

22'

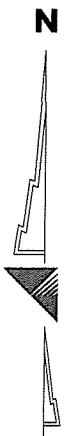
APN: 131-261-17
LOT 41
FAIRWAY ESTATES 1
TM: 840


10' WALKWAY PER TM: 840

APN: 131-261-18
LOT 40
FAIRWAY ESTATES 1
TM: 840

INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT
APN: 131-240-02
DEED: 1626864
EASEMENT AREA: 224 SF±

APN:
131-261-20

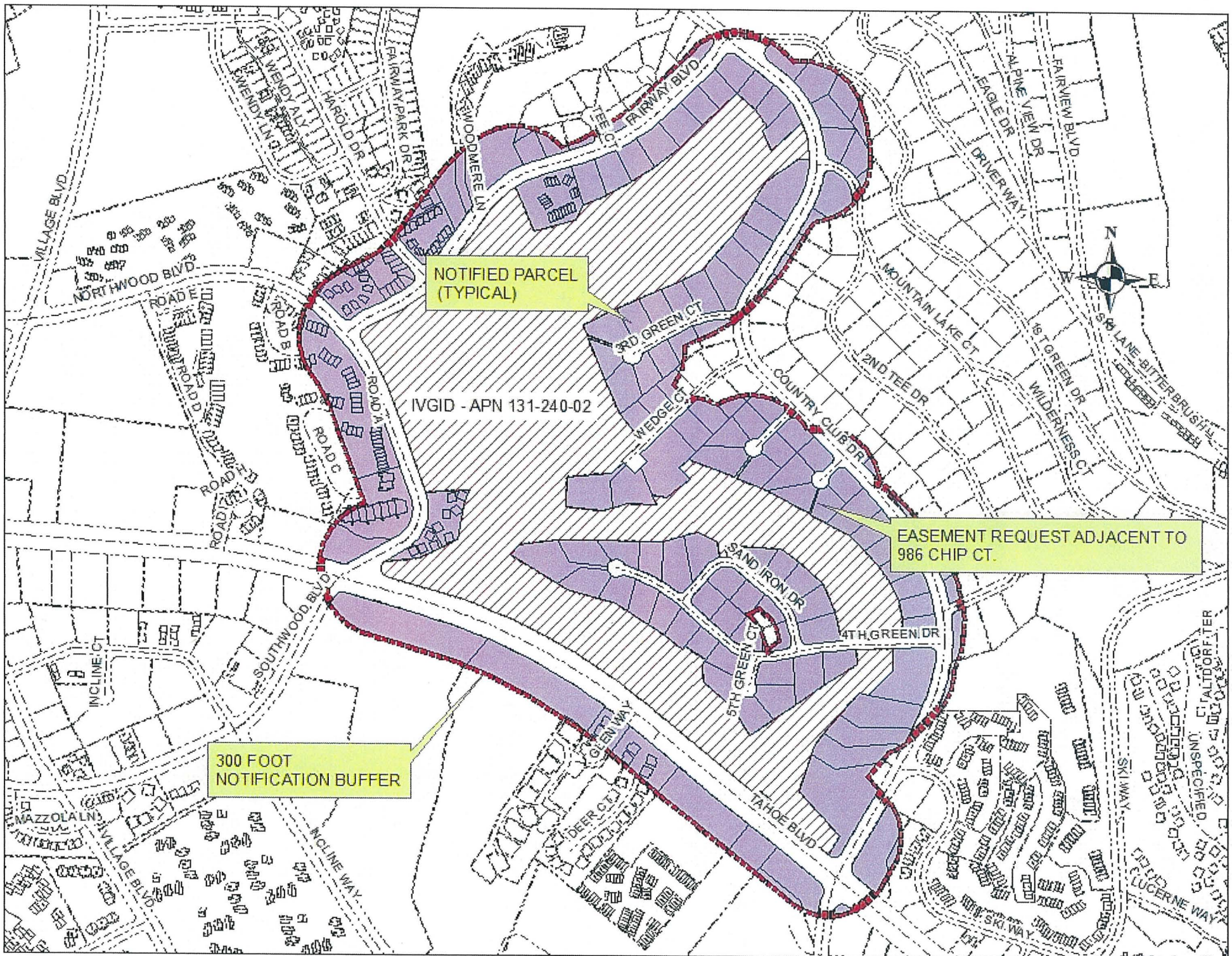


	6100 NEIL RD. RENO, NV 89511 775-834-4011
	EXHIBIT MAP EASEMENT INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT APN: 131-240-02

T. 16 N., R. 18 E. SECT. 14 M.D.M.
 INCLINE VILLAGE NEVADA

SCALE: 1" = 50'
 C:\Users\j25679\Desktop\3005789245 - 986 Chip Ct\
 3005789245 - 986 Chip Ct.dwg xj25679>
 03Jun20-08:49

6/3/2020	1 OF 1
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June 26, 2020

RE:

Incline Village General Improvement Dist.

Washoe County APN: 13124002

This written notice has been sent to you from NV Energy as a requirement of the Incline Village General Improvement District (IVGID) to notify you of our request for a utility easement across IVGID lands at 955 Fairway Blvd. The IVGID Board is expected to consider this easement modification no sooner than 30-days from the date of this notice at a regularly scheduled board meeting.

Granting of this easement will be considered by the IVGID Board of Trustees.

District policy requires written notice to owners of property within three hundred feet of the affected District property. Meeting and agenda information can be found at:
www.yourtahoeplace.com/ivgid/board-of-trustees/meetings-and-agendas

Should you have any questions regarding NV Energy's request affecting District property please contact IVGID Engineering Division at 775-832-1267.

Thank you.

RESOLUTION NO. 1475

A RESOLUTION ESTABLISHING POLICY FOR THE GRANTING OF EASEMENTS ACROSS DISTRICT PROPERTY

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

WHEREAS, at their regular meeting of August 9, 1984, the Board of Trustees of the Incline Village General Improvement District discussed and, by motion, adopted a policy for the granting of easements across District property;

KOW, THEREFORE, IT IS HEREBY ORDERED as follows:

The "Policy for Easements Across Property Owned by the Incline Village General Improvement District" attached hereto as Exhibit A, is adopted as Policy and Procedure Resolution No. 103.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 30th day of August, 1984, by the following vote:

AYES, and in favor thereof, Trustees:

Syd Brosten, Tom Duggan, Bob Jones, Jane Maxfield, Bob Wolf

NOES, Trustees: None

ABSENT, Trustees: None

Jane Maxfield Secretary

POLICY FOR EASEMENTS
ACROSS PROPERTY OWNED BY THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

1. The process should be initiated by a letter request of the property owner, detailing the following:
 - (a) Complete legal description of the easement, accompanied by a plat map with a sketch of the easement. If public utilities are located within or adjacent to the easement, or, in the opinion of the General Manager, other property characteristics make a survey desirable, a certified survey shall also be furnished by the property owners.
 - (b) Description of the applicant's property to be benefited, together with a plat map.
 - (c) Specific reasons for the request.
 - (d) Whether the easement will be exclusive or non-exclusive.
 - (e) Estimate of the market value of the easement.
2. The letter application must be accompanied by a non-refundable application fee in the amount of One Hundred Dollars (\$100.00) to cover the administrative processing cost. The applicant also must agree to reimburse IVGID for the District's out-of-pocket expenses for surveys, title research and attorney fees in relation to the easement.
3. Written notice of the Board's intention to consider a request for easement must be given to owners of property within three hundred (300) feet of the affected District property at least thirty (30) days prior to the date the request will be considered.
4. The District staff will evaluate each request on a case-by-case basis to make a recommendation to the Board. All costs of any survey, engineering, or improvements to the easement shall be borne by the applicant.
5. If the requested easement requires improvements, plans for the improvements shall be attached to the easement application and a performance bond must be provided upon execution of the easement document to ensure completion. If the easement requires maintenance, a covenant must be included in the easement document binding applicant and his successors to perform such maintenance.
6. The easement document will provide for insurance, maintenance and other items that may be recommended by staff based on a case-by-case review.
7. Once executed, the easement document will be recorded by the property owner and a copy of the recorded document furnished to IVGID.
8. The granting of any easement will be completely discretionary with the Board. Board actions shall not constitute a precedent. In general, the Board will not grant *nn* easement that may interfere with the present or future operations of the District. In considering an application

for easement, the Board shall consider the property owner's need for the easement, impact upon District operations, future plans for the property, the degree to which the easement restricts future use of the property, environmental matters, safety matters, impact upon adjacent properties and the surrounding neighborhood, and other matters the Board deems pertinent and appropriate.

9. If there is a benefit to the District because of easement improvements or other mitigation measures, the staff and Board will consider this in setting a price for the easement. The price set for the easement will also be determined in relation to the value added to the property (No. 1(e) above) as well as any detriment to the District.
10. The General Manager may require an appraisal of any proposed easement, if in his judgement the market value of the easement is not clear and the easement may be sufficiently valuable to warrant the expense of an appraisal. If an appraisal is required by IVGID, all expenses pertaining thereto shall be paid for by the property owner.
11. If improvements within the easement require permits from any local, regional, state or federal agency, or if the easement is associated with any project which otherwise requires such permits, and all such permits have not been obtained, the easement shall expire in one year or at other such time stated in the easement, if all such permits are not obtained by such time by the property owner.

EASEMENT REQUEST

Applicant: _____

Address: _____

Phone: _____

Date: _____

Check List for Required Backup to Request

1. Letter detailing:
 - (a) Legal description of easement & plat map with sketch of the easement _____
 - (b) Description of property to be benefited & plat map _____
 - (c) Reasons for request _____
 - (d) Whether easement will be exclusive or non-exclusive _____
 - (e) Estimate of market value of easement _____
2. Has the \$100.00 non-refundable application fee been paid? _____
3. Agreement to reimburse IVGID for out-of-pocket expenses (surveys, title research, attorney fees) _____
4. Have property owners within 300 feet of District property been notified? _____
5. Plans for improvements, if the requested easement requires improvements _____
6. Staff recommendation _____

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

FROM: Paul Raymore
Marketing Manager

SUBJECT: Review, discuss and possibly approve an item for the 2020/21 Fiscal Year allowing the District to enter into an agreement for media buying services for 2020/21; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities; Vendor: EXL Media

STRATEGIC PLAN: Long Range Principle #6 - Communication

DATE: July 29, 2020

I. RECOMMENDATION

That the Board of Trustees make a motion to authorize Staff to enter into an agreement with EXL Media for 2020/21 Fiscal Year media buying services for Diamond Peak Ski Resort, the Incline Village Golf Courses, and Facilities for a not-to-exceed total amount to be determined depending on the option chosen by the Board.

- Original proposal: \$425,700
- Option A: \$357,700
- Option B: \$325,000 (Staff recommendation)
- Option C: \$289,334

II. STRATEGIC PLAN REFERENCE(S)

Long Range Principle #6 – Communication – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

Review, discuss and possibly approve an item for the District to enter into an agreement for media buying services for 2020/21; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities; Vendor: EXL Media.

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July 29, 2020

- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

III. BACKGROUND

As a component of IVGID's Diamond Peak, Golf Courses and Facilities annual marketing and advertising campaigns, the District contracts with a media buying agency to help plan, place, and negotiate rates for advertising placement. This includes, but is not limited to, print ads, digital ads, billboards, radio spots, television spots, and paid search campaigns. This is an essential service for the District's Marketing Staff as the research, documentation, reporting, and support received from the third party provider significantly exceeds in-house capabilities.

Since the 2013/14 Fiscal Year, the IVGID Marketing department has utilized Incline Village-based media buying agency EXL Media for the District's media buying services. This stretch follows the one-year period (Fiscal Year 2012/13) in which the District utilized another agency for media buying, ultimately returning to EXL Media after being unsatisfied with the other agency's services and results.

At the May 23, 2018 Board meeting the Board of Trustees authorized awarding the District's 2018/19 media buying services contract to EXL Media with a cost of \$419,500.

At the May 22, 2019 Board meeting the Board of Trustees authorized awarding the District's 2019/20 media buying services contract to EXL Media with a cost of \$424,600.

At the June 23, 2020 Board meeting, the Board of Trustees rejected the original proposal to award the District's 2020/21 media buying services contract to EXL Media with a not-to-exceed total cost of \$425,700. The updated proposal below contains three alternate spending options for the Board to consider and choose between.

Staff to manage spending levels in accordance with District goals

All of the alternate proposals for media buying services with EXL Media serve as a not-to-exceed template for the District's advertising plans, but do not commit the

Review, discuss and possibly approve an item for the District to enter into an agreement for media buying services for 2020/21; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities; Vendor: EXL Media.

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July 29, 2020

District to any particular advertising spending amounts. In light of the impacts that the COVID-19 pandemic continue to have on District venues, Staff will work with EXL Media to adjust advertising campaigns appropriately to align with District goals.

As an example of this flexibility, during Q3 and Q4 of the 2019/20 Fiscal Year, District Staff directed EXL Media to pause general advertising campaigns for Diamond Peak (only continuing with season pass campaigns) in mid-March due to the COVID-19 shutdown, resulting in a savings of \$10,869. District Staff also directed EXL Media to pause all golf advertising campaigns at the same time, resulting in a savings of \$23,584 during the 2019/20 Fiscal Year.

