

MINUTES

REGULAR MEETING OF SEPTEMBER 25, 2019 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, September 25, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

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

Also present were District Staff Members Director of Public Works Joe Pomroy, Director of Golf/Community Services Darren Howard, General Manager Diamond Peak Ski Resort Mike Bandelin, and Director of Finance Gerry Eick.

Members of the public present were Steve Dolan, Cliff Dobler, Ellie Dobler, Linda Newman, Margaret Martini, Judith Miller, Aaron Katz, Mike Hess, Pete Todoroff, Mike Abel, Jack Dalton, Michael Brothers, Frank Wright, Doug Keil, Bev Keil, Andrew Whyman, Barbara Perlman-Whyman, Alexandra Profant, Gary Midkiff, Denise Conn, and others.

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

C. PUBLIC COMMENTS

Aaron Katz said he has a couple of items to speak about and that along with written statements he would be submitting a couple of placeholders. Chairwoman Wong has said that she will not get a forensic audit unless there is wrongdoing or unlawful activities. He has prepared a statement so now there is evidence and he is requesting a forensic audit. Mr. Katz continued that he also has a statement on the Mountain Golf carts. This Board went over the same issue on May 1 and it was defeated. Staff is now coming back and asking for the same thing. Staff is claiming that they want direction and they have received it. It is his opinion that we don't need new golf carts so we will then have two hundred and forty thousand dollars

that can be spent on repairs which he would be shocked if anywhere near that was spent. His next statement is about getting rid of District General Counsel who is giving statements to the public and you need to get rid of him. He asked the Board to agendaize an item to ask Staff to provide public records, asking again for the Board to direct Staff to provide public records and if you don't then he will consider this Board aiders and abettors and thus just as guilty as Staff is. On the unauthorized funds transfer, Staff is asking for an undo and that it is like no harm, no foul. He sent the Board an e-mail about not voting on this matter as it would be unethical as well as a conflict of interest. If this Board does as he expects, and Trustees Horan, Wong, and Morris vote on this item, he will be filing an ethics complaint which Trustee Morris knows about because one has already been filed, not by him, against him.

Judith Miller said she did want to recognize an employee at Recreation Center as she had a question about one of their picture passes that wasn't renewed and went on to explain that situation. This employee went out of her way to help her. Ms. Miller stated that she didn't get the name of the employee but that it was about two weeks ago on a Saturday; she was very helpful and cooperative. Ms. Miller than said that she is still perplexed at why we are looking at leasing and that the description bothered her because there was no residual value and Staff should have a reasonable idea given that in May, and she understands that it can vary greatly, Staff did present an annual payment or lease amount and given that, that the residual value is part of the Lessor's calculations in coming up with the amount so Staff has to know that numbers and we, the public, have to know it as well. In the interest of transparency, she hopes some kind of value is forthcoming. Another often referred to topic is public records and that the District's retention policy is very old but that IVGID was holding off because the State Archives was working on an update. Well, that update was published last November yet haven't heard a word on the progress so please provide us with an update.

Ellie Dobler read from a prepared statement which is attached hereto.

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

Linda Newman read from a prepared statement which is attached hereto.

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

Frank Wright said that he gave Trustee Dent some papers that he would like passed out. There are valuable awards that IVGID pays for and Staff comes here with red cheeks. The Diamond Peak leadership is very proud of earning a Hermes

award some seven or eight years ago so we asked how valuable is it and how difficult is it to get. We brought one that was given to Aaron Katz by Hermes for his creativity and all you have to do is put out money. Mr. Wright then distributed a copy of an advertisement that he stated probably cost the District at least five hundred dollars. Mr. Wright then stated that the District paid two thousand dollars for the Hermes award so now we are at two thousand five hundred dollars. Now we have Staff and Tri-Strategies who have put out five press releases. How much have we paid? Mr. Wright then proceeded to recite off two awards that he created and said that he would give out copies of these awards to members of the public for free but that it would cost the Board members one dollar per page.

Sara Schmitz read from a prepared statement which is attached hereto.

Jack Dalton passed on his opportunity to speak.

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

Steve Dolan went over a handout, that he provided, about a proposal that came out yesterday from the United States Forest Service which is about having snowmobiling on property that is adjacent to District land. There has not been a meeting with the public for a long time so he spoke with the Tahoe Regional Planning Agency this morning and they were very surprised by this proposal. He also talked to District Staff who knew of no meetings and according to Ms. Sibr there have been no meetings and the reason was because they couldn't come to any resolution. Taking a look at the map, one will be shocked because it goes right up to the back door of residences on Apollo and Tyrolian. It is hard to get to their website but he urged members of the community to make their comments because they will listen. Mr. Dolan then read the URL which he said will get you there so you can take a look at all the maps.

Mike Hess said that he was here to thank Staff who held a very useful session and that they helped to figure out useful information which he is going to write up and publish so the public can use it. We also had a general discussion about a Treasurer's report which would give the health of the District and that he and Ms. Schmitz are going to come up with some suggestions and then work with Staff on a one page document. We also talked about capital projects and the fact that it could be on opengov. There has been some confusion on the Treasurer's role as it has been reported that it is not Trustee Morris and that the Director of Finance is acting Treasurer. If that is true, then there should be a new election as it is missing some aspects of Nevada law.

Alexandra Profant said that she and her husband, Peter, have engaged Gary Midkiff, who will also speak. She and her family have been disenfranchised from the beaches and that in her submittal, she has a receipt that shows their original cards to get on the beaches. She has attempted to get a payoff statement from Royal Pines which they are very excited to redeem. They hired Gary Midkiff to get a property description as it is likely they are not getting accurate accountings. The IVGID bill for Royal Pines includes all units and they have learned that White Pines and Royal Pines sit on the same parcel therefore it is impossible to receive an accurate description. Ms. Profant said that from being here she knows that many laws need resurveying and that one can host a survey which would cost well over one hundred thousand dollars but that it would redeem many incorrect ownerships. She is asking that the Board of Trustees agendaize this item. Ms. Profant closed by stating that they do direct the Tahoe Foundation out of their unit where they still reside.

Gary Midkiff said that he is a planning and permitting consultant who is working with the Profants' and other members of the Royal Pines Homeowners Association to try and resolve the items mentioned in Ms. Profant's presentation. IVGID issues one water bill and that has been done since 1974 when the development was built. In many ways it doesn't make sense as there are many residents who are there for a few weeks and some who are full time so how do you allocate. As to the survey, he does have a proposal from a surveyor licensed in Nevada who will look at the existing legal descriptions of the properties and prepare corrected descriptions. Hopefully, this will lead to working with IVGID Staff to break out new water meters for each unit instead of one meter for sixty-six units.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for any changes to the agenda. Trustee Dent asked that General Business Item H.3. be pulled as it doesn't come across as clear and complete. Chairwoman Wong said that she would like to leave it on the agenda so the Board can discuss it and stated that the Board doesn't have to take action. Hearing no further changes, the agenda was approved as submitted.

E. DISTRICT STAFF UPDATE (for possible action)

E.1. Interim District General Manager Indra Winqest

Interim District General Manager Winqest went over his submitted written report.

Trustee Dent said, regarding the insurance claim for the Mountain Golf Course, that during public comment it was said that we have received two hundred thousand dollars. Director of Finance Gerry Eick said that the District has received two hundred and sixty-two thousand dollars to date and that the claim remains open and will be open for two years. The adjuster and insurance company are looking at the mechanicals for replacement costs as we are insured for replacement and that they are leaving the claim open because during construction we might discover something. The reserve was three hundred and thirty thousand dollars and that there were some costs that were incurred that we didn't pay such as the cleaning costs were paid directly by the insurance company. The District does expect more money but we don't know what it is. Trustee Dent asked if Staff anticipates when we will know. Director of Finance Eick said Staff is pressing them for an answer and he hopes that it is resolved in the next month or two. Trustee Dent asked if the Board of Trustees could be e-mailed when that happens; Director of Finance Eick said that yes, Staff can update the Board of Trustees on the progress.

F. REPORTS TO THE BOARD OF TRUSTEES*

There were no reports to the Board of Trustees.

G. CONSENT CALENDAR (for possible action)

There were no items on the Consent Calendar.

H. GENERAL BUSINESS (for possible action)

H.1. Review and discuss four (4) recommendations and select a preferred course of action regarding the authorization to acquire, which will come before the Board of Trustees on October 30, 2019, fifty eight (58) Mountain Golf Course Golf Carts for use in the 2020/2021 fiscal year (Requesting Staff Member: Director of Golf/Community Services Darren Howard)

Interim District General Manager Indra Winqest said that based on new information received since the Board packet came out, his recommendation is to stick with the existing plan and move forward with gas carts. It is cost prohibitive to go with lithium so he is asking the Board to go with recommendation four as outlined in the submitted memorandum. Staff will

bring back, on October 30, 2019, the required items. He drove the cart paths and he has concerns. Additionally, he would like to get authority, from the Board, to move forward with an electric analysis to make the transition to electric carts.

Trustee Callicrate said that this sounds like a more prudent way to go and to look at the whole picture. It is high time to take the appropriate steps to make sure the paths are replaced which is probably cheaper now and such that they last longer. We are addressing the clubhouse, and while he is not happy, we are addressing it. He likes looking at the entire picture rather than piece meal. He will support the Interim General Manager's recommendation as it is a better first step in looking at the whole picture.

Chairwoman Wong said that she concurs. She is concerned with leasing as this is the same proposals that was defeated so we need to provide some input to our Staff on leasing as we don't want this aspect to put us back and it is one of the things that we need to discuss here and now. We are not voting but rather providing clear direction that this is the way we are going to move.

Trustee Morris said that he and the Interim District General Manager had a brief discussion when he got the new information and clearly, we shouldn't move ahead with lithium. He will support the Interim District General Manager's recommendation and if we lease then we have got some pretty decent funds that would be left from this project to start to approach some of the things such as replacing the cart paths and figuring out what electrics we will need because it is the right approach. There has got to be some expense paid and we know that so we are supposing it. Rather than having to find new budgets to do all of that, by taking the lease options, we will have resolved on decent carts for four years and then allow us to bring it to a suitable standard that our residents and players expect; this is a prudent financial path to take.

Trustee Dent asked if Staff had a rough estimate of value of the current golf carts. Director of Finance Eick said it is included in the request for proposal and that the fleet will be taken in trade so it is the net of those and it has already been applied; recommendation four already has it reflected. Trustee Dent asked what is the grand plan for the Mountain Golf Course which has deferred maintenance and trees that need to be cut down. When will the Board have the opportunity to prioritize the Mountain Golf Course on which issues the Board wants to address first? There is a three hundred thousand

dollar savings/under budget and there is a little bit of money here so some of the things could be addressed before buying new carts; he likes moving forward with recommendation number four.

Chairwoman Wong said that she agrees with looking at the cart paths and understands the means serious planning. This Board has approved a couple of capital projects that are over budget so for the next meeting, she would like to get an over and under budget report as it would be great data to work with and please include the estimates for the items at the Mountain Golf Course.

Trustee Morris said given that there are a number of items it would be great to bring forth a complete plan as we know it so we can understand what we are committing to. Interim District General Manager Winquest said that the reason he is asking for direction to move forward with the electric analysis is because of all of those items, it is not included in the data sheet so he is uncomfortable with doing this under the General Manager's spending authority. Staff would like to spend some dollars to get this analysis which will help us to plan as well as being money well spent.

Trustee Callicrate said it was brought up in public comment that there was already money put aside or an estimate for the study of the electric. Director of Finance Eick said that the comment was made relative to the next replacement of the fleet which included the electrical at that time. The data sheet on the building itself does speak to ventilation of that building which started the conversation on lithium because there are no emissions. He applauds the idea on a comprehensive discussion on solutions and the electrical study will also help us with permitting and building permitting, if needed.

Trustee Horan said we ought to include looking at the electrical because it is important and he compliments Interim District General Manager Winquest for challenging Staff of this item. We need to always challenge what we had and we can't be afraid to bring it back once again.

Chairwoman Wong said she is fine with gas carts and with leasing. She would like some capital improvement plan budget information in order to understand how much money we are working with. Interim District General Manager Winquest said he would like one clarification – is the entire Board in favor of engaging an electric engineer; all Board members said yes.

H.2. Review, discuss, and possibly provide Staff input on the Community Services Master Plan – Priority project update based on Board of Trustees request made on August 14, 2019 (Requesting Staff Member: Interim District General Manager Indra Winqest and Director of Public Works Joe Pomroy)

Interim District General Manager Winqest gave an overview of the submitted information and said that he has a meeting, on Monday, with Washoe County Commissioner Berkbigler and the United States Forest Service about land for a dog park. Staff will identify other potential sites however we wanted to exhaust this option because if there was a good option out there, Staff would have identified it years ago. Staff will report back on October 30 on all of these projects.

Chairwoman Wong asked if contact information could be obtained for the United States Forest Services so that our community can weigh in; Interim District General Manager Winqest said he will obtain that information.

Trustee Dent asked if Staff is looking at one opportunity or multiple. Interim District General Manager Winqest said Staff is evaluating another location near the Pet Network however the primary focus is on the location across from the high school.

Trustee Morris said that there has been lots of concern raised about what the costs of the dog park will be and the general feeling is that we don't need a Taj Mahal for dogs rather we just need a good place to put them. He would like to express that concern because of some of the guesstimate numbers that have been floating around and to say that we have to pay attention to whatever we are designing. Interim District General Manager Winqest said when we get to that point, Staff would provide options to the Board and the dog owners will tell you that there are used to certain standards at Village Green and thus we can work through those details.

Trustee Callicrate said he would like to see the schedule accelerated with construction occurring no later than 2021 because on this schedule it shows 2023. Interim District General Manager Winqest said that he doesn't disagree and we wanted this schedule to be very general as the community wanted a dog park twenty years ago so we will fast track it as much as we can which is dependent upon the location.

Chairwoman Wong said, theoretically, on one end the United States Forest Service says no and then on the other end the United States Forest Service says you can have it tomorrow so if the transfer were to occur in the next three months, how does that change the timeline for all five of these projects as we only have a finite amount of money. Interim District General Manager Winqest said he would refer to page 18 which has been updated and distributed and then he turned to over to the Director of Public Works. Director of Public Works Joe Pomroy said when talking about the dog park, it is the type of park for people who want to bring their dogs which is like every other park but their dogs can come would be the level of standard on this type of park and that is provided so you can frame your mind around it as it is where we are heading. As to the costs, there are lots of factors such as purchase land, parking lot, etc. Entitlements could also have up to a two year impact and then there is design and construction so even if we had the land tomorrow, it could be up to four years because there are a huge amount of variables. There is nothing budgeted in the capital improvement plan and analysis would occur in May which would return to the discussion of the Recreation Facility Fee as well as funding opportunities. Right now, there is very little information about a dog park.

Director of Public Works Pomroy said that Staff believes that we got this in the correct order as stated by the Board and went over the balance of the submitted material.

Chairwoman Wong said, in general, is there a reason why not do all the reports on October 30 rather than over two Board meetings. Director of Public Works Pomroy said Staff would like to do two items on October 30 and two items on November 13 rather than doing them all in one meeting.

Trustee Morris asked that Staff recall the previous go around with schematics, ballpark numbers, etc. and he is hopeful that Staff will be able to update those numbers to help frame the costs. Director of Public Works Pomroy said Staff will look at them and escalate based on construction cost indexes, etc. and asked if that was acceptable. Trustee Morris said yes, that is perfect.

Trustee Callicrate said he would like to do a little rearranging of reports as he will be calling into the meeting on November 13. Trustee Morris said he won't be attending the October 30 meeting. Chairwoman Wong said we can talk about this during the long range calendar item. Director of Public Works

Pomroy said Staff is okay with movement except for the Tennis Center and asked that that report not be changed.

Director of Public Works Pomroy said, regarding the Tennis Center, that the design contract was awarded at the August Board of Trustees meeting so the design is in process and there will be four alternatives. Final revisions are being finished and then Staff will talk with the Tennis Advisory Group and bring it forward on October 30. Staff will be bringing a range of options that are increased in costs and renovation; Staff will receive the Board's feedback and then get its preferred direction.

Trustee Dent asked how does one go about getting on the Tennis Advisory Group. Interim District General Manager Winquest said he will set up a general meeting and invite all of our pickleball and tennis players to review the plans as Staff is looking for feedback from a wide variety of users.

Interim District General Manager Winquest said, moving to the Burnt Cedar pool, that he is going to put together a diverse group which will include super users of that facility and whoever we get, as part of this group, needs to be reasonable so as to understand both sides. He has gotten volunteers but he will not be able to select everyone. This is a huge legacy project for our community and he is not interested in a renovation as he really thinks we need to replace that pool because renovation will not solve the various problems associated with that pool.

Trustee Dent said if someone wanted to be on the Advisory Committee, how should they go about it. Interim District General Manager Winquest said they should reach out to him or Staff as he is interested in talking with everyone. Trustee Dent asked if the Board could get a copy of the updated report. Interim District General Manager Winquest said Staff can give the Board everything that Terracon provides.

Trustee Morris asked if this was going to be an e-mail or add as part of the agenda item and as to timing, what is your thought process on how long will this group meet and how soon will we have some concrete ideas. Interim District General Manager Winquest said he would like to form the committee in the fall, meet during the winter, and then construction possibly in 2021 as Staff is trying to move quickly but that this is not a set schedule. Trustee Morris said if we are replacing the pool, what are the best alternatives if we don't have the pool for the season. Interim District General Manager Winquest said that is a process that we probably need to go through and get

prepared to lose an entire season with the remainder that we have a beautiful pool at the Recreation Center.

Interim District General Manager Winqest said, moving onto bocce, he would put that on a similar track as the Tennis Center renovation and that Staff is working on site selection and hoping to bring that back on October 30.

Interim District General Manager Winqest noted that there are competing projects that are listed at the bottom of the page and that there are two pretty large projects so we have to be extremely careful on commitments.

Chairwoman Wong said so the Tennis Center item is good for October. Trustee Callicrate said he is fine with the Tennis Center and bocce in October and for the Incline Beach House, he can look it up online thus he has no issue with not being present. Director of Public Works Pomroy suggested reviewing the March 2017 meeting as it has a good summary and then we will be able to hit the ground running.

Chairwoman Wong called for a break at 7:29 p.m.; the Board reconvened at 7:40 p.m.

H.3. Review, discuss, and authorize a Prior Period Adjustment to Opening Net Position of the IVGID Comprehensive Annual Financial Report for June 30, 2019 for \$800,000 for a Transfer Authorized by the Board of Trustees May 9, 2018 and to reflect the full effect of the original transfer as completed during the fiscal year ending June 30, 2019, and to reflect a \$300,000 Transfer from the Workers Compensation Fund to the General Fund for the Fiscal Year Ending June 30, 2019, with the full effect of the original transfer authorized May 9, 2018 from the General Fund to the Utility Fund, Community Services Special Revenue Fund and the Beach Special Revenue Fund and to be included in the fiscal year ending June 30, 2020 (Requesting Staff Member: Director of Finance Gerry Eick)

Director of Finance Eick reviewed the submitted materials.

Trustee Horan said that there was a reference, during public comments, about the dollar amount being incorrect. It is his understanding that these amounts have been discussed with the State and that all are in agreement

with them as presented. Director of Finance Eick said that is correct and that this memorandum was sent to the State for their review so these are the exact amounts.

Trustee Morris said to understand what we are doing here, when the initial transactions were determined and proposed, did Staff review them with the State Department of Tax that are the regulatory authorities and were they okay at that time and now they are asking us to do them differently? Director of Finance Eick said yes, it is identified in the budget documents as well as the budget message, and yes, there were discussed with the Department of Taxation prior to be developed. With others looking at it, and in hindsight, their view has to been to ask us to adjust it from three to five transactions as they want to be comfortable with how we are closing it. Trustee Morris followed up by asking if there were rules that were in place at the time that said we should have transferred to it the General Fund and then disbursed from there. Director of Finance Eick said that there were a lot of discussions about this matter and that Staff went over this with the State for six to eight weeks and that it doesn't matter what we did rather it is about what we can do now. The State asked us to take this action where it goes to the General Fund and then goes to the operating funds. Trustee Morris said that part of what we need to do is always to understand what happened, learn from it, and make sure that we do all things right as he thinks that is the intent always. What would Staff take from this episode so far that we can have the best assurance that we are doing things right now and in the future as well as continue to do them right. Director of Finance Eick said that Staff has reflected on this very question and said that Staff asked all the right parties at the time and made it clear that we were doing each individual transaction. If Staff has something to do over again, when we did the one in May, we might have pressed the State more on the issue of looking back, and while Staff thought that is what we were doing, maybe we didn't do it enough. The Department of Taxation didn't automatically go there and instead of talking about the transaction in front of us, we should have talked about the bigger picture to see if there were any unintended consequences. In the documents, it was disclosed and these are State approved budgets so it is hard to say why their perspective has changed. Staff has no problem with this change because it was what we intended and this is just a reporting item. Trustee Morris said that he has no problem with the goal and he remembers discussing it very well and there we all had a lot of questions and that the intent is to end up at exactly the same place. He does remain concerned that we need to make sure as the onus is on us to find the potential problems before we submit and before we make any decisions.