In total, the 2019/20 Fiscal Year savings vs. budgeted advertising spending for our recreation venues due to the COVID-19 pandemic include:

- Diamond Peak: \$10,869 savings
- Golf: \$23,584 savings
- Rec. Center: \$2,743 savings
- Tennis: \$1,371 savings
- Facilities: \$655 savings
- Agency Fees: \$1,000 savings
- **TOTAL SAVINGS: \$40,222 (15% of budgeted spending)**
- vs. total budgeted spending of: \$272,500

So while the EXL Media agreement places not-to-exceed limits on the maximum dollar amounts that can be spent on paid advertising for the District's venues, there is still plenty of flexibility to spend less than those maximums should the situation warrant due to COVID-19 effects or other market conditions.

Return On Investment (ROI) of IVGID's paid advertising spending

We measure the success of our marketing campaigns in many ways. Given the nature of our recreation venues, traditional measures that focus solely on revenues and profits aren't enough because our venues prioritize customer service over profits, and service to our local residents and stakeholders before others. All of our marketing efforts reflect these priorities, including our paid advertising strategies.

We spend a great deal more time and effort ensuring that our local residents and stakeholders are informed about the programs, services and discounts that our

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venues provide than might be justifiable were we a strictly for-profit business. This includes analysis of where our second homeowners live, and dedicating paid advertising dollars to reach those homeowners in their primary communities.

While we approach marketing with a resident-first philosophy, we also need to acknowledge that visitors who pay full price for our amenities help keep the costs down for our local residents and subsidize venues that would otherwise rely more heavily on the Recreation Fee. Therefore, some of the paid advertising campaigns run through EXL Media are targeted at bringing in these higher-yielding customers.

How do we measure what's working?

In attempting to measure the ROI of our paid advertising campaigns, we rely on multiple strategies.

METHOD 1

The first is the reporting provided by EXL Media which analyzes the amount of website traffic generated by our paid advertising campaigns, the amount of online revenue brought in overall and online revenue that's attributable to those paid advertising campaigns, the Return On Advertising Spend (ROAS), and other industry standard metrics such as cost per click, click-through rate, and number of impressions. You can see an example of this reporting below.

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Diamond Peak 2019-20 Full Season Campaign							
Flight Dates: November 1, 2019 - March 15, 2020							
November 1, 2019- March 15, 2020				YOY % Change		November 1, 2018 - March 15, 2019	
Website Sessions:		332,752		-11%		Website Sessions: 373,625	
Online Revenue:		\$895,698		146%		Online Revenue: \$363,615	
Paid Digital Online Revenue:		\$68,484		24%		Paid Digital Online Revenue*: \$55,041	
ROAS Buys	Impressions	Clicks	Click Rate	Cost Per Click	Digital Spend	Digital Revenue	ROAS
Google Ski Messaging	169,020	10,971	6.49%	\$1.56	\$17,145	\$20,433	119%
Yahoo/BING Ski Messaging	162,562	4,208	2.59%	\$1.14	\$4,779	\$10,440	218%
Facebook	690,669	14,343	2.08%	\$0.29	\$4,174	\$20,297	486%
Division D Remarketing	591,829	1,842	0.31%	\$1.61	\$2,959	\$13,273	449%
Overall Totals	1,614,080	31,364	1.94%	\$0.93	\$29,057	\$64,443	222%
Awareness Buys	Impressions	Clicks	Click Rate	Cost Per Click	Digital Spend	Digital Revenue	ROAS
Google Lessons Messaging	27,045	2,792	10.32%	\$1.18	\$3,307	\$2,763	84%
Yahoo/Bing Lessons Messaging	7,928	321	4.05%	\$1.81	\$581	\$460	79%
Yelp	3,774	680	18.02%	\$1.24	\$840	\$403	48%
DynAdmic Video Network	179,097	89	0.05%	\$56.18	\$5,000	\$0	0%
Division D Tahoe Ski Resort Targeting	960,773	2,458	0.26%	\$1.85	\$4,536	\$415	9%
You Tube (President's Day)	11,851	25	0.21%	\$6.00	\$150	\$0	0%
Overall Totals	1,190,468	6,365	0.53%	\$2.26	\$14,414	\$4,041	28%
Insights							
<p>1. Overall, the paid digital campaign generated over \$68k in online revenue. It was a very interesting winter and we cannot really compare to 2018-19 since tracking was not working properly then.</p> <p>2. This year we broke out the dashboard into ROAS & Awareness buys. We also separated out the Lessons ad spend, since that revenue cannot be tracked. Overall the ROAS buys had a 222% return.</p> <p>3. Facebook & Division D had the highest ROAS, however both also report view thru revenue. For Division D \$489 was click thru and \$12,784 was view thru. For Facebook \$538 was click thru and \$19,759 was view thru.</p> <p>4. Overall Google & Yahoo/Bing continue to do well, with Yahoo/Bing having a better ROAS, but less overall volume. Top revenue generating paid search keywords included: Discount Lift Tickets, Ski Deals and Cheap Tahoe Lift Tickets.</p> <p>5. Lessons messaging on paid search does still generate revenue for lift ticket purchases, although that revenue is minimal.</p> <p>6. The DynAdmic Video Network generated almost 180k views and had a view thru rate of 87% which is great. Please note, we do not analyze CPC for video buys - we consider any clicks as "added value".</p> <p>7. We will need to analyze how this past winter may affect the upcoming 2020-21 season and discuss the best strategies and messaging to use moving forward.</p>							



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The report included is the 2019-20 ski season dashboard report, and we get updated versions of this report midway through the ski season so that we can adjust spending according to what campaigns are working best.

The reporting we receive for Diamond Peak is the most robust of all of the venues due to the existence of an online store that sells most (but not all) products. This is a key point, because when there are products available that are not sold online, attributing that revenue back to marketing campaigns is much more difficult. And this is the case with all Lesson products, all Food & Beverage products, and all sales made at the Ticket Windows at Diamond Peak. (There are even less products – if any – sold online at all other District venues.) So we think of EXL's reporting based on online sales as a guide, but not the final answer to the ROI puzzle.