There was some verbiage in the way things should have been handled and going back and reading all the rules and regulations one more time. So that we don't have this happen again, are the controls tight enough. Director of Finance Eick said that Staff has become more familiar with some of the minutia in the statutes and he can acknowledge the opportunity to do that as well as going through a process with a combination of people or other contractors or whatever to continue to talk about it and evaluate. As it relates to this matter, it will never happen again because the District doesn't have a Workers' Compensation Fund but the point is well taken. When Staff was thinking about is this possible, there were two steps – one was to look at Nevada Revised Statutes 354 and the other was to contact our representative at the Department of Taxation and ask about the things that we should consider and those remain proper entry points. You are asking how far to take it and Staff commits to digging a little deeper on our own. Trustee Morris said that he agrees that we do need to do that as we don't know the precise answer, we do need for this to be in compliance. We can't just do this and carry on and that is not what he is implying that is what Staff intends upon doing; this is a paper transfer to correct a past issue which feels a bit like a black eye which he isn't sure is an appropriate term. We just don't want any more. Director of Finance Eick said he agrees.

Trustee Horan said that he appreciates Trustee Morris' comments and thinks that Staff is very diligent in reporting accurately. Staff doesn't act in a vacuum and there is correspondence between us and the State Department of Taxation. The key statement is "...upon further review..." as they didn't find fault, which they could have done, rather it means that they changed their mind and they are not penalizing us. He doesn't look at this as a black eye as it was not a mistake that was overlooked because Staff did discuss it with the appropriate authorities. They asked for another look which is their prerogative and he knows that Staff will look even harder. Staff did the right thing and now they are responding to a request made by the Department of Taxation.

Trustee Dent said that he agrees with his colleagues about needing to be in compliance however he doesn't believe that this agenda item is clear and complete and thus this Board will be in violation of the Open Meeting Law so he will not be supporting the motion. Regarding internal controls, this is a good time for the District to agendize a future item for internal controls and improvements and to hire a consulting firm to tell us how to do things better because there are always ways to improve and this is another example. Resolution 1873 has operating transfers that we are reversing and the Board

is not approving a new resolution to undo the previous one. Director of Finance Eick said a new resolution is not required as the Department of Taxation said that a motion is fine. Trustee Dent asked what financial statements are being affected. Director of Finance Eick said the 2018/2019 audit which we are doing right now, specifically the opening net position, and that there will be an added footnote of this action tonight in the 2019/2020 audit. Two years of reports and going from three transactions over two fiscal years to five transactions over three years.

Chairwoman Wong said that she wishes that the language would have been a little stronger about the Department of Taxation as she really does think the crux of this is because they agreed with the first two transactions and they are now changing all of these together. How are these being changed in accounting estimates? Director of Eick said prior period adjustment was suggested by the State and Eide Bailly and not characterizing the underlying purpose rather Staff is purposing a footnote about how this occurred. Staff will be making an adjustment on the opening balances. Chairwoman Wong said since the 2018/2019 report hasn't been done yet, why not push this through in 2018/2019. Director of Finance Eick said it all be in the 2018/2019 report as eight hundred thousand is in the year 2017/2018 so it affects the opening net positions. Chairwoman Wong said that the subsequent event only relates to the three hundred thousand.

Trustee Morris said that he has a question for Trustee Dent – it would be great if the Board could get a unanimous approval on this so can you expand a little more on your reservations as he would like to head them off. Trustee Dent said it doesn't sound like the Board is understanding what it is doing and in reading agenda packet page 19, which is a fifteen-line sentence and in trying to understand what we are doing, he is having trouble. His position is based on it not being clear and complete and that it is his opinion that we are going down the wrong path and that he would like to put together an agenda item that is clear and complete. Chairwoman Wong asked District General Counsel to weigh in on clear and complete. District General Counsel Alex Belto said it is a complex item and that the notice is about what the item is and what the action is. The item identifies the action and what it is applied to. It doesn't mean that it is not clear and complete just because it is complicated. He reviewed the court cases and the language is in accordance with those cases.

Trustee Callicrate said that he has a comment on what Counsel just stated and that is that we have had issues brought forth about clear and complete

and this is such a cumbersome run on sentence which could have been broken into something that was easily understood. He would have liked to have seen something else as we need to be more cognizant of those in the community that don't understand this. The Department of Taxation requested this and that is a very important precursor to what is in here. He would like to see it reworded and brought back to us and being clear that the State asked us to do this because putting that in there alleviates any perception that what we are doing is in error and that the State has requested more information. As it is here right now, technically it might be, but we are opening ourselves to unnecessary scrutiny rather than putting in something about that the State has requested this action.

Chairwoman Wong that nobody has said that the District violated the Nevada Revised Statutes and that the State has decided there is a better way to report this.

A number of the members of the public gaffed and Chairwoman Wong cautioned them about their outbursts.

Trustee Morris said let's learn from it, put it behind us, and asked if there were any timing issues as he is assuming that this needs to be done immediately. Has Staff reviewed, with the Department of Taxation, this particular recommendation and were they comfortable with it. Director of Finance Eick said he suggested it be done at the October meeting and they asked him to attempt to get it in at tonight's meeting. The audit calls for delivery in November and thus it would be compressed if we waited until the October 30 meeting. Yes, Staff did review this with them and he doubts that the State would mind if the Board added in some language to the motion.

Trustee Morris made a motion that based on further review by the Department of Taxation:

- 1) The District to report a Prior Period Adjustment to Opening Net Position for the General Fund an increase by \$800,000 and decreases to the Utility Fund by \$120,000, Community Services Special Revenue Fund by \$645,000, and Beach Special Revenue Fund by \$35,000.
- 2) For the fiscal year ending June 30, 2019, a transfer from the General Fund in the amount of \$800,000 to be disbursed to the Utility Fund in the amount of \$120,000, Community Services

Special Revenue Fund in the amount of \$645,000 and the Beach Special Revenue Fund in the amount of \$35,000.

- 3) For the fiscal year ending June 30, 2019, a transfer from the Workers Compensation Fund of \$300,000 which goes to the General Fund.
- 4) For the fiscal year ending June 30, 2020, a transfer is made from the General Fund in the amount of \$300,000 and disbursed to the Utility Fund in the amount of \$45,000, Community Services Special Revenue Fund in the amount of \$241,875 and the Beach Special Revenue Fund in the amount of \$13,125.

Trustee Horan seconded the motion. Chairwoman Wong asked for any further comments, hearing none, called the question – Trustees Dent and Callicrate voted opposed to the motion and Trustees Horan, Morris and Wong voted in favor of the motion – the motion was passed.

H.4. Review, discuss, and possibly provide Staff input on Financial Reporting – Board Work Plan (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong gave an overview of the submitted materials.

Trustee Horan said that he takes that the Chairwoman and Trustee Dent put this together and are in agreement. Chairwoman Wong said it was done two years ago so yes and no. Trustee Dent added that there was a committee that met a couple of times and this is where they stopped. Trustee Horan said that there are a hundred ways to put this report together and he would fully support it.

Trustee Morris said that he agrees and that he sees this as a journey, not a destination, which he is all for as well as knowing that it is a living, breathing process that may change. Assuming that all the columns work and trusting that it all sums out and that it is a data feed from our main systems, this is a good thing that may bring clarity therefore he is all for giving it a try.

Trustee Dent said that definitions should go along with it and we need to have those included to bring clarity. Trustee Dent then pointed out a couple

of possible errors. Chairwoman Wong said that it is an Excel spreadsheet where there are column headers. Trustee Dent asked about authority, cancelling, or reallocating projects – we should have a defined policy as there is no policy associated with that so we may want to discuss it as a Board so we have some way of reporting and a policy that we are following.

Chairwoman Wong said we should develop them as we go and asked if Staff could take a couple of projects and put it into this format. Director of Finance Eick said we have been using this formula for a lot of the reporting Staff has been doing and we can't get it onto one page. Half of our projects are rolling stock so that is one of his thoughts.

Trustee Dent said he was handed a packet tonight which is about the Mountain Golf Course roof replacement and he would love to see how this project shows on this report. Director of Finance Eick said Staff would love to get this kind of report going as we do things to help with clarity. The roof started out as a repair and then became a replacement project that went into this year because it was weather delayed. There was more money added to it because it was feared that the contractor would not honor a two-year old award. This format would allow him to do that but that it won't fit on one page if Staff makes too many notes. As to multi-year, multi-phase, etc. projects, the District has a policy on certain size projects and we do have this data however when we talked about this several years ago, the Board agreed that Staff should do it any sooner than quarterly so backtracking would take some additional time on about forty or fifty projects and not all one hundred and fifty projects. Right after the popular reporting started, Staff did add a glossary and tried to make a start on that effort. Staff can give some more exposure on carryover projects and the District doesn't have a policy about reallocation because we don't reallocate. It is called unbudgeted and doing it because we have to. It is not a process that we go through however if the Board wants Staff to do it, that is their directive as it is not what we go through. Chairwoman Wong said that we have done reallocations. Director of Finance Eick said that the District has done unbudgeted projects. Chairwoman Wong said that Staff has come before the Board and while it is not called a reallocation, functionally, it is what we are doing. Director of Finance Eick said if we want a definition that has not been our approach from his perspective. If the Board wants this report, his biggest request would be to allow Staff to give you a sample, and we will use the Mountain Golf Course roof as it would be a good test and he hopes that we can find a way to not include the rolling stock, etc. Chairwoman Wong said that the Board doesn't need all the individual projects and that she disagrees with

the length. She would propose that Staff start with carryover projects and all the projects for the first year of our five-year Capital Improvement Plan and don't keep expanding it. The ending point is the carryover projects and then plus next fiscal year projects and tie it back to what this Board approved in a budget. Director of Finance Eick said that he doesn't disagree and that he looks at this as popular reporting which conflicts with the Indebtedness Report and Annual Budgeting. Chairwoman Wong said that this reporting is for the Board to see what is happening and that it is not meant to be for the State but rather for the Board versus the public.

Trustee Dent thanked Staff for using the roof replacement as an example as he is concerned about what projects are used. Director of Finance Eick said that Staff will set a guideline that is clear and predictable while eliminating rolling stock and Information Technology equipment and that will become a part of our stated policy.

Trustee Morris said that he appreciated what Staff has said about start and end and that he didn't mean to say it had to be one page as it can be multiple pages. His challenge is that Staff lives and breathes this stuff every day and knows it intimately. The Board looks at it monthly or quarterly and that when he comes in to the offices, Staff can explain it. The more clarity that we can supply and having the key to the column descriptions is vital as is having the final page being descriptors. Director of Finance Eick said he would footnote it as a legend and let it be seen. We do define cancelled projects and at the end page we will have those greater definitions as well as a legend of different possibilities. Regarding the last column, percentage of completion, Staff understands the objective however one concern is that we may have a project on a building which goes through pre-design, design, construction, etc. and that makes the whole project costs. How far along are we or how far along a contractor is through a particular contract presents the challenge with multiple contractors who are at different point in completion so Staff needs a definition on percentage completion.

Trustee Dent said, as an example, this should come from the engineer as they should be able to justify it as that is how it is typically done. Director of Finance Eick said it would be one of the definitions – percentage completion on total project.

Chairwoman Wong asked if it would be possible to have this come back in October and then the Board could add or delete columns.

Trustee Morris suggested adding expected completion. Director of Finance Eick said this is a slippery slope as one of the challenges is to budget to get it done in the year we start it rather than predict. We can be very clear on the start date and when we finish date and then be clear on the phase we are in; Trustee Morris said that was okay.

H.5. Review and discuss the Board of Trustees roles as outlined in the Board of Trustees Handbook (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong reviewed the submitted materials.

Trustee Dent said that this is a working copy of the Board of Trustees handbook and it there a reason that the Board never approves it. Chairwoman Wong asked the District Clerk to remind her of the process. District Clerk Susan Herron said that the handbook was approved by a previous Board and that it then be kept as a working copy as changes happen in the laws and actions.

Trustee Horan asked if this was a part of the code. District Clerk Herron said yes.

Trustee Callicrate said that it should be brought to the Board every couple of years so we are all aware of it or whenever it makes the most sense. It is a little ambiguous and should include some kind of date and time for clarity sake.

Chairwoman Wong asked if the Board wanted to discuss the roles or review the entire document.

Trustee Horan said part of what prompted this agenda item was the debate about the roles of the secretary and the treasurer and people not doing those roles. We are an oversight Board which has delegated and it is not clear in this document and part of the issue is with the IVGID code. If it is left up to the Board to review all of this, it will continue to progress at a snail's pace.

Trustee Dent said let's agendize this at a future meeting to approve it and then have any changes come once a year to the Board or every two years. It is good to bring it back.

Chairwoman Wong asked all the Board members to please work with the District Clerk and submit their changes by October 15, 2019 so she can put together a redline that can come back to the Board on October 30, 2019.

I. APPROVAL OF MINUTES (for possible action)

I.1. Regular Meeting of August 14, 2019

Chairwoman Wong asked for any changes. Trustee Dent requested that the fifty-nine pages submitted by the Board Chair be included which was a handout on the Treasurer agenda item. Chairwoman Wong agreed to that change and hearing no further changes, approved the minutes as amended.

I.2. Regular Meeting of August 28, 2019

Chairwoman Wong asked for any changes, hearing none, approved the minutes as submitted.

J. REPORTS TO THE IVGID BOARD OF TRUSTEES*

J.1. District General Counsel: Law Firm of Hutchison & Steffen

District General Counsel Alex Belto said that there was nothing to report; and that regarding the Smith litigation, Counsel Beko will update the Board at the appropriate time.

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

There were no updates at this time.

L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

Mike Abel said in listening to this discussion this evening, it was such a tortured financial discussion, that it makes him cringe. IVGID's financials are a crap sandwich. We have a finance manager with zero oversight who needs oversight. We have a Treasurer who barely has a clue of financial oversight and who is financially bankrupt and has nothing but is supervising a forty-million-dollar entity.

We have Counsel and Staff who are rogue and an illegal manager who is ordering his wife to attack him so it is time for him to go and clean up our finances, clean up organizations, and stop the crappy lawsuits. We need a new finance manager with oversight, we need an assistant finance manager, and we need a new Treasurer with business experience. We are going to have more lawsuits and spend more time in court so let's straighten this thing out.

Cliff Dobler said the packet that he delivered, really look at it, and really realize that you are voting to get these projects done and that you couldn't have looked at them because they told you nothing. One example is the restroom remodel at the Mountain Golf Course. It was budgeted for twenty thousand dollars in 2016, increased in 2017, spent ninety-two thousand dollars and then budgeted another sixty thousand dollars and does anyone on the Board know what for, no, but you approved it. You know how big the bathrooms are, they are eighty square feet and that is one hundred and twenty-five thousand dollars for interiors which is a toilet, sink, mirror, and painting. It is dumping ground and you need to investigate why. Don't know what it was spent on because you wouldn't have improved them because you would have to be insane. Being a fiduciary, he wants an investigation of that project. From now on, taking out rolling stock and equipment, and concentrate on projects, you don't need to have a big discussion. You guys are irresponsible with sixty thousand dollars for new bathrooms. He has been around construction for a long time and this Board should be embarrassed.

Linda Newman said let's be perfectly clear, the Department of Taxation is not a compliance department. The District is in violation when the transfer was made and that is why there is an agenda item. If Chairwoman Wong can provide a letter from the Department of Taxation, she would love to see it. There should be a refresher course on terms which are being tossed around as the explanation are drawn from the dictionary and went over the definitions of volunteers, transparency, and trustees.

Sara Schmitz said she is disappointed tonight that the Board didn't discuss the roles of the Board members as that was the agenda item and it got brushed over and the Board talked about the handbook. At the meeting, it was clear no individual is perfect and all of us need support, help, and guidance from time to time. It appears that Staff would be well served by the role of Treasurer to help with making decisions about financials. This Board didn't clarify who our Treasurer is and Staff cannot be both and she does understand that not everyone on the Board can fulfill this position. The NRS gives the allowance to appoint someone outside of the Board to fulfill that role. This Board needs a Treasurer and additional oversight and

they didn't do it tonight. She would like to see it brought back on the agenda because it was not discussed.

Margaret Martini said that this Board should bring in someone from the outside to restructure this organization because it is over the charts in being incompetent. It should be a financial consultant or even a Board consultant. The handbook is inadequate as there are words that can be interpreted and everything needs a definition which is not happening. A complete re-do of some structures is in order.

M. REVIEW WITH BOARD OF TRUSTEES, BY THE INTERIM DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)

The Board and Interim District General Manager went over the included Long Range Calendar with the following highlights:

10/30 – add capital projects report and the Board handbook. Beaches wrap up of the season which may include a recommendation regarding the removal of the guest access ticket may drop to 11/13 depending on agenda size.

11/13 – no changes were made.

12/11 – Add an Audit Committee meeting.

Trustee Horan said that he had a brief discussion with the Interim District General Manager today and that after the first of year, he would like to revisit how we budget and account for the Effluent Pipeline and where we are, how that interfaces with the multi-use path, and are we correct in putting away two million dollars per year. Chairwoman Wong tasked Trustee Horan with working with the Interim District General Manager and the Director of Public Works to figure the timing and get it resolved before the rate study. Interim District General Manager Winquest said it will be added to either the January 15 or January 29 agenda.

N. ADJOURNMENT

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Aaron Katz (27 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item H(3) – Retroactive restatement of prior unlawful transfers of remaining Workers’ Compensation Self-Insured retention reserves to cover Staff’s prior recommendations and the Board’s prior resolutions they be transferred to the Community Services (i.e., Recreation), Beach and Utility Funds and approved in 2017-19 Final Budgets and 2018 Comprehensive Annual Financial Report (“CAFR”)

Submitted by Aaron Katz (60 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item C – Public Comments – Another example of how Staff use local parcel/dwelling unit’s Recreation (“RFF”) and Beach (“BFF”) Facility Fees to buy allegiance from influential members of the community through the artifice of a meaningless, worthless, and completely unnecessary consulting agreement no one would have otherwise learned of had I not stumbled across it in our bills pays – here local resident Eric Severance’s so-called “Yield Management Study”

Submitted by Aaron Katz (34 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item C – Public Comments – Now that evidence of Staff fraud has been uncovered, it’s time to order a forensic audit of the District’s finances

Submitted by Aaron Katz (4 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item H(1) – Guidance on acquisition of fifty-eight (58) Mountain Golf Course Golf Cart for use in Fiscal Year 2020-21

Submitted by Aaron Katz (12 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item C – Public Comments – Where does Jason Guinasso get off being the Spokesperson for the IVGID Board insofar as the *Smith v. IVGID* litigation is concerned when the Board hasn’t designated him to be their Spokesperson?

Submitted by Aaron Katz (17 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item C – Public Comments – What do we do with a Public Records Officer (“PRO”) who conceals public records and refuses to do her job of complying with Nevada’s Public Records Act (“NPRA”)

Submitted by Aaron Katz (44 pages): Written statement to be included in the written minutes of this September 25, 2019 regular IVGID Board meeting – Agenda Item C – Public Comments – What do we do with a Chairperson and Vice-Chairperson who deceive and misrepresent facts to the rest of the Board and the public?

Submitted by Iljosa A. Dobler (1 page): IVGID Board of Trustees meeting 9-25-2019 – To be included in next Board packet

Submitted by Clifford F. Dobler (17 pages): Public Comments by Clifford F. Dobler – Board of Trustee meeting on September 25, 2019

Submitted by Linda Newman (4 pages): IVGID September 25, 2019 Board of Trustees Meeting Written Public Comment – By: Linda Newman – to be included with the Minutes of the Meeting

Submitted by Mike Abel (2 pages): Golf Course – Golf Cart replacement, etc.

Submitted by Sara Schmitz (1 page): IVGID Public Comment

Submitted by Margaret Martini (1 page): September 25, 2019 IVGID Board of Trustees Meeting Public Comment By: Margaret Martini – To be included with the Meeting Minutes

Submitted by Steve Dolan (3 pages): Forest Service proposal to make Incline Lake and our backyard at Apollo and Tyrolian Village snowmobile fun parks.

Submitted by Mike Hess (1 page): 23 September 2019

Submitted by Alexandra Profant (29 pages)

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(3) – RETROACTIVE RESTATEMENT OF PRIOR UNLAWFUL TRANSFERS OF REMAINING WORKERS’ COMPENSATION SELF-INSURED RETENTION RESERVES TO COVER STAFF’S PRIOR RECOMMENDATIONS AND THE BOARD’S PRIOR RESOLUTIONS THEY BE TRANSFERRED TO THE COMMUNITY SERVICES (i.e., RECREATION), BEACH AND UTILITY FUNDS AND APPROVED IN 2017-19 FINAL BUDGETS AND 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT (“CAFR”)

Introduction: Here staff proposes: (1) retroactively restating six (6) prior transfers of workers’ compensation retention reserves, in violation of NRS 354.6215, to cover Finance Director Gerry Eick’s prior unlawful advice these transfers be made to funds other than IVGID’s General Fund; (2) the IVGID Board’s prior unlawful resolution(s) approving the transfer of those reserves out of the General Fund into the Community Services, Beach and Utility Funds to be used for future unidentified, unappropriated and unbudgeted “pet projects;” and, (3) notwithstanding these moneys were involuntarily exacted from local parcel/dwelling unit owners and water/sewer customers under the guise they were necessary to establish a workers’ compensation retention reserve, these moneys if transferred will be used for future unidentified, unappropriated and unbudgeted “pet projects” Instead. In other words, in addition to attempting to cure their own unlawful actions, staff are asking the Board to become accessories to staff’s prior unlawful conduct. In fact, interim GM Winquest and Chairperson Wong are arguably already accessories to staff’s prior unlawful conduct in that they have agendized this item for possible Board action. I object to covering Mr. Eick’s and three members of this Board’s “hinies” in any way, shape or form, or from accepting/diverting responsibility. And I object to the Board repurposing nearly \$1.3 million of moneys to IVGID never ending overspending, rather than returning these sums to those who paid them now that they are no longer necessary for the purposes originally intended.

Further, staff’s proposed actions demonstrate that IVGID’s 2018 CAFR was not prepared in accordance with Nevada law nor Generally Accepted Accounting Principles (“GAAP”). And for these reasons, this CAFR should be restated to reflect the truth, and IVGID should return the Certificate of Achievement (“certificate”) awarded by the Government Finance Officer’s Association (“GFOA”) because it was improperly bestowed. These are the several purposes of this written statement.

Prologue: What happens to the funds IVGID assesses local parcel/dwelling units under the guise they’re required for an express particular purpose, when it turns out the money is not ultimately needed for that purpose? Are they to be returned to those who made payment? Or does IVGID get to keep the funds as a windfall and repurpose them for wasteful overspending because it can always find some need for one or more general governmental expenditures? Here we have another example of IVGID resisting the return of excess monies exacted for a very particular purpose now that those funds are longer required. And as has become an all but too frequent occurrence, once staff get their hands on revenues from any source, they view receipt as the “green light” for their use for any other purpose of their choosing.

What happens to alleged finance professionals who commit unlawful acts in the course of performing their public duties. Does the Board as the public's watchdog enforce the laws of the State of Nevada? Or does it exist to aid or abet in their commission? These are the issues presented by this agenda item.

The Facts Giving Rise to This Agenda Item: As stated at page 23 of the packet if materials prepared by staff in anticipation of this September 25, 2019 meeting¹ ("the 9/25/2019 Board packet"), "from 1992 until June 30, 2013...the District was self-insured for workers' compensation (insurance) coverage...When self-insured, the District was (required to)...maintain...\$1,250,000 (as a self-insured retention."¹ Thus "the Workers Comp Reserve exist(ed) according to Nevada Revised Statutes as an amount designated annually by the State of Nevada Insurance Commissioner (to be)... set aside in the event the State ha(d) to meet claims in excess of available reserves,"² and this \$1,250,000 was "accumulated to cover the retention...(But) as of July 1, 2013...the District joined the Public Agency Compensation Trust"¹ ("PACT") which thereafter provided workers' compensation insurance. Thus "since 2013, (the question) "has been how long to wait to determine how much of the (\$1.25 million) retention could be released,"¹ and to whom to be released.

"During 2017-18"³ "the District...a transfer(ed)...\$800,000 from the Workers' Compensation Fund to the Utility (\$120,000), Community Services (\$645,000)...and Beach (\$35,000)...Fund(s)."¹ "Another transfer of \$300,000 was completed in 2018-19...The Utility (\$45,000⁴)...Community Services (\$241,875⁴)...and Beach (\$13,125⁴)...Funds receive(d) the(se) transfers."³ These transfers were made so "the District c(ould) "repurpose"⁵ (this) \$1,100,000 for other needs."⁶

The problem with the foregoing is at least four fold. First, according to NRS 354.6215, "except as otherwise provided in NRS 354.6241⁷, if a local government provides a fund for self-insurance of property, for any form of insurance for the benefit of its employees, or for any other risk that it is

¹ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-25-19.pdf.

² See page 44 of the 2018 Comprehensive Annual Financial Reserve ["the 2018 CAFR" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018-CAFRReport_1-8-19.pdf)].

³ See page 184 of the packet of materials prepared by staff in anticipation of the Board's May 22, 2019 meeting ["the 5/22/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-22-19_Item_1.5_-_General_Business_-_Budgets.pdf)].

⁴ See page 20 of the packet of materials prepared by staff in anticipation of this September 25, 2019 meeting ["the 9/25/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-25-19.pdf)].

⁵ See page 29 of the 9/25/2019 Board packet."

⁶ See pages 23-24 of the 9/25/2019 Board packet.

⁷ Which has no application to the present set of facts because these funds were not spent pursuant to Chapter NRS 288.

permitted by law to assume, the reserves or balance of a fund thus provided must not be expended for any purpose other than that for which the fund was established, except that when the governing body deems the reserve or balance to be no longer required, either in whole or in part, *it shall transfer the excess balance to the general fund of the local government* (and) any such transfer *must be reported to the Department of Taxation within 30 days.*" As demonstrated above, at the urging of IVGID's Director of Finance, the Board has made at least six (6) such transfers which are violative of NRS 354.6215. In addition, it has failed to notify the Department of Taxation ("DOT") of these transfers to the required General Fund.

Second, since IVGID and its staff were and are bailees of moneys deposited or entrusted by local parcel/residential dwelling unit owners and utility customers for a very specific purpose (i.e., creation of a workers' compensation retention reserve) and \$1,100,000 of those reserves were used for purposes other than those for which the moneys were deposited or entrusted in the first place, those trustees who voted to impermissibly transfer those moneys have arguably violated NRS 205.300; i.e., embezzlement⁸. And since the amounts transferred were in excess of \$3,200, the crime is a category B felony [NRS 205.222(3)].

Third, according to NRS 354.626(1), "any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, is guilty of a misdemeanor." Finance Director Eick and the three members of the Board who violated all of the statutes referenced hereinafter are arguably guilty of NRS 354.626.

Fourth, since the IVGID Board's decisions to take the actions referenced herein in violation of applicable statutes and regulations were based upon Finance Director Eick's recommendations, Mr. Eick is guilty of having arguably violated NRS 195.020 as one who "directly or indirectly, counsel(ed), encourage(d)...induce(d) or otherwise procure(d)...other(s) to" act in violation of law.

Fifth, since this agenda item has been prepared by Chairperson Wong and Interim General Manager Winquest, and it seeks to retroactively undo the above-statutory violations, both have arguably violated NRS 195.020 in that they have directly or indirectly aided and abetted those who have violated NRS 354.6215 in its commission.

Finally, any Trustee who votes in favor of this agenda will arguably violate NRS 195.020 in that they will have directly or indirectly aided and abetted those who have violated NRS 354.6215 in its commission.

⁸ NRS 205.300 states that: "(1) any bailee of any money...or any person with whom any money...ha(s) been deposited or entrusted, who uses or appropriates the money...or any part thereof in any manner or *for any other purpose than that for which (it) w(as) deposited or entrusted*, is guilty of embezzlement ...(and moreover, 3) any use of the money...by any bailee thereof, other than that for which it was... deposited ...or collected, is *prima facie* evidence of conversion and of intent to steal the same and defraud the...owners thereof."

Staff's and the IVGID Board's Violations of NRS 354.6215 Were First Telegraphed to the Public's Attention When Three Members of the IVGID Board Violated NRS 354.598 on May 24, 2017 By Voting to Adopt a Final 2017-18 Budget Which Provided For Such Transfers and as a Result Was Not In Compliance With Applicable Statutes and Regulations: NRS 354.598(2) mandates that "on or before June 1 of each year...the governing body (of a local government) shall...adopt a final budget by the favorable votes of a majority of all members of the governing body." But because the 2017-18 Budget called for an impermissible transfer of \$800,000 to IVGID's Utility, Community Services and Beach Funds⁹, the three members of the IVGID Board (Chairperson Wong, Trustees Horan and Morris) who voted to adopt that budget¹⁰ violated NRS 354.598. They also committed an unlawful act since NRS 354.626(1) makes "any officer or employee of a local government who willfully violates (NRS 354.598, i.e.) NRS 354.470 to 364.626, inclusive...guilty of a misdemeanor." Moreover, upon conviction, such officer or employee *ceases to hold his or her office or employment*.

The IVGID Board's Actual Violation of NRS 354.6215 Did Not Occur until May 9, 2018: when Finance Director Gerry Eick asked the IVGID Board to allow him "to execute...permanent...\$800,000... (and) \$300,000...operating transfer(s of Workers' Compensation Retention Reserves) from the Workers Compensation Fund to the Utility...Community Services...and Beach Fund(s),"¹¹ and the Board unanimously granted him this authority¹². They Board members who voted in favor of giving Mr. Eick this authority committed an unlawful act since NRS 354.626(1) makes "any officer or employee of a local government who willfully violates (NRS 354.6215, i.e.) NRS 354.470 to 364.626, inclusive...guilty of a misdemeanor." Moreover, upon conviction, any such officer or employee *ceases to hold his or her office or employment*.

At the Same Time, Four Members of the IVGID Board Violated NRS 205.300 When They Voted to Use Monies Entrusted For a Self-Insured Workers' Compensation Retention Reserve, For

⁹ See page 31 of the packet of materials prepared by staff in anticipation of the Board's May 24, 2017 meeting ["the 5/24/2017 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-24-17.pdf)]. I have attached this page as Exhibit "A" to this written statement. I have placed an asterisk next to the following language: "a transfer of \$800,000 from the Internal Services Fund has been budgeted to return excess resources to operating funds" has been budgeted for 2017-18.

¹⁰ See pages 80-81 of the packet of materials prepared by staff in anticipation of the Board's July 20, 2017 meeting ["the 7/20/2017 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-20-17.pdf)].

¹¹ See pages 16-19 of the packet of materials prepared by staff in anticipation of the Board's May 9, 2018 meeting ["the 5/9/2018 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-9-18.pdf)].

¹² See pages 71-72 of the packet of materials prepared by staff in anticipation of the Board's June 13, 2018 meeting ["the 6/13/2018 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-13-2018.pdf)].

Future Unidentified, Unappropriated and Unbudgeted Expenditures of Their Choosing: Staff's proposed use of these monies for purposes other than those for which they were collected and entrusted is evidence of conversion and intent to steal⁸. Since the amount at issue exceeds \$650, the precise type of theft represents grand larceny (see NRS 205.220). And since the amounts transferred were in excess of \$3,200, the crime is a category B felony [NRS 205.222(3)].

Three Members of the IVGID Board Violated NRS 354.598 a Second Time on May 23, 2018, When They Voted to Adopt a Final 2018-19 Budget Which Was Not In Compliance With Applicable Statutes and Regulations: Similar to the District's 2017-18 Budget, because its 2018-19 Budget called for an impermissible transfer of another \$300,000 to IVGID's Utility, Community Services and Beach Funds¹³, the three members of the IVGID Board (Chairperson Wong, Trustees Horan and Morris) who voted to adopt that budget¹⁴ violated NRS 354.598. They also committed an unlawful act since NRS 354.626(1) makes "any officer or employee of a local government who willfully violates (NRS 354.598, i.e.) NRS 354.470 to 364.626, inclusive...guilty of a misdemeanor." Moreover, upon conviction, such officers or employees *cease to hold his or her office or employment*.

Staff's and Three Members of the IVGID Board's Violations of NRS 354.6215 Next Came to the Public's Attention in the Packet of Materials Prepared For the Board's December 12, 2018 Meeting: when Finance Director Gerry Eick submitted for approval the District's CAFR for fiscal year 2017-18¹⁵. At page 18 of the 2018 CAFR¹⁶ Mr. Eick revealed that "\$800,000 (had been)...returned...to the operating fuds which had paid in to the (Workers' Compensation) program over a period of years from 1992 to 2013...as excess resources, (and) another \$300,000 (wa)s budgeted to be returned in the (following) fiscal year."¹⁷

Thus Three Members of the IVGID Board Violated NRS 354.624 on December 12, 2018 When They Voted to Approve the 2018 CAFR Which Was Not In Compliance With Applicable Statutes,

¹³ See pages 43-44 of the packet of materials prepared by staff in anticipation of the Board's May 23, 2018 meeting ["the 5/23/2018 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-23-18.pdf)]. I have attached these pages as Exhibit "B" to this written statement. I have placed an asterisk on page 44 next to the following language: "another transfer of \$300,000 has been budgeted for 2018-19."

¹⁴ See pages 405-407 of the packet of materials prepared by staff in anticipation of the Board's July 24, 2018 meeting ["the 7/24/2018 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-24-18_-_as_revised.pdf)].

¹⁵ See pages 93-94 of the packet of materials prepared by staff in anticipation of the Board's January 23, 2019 meeting ["the 1/23/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-23-19.pdf)].

¹⁶ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018-CAFRReport_1-8-19.pdf.

¹⁷ This page with an asterisk inserted next to the quoted language is attached as Exhibit "C" to this written statement.

Regulations and Generally Accepted Auditing Standards (“GAAS”): NRS 354.624(1) mandates that “not later than 5 months after the close of the fiscal year for which the audit is conducted...each local government shall provide for an annual audit of all of its financial statements...(which) must be conducted by a certified public accountant or by a partnership or professional corporation that is registered pursuant to chapter 628 of NRS.” NRS 354.624(4) mandates that “each annual audit must cover the business of the local government during the full fiscal year (and,) it *must* be a financial audit conducted in accordance with *generally accepted auditing standards* in the United States, *including findings on compliance with statutes and regulations.*” On December 12, 2018 three members of the IVGID Board (Chairperson Wong, Trustees Horan and Morris) voted to adopt the 2018 CAFR. Trustee Callicrate voted against adoption. Trustee Dent did not vote because he was not present¹⁵. Nevertheless, as demonstrated above the CAFR was *not* in compliance with applicable statutes and regulations [NRS 354.624(4)] because it reported impermissible transfers to IVGID’s Utility, Community Services and Beach Funds. They also committed an unlawful act since NRS 354.626(1) makes “any officer or employee of a local government who willfully violates (NRS 354.624, i.e.) NRS 354.470 to 364.626, inclusive...guilty of a misdemeanor.” Moreover, upon conviction, such officers or employees *cease to hold his or her office or employment.*

Government Accounting Standards Board¹⁸ (“GASB”) 34 “establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments.” It requires “governmental accounting system(s) to make...possible both: (a)...the funds and activities of the government in conformity with generally accepted accounting principles, and (b) to...*demonstrate compliance with finance-related legal and contractual provisions...* (Since) accountability is the paramount objective of governmental financial reporting...annual reports should allow users to assess a government’s accountability by assisting them in determining *compliance with finance-related laws, rules, and regulations.*” Because the 2018 CAFR was not in compliance with applicable finance-related laws, and IVGID’s auditor did not make “findings on compliance with statutes and regulations,” it was *not* “conducted in accordance with” GAAS.

Staff’s and Three Members of the Board’s Violations of NRS 354.6215 Next Came to the Public’s Attention With the Board Packet For the Board’s May 22, 2019 Meeting: when Finance Director Gerry Eick again admitted the transfers he had engineered. In a May 22, 2019 budget

¹⁸ “Established in 1984, the Governmental Accounting Standards Board is the independent, private-sector organization...that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (‘GAAP’)...The GASB develops and issues accounting standards...intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports...GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs” (go to <https://www.gasb.org/cs/ContentServer?c=Page&cid=1176168081485&d=&pagename=GASB%2FPage%2FGASBSectionPage>). Nevada recognizes GASB standards as authoritative (NRS 354.486, 354.5947, 354.612, 354.624, 354.6241).

message letter to the IVGID Board and the citizens of Incline Village/Crystal Bay, Mr. Eick submitted a final 2019-20 budget message¹⁹. At pages 183-184 of the 5/22/2019 Board packet Mr. Eick made a “comparison across fiscal years presented in Department of Taxation Form 4404LGF.” At page 184 Mr. Eick admitted the impermissible transfers he had engineered²⁰.

Since We Have a “Rubber Stamp” Majority on the Board, Within a Matter of Days of Examining the 5/22/2019 Board Packet I Put the DOT on Notice of The Subject Violations: On May 20, 2019 I placed a call to Kelly Langley, Supervisor of the DOT’s Local Government & Finance Division, inquiring as to the propriety of these transfers. Although Ms. Langley and I were not able to speak, I left a voicemail message and that afternoon she responded by sending me an e-mail expressly referencing NRS 354.6215. On May 28, 2019 I replied back to Ms. Langley putting her on notice of Mr. Eick’s arguable violation of NRS 354.6215 and 354.626(1), asking what the DOT intended to do about it. Ms. Langley responded that her supervisor, Jeffrey Mitchell, would be “providing all (further) responses to” me. On June 10, 2019 when I had heard nothing from Mr. Mitchell, I followed up with an e-mail to him again asking what the DOT intended to do about these impermissible transfers? On June 19, 2019 Mr. Mitchell responded stating he and Ms. Langley were allegedly “reviewing the matter.” I have attached copies of these various e-mails collectively as Exhibit “E” to this written statement. I have placed asterisks next to the portions expressly referencing the subject transfers.

Apparently the DOT’s Response Was to Assist Mr. Eick in Undoing the Wrongs He Had Engineered Because That’s Exactly What is Before the Board Today. And Mr. Eick Admits to Having Had Conversations With the DOT to This Effect: Listen to Mr. Eick’s admission at page 20 of the 9/25/2019 Board packet:

“Based on further review by the Nevada Department of Taxation under Nevada Revised Statutes 354.6215...the District will make a Prior Period Adjustment and subsequent related entries that alter the timing...of the transfers.”

Let me translate the above admission. Because I alerted the DOT to IVGID’s wrongdoing, the DOT must have reached out to Mr. Eick (i.e., “further review”) and suggested a course of conduct which would undo the impermissible transfers and in their place, create a vehicle which would allow Mr. Eick to circumvent the limitations of NRS 354.6215 (those which do not allow local governments to transfer such moneys to any funds other than to their General Funds).

Notwithstanding, Undoing Mr. Eick’s and Three Members of the Board’s Impermissible Conduct Requires Board Action Which Will Make Any of the Three Board Members Who Voted to Approve the Impermissible Conduct in the First Place, Co-Conspirators and Accessories: If Board

¹⁹ See pages 180-184 of the 5/22/2019 Board packet.

²⁰ I have attached pages 183-184 of the 5/22/2019 Board packet as Exhibit “D” to this written statement. I have placed an asterisk on page 184 next to the portion where Mr. Eick admitted the impermissible transfers.

members go along with Mr. Eick's request, they will be co-conspirators under NRS 195.020 inasmuch as they will have aided and abetted Mr. Eick *as well as themselves* in "commit(ing) the act constituting the offense." And since their acts will constitute embezzlement which is a felony (see discussion below), if Board members go along with Mr. Eick's request they will become accessories under NRS 195.030(1) inasmuch as they will have, "aided (Mr. Eick)...after the commission of a gross misdemeanor (or felony)...with (the) intent that the offender...avoid or escape from arrest, trial, conviction or punishment, having knowledge that such offender...is liable to arrest." Which are additional reasons why I object.

It is for these reasons that on September 22, 2019 I put Board members on notice of their conflict of interest asking that recuse themselves from voting on this agenda item²¹. Should they ignore my notice, their actions must be deemed willful.

In Fact Chairperson Wong and Interim GM Winqest Are Arguably Already Accessories to the Subject Offenses Inasmuch as They Have Agendized This Matter For Possible Action: Given Policy 3.1.0.8 instructs that "the Board Chair, in cooperation with the General Manager, (are) responsible for preparing the agenda for each meeting²², and the subject agenda items purports to aid and abet Finance Director Eick in escaping responsibility for the arguable unlawful acts he has committed, this probably represents an act described in NRS 195.020.

If a Majority of the Board Vote to Undo the Subject Impermissible Transfers, They Will Have the Opportunity to Refund Local Parcel/Dwelling Unit Owners and Utility Customers the Sums They Paid Into the Workers' Compensation Retention Reserve Fund: Since NRS 354.6215 instructs that "the reserves or balance of a fund...for any form of insurance for the benefit of its employees...must *not* be expended for any purpose other than that for which the fund was established," NRS 205.300 prohibits IVGID staff from using funds entrusted for a particular purpose for any other purpose, and the subject reserve fund is no longer required for the purpose for which it was established, why wouldn't the Board return these funds to the persons who paid them?

For These Reasons Local Property Owners Are Entitled to Refund of the \$1,274,356²³ They Paid Into the Workers' Compensation Retention Reserve Fund: When local parcel/dwelling unit owners/their predecessors paid this money through their Recreation ("RFF")/Beach ("BFF") Facility Fees/utility rates, because IVGID represented it was necessary to self-insure workers' comp claims, payment was never made with the understanding IVGID would get to keep this money forever if/when that retention were no longer necessary. So why is this money being transferred to the

²¹ My September 25, 2019 e-mail notice is attached as Exhibit "F" to this written statement.