METHOD 2

The second strategy we utilize in analyzing the ROI of our paid advertising campaigns is an analysis of our customer survey results, specifically the multiple-choice question:

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4. Please let us know ALL of the ways you have learned about Diamond Peak

- Billboard Advertisement
- Google Search (or other search engine)
- Email Newsletter(s)
- Internet/Mobile Advertisement
- Social Media
- Word of Mouth/Advice of Friends or Family
- I live in Incline Village/Crystal Bay or nearby
- Hyatt Staff recommendation
- Advertisement in Magazine/Newspaper
- Article in Magazine/Newspaper
- Radio Advertisement
- TV Advertisement
- Yelp/Trip Advisor/Online Review Site
- Other - Write In

** This is a common question across all venues' customer surveys, with the name changed to reflect the appropriate venue.*

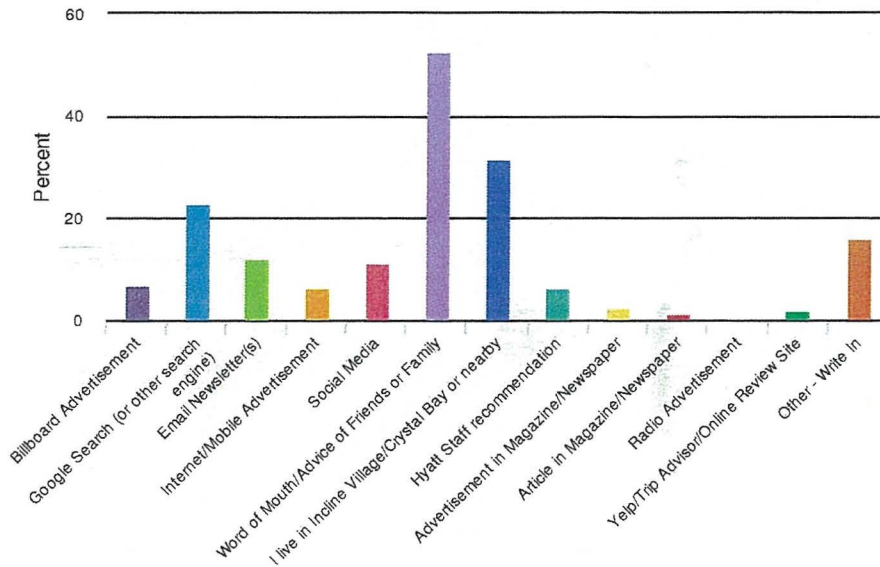
We ask this question to get a sense of what marketing channels our customers are telling us that they have used in making their decision to patronize our venues.

Based on the answers to this question, the average yield per visit, and the paid advertising spending levels associated with each of these channels, we can do a complementary ROI analysis of our paid advertising spending.

For example, during the COVID-shortened 2019-20 ski season, the customer survey data for this question looked like this:

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4. Please let us know ALL of the ways you have learned about Diamond Peak



Value	Percent	Responses
Billboard Advertisement	6.6%	25
Google Search (or other search engine)	22.7%	86
Email Newsletter(s)	11.9%	45
Internet/Mobile Advertisement	6.1%	23
Social Media	11.1%	42
Word of Mouth/Advice of Friends or Family	52.5%	199
I live in Incline Village/Crystal Bay or nearby	31.4%	119
Hyatt Staff recommendation	6.1%	23
Advertisement in Magazine/Newspaper	2.4%	9
Article in Magazine/Newspaper	1.3%	5
Radio Advertisement	0.3%	1
Yelp/Trip Advisor/Online Review Site	1.8%	7
Other - Write In	15.6%	59

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Based on this data and what we know about 2019-20 skier visits (99,424), average yield per skier visit (\$97.18), and average profit per skier visit (\$31.36), we can start analyzing the amount of Diamond Peak revenue that's impacted by these marketing and paid advertising channels.

For example: Billboard advertising costs for 2019-20 were \$76,794 (including cash, trade value, and EXL Media fees). If 6.6% of Diamond Peak customers learned about or were influenced by our billboards last season, that's 6,562 customers. Multiply those by the \$97.18 average yield per customer and that's \$637,694 worth of revenue vs. \$76,794 of spend. Multiply those by the \$31.36 average profit per customer and that's \$205,784 in profit vs. \$76,794 of spend.

Based upon this analysis, all of the paid advertising channels show a positive ROI for 2019-20.

** Note: Survey numbers were down in 2019-20 due to the COVID-shortened ski season, but the percentages we saw this year were consistent with previous seasons.*

This analysis also works better at Diamond Peak than at the Golf Courses or other venues where the majority of our users are local residents whom we assume have heard about the venues because they live here. We do still ask this questions of non-resident survey takers at the Golf Courses, but the sample sizes of those groups of survey takers can be too small to make truly solid inferences from. However, the patterns we see in visitor demographics for Diamond Peak and the Golf Courses share many similarities, so we do allow successful media buying strategies at Diamond Peak to help guide our strategy at the Golf Courses, and vice versa.

ROI Wrap Up

No method of measuring ROI of paid advertising campaigns is ever perfect. Inevitably we get incomplete data on the underlying motivations and influencing factors that go into our customers' purchasing decisions.

Customers might see an advertisement for an experience 20 times, but then might commit to doing it after a friend mentioned trying it and having fun. Likely that customer will only consciously remember their friend's recommendation, but all of those impressions (i.e. branding) may very well have played a big role in getting

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the customer ready to make the purchase once a friend's recommendation triggered it. Companies know this and it's why once you search for a product on Google, you'll suddenly see ads for that or similar products seemingly everywhere you go online. There is real value in branding and familiarity.

Another limiting factor is the amount of customer data we collect at our venues. The systems currently in place at the Golf Courses, Rec. Center and Tennis Center do not capture customer contact data that would allow us to conduct widespread customer surveys of non-residents, nor do they allow non-residents an easy online purchasing experience. And the check-in processes at Diamond Peak for window ticket purchases also do not capture customer data. With these limitations, the District's Marketing team takes the data that is available, along with the reporting provided by EXL Media, and makes what we hope are the most fiscally prudent spending decisions possible.

IV. BID RESULTS

The District's media buying services contract went to bid before the 2019/20 Fiscal Year, with local agency EXL Media selected to continue providing media buying services to the District. A full recap of the bid results are included in the May 22, 2019 Board Memo authorizing the District to enter into an agreement with EXL Media during the 2019/20 Fiscal Year. (See pages 263 – 295 of the May 22, 2019 Board packet.) The 2020/21 Fiscal Year would be year 2 of an agreement with EXL Media since going to bid for this service.

EXL Media is an Incline Village, Nevada based firm and has over 22 years of experience successfully handling media buys for the District. EXL Media has vast knowledge of the competitive landscape of the Lake Tahoe recreation market. Through the bidding process, they were determined to be the best qualified and capable media agency to support the District in meeting its budget objectives and will provide the level of attention, detail, and reporting that is required to ensure successful media campaigns.

V. FINANCIAL IMPACT AND BUDGET

The budgets for all of the proposed media buying services contract scenarios are included in the Board-approved Fiscal Year 2020/21 Diamond Peak, Championship Course, Mountain Course, Facilities, Recreation Center and Tennis

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Center Operating Budgets allocated to Marketing. A total of \$425,700 is included in the approved 2020/21 District Operating Budget for Media Buying Services.