²² See page 11 at <https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>.

²³ In addition to the \$1,100,000 of transfers identified herein, there is an additional \$174,356 of workers' compensation retention funds on deposit with IVGID which were scheduled to be transferred as of June 30, 2019 (see Exhibit "B").

General Fund to be used on more worthless expenditures, rather than being returned to those/their successors who made payment?

Just like “smoothing,” no trustee should sanction this wrong.

Moreover, Because it is Now Apparent That the District’s 2018 CAFR is Not in Compliance With GAAS, the Government Finance Officers Association’s (“GFOA’s”) Certificate of Achievement For Excellence in Financial Reporting Awarded to IVGID Should be Returned as Not Warranted: Don’t we recall how on August 23, 2019 Interim Chairperson Winquest boasted in the Tahoe Daily Tribune²⁴ that receipt of this certificate represents “the highest form of recognition in governmental accounting and financial reporting.” According to the GFOA, the certificate “encourage(s) and assist(s) state and local governments to go beyond the minimum requirements of generally accepted accounting principle”²⁵ (“GAAP”). GAAP requires budget reporting to evidence *compliance with law*²⁶. It also requires audited CAFRs to “include(e) findings on *compliance with statutes and regulations*” [NRS 354.624(4)]. The District’s CAFRs are not worthy of GFOA Certificates of Achievement.

Conclusion: The ends do not justify the means. The fact staff is hungry for more and more money to fund their agenda of an ever increasing recreation footprint does not justify mis-using moneys exacted from local parcel/dwelling unit owners and utility rate payors based upon one specified need for completely different purposes.

Moreover, the time has come to hold staff responsible for the unlawful actions they have asked our “rubber stamp” Board to take. So not only do I ask that the Board vote NO on this agenda item, but I ask that one or more members agendize for future action the refund to local parcel/residential dwelling unit owners of the \$1,100,000 which has already been transferred to unrestricted fund balances, as well as the remaining \$174,356.

How about you Board members demonstrating you’re here to represent local parcel/dwelling unit owners rather than your staff who care more about themselves, their fellow employee colleagues and the special interests in town, than local parcel/dwelling unit owners they were elected to serve?

²⁴ Go to page 4 at <http://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&edid=ea9416e3-100f-49e2-99e8-fcc6e242d726>.

²⁵ See <https://www.gfoa.org/award-programs/certificate-achievement-excellence-financial-reporting-program-cafr-program>.

²⁶ “Final budget means the budget which has been adopted by a local governing body...which has been determined by the Department of Taxation to be *in compliance with applicable statutes and regulations*” [NRS 354.524]. And every “annual audit must cover the business of the local government during the full fiscal year. It must be a financial audit conducted in accordance with generally accepted auditing standards in the United States, including *findings on compliance with statutes and regulations* and an expression of opinion on the financial statements” [NRS 354.624(4)].

And to those who wonder what their RFF/BFF is actually spent on, now I have provided additional evidence.

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

EXHIBIT "A"

Provision for Actuarial Determined Liability, and Transfer of Excess in Internal Services

An element of the Internal Services Fund was used to provide self-insured Workers Compensation Coverage through June 30, 2013. Since that time the District has and remains in a fully insured plan through the Nevada Public Agency Compensation Trust. The self-insurance retention from that former coverage is still held by the Internal Services Fund. The District ordered an actuarial study to determine what needs to be held going forward (run out period), and what might be available to be returned to the operating venues. The District received the report and made a provision for the year ending June 30, 2016. A transfer of \$800,000 from the Internal Services Fund has been budgeted to return excess resources to operating funds. ★

Governmental Fund Balance and Possible Future Plans

The District Final Budget Summary reports the following select Fund Balances:

	Estimated Fund Balance 6/30/17	Minimum Board Policy	Planned for CIP 2017-18	Planned for CIP Post 2018	Remainder
General Fund	\$1,837,000	\$ 168,000	\$ -	\$1,000,000	\$669,000
Comm. Services SR	\$9,835,000	\$3,995,000	\$1,300,000	\$3,594,887	\$942,113
Beach Special Rev.	\$1,037,000	\$ 420,000	\$ 25,000	\$ 500,000	\$ 92,000

Budget Environment

The Incline Village General Improvement District (the District or IVGID) budget requires the collaborative efforts of the Board of Trustees (the Board), the community comprised of Incline Village and Crystal Bay, and District Staff. This collaboration occurs through public budget work sessions and agenda items during meetings of the Board of Trustees. District Staff has worked throughout the year on the details behind the budget process.

The preparation of the budget for the Fiscal Year ending June 30, 2018 includes identifying the separate elements of the District's Facility Fees for availability of services and provides for functional reporting. The Facility Fees are established by Board action to include a component for operations, capital expenditure, and debt service for specific venues or functions. Historically, there was no effective way to demonstrate compliance for these separate elements. Since the entire fee is committed to the purpose of each Special Revenue Fund, they flow through those funds, and then transferred for the nonoperational portions that support capital expenditure or debt service. The District has labeled transfers with this information to aid user's understanding of both the flow and purpose of these transfers.

Our General Manager emphasizes budget fundamentals for customer service, Strategic Planning, and Performance Measurement and Management. While these do not have a direct consequence to how the form set is completed or assembled, they do influence the process of development and the direction some items have taken for budgeting. As a service delivery organization, we reflect the proper magnitude of our operations and our ability to serve.

EXHIBIT "B"

winter damage claims. When the amounts are received they will include in the audit.

The District has been notified that another round of possible Ad Valorem tax refunds to local property owners, through Washoe County, is back before the Court system. No determination can be made for the probability of such a refund being ordered. No provision has been made under the 2018-19 budget. Any ordered refund would presumably be covered by the General Fund Net Position.

The District was notified of a substantial sales tax refund in August 2017 affecting receipts of the CTX. An estimated refund was charged to the fiscal 2016-17 results. The refund was approved in January 2018. The terms of the repayment may apply to several year's collections. The District has already charged the refunds to operations and it will not affect fiscal 2018-2019.

During fiscal 2018-2019 year, the District may adopt the updated Community Services Master Plan. Neither the operating or capital budgets include any projects contemplated by this plan. We have carried over the project planning amounts to cover completing the plan document. Should any projects needs develop prior to June 30, 2019, they would have to follow the augmentation requirements to become authorized.

During the fiscal year 2016-2017 the District began the process of update and review of the Diamond Peak Master Plan by the Tahoe Regional Planning Agency (TRPA). This is a multi-year process that may actually not be completed until after June 30, 2019. A substantial portion of that project's budget will be carried over to 2018-19.

Governmental Fund Balance

The District Final Budget Summary reports the following select Fund Balances:

	Estimated Fund Balance 6/30/18	Projected Minimum Board Policy	Projected Fund Balance 6/30/19
General Fund	\$ 2,432,349	\$ 182,000	\$2,365,043
Comm. Services SR	\$11,515,351	\$4,232,000	\$8,913,811
Beach Special Rev.	\$ 1,444,497	\$ 481,000	\$1,492,062

Comparison across Fiscal Years Presented in Form 4404LGF

A fundamental aspect of the Form 4404LGF is comparison of information across the audited results of the fiscal year ending June 30, 2017, an estimated result for the year ending June 30, 2018, along with a presentation of the Tentative and Final budget for the year ending June 30, 2019. The form and content for those three periods utilizes the same accounting principles and methodologies. Comparisons can be made knowing that differences are the consequence of circumstances, not methodology. One major variation year on year relates to the District's ski resort. The fiscal year ending June 30, 2017 was a near all-time record for skier visits and highest ever revenues. The fiscal year ending June 30, 2018 was at first hampered by average snow conditions and then had a miracle March to have results above budget. The budget for the

fiscal year ending June 30, 2019 continues the practice of reflecting a multi-year average to provide a reasonable estimation of resources available for all of Community Services. Another variation is in the level of activity for food and beverage operations. The fiscal year 2016-17 and 2017-18 saw increased activity. However, the greatest jump for 2018-19 relates to the Beach Fund taking on delivering food and beverage services at the two beaches. For many years, this has been a concessionaire service. The respective revenues and expenditures increase, but the bottom line result has only a slight increase. This also results in increases to FTE's with the addition of staff.

The budget for 2018-19 will be the third year of implementing performance management, which in turn has emphasized asking managers to pick a single data point for the budget, while planning for scalable service delivery, depending on customer demand. The District feels it is necessary to use this approach to support plans for personnel. An example is the ski resort. They profile service delivery each day based on low, medium and high visit counts. While the instances of a high volume ski visits have been very consistent, the highest end of counts have backed off a little. However we've seen more medium days that result in the same total visits for a season. Scalable staffing is budgeted, but with the recognition that the high days occur regardless, the need to budget for more medium volume days has added hours but not positions.

A transfer was budgeted from the Community Services Special Revenue Fund to the Community Services Capital Project Fund for 2017-18. The proposed transaction could have required \$1,600,000 in expenditures. After substantial deliberation the Parasol Lease Modification has been suspended indefinitely and no further action was taken. Costs of the due diligence were born by the General Fund since much of the possible benefit revolved around the replacement offices for District Administrative Services.

During the fiscal 2017-2018 year the District was the recipient of donations that allowed for the construction of a Bike Pump Track. While this would have qualified for an augmentation, other projects were not completed and allowed the budget thresholds for capital expenditure to absorb this project.


An element of the Internal Services Fund was used to provide self-insured Workers Compensation Coverage from 1992 through June 30, 2013. Since that time the District has and remains in a fully insured plan through the Nevada Public Agency Compensation Trust. The self-insurance retention from that former coverage is held by the Internal Services Fund. The District completed an actuarial study to determine open liability going forward (run out period), and what might be available to be returned to the operating venues. The District made a provision for the year ending June 30, 2016. The District anticipates completing an Absorption and Loss Transfer Agreement effective July 1, 2018 that will remove all liability and risk from the self-insured activity. Over the course of two fiscal years the excess retention will be returned to the operating funds. A transfer of \$800,000 occurs during 2017-2018 from the Internal Services Fund to return excess resources to operating funds. Another transfer of \$300,000 has been budgeted for 2018-19. The Utility Fund, Community Services Special Revenue and Beach Special Revenue Funds receive the transfer. 

EXHIBIT "C"

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Utility Budgetary Highlights

The net assets for the Utility Fund increased \$2,118,957 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase in expenses mainly for personnel.

Internal Services Budgetary Highlights

Internal Services had a balance of charges and costs, however each was increased over the prior year with additional personnel in both Fleet and Engineering. Workers Comp decreased because of the effects of entering into a Loss Transfer and Assumption agreement which allowed the District to liquidate its claims liability from past years when it was under a self-insured program for \$98,000 less. However, that action allowed for the fund to release its retention reserve. Therefore \$800,000 was returned as excess resources to the operating funds which had paid in to the program over a period of years from 1992 to 2013. Another \$300,000 is budgeted to be returned in the next fiscal year. Readers may refer to Note 20 for more details on the changes to the Work Comp Loss Transfer and Assumption Agreement. ★

Capital Asset and Debt Administration

Capital Assets: The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2018 amounts to \$124,217,038 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

Incline Village General Improvement District Capital Assets, Net

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land - Governmental Activities	\$ 16,971,753	\$ 16,904,036	\$ -	\$ -	\$ 16,971,753	\$ 16,904,036
Construction in Progress - Governmental Activities	2,755,328	1,841,242	-	-	2,755,328	1,841,242
Land - Utility Activities	-	-	6,715,544	6,715,543	6,715,544	6,715,543
Construction in Progress - Utility Activities	-	-	4,151,041	4,519,884	4,151,041	4,519,884
Buildings and Improvements	846,899	846,899	-	-	846,899	846,899
Equipment and Vehicles	1,591,187	1,501,075	-	-	1,591,187	1,501,075
Internal services equipment furniture and fixtures	263,912	246,777	-	-	263,912	246,777
Utility service infrastructure	-	-	108,626,081	105,000,108	108,626,081	105,000,108
Utility buildings and improvements	-	-	15,166,010	11,900,859	15,166,010	11,900,859
Utility equipment, furniture and fixtures	-	-	3,721,984	3,483,937	3,721,984	3,483,937
Community services buildings and improvements	58,884,392	57,644,669	-	-	58,884,392	57,644,669
Community services equipment, furniture and fixtures	11,613,546	10,637,543	-	-	11,613,546	10,637,543
Beach buildings and improvements	4,861,698	4,722,020	-	-	4,861,698	4,722,020
Beach equipment, furniture and fixtures	510,786	472,861	-	-	510,786	472,861
Total Cost	98,299,501	94,817,122	138,380,660	131,620,531	236,680,161	226,437,453
Accumulated Depreciation	(43,578,464)	(41,045,874)	(68,884,659)	(66,188,122)	(112,463,123)	(107,233,996)
Capital Assets, Net	\$ 54,721,037	\$ 53,771,248	\$ 69,496,001	\$ 65,432,209	\$ 124,217,038	\$ 119,203,457

The major capital asset events during the fiscal year was completion of an Equipment Storage Building, continuing pre-design efforts for the effluent pipeline, and culvert repairs.

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$6,966,604. Of that amount, \$5,620,116 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,346,488 represents bonds secured solely by specified utility revenue sources. The 2008 Recreation Bond matured June 2018.

EXHIBIT "D"

The District is expected to adopt the updated Community Services Master Plan during the budget year. Neither the operating nor capital budgets include any projects contemplated by this plan. Should any project's needs develop prior to June 30, 2020, they would have to follow the augmentation requirements to become authorized.

During the fiscal year 2016-2017 the District began the process of update and review of the Diamond Peak Master Plan by the Tahoe Regional Planning Agency (TRPA). This is a multi-year process that may not be completed until after June 30, 2020. A substantial portion of that capital project's budget will be carried over to 2019-20.

Governmental Fund Balance

The District Final Budget Summary reports the following select Fund Balances:

	Estimated Fund Balance <u>6/30/19</u>	Projected Minimum by Board Policy	Projected Fund Balance <u>6/30/20</u>
General Fund	\$ 3,093,112	\$ 199,000	\$ 2,304,242
Comm. Services SR	\$13,183,167	\$4,493,000	\$ 9,146,076
Beach Special Rev.	\$ 1,749,171	\$ 526,000	\$ 1,123,442

Comparison across Fiscal Years Presented in Form 4404LGF


A fundamental aspect of the Form 4404LGF is comparison of information across the audited results of the fiscal year ending June 30, 2018, an estimated result for the year ending June 30, 2019, along with a presentation of the Tentative and Final budgets for the year ending June 30, 2020. The form and content for those three periods utilizes the same accounting principles and methodologies. Comparisons can be made knowing that differences are the consequence of circumstances, not methodology.

One major variation year on year relates to the District's use of Capital Projects and Debt Service Funds for the Community Services and Beach activities from July 1, 2015 through June 30, 2019. The objective for using these funds was the expectation for the need to demonstrate the sources and uses of the facility fee for capital expenditure and debt service. Our experience has been expenditures are the most sought after information. This can be demonstrated effectively within the functional expenditure reporting in Special Revenue funds. Therefore the Capital Projects and Debt Service funds will become inactive as of July 1, 2019 and used only in the event the District issues bonds for a specific construction project.

Another variation is in the level of activity for food and beverage operations. The fiscal year 2017-18 saw increased activity. However, the greatest jump for 2018-19 relates to the Beach Fund taking on delivering food and beverage services at the two beaches. For many years, this was a concessionaire service. The respective revenues and expenditures increase, as well as the bottom line results. This also resulted in increases to FTE's with the addition of staff.

A change to food and beverage operations in 2019-20 is that banquets and events will be accounted for and managed year-round as a part of the Championship Golf Course operation.

For 2018-19 the Ski resort had exceptional conditions resulting in \$2,800,000 of extra revenue and about \$450,000 in additional expenses. The resort budgets for an average year.

 An activity of the Internal Services Fund provided self-insured Workers Compensation Coverage from 1992 through June 30, 2013. The District is in a fully insured plan through the Nevada Public Agency Compensation Trust. The self-insurance retention from that former coverage was held by the Internal Services Fund. The District completed an Absorption and Loss Transfer Agreement effective July 1, 2018 that removes all liability and risk from the self-insured activity. Over the course of two fiscal years the excess retention was returned to the operating funds. A transfer of \$800,000 occurred during 2017-2018 from the Internal Services Fund to return excess resources to operating funds. Another transfer of \$300,000 was completed in 2018-19. The Utility Fund, Community Services Special Revenue and Beach Special Revenue Funds receive the transfers. Since all self-insurance matters are closed, this function will cease as an Internal Service as of June 30, 2019, and \$174,356 will be transferred to the General Fund.

Utility Rate Study

A Utility Rate Study was presented in January 2019 that planned to provide resources for water and sewer infrastructure improvements along with a five year analysis of operating conditions. Approval for the ordinance changes occurred on April 10, 2019, which results in an increase in rates of 4% effective with the May 2019 billing cycle.

Combined Recreation and Beach Facility Fee

The operating and capital budget plans plus scheduled debt service drive a total combined Facility Fee. For the last nine years, the District held the Facility Fee flat to position itself for a time of increasing needs for capital improvements by allowing debt service to reduce while increasing resources for capital expenditures. The mix of uses for all three components has changed over that timeframe. The Board of Trustees directed a plan to apply the debt service component from matured bond issues to the capital projects component. For 2019-20 this mix has changed from the prior year, while the total remains the same. The District plans its capital expenditure over time and addresses current needs while keeping watch for the next round of projects. The occasional use of fund balance aids in stabilizing the total facility fee while maintaining the care and condition of District capital assets.

Appreciation for the Effort and Support of Community and Staff

Thank you to the Department Directors and Managers and their Staff for their efforts over the many months it has taken to develop this Fiscal Year's budget. A special thanks to Accounting and the many Supervisors for their combined efforts to continually improve the process and final product. Thank you, to our General Manager Steven J. Pinkerton, for his encouragement, support, and his oversight. Last but not least, thank you to our Board of Trustees and the community for the commitment to making the District a financially sustainable government.

EXHIBIT "E"

Subject: RE: Question regarding Self Insurance transfer
From: Jeffrey Mitchell <jmitchell@tax.state.nv.us>
Date: 6/19/2019, 8:03 AM
To: "'s4s@ix.netcom.com"' <s4s@ix.netcom.com>

Mr. Katz,

My name is Jeff Mitchell, I am the Deputy Director over Local Government Services with the Nevada Department of Taxation. I am in receipt of your e-mail dated May 20, 2019, and I have read and reviewed the allegations contained therein. Kelly Langley, the Nevada Department of Taxation's Local Government Finance Supervisor, has kept me informed of your concerns regarding the Incline Village General Improvement District. We take the information that you have provided seriously and are currently reviewing the matter pursuant to NRS Chapter 354. I appreciate you bringing your concerns to the attention of the Department.

Thank you for your time.

Jeff Mitchell
775-684-2095
jmitchell@tax.state.nv.us

Subject: RE: Question regarding Self Insurance transfer - Follow Up

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

Date: 6/10/2019, 8:18 AM

To: "Kelly S. Langley" <klangley@tax.state.nv.us>

BCC: Newman Linda <linda@marknewman.net>, Dobler Cliff <cfdobler@aol.com>

Hello Ms. Langley -

Would you please forward this e-mail to your supervisor, Mr. Mitchell? You did not include his e-mail address in your May 28, 2019 e-mail below. And by the way, what is Mr. Mitchell's position with the Department?

Mr. Mitchell. Ms. Langley stated you would be following up with a response to my May 28, 2019 e-mail to her (see below).



It has been two weeks and I have heard nothing. Does the Dep't intend to do anything about the transfer of funds and if so, what? Does the Dep't require evidence the subject transfers took place or is it able to verify the same from Mr. Eick's letter to the residents of our community which accompanied the latest IVGID budget?

Thank you, Aaron Katz

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

From: "Kelly S. Langley"

Sent: May 28, 2019 9:23 AM

To: "s4s@ix.netcom.com"

Subject: RE: Question regarding Self Insurance transfer

Mr. Katz,

I have been informed that my supervisor, Mr. Mitchell will be providing all responses to you.

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

775.684-2073 Office

775.636.0101 Cell

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

Sent: Tuesday, May 28, 2019 8:44 AM

To: Kelly S. Langley

Cc: Jeffrey Mitchell

Subject: Re: Question regarding Self Insurance transfer

Hello Ms. Langley,

Thank you for sharing the NRS 354 recited below.

Are you aware of the fact that in the last two years the IVGID Board, at the urging of Mr. Eick, has transferred \$1,100,000 of reserves from IVGID's former workman's comp self insurance plan which were no longer required for retention claims, not to the general fund but rather, to other funds in what appears to be direct violation of NRS 354.6215?

Are you aware of the fact that once transferred, these monies were used for purposes other than those for which the moneys were initially assessed and collected?

In this regard I call to our attention NRS 354.626(1) which would appear to govern given NRS 354.6241 falls between NRS 354.470 to 354.626, inclusive.

So my question. Now that you know the above, what is it the DOT intends to do about it?

Thank you for your cooperation and hopeful expeditious response.

Aaron Katz

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

From: "Kelly S. Langley"

Sent: May 20, 2019 4:17 PM

To: "'s4s@ix.netcom.com'"

Cc: Jeffrey Mitchell

Subject: Question regarding Self Insurance transfer

Mr. Katz,

Earlier today you had called inquiring about the ability/authority under which a local government may transfer funds from Self Insurance – Workers Comp Reserve Fund to their General Fund. There is a Statute that discusses this scenario, and I have provided it below for your reference:

NRS 354.6215 Limitation on use of reserves or balances of funds created to insure risks. Except as otherwise provided in NRS 354.6241, if a local government provides a fund for self-insurance of property, for any form of insurance for the benefit of its employees, or for any other risk that it is permitted by law to assume, the reserves or balance of a fund thus provided must not be expended for any purpose other than that for which the fund was established, except that when the governing body deems the reserve or balance to be no longer required, either in whole or in part, it shall transfer the excess balance to the general fund of the local government. Any such transfer must be reported to the Department of Taxation within 30 days. Money so transferred is not available as a basis for augmentation of the local government's budget during the year of transfer.

(Added to NRS by 1981, 310; A 1995, 1934)

Respectfully,

Kelly S Langley

Nevada Department of Taxation

Supervisor, Local Government & Finance

1550 College Parkway #115

Carson City, NV 89706

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775.684-2073 Office

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EXHIBIT "F"

Sep. 25, 2019 Board Meeting Agenda Item AGENDA ITEM H(3) – RETROACTIVE RESTATEMENT OF PRIOR UNLAWFUL TRANSFERS OF REMAINING WORKERS' COMPENSATION SELF-INSURED RETENTION RESERVES TO COVER STAFF'S PRIOR RECOMMENDATIONS AND THE BOARD'S PRIOR RESOLUTIONS THEY BE TRANSFERRED

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Morris Peter <morris_trustee@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Callicrate Tim Trustee <callicrate_trustee@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: Sep. 25, 2019 Board Meeting Agenda Item AGENDA ITEM H(3) – RETROACTIVE RESTATEMENT OF PRIOR UNLAWFUL TRANSFERS OF REMAINING WORKERS' COMPENSATION SELF-INSURED RETENTION RESERVES TO COVER STAFF'S PRIOR RECOMMENDATIONS AND THE BOARD'S PRIOR RESOLUTIONS THEY BE TRANSFERRED
Date: Sep 22, 2019 9:47 AM

To IVGID Board Chairperson Kendra Wong, and the Other Honorable Members of the IVGID Board -

By this agenda item, staff proposes the Board vote to retroactively restate six (6) prior transfers of workers' compensation retention reserves, in violation of NRS 354.6215. This Board action is intended to cover Finance Director Gerry Eick's prior unlawful advice and prior unlawful Board action these transfers be made to funds other than IVGID's General Fund. Retroactive restatement will arguably cure the following improper Board actions:

1. May 24, 2017 Approval of a Final 2017-18 Budget Not In Compliance With Applicable Statutes and Regulations in Violation of NRS 354.598 - approved by Chairperson Wong and Trustees Horan and Morris;
2. May 9, 2018 resolution granting to Finance Director Gerry Eick approval "to Execute...Permanent...\$800,000...(and) \$300,000...Operating Transfer(s) of the Subject Workers' Compensation Retention Reserves) From the Workers Compensation Fund to the Utility...Community Services...and Beach Fund(s)" - approved by Chairperson Wong and Trustees Horan and Morris;
3. May 9, 2018 resolution to Use Monies Entrusted For Self-Insured Workers' Compensation Retention Reserves, in Violation of NRS 205.300, For Future Unidentified, Unappropriated and Unbudgeted Expenditures of Their Choosing - approved by Chairperson Wong and Trustees Horan and Morris;
4. May 23, 2018 Approval of a Final 2018-19 Budget Not In Compliance With Applicable Statutes and Regulations in Violation of NRS 354.598 - approved by Chairperson Wong and Trustees Horan and Morris; and,
5. December 12, 2018 Approval of the 2018 CAFR Not In Compliance With Applicable Statutes and Regulations and Generally Accepted Accounting Principles ("GAAP") in Violation of NRS 354.624 - approved by Chairperson Wong and Trustees Horan and Morris.

Since retroactive restatement purports to cure the foregoing improper actions approved by Chairperson Wong and Trustees Horan and Morris, these trustees have a conflict of interest and are precluded from using their positions in government to vote on this agenda item.

The purpose of this e-mail is to put by Chairperson Wong and Trustees Horan and Morris on notice of their conflicts of interest and duties to not vote on this agenda item.

To the IVGID Board's Clerk, I ask a copy of this e-mail be placed in the next IVGID Board meeting packet so the public is aware of the conflict of interest I am aware of.

I thank the IVGID Board for its cooperation and hopeful positive actions.

Aaron Katz

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – ANOTHER EXAMPLE OF HOW STAFF USE LOCAL PARCEL/DWELLING UNIT’S RECREATION (“RFF”) AND BEACH (“BFF”) FACILITY FEES TO BUY ALLEGIANCE FROM INFLUENTIAL MEMBERS OF THE COMMUNITY THROUGH THE ARTIFICE OF A MEANINGLESS, WORTHLESS, AND COMPLETELY UNNECESSARY CONSULTING AGREEMENT NO ONE WOULD HAVE OTHERWISE LEARNED OF HAD I NOT STUMBLED ACROSS IT IN OUR BILL PAYS – HERE LOCAL RESIDENT ERIC SEVERANCE’S SO-CALLED “YIELD MANAGEMENT STUDY”

Introduction: So I was reading through IVGID’s weekly payment of bills¹ several months ago when I came across a bill pay which conspicuously stood out as being suspect; \$10,575 to “Severance” for an alleged “yield management study.” Given we already have a marketing department which is budgeted to spend nearly \$1M this fiscal year; I have some familiarity with the complicated subject of yield management; and from prior experience with Mr. Severance when he was a candidate for IVGID General Manager (“GM”) I have reason to question his competence; I felt some investigation was warranted. So I decided to learn how this expenditure came about, what it cost the public, and to examine Mr. Severance’s work product. Thus on May 3, 2019 I made a public records request to examine, in part:

1. Any Request for Proposal(s) (“RFPs”) originating from IVGID staff seeking a yield management study;
2. Any Request for Qualifications (“RFQs”) originating from IVGID staff seeking a professional to conduct a yield management study;
3. Any e-mail communications between anyone at IVGID and Eric Severance (“Severance”) in particular pertaining in any manner whatsoever to a yield management study;
4. Any proposal(s) for a yield management study originating from Severance in response to any IVGID RFP(s);
5. Any listing of qualifications to perform a yield management study originating from Severance in response to any IVGID RFQ(s);
6. Any agreement(s) between IVGID and Severance providing for the latter to conduct a yield management study;
7. Any IVGID purchase order(s) authorizing payment to Severance pursuant to any agreement(s) to conduct a yield management study;

¹ Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency/weekly-bill-payments>.

8. Any invoicing from Severance directed to IVGID for services rendered pursuant to any agreement(s) for him to conduct a yield management study;
9. Any payment(s) from IVGID to Severance in response to invoicing for services rendered pursuant to any agreement(s) for him to conduct a yield management study; and,
10. The actual yield management study work product generated by Severance.

On May 28, 2019 IVGID's Public Records Office ("PRO"), Susan Herron, made a belated response² wherein she provided most of the requested records, at least to the extent they allegedly existed³. I say "most" because on June 16, 2019 I made a follow up request wherein I asked to examine other records which had not been provided, and Ms. Herron responded "there is nothing more to provide."⁴

The results of these record requests and the manner in which IVGID staff dealt with these issues, are the purposes of this written statement.

What is Yield Management? In simple terms, it is a strategy based upon the premise of selling a particular *limited* available product or service, to the right customer, at the right time, and for the right price. The intent is to maximize the revenue earned⁵ within these specified limitations. Within the airline industry, this typically means coming up with a pricing structure which sells the most (preferably all) available seats on a particular flight for the maximum amount of revenue. Or within the hotel industry, it typically means coming up with a pricing structure which sells the most available hotel rooms in a particular hotel, on a given night, for the maximum amount of revenue. The theory is that once a particular aircraft takes off with a vacant un-sold seat, or an evening passes with a vacant un-sold hotel room, or in terms of golf tee times, once the tee time has passed unsold, the possible later sale of that seat, hotel room or golf tee time is lost forever.

Thus yield management asks the question: **what does the seller of a *limited* product or service have to do to sell every available product or service before its possible sale is lost forever?**

² NRS 239.0107(1) requires a formal response to a public records request within five business days. Here it took Ms. Herron twenty-five days to respond, and only after I was forced to follow up and ask where was Ms. Herron's response.

³ The e-mail string between Ms. Herron and me from/to May 3-28, 2019, is attached as Exhibit "A" to this written agreement.

⁴ The e-mail string between Ms. Herron and me from/to June 16-27, 2019, is attached as Exhibit "B" to this written agreement.

⁵ Mr. Severance agrees with this definition inasmuch as his October 31, 2018 Draft "Study of Yield Management and Pricing (for use by Diamond Peak)" [discussed below] agrees with this statement.

How Yield Management Works: The basic idea behind yield management is that certain fixed, *time-limited* resources can be sold at different prices based upon the time of year, the level of demand, the number of available spots (such as airline seats, hotel rooms, tee times or whatever) already sold, and a wide range of other external factors. This means that the same product can be sold to different customers for different prices because of the number of variables involved in the process. Thus yield management strategies take a data-driven approach to ensuring pricing is constantly adjusted with the ultimate goal of maximizing revenue.

What is Dynamic Pricing, and How Does it Differ From Yield Management Pricing? I bring up these questions because IVGID staff repeatedly word speak the words “dynamic pricing” so the less knowledgeable think the term is identical to yield management. But the words are *not*.

Dynamic pricing, also called real-time pricing, is an approach to setting the cost for a product or service that is flexible. The goal is to allow the seller of a good or service to structure pricing according to business rules in response to market demands. Typically business rules take into account such things as a customer’s location, the time of day, the day of the week, the level of demand, and competitors’ pricing. Although Mr. Severance agrees with this statement, he calls Dynamic Pricing a sub-set of Yield Management⁵ which incorrectly suggest the two are the same.

In terms of ski lift tickets or rounds of golf, dynamic pricing means adjusting pricing to days of the week and times of the day when traditionally, there’s the least demand. This explains why user fees are priced higher during holidays and weekends when demand is the greatest. Or why in “value” versus “high” season, again when demand is the least or the greatest as the case may be, prices are lower.

But the two terms are not identical. Dynamic pricing is not intended to sell every seat on an aircraft before it takes off on a certain date and time. Nor every hotel room on a particular date. Rather, pricing is fixed on certain days and time with the intent of driving sales when a product or service is more likely to be under-utilized. This reality explains why yield management is and must be far more nimble than dynamic pricing.

Yield Management is *Not* a Field For Amateurs Like Mr. Severance: The smartest marketing minds in the world (the airline and hotel industries) have perfected yield management to an art form. Implementation is generally controlled by sophisticated software which automatically adjusts pricing hundreds of times a day, every day. Given *it’s not a place for amateurs*, what exactly are Mr. Severance’s qualifications⁶? Essentially *NONE!*

If staff were seeking true professionals to perform this study, don’t you think they would have published a RFQ to attract the best in the field? Or don’t you think they would have published a RFP to learn of bidders’ qualifications and expertise? But from Ms. Herron’s response to my public records

⁶ For starters, when Mr. Severance applied for IVGID GM six (6) years ago, the public learned that he didn’t even have the requisite four (4) year college degree.

request, we learn staff did *neither*. Instead they parsed out a public benefit to a pre-determined recipient, regardless of his expertise or qualifications.

Assuming Arguendo Our In-House Marketing Department Were Not Equipped to Deal With Dynamic Pricing Issues, Why Wouldn't We Have Reached Out to True Professionals Rather Than Mr. Severance? Listen to Liftoptia:

"In 2005, Liftoptia pioneered revenue management⁷ for high volume ticketing businesses with an initial focus on *dynamic pricing at ski areas*. Over the past 13 years, the company has defined the industry standard for dynamic pricing strategies to drive pre-sales of all mountain experiences, from lift tickets and season passes to ski rentals and mountain biking. Today, almost 20 percent of ski areas in North America use Cloud Store (backed by a full-time partner support team) and revenue management tools, and hundreds of ski areas use Liftoptia.com to reach a large consumer audience and yield predictable return on marketing spend — an important consideration for any activity business selling online...Liftoptia's proprietary, data-driven pricing model considers real-time demand and purchase behavior to generate optimized prices for every day. This pricing engine is built on millions of data points of consumer behavior online, enabling it to yield optimized prices that automatically update in response to consumer demand. The model combines a partner's own historical data with Liftoptia's model to design a strategy that grows online bookings and revenue overall."⁸

Moreover, When it Comes to Dynamic Pricing, Understand That IVGID Maintains an In-House Marketing Department, at a Cost to Local Parcel/Dwelling Unit Owners of Some \$931,000 Annually: Notwithstanding the fact no General Improvement District ("GID") has the basic power to operate "for profit" commercial public business enterprises with all that entails [see NRS 318.055(4)(b) and 318.116], according to IVGID's marketing manager, Paul Raymore, the justification for spending nearly \$1 million annually on the marketing of our venues to the world's tourists is to drive them to our versus someone else's recreational venues. In this vane IVGID employs a marketing department which consists of: 3.2 full time equivalent employees⁹ ("FTEs"), a Marketing Manager, a Sales Manager, a Marketing Coordinator¹⁰, and part-time support personnel¹¹. In addition, this department spends

⁷ What Mr. Severance calls "RM."

⁸ Go to <https://liftline.liftoptia.com/liftoptia-leads-dynamic-pricing-trend-for-travel-industry-introduces-data-driven-products-to-new-continents-and-verticals/>.

⁹ See page 130 of the 2018-19 Budget [https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf ("the 2018-19 Budget")].

¹⁰ See page 134 of the 2018-19 Budget.

nearly \$435,000 annually on print, digital, television, radio spot, social media, and billboard advertising as well as related paid search campaigns¹² negotiated through a favored local media agency; EXL Media¹³. And in addition, I have discovered that IVGID staff regularly assign unrestricted amounts to expenditures having nothing to do with marketing or advertising, to advertising¹⁴. According to staff's 2019-20 Budget, marketing costs, all told, are estimated to cost *a mind blowing* \$931,322¹⁵! And since staff freely admit "the General Fund('s) *sole function is to provide administrative support to the District's proprietary funds,*"¹⁶ none of this \$931,322 includes "central services" costs such as those for IT, HR, accounting, communications, etc. Nor does any of this pay for the services of venue managers (like Mike Bandelin for Diamond Peak). Nor does it pay for any of the costs associated with of our GM, or his Ass't GM. Nor does it pay for buried marketing costs such as the subject ones assigned to Mr. Severance. If you want the *REAL* marketing costs local parcel/dwelling unit owners are paying for, they're probably well over \$1.5 million or more annually! Which thus raises the question: why we should be paying for services such as those contracted for with Mr. Severance?

Nonetheless, Does Anyone Really Believe These Marketing Efforts Will Generate Anywhere Near \$1.5 Million in New Revenues We Wouldn't Otherwise Have Realized Had None of These Marketing Costs Had Been Incurred? Since the answer is *of course not*, what is the justification for making these expenditures? After all if we just did nothing, it is highly unlikely revenues would be

¹¹ See page 138 of the packet of materials prepared by staff in anticipation of the Board's March 13, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-13-19.pdf ("the 3/13/2019 Board packet")].

¹² See page 271 of the packet of materials prepared by staff in anticipation of the Board's May 19, 2018 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-9-18.pdf ("the 5/22/2018 Board packet")].

¹³ See pages 11-15 of the 5/19/2018 Board packet].

¹⁴ For instance, on July 3, 2019 our former GM Pinkerton entered into a \$30,650 contract with Ascent360, Inc. for the latter to consolidate customer data from a number of IVGID systems, and provide a software platform ("CDP") for data collection, analysis and relation management ("CRM"). Yet thousands of these dollars have been assigned to chart of account numbers which correspond to "paid advertising." Since there is no way the Board nor the public can learn of the full extent of these mischaracterizations short of a forensic audit, I have submitted a companion written statement for inclusion in the minutes of this meeting ("NOW THAT EVIDENCE OF STAFF FRAUD HAS BEEN UNCOVERED, IT'S TIME TO ORDER A FORENSIC AUDIT OF THE DISTRICT'S FINANCES") which calls for a forensic audit.

¹⁵ See page 135 of the 3/13/2019 Board packet.

¹⁶ See page 14 of the Comprehensive Annual Financial Report ("CAFR") for the "Year Ended June 30 2015" [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015CAFR_Report_IVGID_.pdf ("the 2015 CAFR")].

reduced anywhere near \$1.5 million annually, if at all. Which means *we would be ahead of the game insofar as revenue management is concerned, if we didn't make expenditures like the subject one with Mr. Severance!*

So Then For Whose Benefit Does Our Marketing Department Exist? Especially given NRS 318.015(1) instructs that our recreational facilities are supposed to exist primarily for “the inhabitants ...of (Incline Village, Crystal Bay) and...the State of Nevada.” I submit three classes of persons; the world’s tourists; those local businesses who cater to tourists; and, IVGID staff (after all, they need tasks to support jobs which pay for food to put on their families’ tables).

Therefore Yield Management Strategies Exist for Outsiders: and *not* we “inhabitants...of (Incline Village, Crystal Bay) and...the State of Nevada.”

So Who Decided to Hire Mr. Severance as a Yield Management “Consultant?” From Ms. Herron’s response to my public records request, we see that staff *never* developed a scope of work for yield management strategies prior to committing to two contracts with Mr. Severance. Nor did they evaluate whether the scope of work Mr. Severance came up with could be implemented by IVGID’s marketing staff or EXL Media. We know these truisms because Ms. Herron produced no records evidencing staff’s creation of a RFP or RFQ in order to ensure we attracted the most qualified candidates. Rather, the “seed” to engage Mr. Severance in a yield management study was probably planted as a result of an unsolicited initiative advanced by Mr. Severance himself to an ill-equipped staff.

The first e-mail on this subject between Mr. Severance and Mr. Bandelin (June 19, 2018) reveals that the two came to some kind of oral agreement as a result of some type of meeting that took place prior to June 18, 2018¹⁷. And then the next day a proposed agreement, *absent a detailed scope of work no less*¹⁸, was prepared and sent to Mr. Severance for his approval¹⁵. Given Mr. Severance’s June 26, 2018 e-mail (Exhibit “C”) speaks to a June 28, 2018 meeting with former GM Pinkerton, in all likelihood, Mr. Severance’s scope of work was neither prepared nor dropped off with GM Pinkerton until sometime *after* June 28, 2018, notwithstanding it is dated June 5, 2018¹⁹.

¹⁷ Copies of initial e-mails between Mr. Bandelin and Mr. Severance on this subject are attached as Exhibit “C” to this written statement. The initial e-mail referenced is included in this exhibit. Given Exhibit “D” to this written statement (see discussion below) is dated June 5, 2018, in all likelihood, that’s when this meeting took place.

¹⁸ We know this because in a June 26, 2018 e-mail from Mr. Severance, he acknowledges *he* needs to prepare a scope of work (Exhibit “A” to the subsequent first agreement, and attached as Exhibit “D”). A copy of this e-mail is included as one of the e-mails attached as Exhibit “C.”

¹⁹ This scope of work appears in a June 5, 2018 letter from Mr. Severance to former GM Pinkerton which recites it was prepared after “our meeting last week.” Given that meeting took place on June 28, 2018, this letter was in all likelihood prepared the week of July 2, 2018. This scope of work letter is attached as Exhibit “D” to this written statement.

And What Exactly Did We Hire Mr. Severance to Do? Msrs. Bandelin and Pinkerton couldn't even figure out the scope of work to insert into this agreement. So instead, they deferred to Mr. Severance to make up his own scope of work²⁰. Exhibit "D" labels the initial scope of work as a "Study of Yield Management and Pricing" for use by Diamond Peak. In particular:

1. "Review(ing) and study(ing) the...yield management and pricing...arena...in the resort industry;"
2. "Research(ing) & identify(ing) best management practices in yield management and pricing;"
3. "Learn(ing) how (yield management and) pricing is working in our market;"
4. "Identify(ing) those areas of (yield management and (pricing)...we...need to research and analyze further;"
5. "Review(ing) of our existing operations and sales model(s);" and,
6. "Provid(ing unspecified) advice, guidance and counseling."

In other words, *Mr. Severance was being paid to educate himself*. Rather than being an experienced yield management professional equipped to teach us how to implement proven yield management strategies, to the extent they can be implemented in Incline Village (which I submit they cannot), our crack IVGID staff contracted to pay Mr. Severance for nothing more than the equivalent of a high school homework assignment!