The proposed alternative options for the 2020/21 Fiscal Year (below) reflect varying degrees of cuts from the original proposal presented on June 23, 2020. All of these options (including the original) are already conservative, and in alignment with the District’s marketing goals of primarily ensuring our residents are well informed about the various recreational opportunities afforded to them by IVGID, and secondarily bringing in higher-yielding customers to fill in the excess capacity available at our venues.

The original proposal and alternate media buying budget options are laid out in the following table:

BUDGET	ORIGINAL PROPOSAL	OPTION A	OPTION B	OPTION C
DIAMOND PEAK – CASH	\$166,000	\$166,000	\$166,000	\$154,000
GOLF – CASH	\$51,700	\$51,700	\$40,000	\$33,000
FACILITIES – CASH	\$32,000	\$32,000	\$32,000	\$24,334
REC CENTER – CASH	\$11,000	\$0	\$0	\$0
TENNIS – CASH	\$5,000	\$0	\$0	\$0
DIAMOND PEAK – TRADE	\$80,000	\$32,000	\$20,000	\$20,000
GOLF - TRADE	\$12,000	\$12,000	\$6,000	\$0
AGENCY FEES LIMIT	\$68,000	\$64,000	\$61,000	\$58,000
TOTAL	\$425,700	\$357,700	\$325,000	\$289,334
\$ savings vs. original		\$68,000	\$100,700	\$136,366
% savings vs. original		16%	24%	32%

To provide additional context about how much we are spending on paid advertising, the table below compares the not-to-exceed paid advertising budget proposals from above to the total budgeted expenses by venue for Fiscal 2020/21:

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VENUE OPERATING BUDGETED EXPENSES	ORIGINAL PROPOSAL	OPTION A	OPTION B	OPTION C
DIAMOND PEAK: \$8,075,342	2.1%	2.1%	2.1%	1.9%
GOLF: \$4,858,688	1.1%	1.1%	0.8%	0.7%
FACILITIES: \$1,504,583	2.1%	2.1%	2.1%	1.6%
REC CENTER: \$2,212,155	0.5%	0%	0%	0%
TENNIS: \$226,781	2.2%	0%	0%	0%

General notes on ALL alternate options:

- For each option, the agreement with EXL Media will be structured to pay Agency Fees based on actual hours billed (at \$125 per hour) instead of a flat fee structure agreed upon in advance. Depending on the option chosen by the Board, there will be a not-to-exceed limit to the Agency Fees that can be charged (listed above), but also the potential to pay much less should the District choose to cut back on or eliminate paid advertising services during the fiscal year.
- The Trade Media component is budgeted assuming 1:1 retail value trade to cover various ad buys. One of the advantages to including a trade component in the contract is that the traded amount typically sees significant breakage (i.e. unredeemed value) relative to the actual redeemed amount. Under any of the options above, Staff will work with EXL Media to ensure that the redeemed value of Trade does not exceed the budgeted amount listed above.

Notes on Proposal/Option A:

- Includes plans to cut media buying services for the Recreation Center (\$11,000) and Tennis Center (\$5,000) to better align with the District's goals for these venues – primarily to serve local residents without needing to generate additional revenue from visitors and non-residents.
- Budgets for Diamond Peak Trade value in alignment with the actual budgeted amount of \$32,000, which accounts for an expected breakage level of 60% on \$80,000 of trade value. (In reality, actual breakage percentage typically runs around 90%.)
- Saves at least \$4,000 in Agency Fees due to elimination of Recreation Center and Tennis Center media buying.

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Notes on Proposal/Option B:

- Includes plans to cut media buying services for the Recreation Center (\$11,000) and Tennis Center (\$5,000) to better align with the District's goals for these venues – primarily to serve local residents without needing to generate much additional revenue from visitors and non-residents.
- Includes cuts of \$11,700 from Golf budget which will cut all July and August advertising spending and maintain a contingency budget for September (if needed) and spring 2021.
- Budgets for Diamond Peak Trade value in alignment with more accurate expected breakage level of 75%, bringing expected redeemed value down to \$20,000 maximum on \$80,000 of trade value. (In reality, actual breakage percentage typically runs around 90%.)
- Cuts \$6,000 of Trade value out of the Golf budget.
- Saves at least \$7,000 in Agency Fees due to cutbacks at Golf, and elimination of Recreation Center and Tennis Center media buying.

Notes on Proposal/Option C:

- Includes plans to cut media buying services for the Recreation Center (\$11,000) and Tennis Center (\$5,000) to better align with the District's goals for these venues – primarily to serve local residents without needing to generate much additional revenue from visitors and non-residents.
- Includes cuts of \$12,000 from Diamond Peak budget which will cut funding from important branding-oriented campaigns.
- Includes cuts of \$18,700 from Golf budget which will cut all 2020 advertising spending (except \$8,800 of already committed outdoor) and maintain a contingency budget for spring 2021.
- Includes cuts of \$7,666 from Facilities budget, which would eliminate important print and social media branding efforts.
- Budgets for Diamond Peak Trade value in alignment with more accurate expected breakage level of 75%, bringing expected redeemed value down to \$20,000 maximum on \$80,000 of trade value. (In reality, actual breakage percentage typically runs around 90%.)
- Eliminates all Trade value from the Golf budget.
- Saves at least \$10,000 in Agency Fees due to cutbacks at Diamond Peak, Golf, Facilities, and elimination of Recreation Center and Tennis Center media buying.

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Staff Recommendation:

Recognizing the Board's desire to spend less on paid advertising during the 2020/21 Fiscal Year than previous years, Staff recommends Option B. Benefits include cash savings at the Recreation Center and Tennis Center – two venues that are primarily run as a community service vs. profit centers – as well as cuts to the cash budget at Golf that are in-line with expectations for this COVID-restricted season. The cuts to golf advertising will cut into long-term branding campaigns that are important for staying competitive in the crowded Lake Tahoe golf marketplace; however, Staff is confident the golf courses can rebound from a temporary cut in branding efforts. Option B will also see a reduction in the maximum amount paid in Agency Fees of at least \$7,000 compared to the original proposal.

Option A would give Staff more flexibility to respond to changing marketing conditions and instability with additional advertising spending *should it be needed*, or to reduce spending levels and save money should conditions allow. (E.g. How we saved \$40,222 during Fiscal Year 2019/20 by cutting paid advertising campaigns.) However, staff is confident that if the golf season pans out as expected, the spending levels of Option B should be sufficient.

Option C begins to cut into the paid advertising plans at Diamond Peak – a revenue source that has consistently been vital to the District's overall Community Services budget. These cuts will predominantly affect branding-related campaigns, the results of which might not be seen in the short term, but will result in long-term falloff of Diamond Peak's brand recognition in a crowded Lake Tahoe ski marketplace. Option C makes drastic cuts to the Golf advertising budgets, severely limiting our ability to respond to any COVID-related market disruptions this summer and fall. It also eliminates all Trade value from the Golf budget. Option C also makes significant cuts to the Facilities advertising budget, which will necessitate the elimination of all branding-oriented campaigns. The results of such a cutback likely won't be felt for two to three years as couples book wedding venues one to two years in advance. Given the importance of weddings revenue to the overall Facilities budget, and the competitive nature of the weddings business in Lake Tahoe, any cuts are highly discouraged.

Predicting what advertising needs each District venue might have a full year ahead of time is challenging (especially given the COVID-related restrictions that may or may not be in place this fiscal year), but Staff will continue to be diligent in adjusting

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spending levels to be in line with District goals and changing market conditions no matter which option is selected.

V. ALTERNATIVES

Authorize a hybrid spending plan from among the different options presented. (For example: Choose Option C but authorize Diamond Peak spending in line with Option B.)

Not authorize any of the proposed media buying budget options and direct Staff not to enter into a media buying agreement during the Fiscal Year 2020/21, understanding that doing so will leave the District's marketing plan for Fiscal Year 2020/21 vulnerable as the Media Buying Contract is a key component to the overall annual marketing plan.

Proposed Contract

**AGREEMENT FOR SERVICES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AND EXL MEDIA
CORPORATION**

THIS AGREEMENT (“Agreement”) is entered into between Incline Village General Improvement District, a political subdivision of the State of Nevada (hereinafter referred to as “District”), on the one hand; and EXL Media Corporation, a corporation (hereinafter referred to as “EXL”), on the other hand and is effective on July 1, 2020.

WITNESSETH

- a) District is the owner and operator under Special Use Permit of Diamond Peak Ski Resort, the Championship and Mountain Golf Courses, The Chateau and Aspen Grove, and the Recreation Center and Tennis Center in Incline Village, Nevada.
- b) EXL is a media buying and placement agency, located in Incline Village, Nevada, with experience in media services.
- c) District desires to retain the services of EXL to provide media services.

NOW THEREFORE, for valuable consideration, it is agreed as follows:

SECTION 1 - Agreement.

- (a) District hereby hires EXL to provide media services described herein (the “Media Services”), and EXL agrees to provide the Media Services to District. EXL will provide the Media Services to District within the timeline set between the IVGID Marketing Department and EXL. The IVGID General Manager or the IVGID Marketing Manager shall approve the final form of the Media Services for the ski resort, tennis, golf and facilities. No media services contracts will be finalized without the prior written approval by the General Manager or the IVGID Marketing Manager
- (b) District shall pay EXL a separate amount for each media service. The breakdown and total amount for the fiscal year of July 1, 2020 – June 30, 2021 is as follows:

Total contract not-to-exceed: \$TBD

- Cash Media: \$TBD
 - Diamond Peak: \$TBD
 - Golf: \$TBD
 - Facilities: \$TBD
 - Recreation Center: \$TBD

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- Tennis Center: \$TBD
- Trade Media: \$TBD
 - Diamond Peak: \$TBD
 - Golf: \$TBD
- Agency Fees: billed at \$125 per hour, not to exceed \$TBD

Cash and trade budgets cover funds for media purchases from third parties. When trade is issued to a third party, IVGID services and products will be taken at full rack rate. EXL doesn't have any autonomy in discounting IVGID's services and products. Trade is to be used when possible in exchange for cash to help contribute to the overall value of the media buy.

In case additional needs arise, District will pay EXL an additional fee as agreed by both parties prior to executing the additional project. The amount will be separated in individual invoices for different District recreational facilities and shall be due upon EXL's delivery and District's acceptance of the finished Media Services. EXL will charge a fee of \$125 per hour for the development of each media plan. This fee will not surpass 40 hours or \$5,000 for each campaign and will only be charged if the media plan is not placed.

- (c) The individual obligations of District and EXL in performing this Agreement are set forth below.

SECTION 2 - EXL's Obligations.

- (a) EXL will provide District with a selection of Media Services for use by District recreational facilities for the July 1, 2020 - June 30, 2021 fiscal year. The Media Services will include, but are not limited to, at least the following:
 - 1) Radio
 - 2) Outdoor
 - 3) Television/Cable
 - 4) Digital/Internet/Mobile
 - 5) Print
 - 6) Promotions
 - 7) Specialty Media
 - 8) Outdoor Production Coordination

**AGREEMENT FOR SERVICES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AND EXL MEDIA
CORPORATION**

9) Advertising Performance Analytics & Tracking

- (b) EXL shall consult with District to provide District the opportunity for input on the selected Media Services. District will have final approval on all media buying and placement, and District's Marketing Manager shall sign off on all media buying budgets and plans before any placements are made on District's behalf. Media buying budgets and plans shall be evaluated and potentially adjusted at least quarterly, with District's Marketing Manager signing off on any changes.
- (c) EXL shall not exceed the total amount budgeted for media for the services described above and will not incur any costs above and beyond set budget unless additional costs are authorized by District in writing.
- (d) EXL will consider performing additional projects from the District not stated in this contract on as-needed basis and will provide estimates for each project prior to execution.
- (e) EXL will provide copies of original invoices from third party vendors attached to EXL invoice.
- (f) EXL will pay all invoices from media/vendors on behalf of District within thirty (30) days of receipt of payment from District for the same invoices. EXL agrees that any and all media/vendors shall look to EXL for payment upon proof of payment by District to EXL for invoices in question.
- (g) EXL will coordinate with and provide creative agencies selected by District Marketing Department with all creative deadlines and make sure media deadlines are met.
- (h) Non-Disclosure Obligations. EXL acknowledges and agrees that during its performance under this Agreement, it may learn of, be exposed to or come into possession of certain "Confidential Information." Confidential Information is defined as information developed or owned by District or entrusted to District by others. Confidential Information includes, but is not limited to, financial information, business strategy, marketing calendars, inventory levels and best sellers, partnerships, and customer contact information. EXL agrees that it will not, directly or indirectly, (i) use such Confidential Information except as required in the normal and proper course of performing the Services defined in this Agreement or other obligations as contemplated hereunder; (ii) disclose such Confidential Information to any other person, corporation or entity; or (iii) allow a third party access to such

**AGREEMENT FOR SERVICES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AND EXL MEDIA
CORPORATION**

Confidential Information (except as otherwise may be required by law) without, in each case, obtaining the prior written approval of District. EXL agrees to protect all information including, but not limited to documents, electronic records, tapes and other media in which the Confidential Information is contained (the "Confidential Documents"). EXL further acknowledges and agrees that the Confidential Documents are, and shall remain, the sole and exclusive property of District. EXL shall not copy any Confidential Documents or remove any Confidential Documents, or copies thereof, from District premises, except as required by the normal and proper course of performing the services or other obligations hereunder. EXL agrees to return to District promptly upon request any and all property of District, including but not limited to the Confidential Documents and copies thereof, in EXL's possession or control.