Although the stated goal of Mr. Severance's study was to "provide recommendations and next steps (insofar as)...how (yield management and) pricing c(an) be implemented" at Diamond Peak, yield management strategies *cannot* and never could result in increased Diamond Peak revenues because Diamond Peak *doesn't* sell fixed, *time-limited* resources. Mr. Severance admits that the goal of yield management is to sell a product or service which is *time sensitive*. In other words, *subject to expiration*²¹. Yet *never* does Diamond Peak *limit* the number of daily lift tickets or season passes it sells based upon some artificial time limitation. Nor does it *limit* concession sales for the same reasons. Which means both are available to everyone and anyone whenever *they* choose to make a purchase. Thus for these reasons, Diamond Peak is unable to adjust pricing to similarly situated customers as it would if quantities or timing were *limited*.

Simply stated a yield management study for Diamond Peak is another stupid and wasteful endeavor initiated by what the public is led to believe, a "professional" staff.

²⁰ Isn't this the equivalent of putting the wolf in charge of guarding the chicken coop?

²¹ See Exhibit "K" where Mr. Severance states that "the goal (of yield management is to) sell the right product, to the right customer, at the right time, for the right price – *before it expires*."

What Exactly Did We Agree to Pay Mr. Severance For This Study? As Exhibit “D” confirms, staff agreed to pay Mr. Severance \$150 per hour, not to exceed \$15,000, for phase I of Mr. Severance’s yield management study. This agreement was reduced to writing “as of June 25, 2018,” and confirmed by a July 1, 2018 purchase order authorized by former GM Pinkerton *without Board approval*²².

What Exactly Did We Actually Pay Mr. Severance For This Study? *The full \$15,000.* And what work did Mr. Severance tell staff he had performed in consideration of invoicing? 100 hours of unidentified “consulting time...research, meetings, analysis, etc.”²³

What Exactly Was the Study Mr. Severance Generated? A four page “draft” study²⁴ which as the reader can see, did *not* “provide (precise) recommendations and next steps (insofar as)...how (yield management and) pricing could be implemented” at Diamond Peak.

But Wait! There Was an Additional Agreement With Mr. Severance Whereby We Agreed to Pay Him Up to An Additional \$20,000: That’s right! Our crack staff agreed to pay Mr. Severance \$150 per hour, not to exceed an additional \$20,000, for phase 2 of Mr. Severance’s “so called” yield management study²⁵. This agreement was reduced to writing “as of December 25, 2018,” and it was confirmed by a January 7, 2019 purchase order, again, authorized by former GM Pinkerton *without Board approval*²⁶.

Yet Notwithstanding its Label [Phase 2 (of Mr. Severance’s) Revenue/Yield Management and Pricing Study For Diamond Peak], This Agreement Had Virtually Nothing to Do With This Subject Matter²⁷: That’s right! If one reads Mr. Severance’s “scope of work” to this agreement (Exhibit “H”), one will discover he proposed:

²² Copies of the agreement absent the scope of work (which is separately attached as Exhibit “D”) and July 1, 2018 purchase order are collectively attached as Exhibit “E” to this written statement.

²³ Copies of Mr. Severance’s two September 4, 2018 and November 21, 2018 invoices, which Diamond Peak venue manager Mike Bandelin represented were “OK to pay,” are collectively attached as Exhibit “F” to this written statement.

²⁴ Mr. Severance’s draft study, dated October 31, 2018, is attached as Exhibit “G” to this written agreement.

²⁵ This scope of work appears in a November 21, 2018 letter from Mr. Severance to former GM Pinkerton which recites it was prepared after “our recent discussions.” This scope of work letter is attached as Exhibit “H” to this written statement.

²⁶ Copies of the agreement absent the scope of work (which is separately attached as Exhibit “H”) and January 7, 2019 purchase order are collectively attached as Exhibit “I” to this written statement.

²⁷ The reason I say “virtually nothing” is because there was something somewhat related to yield management: “conduct(ing) field trips with DP management (i.e., Mr. Bandelin) to further (Mr. Severance’s Yield Management)...research.”

1. Assisting staff “in the development of...systems, models (and) tools for data capture...to...guide...(the) tracking of product usage & user data;”²⁸
2. “Creat(ing and)...plan(ning) for central repositories of...data sets;”²⁸
3. “Assist(ing staff) in improving (IVGID’s skewed) surveys;”
4. “Mak(ing) recommendations (for)...enhanced revenue opportunities;”
5. Assisting in “integrat(ing)...information into the budget process;”
6. “Study(ing)...scheduling & ‘right-sizing’ (insofar as) when (it) is optimal/justifiable to be open;”
7. “Mentor(ing) sales & marketing” staff;
8. “Provid(ing unspecified) advice, guidance and counseling;”
9. “Research(ing) revenue/yield management and pricing for (food & beverage) and events/facilities departments;”²⁹ and,
10. “Research(ing) revenue/yield management and pricing opportunities for *other* IVGID” venues²⁹.

And What Exactly Did We Actually Pay Mr. Severance For the Subject Matter of This Agreement? *The full \$20,000.* And what work did Mr. Severance tell staff he had performed in consideration of invoicing? A combined 133.5 hours of “consulting time for yield management project (research, meetings, analysis, etc.).”³⁰

And What Exactly Was the Study Mr. Severance Generated? Basically a two page, most

²⁸ The companion written statement I have submitted for inclusion in the minutes of this meeting (“NOW THAT EVIDENCE OF STAFF FRAUD HAS BEEN UNCOVERED, IT’S TIME TO ORDER A FORENSIC AUDIT OF THE DISTRICT’S FINANCES”), details a July 3, 2019 written contract with Ascent360 which expends \$30,650 for the latter to *extract data from the District’s various sources of customer contact information*. Why then would we pay Mr. Severance up to \$20,000 to perform similar tasks? And more importantly, where are the “systems, models (and) tools for data capture...to...guide...(the) tracking of product usage & user data” and the “central repositories of...data sets” Mr. Severance represented Exhibit “K” would include?

²⁹ For the same reasons as Diamond Peak, a yield management study any of the Districts other venues is another stupid and wasteful endeavor.

³⁰ Copies of Mr. Severance’s two March 15, 2019 and June 25, 2019 invoices, which Diamond Peak venue manager Mike Bandelin represented were “OK to pay,” are collectively attached as Exhibit “J” to this written statement.

elemental discussion of “discounted pricing.”³¹ Not only was this *not* the product Mr. Severance represented he would produce [because as I have demonstrated (above), it differs from yield management], but in actuality, it was nothing more than a generic recital of dynamic pricing. Given Diamond Peak has been employing the principles of dynamic pricing for at least a decade or more, and as aforesaid we employ a marketing department and EXL to develop programs and conduct related paid search campaigns to implement that pricing, in my opinion Mr. Severance’s discussion is *an absolute waste*. But you read the discussion for yourself and tell me what you think. Or tell me if you think that discussion was worth the \$20,000 staff paid? Or the total \$35,000 staff paid?

Examine the Lack of Professionalism of Mr. Severance’s Yield Management Study (Exhibit “G”): Tell me whether you think that study was worth anything near the \$15,000 of your Recreation Facility Fee (“RFF”) staff paid? And by the way, where is the “final” study? An examination reveals this was nothing more than a “draft” document.

Examine the Lack of Professionalism of Mr. Severance’s Discount Pricing Strategies Discussion (Exhibit “K”): Tell me whether you think that discussion was worth anything near the \$20,000 of your RFF staff paid?

More Importantly, Neither of These Expenditures Was Budgeted Nor Appropriated by the Board: Don’t believe me? Why don’t you examine the 2018-19 Budget³² and tell me where either was budgeted. When I couldn’t find where, if anywhere, I reached out to Ms. Herron for the answer. And unbelievably, she responded *they had not been budgeted* (see Exhibit “B”)!

So Did Staff Obtain Independent Board Approval For This Expenditure? Of course not. As we’ve discussed so many times before, the Board has abdicated away this power to its GM³³.

And Can You Believe Mr. Severance Attempted to Secure a Third Bite at the Yield Management Apple From Interim GM Winquest After Mr. Pinkerton Resigned? That’s right. Word has it that Mr. Severance has approached interim GM Winquest asking for approval to continue his education at local parcel/residential dwelling unit owners’ expense. But fortunately, Mr. Winquest rejected this folly as Mike Bandelin and former GM Pinkerton should have! *I and others I know ask that Mr. Winquest to tell the Board and the public whether these facts are true. Are they?*

³¹ Mr. Severance’s two page discussion is attached as Exhibit “K” to this written agreement.

³² Go to https://www.yourtahoepace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf.

³³ Policy 3.0.1.06(f) [see page 10 at <https://www.yourtahoepace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>] states that the GM or his designee “may...authorize...approve...and execute...(all) contracts...which are not subject to the advertising thresholds of NRS 332 and/or 338.” Mr. Severance’s consultancy contract is not subject to NRS 332 for at least two reasons. First, NRS 332.039(1)(b) exempts contracts where “the estimated annual amount required to perform the contract is \$50,000 or less.” And second, NRS 332.115(1)(b) exempts “contracts which by their nature are not adapted to award by competitive bidding, including contracts for...professional services.”

Conclusion: So now you know the truth. Our staff make expenditures for products and services never budgeted nor expressly approved by the IVGID Board. And they make expenditures for wasteful reasons they have no expertise in whatsoever. And this example is just the tip of the iceberg. How many similar episodes have taken place that the Board and the public know nothing about? And here we're talking \$35,000 of parcel/residential dwelling unit owners' moneys. Couldn't this have been spent on something far more worthwhile?

If moneys are repeatedly over spent on worthless endeavors such as the subject one, and to the benefit of unqualified payees, one has to ask *why*? There is only one reasonable explanation. *To buy allegiance from those in our community with a following they can influence.* After all, given IVGID is Incline Village's/Crystal Bay's largest employer, assuming you are employed by IVGID, you do business with IVGID, you want to do business with IVGID, or you want IVGID to be your employer, why would you ever jeopardize the potential of your gravy train by not demonstrating allegiance? And for a fee of course.

So the name of the game becomes parsing out the public's assets to those in our community who are staff's loudest supporters³⁴ should and when critics in our community come forward. So when you see or hear someone slobbering unwarranted praise upon our wonderful staff, ask yourself: what has he/she been paid by staff and for what? Dig deep enough and I guaranty you will find the answers

And you wonder why your RFF and Beach ("BFF") Facility Fees remain as high as they are? Now I've provided more answers.

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

³⁴ Such as Bruce Simonian, Gene Brockman, Kaye Shackford, Peter Morris, Jim Croley and of course Eric Severance, just to name just a few.

EXHIBIT "A"

Subject: RE: Records Request - Severance Yield Management Study - Second Follow Up
From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
Date: 5/28/2019, 2:47 PM
To: Herron Susan <Susan_Herron@ivgid.org>
BCC: Newman Linda <linda@marknewman.net>, Wright Frank <alpinesportss@gmail.com>

Thank you. Unless I'm missing something, I haven't received the items referenced (in red) below:

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

>From: "Herron, Susan"

>Sent: May 28, 2019 10:10 AM

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

>Subject: RE: Records Request - Severance Yield Management Study - Follow Up

>

>Dear Mr. Katz,

>

>This e-mail shall serve as IVGID's response to your records request dated May 3, 2019 which reads as follows:

>

>1. Any 1099s or W2s issued to Severance for 2018.

A) Not received. Note your reply below.

>2. Any proposal originating from Severance and giving rise to the District's agreement to engage his services.

A) Not received.

>3. Any request by IVGID for qualifications to perform and/or proposal to perform the study giving rise to the engagement of Severance's services.

A) Not received.

>4. All e-mail communications between anyone from IVGID and anyone on behalf of Severance giving rise to the District's agreement to engage his services.

>5. Any writings representing or referring to an agreement between IVGID and Severance to engage his services related to this study.

>6. Any purchase order for the services represented by Severance's study.

>7. All invoicing from Severance requesting partial or full payment for his study.

A) Not received.

>8. All evidences of payment to Severance, partial or full, for his study.

A) Not received.

>9. The chart of account numbers assigned to each such payment requested above.

A) Not received.

>10. Severance's study itself for which payment was made.

A) Not received. Although there appear to be some notes re a draft study, the study itself was not received.

>

>I am acknowledging that I may still owe you a 1099; I will provide it to you, assuming it exists, as soon as it is produced to me.

>

>This completes your records request in its entirety.

A) Since I haven't received much of what was requested, there has been no completion. If you assert there are no records, then instead of ignoring my request, the NPRA requires you inform me the District has no such records.

Thank you for your cooperation. Aaron Katz.

>

>Susan A. Herron, CMC

>Executive Assistant/District Clerk/Public Records Officer

>Incline Village General Improvement District

>893 Southwood Boulevard, Incline Village, NV 89451

>P: 775-832-1207

>F: 775-832-1122

>M: 775-846-6158

>sah@ivgid.org

>http://ivgid.org

>

>

>-----Original Message-----

>From: s4s@ix.netcom.com

>Sent: Friday, May 24, 2019 1:16 PM

>To: Herron, Susan

>Subject: Re: Records Request - Severance Yield Management Study - Follow Up

>

>Please find below my public records request of May 3, 2019.

>

>It has been a whole lot more than five business days and I've heard nothing from you. Did you perhaps respond and I did not receive the e-mail?

>

>I want to examine the requested records. When exactly will that take place?

>

>Aaron Katz

>

>-----Original Message-----

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

>>Sent: May 3, 2019 9:00 AM

>>To: Herron Susan

>>Subject: Records Request - Severance Yield Management Study

>>

>>Another records request Ms. Herron -

>>

>>On the bill pays there is a March 27, 2019 \$10,575 payment to "Severance" for an alleged yield management study. I assume this is Eric. I would like to examine the following records with respect to this expenditure:

>>

>>1. Any 1099s or W2s issued to Severance for 2018.

>>

>>2. Any proposal originating from Severance and giving rise to the District's agreement to engage his services.

>>

>>3. Any request by IVGID for qualifications to perform and/or proposal to perform the study giving rise to the engagement of Severance's services.

>>

>>4. All e-mail communications between anyone from IVGID and anyone on behalf of Severance giving rise to the District's agreement to engage his services.

>>

>>5. Any writings representing or referring to an agreement between IVGID and Severance to engage his services related to this study.

>>

>>6. Any purchase order for the services represented by Severance's study.

>>

>>7. All invoicing from Severance requesting partial or full payment for his study.

>>

>>8. All evidences of payment to Severance, partial or full, for his study.

>>

>>9. The chart of account numbers assigned to each such payment requested above.

>>

>>10. Severance's study itself for which payment was made.

>>

>>Thank you for your cooperation. Aaron Katz

EXHIBIT "B"

Subject: RE: Records Request - Severance Yield Management Study - Further Follow Up
From: "Herron, Susan" <Susan_Herron@ivgid.org>
Date: 6/27/2019, 3:04 PM
To: "s4s@ix.netcom.com" <s4s@ix.netcom.com>

Dear Mr. Katz,

This e-mail shall serve as IVGID's response to your records request dated June 16, 2019 which reads as follows:

1. Where this expenditure was budgeted by the Board. Please don't refer me to the budget online because nowhere does this or any other consultancy study appear. And please don't point me to the generic "services and supplies" entry because nowhere are the components of that entry described;
2. Both purchase orders include a Chart of Account ("COA") number for this expenditure: 340-34-990-6030. I would like to examine records which identify the name staff have assigned to this COA number.
3. And once you provide the name in paragraph 2 above, I would like to examine detailed budget records for the 2018-19 budget which reveal where this named expenditure was budgeted, and the amount budgeted.
4. I would like to examine records evidencing all 2018-19 expenditures assigned by staff to COA 340-34-990-6030.
5. Finally, I want to make sure you previously provided me with the study itself for which payment was made to Mr. Severance. You have provided a four page preliminary "DRAFT" dated 10-31-18. In addition you have provided a two page "Discounting (re: our discount pricing strategy)" which rather than YM per se, speaks of discounting. That's it.

These materials appear to be far less than a "final" study, and do not appear to be presented in a professional manner. Which leads me to believe I have not been provided with the final study itself. Is there something more and if so, I would like to examine it.

Here is a link to the information that you are seeking located on Opengov on our website:

https://inclinevillagegidnv.opengov.com/transparency#/13682/accountType=expenses&embed=n&breakdown=types¤tYearAmount=cumulative¤tYearPeriod=years&graph=bar&legendSort=coa&month=5&proration=true&saved_view=32570&selection=FB314B5DA8BCB2D4C3A882E75A61F933&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2019&selectedDataSetIndex=null&fiscal_start=2019&fiscal_end=latest

I have provided you the documents prepared by Mr. Severance as presented to IVGID Staff; there is nothing more to provide.

This completes your records request in its entirety.

Susan A. Herron
Executive Assistant/District Clerk/Public Records Officer
IVGID
893 Southwood Blvd.
Incline Village, NV 89451
(775) 832-1207
sah@ivgid.org
ivgid.com

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

From: s4s@ix.netcom.com [<mailto:s4s@ix.netcom.com>]
Sent: Sunday, June 16, 2019 11:03 AM
To: Herron, Susan <Susan.Herron@ivgid.org>
Subject: Records Request - Severance Yield Management Study - Further Follow Up

Hello Ms. Herron. Another public records request.

In response to my initial May 3, 2019 NPRA request, you provided two purchase orders authorizing the expenditure of a collective \$35,000 in fiscal year 2018-19. I would like to examine:

1. Where this expenditure was budgeted by the Board. Please don't refer me to the budget online because nowhere does this or any other consultancy study appear. And please don't point me to the generic "services and supplies" entry because nowhere are the components of that entry described;
2. Both purchase orders include a Chart of Account ("COA") number for this expenditure: 340-34-990-6030. I would like to examine records which identify the name staff have assigned to this COA number.
3. And once you provide the name in paragraph 2 above, I would like to examine detailed budget records for the 2018-19 budget which reveal where this named expenditure was budgeted, and the amount budgeted.
4. I would like to examine records evidencing all 2018-19 expenditures assigned by staff to COA 340-34-990-6030.
5. Finally, I want to make sure you previously provided me with the study itself for which payment was made to Mr. Severance. You have provided a four page preliminary "DRAFT" dated 10-31-18. In addition you have provided a two page "Discounting (re: our discount pricing strategy)" which rather than YM per se, speaks of discounting. That's it.

These materials appear to be far less than a "final" study, and do not appear to be presented in a professional manner. Which leads me to believe I have not been provided with the final study itself. Is there something more and if so, I would like to examine it.

Thank you for your cooperation. Aaron Katz

EXHIBIT "C"

Bandelin, Mike

From: Bandelin, Mike
Sent: Tuesday, June 19, 2018 1:20 PM
To: Eric Severance
Subject: RE: Diamond Peak
Attachments: Severance.pdf; SFA - Prof Services Severance - SAH Edits.docx

Hi Eric-

Try for SAM, also I have attached the drafted agreement between the District and Severance Consulting for your review.

I would like to set up a time for us to meet soon and discuss the project and I believe Steve would like to meet as well.

Thanks,

Mike

From: Eric Severance <eric@soundpix.com>
Sent: Monday, June 18, 2018 11:06 AM
To: Bandelin, Mike <mike_bandelin@ivgid.org>
Subject: Re: Diamond Peak

Hi Mike

Great, thanks. Do you also have the credentials for SAM?

Thanks,

Eric

On Jun 18, 2018, at 10:49 AM, Bandelin, Mike <mike_bandelin@ivgid.org> wrote:

Hi Eric-

I should have the Professional Services Agreement completed today sometime,

NSAA credentials are

Take care.

Mike Bandelin
General Manager
Diamond Peak Ski Resort
1210 Ski Way Incline Village, NV. 89451
P: (775) 832-1125
M: (775) 830-1179
mib@ivgid.org

Bandelin, Mike

From: Bandelin, Mike
Sent: Monday, June 25, 2018 12:19 PM
To: Eric Severance
Subject: 6.25.18 Agreement
Attachments: SFA - Prof Services Severance - MB Edits.docx

Hi Eric-

I have provided the changes per our discussion to the agreement.

Thanks,

Mike

Bandelin, Mike

From: Eric Severance <eric@soundpix.com>
Sent: Tuesday, June 26, 2018 8:56 PM
To: Bandelin, Mike
Subject: RE: 6.25.18 Agreement
Attachments: SFA - Prof Services Severance - Final.docx

Hi Mike,

Thanks. Fixed one grammar item in 3.2. Final attached. But I also need Exhibit A. I'll drop off my signed copy to Steve tomorrow.

I can meet Thurs. afternoon at 2 (or later) if that works for you.

Regards,

Eric Severance
775-831-1045
775-219-9098 Cell

From: Bandelin, Mike [mailto:mike_bandelin@ivgid.org]
Sent: Monday, June 25, 2018 12:19 PM
To: Eric Severance <eric@soundpix.com>
Subject: 6.25.18 Agreement

Hi Eric-

I have provided the changes per our discussion to the agreement.