SECTION 3 - District's Obligations.

- (a) District will provide EXL with customer research and will assist with information and strategy to complete media services.
- (b) District reserves the right to modify, reject, cancel or stop any and all plans, schedules or work in progress, and in such event, EXL shall immediately take proper steps to carry out District's instructions. In turn, District agrees to assume liability for all such commitments and to pay EXL, in accordance with the provisions of this agreement, any and all proper charges earned and incurred by EXL in connection with such work up to the time of its discontinuance, cancellation or modification. District agrees to indemnify, defend and hold harmless EXL for any claim or liability incurred by EXL under any agreement entered into by EXL for the benefit of District and which is modified by the District and pursuant to the terms hereof. IVGID understands that outdoor contracts are non-cancelable once approved. The agency fee is based upon an hourly rate of \$125 per hour as documented by EXL Media and invoiced monthly, and if the contract is cancelled by IVGID, no further agency fees will be due except those required to facilitate the return of IVGID's Confidential Information and hand off any existing media buying commitments.
- (c) District will pay EXL for the Media Services as set forth in Section 1(b) above.

**AGREEMENT FOR SERVICES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AND EXL MEDIA
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SECTION 4 - Relationship and Responsibility.

- (a) This Agreement is for the provision of services, and is limited to the services described herein. District and EXL agree that EXL is an independent contractor providing services to District, and neither EXL nor any employee or agent hired by EXL is or shall be considered an employee or agent of District.
- (b) EXL shall be responsible for all required licenses and permits for the services as specified. EXL shall be solely responsible for all agents and employees used by EXL and for all matters relating thereto, including payment for services.
- (c) EXL shall defend, indemnify and hold District harmless from any and all matters relating to or arising from the performance of the services described herein, and from any claims against District by any agents or employees of EXL, except those claims which are determined to be the direct result of separate and independent negligence by District or its employees.
- (d) This Agreement is cancelable upon thirty (30) days' notice by either party. In such event, District shall only pay EXL for media services actually performed and completed. This agreement is for a time period of one (1) year and may be renewed upon agreement.
- (e) District agrees to indemnify, defend and hold EXL harmless against any loss and expense, including reasonable attorney's fees and court costs incurred as the result of any claim, suit or proceeding made or brought based upon the content of any advertising material prepared or placed for District by EXL, notwithstanding the fact that any such material may have been approved by District. District will have the right to defend or settle any such claim, suit, or proceeding at its own expense. District's obligation to indemnify EXL shall include any claims by third parties based upon trademark, copyright or other infringements of intellectual property rights.
- (f) EXL agrees to indemnify, defend and hold the District, its officers, directors, employees and representatives harmless, against any loss, damage, claim or expense in connection with or arising out of the breach or negligence or fault of EXL pursuant to the performance of services under this agreement or as a result of EXL's representations to third parties contrary to the scope of EXL's responsibilities hereunder.

**AGREEMENT FOR SERVICES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AND EXL MEDIA
CORPORATION**

SECTION 5. Miscellaneous.

- (a) This Agreement is entered into and shall be performed in Washoe County, Nevada, and venue for any action arising from this Agreement shall be limited to Washoe County, Nevada.
- (b) This Agreement and the rights and obligations of the parties hereunder may not be assigned by either party without the express prior written consent of the other party.
- (c) No provision of this agreement shall be deemed a waiver of District's sovereign immunity beyond that presently provided by Nevada law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth opposite each signature below.

EXL MEDIA CORPORATION

By: _____ Date _____
Name: Wendy Hummer
Title: President

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

By: _____ Date _____
Name: Indra Winquest
Title: District General Manager

Reviewed as to form:

By: _____ Date _____
Name: Joshua Nelson
Title: District General Counsel

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Review and discuss projected Fiscal Year 2019-20 Year-End Fund Balances and review and discuss possible next steps in designating funds in support of priority Capital Improvement Projects

DATE: July 22, 2020

I. RECOMMENDATIONS

That the Board of Trustees receive a report on the status of District's fund balances and direct Staff to return to the Board at the August 12 meeting with an action item to:

- a. Authorize the transfer of fund balances from the Community Services and Beach Special Revenue Funds to the Community Services and Beach Capital Project Funds; and
- b. Consider designating available fund balances in support of specific Board-priority capital improvement projects.

II. BACKGROUND

The FY2020-21 Final Budget adopted by the Board of Trustees at their meeting of May 27, 2020 was informed, in part, by estimates of revenues to be collected through the Facility Fees charged to property owners within the District, charges and fees for services paid by users of District facilities as well as estimates of available prior year fund balances to support District activities and capital projects.

The estimates of available prior year fund balances are necessarily based on projections of revenues and expenditures through the end of the fiscal year (FY2019-20). Not only do these estimates inform the development of the FY2020-21 budget, but they are also required to be published and reported to the State of Nevada, Department of Taxation, via the Annual Fiscal Report (Form 4409LGF). This information was published in the Tahoe Daily Tribune the week of July 3, 2020, with proof of publication provided to the State of Nevada (see attached).

Staff is currently in the process of processing the year-end close for Fiscal Year 2019-2020 (ended June 30, 2020) and as a result the actual revenue and expenses and resulting year-end fund balances have not yet been finalized. Staff anticipates having preliminary, unaudited, year-end results by mid-August, with the final audited financial results pending completion of the independent audit of the District's financial statements for the year ending June 30, 2020.

The Board of Trustees has expressed a desire to both review the District's year-end fund balances as well as discuss possible designation of available fund balances in support of priority capital projects included in the District's Five-Year Capital Improvement Plan beyond FY2020-21.

As the Board considers future actions to earmark fund balances for capital projects it is important to consider various options available to the Board for this purpose.

Re-establishment of Capital Funds for Community Services and Beach Funds.

In adopting the Final Budget for FY2020-21, the Board took action to re-establish separate Capital (and Debt) funds for its Community Services and Beach activities. The adopted budget thus included transfers of fund balances from the Community Services and Beach Special Revenue funds to support appropriations included in the FY2020-21 budget for Community Services and Beach Capital projects.

Staff is recommending that the Board provide direction to Staff to take the additional step of transferring additional fund balances that are currently reported within the Community Services and Beach Funds for future capital projects, so that all fund balances within the District's Special Revenue funds that have resulted from revenues collected to support capital projects (i.e. through Facility Fees for Capital Projects) be also transferred to their respective capital funds.

It should be noted that, in the past, the District would transfer year-end fund balances remaining in its various capital funds to the Special Revenue Fund fund balances. This Staff recommendation seeks to reverse these past transfers and – in addition – on a going-forward basis, ensure that capital project fund balances remain in their respective capital funds.

Designation of Fund Balances

Generally-accepted accounting principles (GAAP) provide for specific classifications for fund balances. These include the following:

- Restricted
- Committed

- Assigned
- Unassigned

Each of these designations have specific definitions, based on the basis and specific action(s) taken by a governing body with respect to “designation” of fund balances.

The first two categories (restricted and committed) require specific action by the governing body. The third category (assigned) may not require any specific action as “assignment” of fund balances may be made by an officer who has been delegated such authority. Finally, “unassigned” fund balances represent the portion of fund balances that are neither restricted, committed, or assigned.

Updating Fund Balance Projections

During the budget process leading to adoption of the FY2020-21 budget, and specifically in the context of considering setting of the Facility Fee(s) for this fiscal year, the Board was presented with fund balance projections for its Community Services and Beach funds.

The following table provides a preliminary update of the forecasts prepared at the time of the Board budget workshop of May 19, 2020. Specifically, the forecasts shown below reflect a) Board action relative to the Facility Fees established for FY2020-21; b) updated projected year-end fund balances for FY2019-20; and c) projected fund balances resulting from the adopted FY2020-21 on May 27, 2020.

SHIFT	\$375	1 Year	CSF Fee	\$	330	Punch Card Value	\$	66.00	Funding Target: Comm Svc Fund Beach Fund							
			Beach Fee	\$	500		\$	166.00								
			Audited		Adopted Budget			5/27/2020 Final Budget	Projected	Projected	Projected	Projected	Projected			
			2018-19		2019-20			2020-21	2021-22	2022-23	2023-24	2024-25				
Community Services Fund	\$	12,261,649	\$	9,146,076	\$	13,975,670	\$	8,985,968	\$	8,671,599	\$	9,395,741	\$	10,188,985	\$	10,753,154
Excess Fund Balance				4,664,372		7,656,831		4,448,501		3,998,008		4,581,942		5,230,772		5,646,195
Beach Fund	\$	1,774,846	\$	1,123,442	\$	2,001,007	\$	4,339,933	\$	4,722,314	\$	4,867,043	\$	4,903,586	\$	5,169,054
Excess Fund Balance				596,144		1,507,007		3,863,358		4,194,550		4,323,447		4,343,682		4,592,353

Staff will continue to update fund balance projections based on audited year-end results for FY2019-20 as well as review and update the five-year revenue and expenditure forecasts that inform the out-years of this projection.

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Lee Anna Strandberg says:

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Signed: _____



Date: 07/08/2020 State of Nevada, Carson City

This is an Original Electronic Affidavit.

Price: \$ 900.00

Incline Village General Improvement District, NV

General Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues	4,822,850	5,084,400	5,043,240
Total Other Sources	-	-	-
Total Revenues and Other Sources	4,822,850	5,084,400	5,043,240
Total Expenditures	4,054,406	4,614,000	5,170,249
Total Other Uses	325,644	300,000	-
Total Expenditures and Other Uses	4,380,050	4,914,000	5,170,249
Net Change in Fund Balances	442,800	170,400	(127,009)
Fiscal Year Beginning Fund Balance	3,322,786	3,765,586	3,935,985
Fiscal Year Ending Fund Balance	3,765,586	3,935,986	3,808,977

Community Services Special Revenue Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues	23,985,385	24,187,702	18,700,152
Total Other Sources	645,000	241,875	-
Total Revenues and Other Sources	24,630,385	24,429,577	18,700,152
Total Expenditures	17,286,580	25,403,086	18,149,871
Total Other Uses	4,008,321	-	5,594,546
Total Expenditures and Other Uses	21,294,901	25,403,086	23,744,417
Net Change in Fund Balances	3,333,484	(973,509)	(5,044,265)
Fiscal Year Beginning Fund Balance	10,000,469	13,333,953	12,360,444
Fiscal Year Ending Fund Balance	13,333,953	12,360,444	7,316,179

Community Services Capital Projects Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues & Other Sources	3,716,023	-	6,127,741
Total Expenditures	6,043,500	-	6,127,741

Community Services Debt Service Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues & Other Sources	328,848	-	410,150
Total Expenditures	381,401	-	383,172

Incline Village General Improvement District, NV

Beach Special Revenue Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues	2,503,996	2,596,500	1,501,785
Total Other Sources	35,000	13,125	-
Total Revenues and Other Sources	2,538,996	2,549,625	1,501,785
Total Expenditures	1,906,516	2,200,741	1,906,299
Total Other Uses	200,193	-	-
Total Expenditures and Other Uses	2,106,709	2,200,741	1,906,299
Net Change in Fund Balances	432,287	348,884	(404,514)
Fiscal Year Beginning Fund Balance	1,378,091	1,810,378	2,159,262
Fiscal Year Ending Fund Balance	1,810,378	2,159,262	1,754,748

Beach Capital Projects Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues & Other Sources	198,558	-	3,207,872
Total Expenditures	284,298	-	454,500

Beach Debt Service Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Available Revenues & Other Sources	1,635	-	7,748
Total Expenditures	6,241	-	6,270

**Incline Village General Improvement District, NV
Proprietary - Utility Fund**

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Operating Revenues	12,787,182	12,680,000	12,674,840
Total Operating Expenses	10,428,137	11,089,700	11,640,874
Operating Income (Loss)	2,359,045	1,590,300	1,033,966
Total Non Operating Revenues	297,550	170,000	148,500
Total Non Operating Expenses	126,351	119,000	104,428
Net Income (Loss) Before Transfers	2,530,244	1,641,300	1,078,038
Transfers-In (Out)	120,000	45,000	-
Net Income (Loss)	2,650,244	1,686,300	1,078,038
Fiscal Year Beginning Cash & Cash Equivalents	6,764,416	4,366,202	4,821,968
Fiscal Year Ending Cash & Cash Equivalents	4,366,202	4,821,968	1,706,014

Proprietary - Internal Services Fund

	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	FINAL APPROVED BUDGET YEAR ENDING 6/30/2021
Total Operating Revenues	3,304,862	3,070,000	3,228,036
Total Operating Expenses	3,306,507	3,082,060	3,265,610
Operating Income (Loss)	(1,645)	(12,060)	(37,574)
Total Non Operating Revenues	360	-	-
Total Non Operating Expenses	-	-	-
Net Income (Loss) Before Transfers	(1,285)	(12,060)	(37,574)
Transfers-In (Out)	(474,356)	-	-
Net Income (Loss)	(475,641)	(12,060)	(37,574)
Fiscal Year Beginning Cash & Cash Equivalents	817,812	435,837	437,337
Fiscal Year Ending Cash & Cash Equivalents	435,037	437,337	409,063