Thanks,

Mike

Eric Severance

Subject: Mike Bandelin mtg.
Start: Wed 10/3/2018 11:00 AM
End: Wed 10/3/2018 12:30 PM
Recurrence: (none)
Organizer: Eric Severance
Categories: Meetings

10/3/18 Mike B. mtg:

Reminder: You get what you measure.

Scanning – reward the behavior you want. In both the customer, and the employees – creatively. Customer: earn points for every scan, Club Vertical concept (graft, events, recognition)? Employee; scan goals w rewards. There must be a percentage of tickets sold, that translates to round trips at the lifts... how many scans should one be getting at Lakeview, Lodgepole, etc.? Improve the maze systems. Create one at Crystal Quad. Run Red Fox whenever it's busy (goal: lines at lower lifts are > x min.) – exceed expectations (compete on service, excel at and brag about short lines, etc.). Are we measuring?

Have we expanded Last Tracks yet (LT2)? Re: Offer it on more nights?

3day mini pass. Addresses: Convenience, Anxiety (of choice), Value, repeat visitation (reward). Make it exclusive, limits, perks, ___? Figure out how to make it work. Reward use (repeat visitation... maybe it gets cheaper). Maybe year one it's not as convenient (have to come to a window to redeem, non transferrable). You fix scanning, then in year two, it can be direct to lift.

Low traffic periods. What's our strategy to improve it? Measureable programs.

Set goals, commitments, quality of commitment lesson. (re: people getting stuff done...). Is there a sense of urgency?

EXHIBIT "D"

ERIC SEVERANCE

689 Bridger Ct.
Incline Village, NV 89451
775-831-1045 775-219-9098 cell
eric@soundpix.com

June 5, 2018

Steve Pinkerton
IVGID

Dear Steve,

Per our discussions at our meeting last week, I have drafted an outline of the Topic and Scope of Work envisioned - for your review, etc.

Project Title: Study of Yield Management and Pricing (for use by Diamond Peak)

Description: Review and study the arena of Yield Management and Pricing and provide recommendations for strategy and implementation planning.

Scope of work:

- Review and study the arena of Yield Management and Pricing (YM/Pricing) in the Resort Industry (with specific focus on trends and use in our region).
- Research & Identify Best Management Practices in Yield Management and Pricing.
- Perform a high level competitive analysis to learn how YM/Pricing is working in our market.
- High level review of our existing operations and sales model (from a market standpoint).
- Identify those areas of YM/Pricing (from a Resort Management perspective) we will need to research and analyze further.
- Provide recommendations and next steps (regarding how YM/Pricing could be implemented).
- Provide Advice, Guidance and Counseling.

Fee: \$150/hour, not to exceed \$15,000

I look forward to your feedback.

Sincerely,

Eric Severance

1 attachment

EXHIBIT "E"

SHORT FORM AGREEMENT
Between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
ERIC SEVERANCE
for
PROFESSIONAL SERVICES

This Agreement is made as of June 25, 2018 between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "OWNER," and **Eric Severance**, hereinafter referred to as "CONSULTANT." OWNER intends to complete the Project(s) as described in *Attachment A* and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The CONSULTANT shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2:

Services as described in Attachment "A," basically consisting of Study of Yield Management and Pricing (for use by the District and Diamond Peak).

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

2.0 OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of CONSULTANT:

- 2.1 Designate in writing a person to act as OWNER's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define OWNER's policies and decisions with respect to CONSULTANT's services for the PROJECT.
- 2.2 Assist CONSULTANT by placing at CONSULTANT's disposal existing data, plans, reports and other information known to, in possession of, or under control of OWNER which are relevant to the execution of CONSULTANT's duties on the PROJECT. Also, provide all criteria and full information as to OWNER's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.
- 2.3 Provide existing economic analysis, product usage data, existing Sales Model and deliverables where advised by CONSULTANT and approved by OWNER.

3.0 PERIODS OF SERVICE

3.1 **General.** The provisions of Section 3 and the various rates of compensation for CONSULTANT's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. CONSULTANT's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of CONSULTANT's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of CONSULTANT, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment.

3.2 It is agreed that time is of the essence and the Project shall be completed in a timely manner.

4.0 PAYMENT TO CONSULTANT

4.1 Methods of Payment for Services and Expenses of CONSULTANT

4.1.1 Compensation Terms Defined

4.1.1.1 "Per Diem" shall mean an hourly rate(s) as indicated in Attachment "A" to be paid to CONSULTANT as total compensation for each hour(s) of each employee of CONSULTANT work(s) on the Project, plus Reimbursable Expenses.

4.1.1.2 "Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in connection with the Project, including, but not limited to subconsultants or SubCONSULTANT costs, transportation and subsistence incidental thereto, obtaining bids or proposals from CONSULTANT(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production. Reimbursable Expenses will include a ten percent (10%) markup over CONSULTANT's cost.

4.1.2 **Basis and Amount of Compensation for Basic Services.** Compensation shall be as indicated in Attachment "A", with a Not to Exceed amount of **Fifteen Thousand Dollars (\$15,00.00).**

4.2 Basis and Amount of Compensation for Additional Services

Compensation for Additional Services shall be on the basis of Per Diem or Lump Sum, to be agreed upon at the time of request for Additional Services. The estimated amount of Additional Services will be determined at the time the Additional Services are requested.

4.3 Intervals of Payments

Payments to CONSULTANT for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by OWNER. CONSULTANT's invoices will be submitted once every month and will be based upon total services completed at the time of billing. OWNER shall make prompt payments in response to CONSULTANT's invoices.

4.4 Other Provisions Concerning Payments

- 4.4.1 If OWNER fails to make any payment due CONSULTANT for services and expenses within 30 days after receipt of CONSULTANT's statement, the amounts due CONSULTANT will be increased at the rate of one percent (1%) per month from date of OWNER's receipt of invoice.
- 4.4.2 If the Project is suspended or abandoned in whole or in part for more than 90 days, CONSULTANT shall be compensated for all services performed prior to receipt of written notice from the OWNER of such suspension or abandonment, together with Reimbursable Expenses then due.
- 4.4.3 If any items in any invoices submitted by CONSULTANT are disputed by OWNER for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER shall promptly notify CONSULTANT of the dispute and request clarification and/or remedial action. After any dispute has been settled, CONSULTANT shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

- 5.1.1 This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.
- 5.1.2 This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by OWNER for its convenience.
- 5.1.3 Upon any termination, CONSULTANT shall (1) promptly discontinue all Services affected (unless a termination notice from OWNER directs otherwise); and (2) deliver or otherwise make available to OWNER upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether such materials are completed or in process. All payments due CONSULTANT at termination shall be made by OWNER.

5.2 Ownership of Documents

The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the OWNER pays compensation to the CONSULTANT, except working notes and internal documents, shall become and remain the property of the OWNER, and upon payment of said compensation shall be surrendered to the OWNER upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the OWNER. The CONSULTANT may retain copies of said Work in their files, but such Work shall not be released to any other party or reused by the CONSULTANT without the express written consent of the OWNER. Reuse of any of these drawings, specifications or other work products of the CONSULTANT by the OWNER for other than the specific project covered in this Agreement without the written permission of the CONSULTANT shall be at the OWNER's risk; provided that the CONSULTANT shall not be liable for any claims or damages arising out of such unauthorized reuse by the OWNER or by other's actions through the OWNER.

5.3 Controlling Law

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

5.4 Successors and Assigns

5.4.1 The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by Paragraph 5.5.2, their assigns, to the terms, conditions, and covenants of this Agreement.

5.4.2 Neither OWNER nor CONSULTANT shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates, subCONSULTANTS, and consultants as CONSULTANT may deem appropriate to assist in the performance of Services.

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

5.5 Dispute Resolution

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

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

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

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

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

5.6 Equal Employment and Non-discrimination

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

5.7 Indemnification

Indemnification of OWNER by CONSULTANT: CONSULTANT agrees to indemnify and hold OWNER and each of its officers, employees, agents and representatives harmless from any claims, damage, liability or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability or costs are caused by CONSULTANT's negligent acts, errors or omissions or by the negligent acts, errors or omissions of CONSULTANT's subconsultants, agents, or anyone acting on behalf of or at the direction of CONSULTANT.

CONSULTANT's obligation to hold harmless and indemnify OWNER shall include reimbursement to OWNER of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by OWNER's personnel shall be charged to CONSULTANT at the then-current rate charged for such services by the private sector.

Indemnification of CONSULTANT by OWNER: OWNER agrees to indemnify and hold CONSULTANT and each of its officers, employees, agents and representatives harmless from any claims, damage, liability or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability or costs are caused by OWNER's acts, errors, or omissions or by the negligent acts, errors, or omissions of the OWNER's subconsultants, agents or anyone acting on behalf of, or at the direction of, the OWNER.

OWNER's obligation to hold harmless and indemnify CONSULTANT shall include reimbursement to CONSULTANT of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by CONSULTANT's personnel shall be charged to OWNER at the then-current rate charged for such services by the private sector.

Notwithstanding anything contained herein to the contrary, Nevada's comparative negligence doctrine shall apply to both OWNER and CONSULTANT. In addition, nothing herein shall prevent OWNER or CONSULTANT from relying upon any Nevada statute or case law that protects OWNER or CONSULTANT with respect to liability or damages. This Provision shall survive the termination, cancellation or expiration of the Agreement.

5.8 Changes and Modifications

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

5.9 Severability

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

5.10 Waiver

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

5.11 Extent of Agreement

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

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

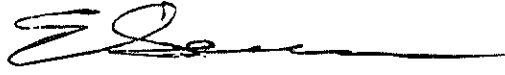
OWNER:
INCLINE VILLAGE G. I. D.

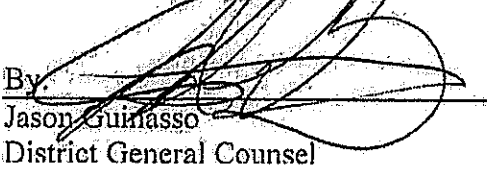
CONSULTANT:

The undersigned has read, reviewed and approves this document

Agreed to:

By: 
Steven J. Pinkerton
District General Manager

By: 
Sign AND Print or Type Name
ERIC SEVERANCE

By: 
Jason Guinasso
District General Counsel

Attest: _____
Sign AND Print or Type Name

Address for Giving Notice:

INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1206 Phone
775-832-1122 Fax

Address for Giving Notice:

689 BRIDGER CT.
INCLINE VILLAGE, NV 89451



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

PURCHASE ORDER

P.O. NUMBER	DATE
18-0391	07/01/2018

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, LABELS, BILLS OF LADING AND CORRESPONDENCE.

Vendor Name, Address, and Number	Ship To Address And Phone Number	Please Send Invoices To
3786 Severance 689 Badger Court Incline Village, NV 89451	 775-832-1100	Incline Village GID 893 Southwood Blvd. Incline Village, NV 89451 775-832-1100 ap@ivgid.org

LINE NO.	QUANTITY	UOM	ITEM AND DESCRIPTION	UNIT COST	EXTENDED COST	GL Coding
1	1.00	Each	Study of Yield Management and Pricing for Diamond Peak	\$15,000.00	\$15,000.00	340-34-990-6030

	TOTAL	\$ 15,000.00
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Comments:

USER ID

The District is granted Tax Exempt Status by the State of Nevada, State ID 88-7600004-K, therefore any goods or services delivered to the District within the boundaries of the State of NV are exempt from NV sales and use tax.

All shipments should be freight prepaid F.O.B. destination. Unauthorized shipments will be returned at the seller's expense **Title and risk of loss on all items shipped shall pass to the buyer at the F. O. B. destination.**

Payments of all invoices is net 30 unless expressly written and acknowledged in writing by the District's Director of Finance or Controller. IVGID's Federal Tax ID Number is **88-0099974**.

I CERTIFY THAT THE ABOVE PURCHASE IS FOR AN EXPENDITURE AS DEFINED BY NRS 354.520 OR AN EXPENSE UNDER NRS 354.523 AND THAT THE PURCHASE ORDER HAS BEEN ENCUMBERED AS DEFINED BY NRS 354.516.


 Director of Finance, Accounting, Risk Management and Information Technology

EXHIBIT "F"

Eric Severance

689 Bridger Ct.
Incline Village, NV 89451
775-831-1045 / eric@soundpix.com

TO:
Mike Bandelin
Diamond Peak / IVGID
1210 Ski Way
Incline Village, NV 89451
Phone: 775-832-1125

OK to PAY
9/7/18
PO# 18-0391
VENDOR# 3786
Mike Bandelin

INVOICE

INVOICE # 083118
DATE: 9/4/2018

COMMENTS OR SPECIAL INSTRUCTIONS:

Periodic billing: For the Period July - August 2018

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
59 hrs.	Consulting time for Yield Management project (research, meetings, analysis, etc.).	\$150.00	\$8,850.00
SUBTOTAL			\$8,850.00
TOTAL DUE			\$8,850.00

Make all checks payable to Eric Severance

THANK YOU FOR YOUR BUSINESS!

EXHIBIT "G"

Study of Yield Management and Pricing (for use by Diamond Peak) – Phase 1

Background

History, need

Overview

Yield Management (YM) is a subset of Revenue Management (RM) and is about selling your product – to the right person, at the right time, at the right price... before it expires. The goal with yield management is to optimize the amount of revenue that can be generated and captured via a deep understanding of supply and demand, and knowing your customer. Dynamic Pricing (DM) is a subset of yield management and is the science/art of discovering optimal pricing - at varying demand periods.

A key contributor to successful yield management is vertical integration. Vertical integration is a **strategy** where a firm acquires business operations within the same production vertical. It can be forward or backward in nature (Company acquires a Supplier or Distributor). Think of Apple Computer – owns or controls everything from product design to chip and hardware manufacturing to distribution to retail to companion services.

Revenue management, and a healthy revenue management attitude and culture, is the overarching goal. Whereas cost management is important in every business, it ultimately cannot grow the business to reach its ultimate potential.

Specific to the resort industry, and our operations; it's ultimately about growing revenue. This is not only about enhancing performance on a yield basis, but creatively seeking out all opportunities for revenue enhancement. So in knowing our industry, and knowing our customer, we can seek to offer more goods and services that best meets their ever growing and changing needs.

Over the last few months we've taken a deep dive into understanding the current status of our revenue and yield management abilities, as well as our marketing and operational capabilities and effectiveness - and are exploring and planning how to improve upon them going forward.

We want to understand our customer, their needs and wants, and behaviors. Only by tracking them well can we best match our offerings and optimize yields. For example, where demand is high, we need to know price elasticity, but need to also explore if we can increase supply. In some areas supply is constrained, but in others we can creatively flex to offer more and increase revenue and yield.

★ Flat market, changing demographic – Industry trends, DP trends... so what do you do? Specialize, focus, optimize yield. *[insert highlights from industry research]*

[Observation: re: Current culture; the State (NV), and probably many areas within IVGID, are mainly focused on expenses/costs. This may flavor a lot of how conversations concerning strategy, budget, etc. go. But, we know how important revenue is to for-profit businesses, so we need to raise the importance

and awareness of revenue to all stakeholders. This touches on the need shift to revenue management (vs. just cost management).]

[Observation: in conjunction with my discounting strategy memo – we need to reframe things and talk about “premium products”. Supply and demand is the real issue, and when demand is high we can charge a premium. We’re not giving the place away on the days when we’re not charging peak prices. We’re transitioning from any arbitrary discounting to a data driven model.]

Findings:

What others are doing:

Most resorts (including those in our area) are employing some version of yield management. The degree of sophistication varies wildly – from simple historical spreadsheet tracking for budgeting, to sophisticated yield management tracking and almost daily dynamic pricing algorithms. That said, most trail the leaders in our industry, and certainly trail those in other leading industries (such as airlines). The key take away as you have to have a smart management team, and key people assigned to this, to wring out the best benefits - and to keep it up on an ongoing basis. Simply doing some analysis and putting some programs and pricing policies in place before the season, and then not paying attention to it during the season, is a recipe for failure. For many resorts this new mode of thought (revenue and yield management) is challenging old ways of doing business.

Leaders in yield management?

The best: airlines. The worst: hotels. The Giants do it well, the Bay Bridge does it well with tolls. Amusement parks good/innovators.

Resorts (examples): Vail is the king of this in the resort business. In Tahoe Sugar Bowl is a leader, Sierra good. In Utah Snowbird and Solitude are leaders. Giants Ridge in the Midwest. Lee Canyon, NV.

Third party sellers: Liftopia will do it, but at a price – downside; they charge a lot and you may end up competing with yourself. Vail does it themselves. The Altera types will follow the Vails. You must educate the public (buy on-line, early and save). There’s a trend away from day tickets to multi day, passes, etc..

[insert the other market research info.]

Recommendations:

- Develop a RM/YM operational plan, and begin implementation this season (18-19). Including how data is captured, tracked, etc. – and turned into actionable information. Develop the systems/methods for tiered pre-sales (buy early and save. price never gets cheaper closer to the use date, etc.). [Phase 2]
- Global product usage review (go through all the products we offer, analyze/understand the interplay and correlation, and simplify the product mix). Look for those things you can

eliminate/consolidate. The industry pays too much attention to the lead ticket price, peak rate. As important, or more so, to also look at all the other revenue areas and products. Can we improve net yield per SV by a couple bucks (make a big difference to the bottom line)?

- Go to three tier pricing for 18-19 (Peak, weekend, value (weekdays)).
- Drop prices from printed brochure (at least for tickets this year).
- Begin/continue Dynamic Pricing. Raise prices (intelligently) where demand is high. And, where possible, increase capacity where demand is high. Observe growth trends. Expand to all relevant products.
- Expand/add to programs experiencing high demand. i.e.
 - Last Tracks – (currently sells out) add another night to the prime weekends in the Spring.
 - Kids SS w lunch package – (currently sells out) expand (find lunch solutions)
 - Most popular lessons
 - Others... ~~✗~~
- E-Store – Huge issue/problem currently (at least half of customers now buy on-line). Amazon has set the bar high on customer on-line expectations – i.e. one-click. Build our own (ideal, long term solution) or white label (temporary), user friendly / one stop shop e-store. Focus on ease of use and availability of all products possible. Research/enable reservations also (lessons, rentals, etc.). Investigate offering insurance for tickets and packages purchased early (like events do i.e. Ticketmaster). Our e-store sales to date have been very low (probably due to how poor the transaction process is/was).
- Scanning: Improve scanning (both in a data knowledge sense and in a control sense). Create customer and employee incentives. Scanning; reward the behavior you want - in both the customer, and the employees, creatively. Customer: earn points for every scan that translates into rewards, events, and recognition. Employees: define scan goals, create rewards. Eventually automate (e-gates). [See scanning info. memo from Agenda of 10/3/18 mtg.]
- Tracking competitor pricing. Capture, at least weekly, ticket prices of our main competitors. Also note unique/creative programs and their pricing.
- Surveys – improve content (questions, etc.), conduct regularly. [outside help/]
- Purge, simplify, consolidate (move into other products) - old products (with low demand, outdated, etc.). It's easy to add, but we forget to prune. IN 40 22
- Ticketing Kiosk approach, like Southwest Airlines.
- Develop/identify our Season's Pass Strategy
- Develop a plan (task Marketing) to improve low period sales (weekdays; especially Mon – Wed)
- Implement a multi day flex pass. i.e. Three day, averages out to be an attractive discount, after the third day it locks that discounted daily rate from then on. Ultimately it would be direct to lift after the third day. Not applicable at Christmas holiday. The goals and benefits are: high customer satisfaction, convenience, repeat visitation and loyalty.

----- DRAFT -----

Next Steps:

Proceed with Phase 2 (Implementation, etc.)

YM study scope (Phase 1) right now is about Ski, should be expanded to include Food and Beverage also, ASAP (& other IVGID departments later: Golf, etc.).

xxx

APPENDIX:

Notes, outside reports, articles, etc.

Memos, etc. (Discount policy, Scanning, etc.)
r thoughts r

*** SEE Simple Note / Action items

*** SEE "Notes" doc

EXHIBIT "H"

ERIC SEVERANCE

689 Bridger Ct.
Incline Village, NV 89451
775-831-1045 775-219-9098 cell
eric@soundpix.com

November 21, 2018

Steve Pinkerton
IVGID

Dear Steve,

Per our recent discussions, I have drafted an outline of the Topic and Scope of Work envisioned for Phase 2 - for your review, etc.

Project Title: Revenue/Yield Management and Pricing – Phase 2

Description: Continue/expand the work regarding Revenue/Yield Management and Pricing (DP, F&B, etc.)

Scope of work:

- Continue the work regarding Revenue/Yield Management and Pricing for Diamond Peak:
 - o Implementation (guidance of)
 - Assist staff in the development of RM/YM systems, models, tools, etc. (for data capture, and tracking of product usage & user data – to help guide policy and pricing decisions)
 - Help create logic/plan for central repositories of (official) data sets, and how they're used
 - o Continue competitive research and analysis work
 - Assist in developing the tools for capturing what regional competitors are doing (pricing, programs, methods, etc.)
 - Conduct field trips (with DP management) to further RM/YM research
 - o Assist in improving (our) Surveys
 - o Help team(s) integrate findings/actionable information into the budget process
 - o Mentor Sales & Marketing (shifting more focus from volume to yield driven strategies, create better/more measurement metrics – to support our Marketing investments)
 - o Follow up on recommendations from Phase 1 (including those areas to research and analyze further)
 - o Provide new recommendations (from Phase 2 work)
 - o Provide Advice, Guidance and Counseling.
- Research Revenue/Yield Management and Pricing for F&B and Events/Facilities departments
 - o Make recommendations (with as many as possible for this season)
 - Strategy, policies, and enhanced revenue opportunities
 - o Study Events scheduling & “right-sizing” (when is optimal/justifiable to be open, and when not)
 - o Provide Advice, Guidance and Counseling.

- Research Revenue/Yield Management and Pricing opportunities for other IVGID Departments (as time allows).

Fee: \$150/hour, not to exceed \$20,000

I look forward to your feedback.

Sincerely,

Eric Severance

EXHIBIT "I"

SHORT FORM AGREEMENT
Between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
ERIC SEVERANCE
for
PROFESSIONAL SERVICES

This Agreement is made as of December 25, 2018 between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "OWNER," and **Eric Severance**, hereinafter referred to as "CONSULTANT." OWNER intends to complete the Project(s) as described in *Attachment A* and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The CONSULTANT shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2:

Services as described in Attachment "A," basically consisting of Study of Yield Management and Pricing (for use by the District and Diamond Peak).

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

2.0 OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of CONSULTANT:

- 2.1 Designate in writing a person to act as OWNER's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define OWNER's policies and decisions with respect to CONSULTANT's services for the PROJECT.
- 2.2 Assist CONSULTANT by placing at CONSULTANT's disposal existing data, plans, reports and other information known to, in possession of, or under control of OWNER which are relevant to the execution of CONSULTANT's duties on the PROJECT. Also, provide all criteria and full information as to OWNER's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.
- 2.3 Provide existing economic analysis, product usage data, existing Sales Model and deliverables where advised by CONSULTANT and approved by OWNER.

3.0 PERIODS OF SERVICE

3.1 General. The provisions of Section 3 and the various rates of compensation for CONSULTANT's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. CONSULTANT's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of CONSULTANT's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of CONSULTANT, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment.

3.2 It is agreed that time is of the essence and the Project shall be completed within a timely manner.

4.0 PAYMENT TO CONSULTANT

4.1 Methods of Payment for Services and Expenses of CONSULTANT

4.1.1 Compensation Terms Defined

4.1.1.1 "Per Diem" shall mean an hourly rate(s) as indicated in Attachment "A" to be paid to CONSULTANT as total compensation for each hour(s) of each employee of CONSULTANT work(s) on the Project, plus Reimbursable Expenses.

4.1.1.2 "Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in connection with the Project, including, but not limited to subconsultants or SubCONSULTANT costs, transportation and subsistence incidental thereto, obtaining bids or proposals from CONSULTANT(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production. Reimbursable Expenses will include a ten percent (10%) markup over CONSULTANT's cost.

4.1.2 Basis and Amount of Compensation for Basic Services. Compensation shall be as indicated in Attachment "A", with a Not to Exceed amount of **Twenty Thousand Dollars (\$20,00.00)**.

4.2 Basis and Amount of Compensation for Additional Services

Compensation for Additional Services shall be on the basis of Per Diem or Lump Sum, to be agreed upon at the time of request for Additional Services. The estimated amount of Additional Services will be determined at the time the Additional Services are requested.

4.3 Intervals of Payments

Payments to CONSULTANT for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by OWNER. CONSULTANT's invoices will be submitted once every month and will be based upon total services completed at the time of billing. OWNER shall make prompt payments in response to CONSULTANT's invoices.

4.4 Other Provisions Concerning Payments

- 4.4.1** If OWNER fails to make any payment due CONSULTANT for services and expenses within 30 days after receipt of CONSULTANT's statement, the amounts due CONSULTANT will be increased at the rate of one percent (1%) per month from date of OWNER's receipt of invoice.
- 4.4.2** If the Project is suspended or abandoned in whole or in part for more than 90 days, CONSULTANT shall be compensated for all services performed prior to receipt of written notice from the OWNER of such suspension or abandonment, together with Reimbursable Expenses then due.
- 4.4.3** If any items in any invoices submitted by CONSULTANT are disputed by OWNER for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER shall promptly notify CONSULTANT of the dispute and request clarification and/or remedial action. After any dispute has been settled, CONSULTANT shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

- 5.1.1** This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.
- 5.1.2** This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by OWNER for its convenience.
- 5.1.3** Upon any termination, CONSULTANT shall (1) promptly discontinue all Services affected (unless a termination notice from OWNER directs otherwise); and (2) deliver or otherwise make available to OWNER upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether such materials are completed or in process. All payments due CONSULTANT at termination shall be made by OWNER.

5.2 Ownership of Documents

The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the OWNER pays compensation to the CONSULTANT, except working notes and internal documents, shall become and remain the property of the OWNER, and upon payment of said compensation shall be surrendered to the OWNER upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the OWNER. The CONSULTANT may retain copies of said Work in their files, but such Work shall not be released to any other party or reused by the CONSULTANT without the express written consent of the OWNER. Reuse of any of these drawings, specifications or other work products of the CONSULTANT by the OWNER for other than the specific project covered in this Agreement without the written permission of the CONSULTANT shall be at the OWNER's risk; provided that the CONSULTANT shall not be liable for any claims or damages arising out of such unauthorized reuse by the OWNER or by other's actions through the OWNER.

5.3 Controlling Law

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

5.4 Successors and Assigns

5.4.1 The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by Paragraph 5.5.2, their assigns, to the terms, conditions, and covenants of this Agreement.

5.4.2 Neither OWNER nor CONSULTANT shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates, subCONSULTANTS, and consultants as CONSULTANT may deem appropriate to assist in the performance of Services.

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

5.5 Dispute Resolution

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

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

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

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

5.7 Indemnification

Indemnification of OWNER by CONSULTANT: CONSULTANT agrees to indemnify and hold OWNER and each of its officers, employees, agents and representatives harmless from any claims, damage, liability or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability or costs are caused by CONSULTANT's negligent acts, errors or omissions or by the negligent acts, errors or omissions of CONSULTANT's subconsultants, agents, or anyone acting on behalf of or at the direction of CONSULTANT.

CONSULTANT's obligation to hold harmless and indemnify OWNER shall include reimbursement to OWNER of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by OWNER's personnel shall be charged to CONSULTANT at the then-current rate charged for such services by the private sector.

Indemnification of CONSULTANT by OWNER: OWNER agrees to indemnify and hold CONSULTANT and each of its officers, employees, agents and representatives harmless from any claims, damage, liability or costs (including reasonable attorneys' fees and costs of defense) stemming from this project to the extent such claims, damage, liability or costs are caused by OWNER's acts, errors, or omissions or by the negligent acts, errors, or omissions of the OWNER's subconsultants, agents or anyone acting on behalf of, or at the direction of, the OWNER.

OWNER's obligation to hold harmless and indemnify CONSULTANT shall include reimbursement to CONSULTANT of the loss of personnel productivity, incurred as a result of that defense. Reimbursement for the time spent by CONSULTANT's personnel shall be charged to OWNER at the then-current rate charged for such services by the private sector.

Notwithstanding anything contained herein to the contrary, Nevada's comparative negligence doctrine shall apply to both OWNER and CONSULTANT. In addition, nothing herein shall prevent OWNER or CONSULTANT from relying upon any Nevada statute or case law that protects OWNER or CONSULTANT with respect to liability or damages. This Provision shall survive the termination, cancellation or expiration of the Agreement.

5.8 Changes and Modifications

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

5.9 Severability

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

5.10 Waiver

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

5.11 Extent of Agreement

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

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

OWNER:
INCLINE VILLAGE G. I. D.

CONSULTANT:

The undersigned has read, reviewed and approves this document

Agreed to:

By: _____
Steven J. Pinkerton
District General Manager

By: ERIC SEVERANCE

Sign AND Print or Type Name

By: _____
Jason Guinasso
District General Counsel

Attest: _____
Sign AND Print or Type Name

Address for Giving Notice:

Address for Giving Notice:

INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1206 Phone
775-832-1122 Fax

Washoe County
Business License No. _____
Federal Tax ID No. _____



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

PURCHASE ORDER

P.O. NUMBER	DATE
19-0178	01/07/2019

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, LABELS, BILLS OF LADING AND CORRESPONDENCE.

Vendor Name, Address, and Number	Ship To Address And Phone Number	Please Send Invoices To
3786 Severance 689 Badger Court Incline Village, NV 89451	 775-832-1100	Incline Village GID 893 Southwood Blvd. Incline Village, NV 89451 775-832-1100 ap@ivgid.org

LINE NO.	QUANTITY	UOM	ITEM AND DESCRIPTION	UNIT COST	EXTENDED COST	GL Coding
1	1.00	Each	Study of Yield Management and Pricing Diamond Peak	\$20,000.00	\$20,000.00	340-34-990-6030

					TOTAL	\$ 20,000.00
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Comments:
USER ID

The District is granted Tax Exempt Status by the State of Nevada, State ID 88-7600004-K, therefore any goods or services delivered to the District within the boundaries of the State of NV are exempt from NV sales and use tax.

All shipments should be freight prepaid F.O.B. destination. Unauthorized shipments will be returned at the seller's expense **Title and risk of loss on all items shipped shall pass to the buyer at the F. O. B. destination.**

Payments of all invoices is net 30 unless expressly written and acknowledged in writing by the District's Director of Finance or Controller. IVGID's Federal Tax ID Number is **88-0099974**.

I CERTIFY THAT THE ABOVE PURCHASE IS FOR AN EXPENDITURE AS DEFINED BY NRS 354.520 OR AN EXPENSE UNDER NRS 354.523 AND THAT THE PURCHASE ORDER HAS BEEN ENCUMBERED AS DEFINED BY NRS 354.516.


Director of Finance, Accounting, Risk Management and Information
Technology

EXHIBIT "J"

Eric Soverance

INVOICE

639 Bridge Ct.
Incline Village, NV 89451
775-831-1045 / eric@soundpk.com

INVOICE # 031519
DATE: 8/15/19

TO:
Mike Bardsell
Diamond Peak / IYCO
1210 Skyway
Incline Village, NV 89451
Phone: 775-832-1125



COMMENTS OR SPECIAL INSTRUCTIONS:

Periodic Billing For the Period November 26, 2018 - March 15, 2019

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
79.5 hrs.	Consulting time for Yield Management project (coordination, meetings, analysis, etc)	\$150.00	\$11,925.00
		SUBTOTAL	\$11,925.00
		TOTAL DUE	\$11,925.00

Make all checks payable to Eric Soverance

THANK YOU FOR YOUR BUSINESS!

EXHIBIT "K"

Discounting (re: our discount pricing strategy)

Overview

Selective discounting is part of our Pricing Strategy (which is part of our Revenue Management/Yield Management strategy).

[Remember the goal] Sell the right product, to the right customer, at the right time, for the right price – before it expires.

A pricing strategy directly impacts the amount of profit ones makes. Our pricing strategy is designed to meet our sales objectives, enhance our brand perception, improve loyalty, and provides the best profit point (yield) for market demand.

Pricing Strategies

Generally, a pricing strategy is developed after performing a marketing analysis. Product distribution, positioning and promotional decisions are made and demand is estimated. A pricing strategy is formulated taking into consideration factors of cost, competition and profit objectives. Our pricing strategies include a full price strategy, off peak pricing, competitive pricing, discount pricing - and a mix of these.

Discount Pricing Strategy

- A product discount is a decrease in price for a good or service, for a specific purpose. We develop discount pricing strategies for reasons such as:
- Drive traffic and sales - to balance and smooth out Supply and Demand (i.e. incent traffic at lower demand periods). Seasonal discounts offer lower prices for off-peak periods, allowing one to increase overall sales - *Come on a weekday*
- Incent customers to commit (early)- *Book early and save*
- Volume – Group sales
- For marketing (exposure/awareness) – i.e. with partners who are willing to sell our product (often where it may not otherwise be known of), such as retail outlets (i.e. ski shops, that have the desired retail traffic demographic).
- Promotional discounts - are short-term and used to drive sales for specific objectives (events, brand awareness).

Cautions with Discount Pricing

Consider product positioning before choosing a discount pricing strategy. Consumers can associate low price with low quality, even more true when the brand name is not familiar. Implementing a discount pricing strategy increases the chance that your product will be perceived as lower in quality. While you may gain customers, that make decisions on price alone, other customers may choose competitor products because of perceived quality. Low prices may drive sales for a limited time, but do not build customer loyalty. When a lower priced alternative comes along, you may lose your market share. Competitors can simply match your prices, or beat them. When prices have been driven down to absolute low prices, it is difficult to raise prices again, especially if your product is perceived as being lower in quality.

Proceed with discount pricing strategies cautiously. Occasional discounts and discounts that reward loyal customers are effective. Discounts used too often begin a downward pricing spiral that may eventually damage your ability to sell the product at full price. For example, if a retailer has periodic large discounts then it may condition your market to wait for these sales, lowering profit margins.

Reframes:

- Think of Peak pricing as a choice (i.e. when, where), an upgrade. I want to sit in the front, center section (i.e. a performance)... I want to ski on a Holiday weekend... I want to go direct to the lift, anytime (convenience). Customer will pay more if the product is properly tailored to their needs.

- Why do people say “you’re giving the place away”?
 - Change the conversation.
 - Is the power company “giving the place away” at night?
 - Of course not – they’re able to charge more at peak periods (to compensate for higher costs and extreme demand), discourage unnecessary peak use, and in turn, incent use in off peak periods)

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – NOW THAT EVIDENCE OF STAFF FRAUD HAS BEEN UNCOVERED, IT’S TIME TO ORDER A FORENSIC AUDIT OF THE DISTRICT’S FINANCES

Introduction: For years I and others have been calling for a forensic audit given the non-transparency of IVGID’s financial reporting and staffs’ repeated concealment of public records. Chairperson Wong’s response is one never conducts a forensic audit absent evidence of fraud or wrongdoing. Well now I’ve uncovered evidence of staff fraud and wrongdoing. And in order to get to the extent of this wrongdoing, a forensic audit is necessary. And that’s the purpose of this written statement.

Expenditures and Obligations of a Governing Body Can *Only* be Authorized/Incurred by its Governing Board: NRS 354.482 instructs that “a governing body(’s)...expenditures¹ and...obligations² for specified purposes” are called “appropriations,” and they *must* be “authoriz(ed) by (its) governing body.”

A Governing Board’s Authorization to Expend Public Funds For Specified Purposes Takes Place When it Approves, Amends or Augments³ a Budget: NRS 354.598(2) instructs that no later than June 1 of each year, “governing bod(ies) shall...adopt a final budget by the favorable votes of a majority of all members of the governing body(’s)” board. According to NRS 354.492, a budget “embod(ies) an estimate of proposed expenditures and expenses for a given period and the proposed means of financing them.” NRS 354.598(4) instructs that “upon the adoption of the final budget or the amendment of the budget...the several amounts stated in it as proposed expenditures are (formally) appropriated for the purposes indicated in the budget.”

It is Unlawful For Any Governing Body Member or Employee to Expend Public Funds For Specified Purposes Which Have Not Been Expressly Authorized by its Governing Board: NRS 354.626(1) instructs that “other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law...no governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts (expressly) appropriated for that function...Any officer or employee of a local government who willfully violates (the foregoing)...is guilty of a misdemeanor.”

¹ NRS 354.520(1)(a) defines an expenditure as a “cost of goods delivered or services rendered, whether paid or unpaid.”

² NRS 354.548 defines an obligation as a “liabilit(y)...arising out of (a) transaction...which must be liquidated or refunded at some future date.”

³ NRS 354.598005(1) instructs that “if anticipated resources actually available during a budget period exceed those estimated, a local government may augment (its) budget.”

Where Can Members of the Public See the IVGID Board’s Final Budgets? Staff have linked to the last nine (9) years of final budgets (2011-20) at <https://www.yourtahoeplace.com/ivgid/financial-transparency/budget>. For purposes of this discussion, the Board’s 2018-19 budget appears at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf (“the 2018-19 budget”), and its 2019-20 budget appears at https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf (“the 2019-20 budget”).

How Can Members of the Public Learn if an Expenditure For a Specified Purpose Has Been Appropriated in the Budget? They can’t by examining the budgets shared on IVGID’s web site because those budgets don’t go into this level of detail. Staff will tell you that you can by searching its OpenGov Data Tool⁴. But this is not true. By definition, the district’s “OpenGov Data Tool is designed to help you understand how Incline Village General Improvement District *spends and receives money.*” *Nowhere* is it designed to share with the public if a particular revenue source or expenditure has been appropriated.

That leaves one means; making a public records request under Nevada’s Public Records Act⁵ (“NPRRA”). After all, NRS 239.010 instructs that “except as otherwise (expressly) provided...all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records.” The district’s budgets are public books and records inasmuch as NAC 239.101 defines the “record of a local governmental entity (to)...mean...information that is created or received pursuant to a law or ordinance, or in connection with the transaction of the official business of any office or department of a local governmental entity, including, without limitation, all documents, papers, letters, bound ledger volumes, maps, charts, blueprints, drawings, photographs, films, newspapers received pursuant to NRS 247.070, recorded media, financial statements, statistical tabulations and other documentary materials or information, regardless of physical form or characteristic.”

Understanding IVGID’s Chart of Accounts (“COA”): In order to understand if a particular expenditure has been appropriated in the budget, one must understand staff’s “Legend of Our Account Structure”⁶ or COA. I previously discussed staff’s COA in a written statement submitted at the

⁴ Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency/opengov-data-tool>.

⁵ See NRS 239.001, et seq.

⁶ Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency/legend-of-our-account-structure>.

Board's February 21, 2018 meeting⁷. However for the public's and the Board's benefit, I replicate a portion of that discussion.

A COA is a financial organizational tool that provides a complete listing of every account (an account is a unique record for each type of asset, liability, equity, revenue and expense) in an accounting system. It can be expanded and tailored to reflect the operations of a company or as here, a public agency that engages in business operations. IVGID uses a COA to report the revenues and expenses it assigns to each of its funds. Each accounting entry is identified by four elements: fund, department, division and exact object. It appears as a unique number separated by dots or dashes which identify the above-four elements. Thus we now know how to drill down and discover all revenues and expenses, to what fund, department and exact object they have been assigned and presumably budgeted.

Since I am going to discuss specific expenditures which have been assigned unique COAs, it will be helpful to compare those COAs to IVGID's Legend of Our Account Structure. For this reason I have printed it out and attached it as Exhibit "A" to this written statement.

We're Now Prepared to Examine a Series of Expenditures For Specified Purposes in Order to Determine if Each Was Appropriated by the Board in the Budget, or Otherwise, or Whether it Was Improperly Assigned to a Budgeted Appropriation.

Example No. 1 – **Wavelengths Consulting's 2016 Study to Understand the Demographic Make Up of Incline Village/Crystal Bay, and How Local Properties Therein Are Used**⁸: Wavelengths which did business as Finn Consulting, markets itself as "a global advisory firm specializing in leadership communication...Using (its alleged)... transformative communication strategies(, Wavelength)... equip(s) leaders...and organizations...to affect positive change in the environments they are at work."⁹ On/about October 1, 2016 former GM Pinkerton entered into a written professional services contract with Wavelengths to design and send out a survey "to meet IVGID's objectives"¹⁰ to all local parcel owners and residents of Incline Village/Crystal Bay. The survey was intended to profile respondents,

⁷ See pages 212-241 of that packet of materials prepared by staff in anticipation of the Board's March 28, 2018 meeting ["the 3/28/2018 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-28-18.pdf)].

⁸ Given the IVGID Board represents that the Recreation Facility Fee ("RFF") is a standby service charge for the mere availability to use the public's recreational facilities [see pages 247-262 of the packet of materials prepared by staff in anticipation of the Board's May 22, 2019 meeting {"the 5/22/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf)}], and the payment for this expenditure comes in whole or in part from the RFF, what exactly does this endeavor have to do with its represented specified purpose?

⁹ Go to <https://www.wavelength.agency/>.

¹⁰ Exactly what objectives? Those skewed to staff's intended responses.

and ask they rate IVGID, the public's recreational facilities, and IVGID's communications. Wavelength then analyzed and reported its findings to the IVGID Board. IVGID staff did not advertise the contract for competitive bidding, relying upon the "professional services" exemption of NRS 332.115(1)(b) instead. In other words, staff engaged Wavelength so it could use the results of a skewed survey as a propaganda tool to advance staff's agenda of getting bigger-and-bigger. The cost of this endeavor, exclusive of bulk mailing costs which were handled by IVGID separately, was \$12,850 which included a \$1,050 fee to translate the survey into Spanish.

Although IVGID's Public Records Officer ("PRO"), Susan Herron, represented that this expenditure was included in the 2016-17 budget¹¹, she was *never* able (or willing) to provide records for my examination which confirmed that it was in fact appropriated by the IVGID Board. Since the COA assigned to this expenditure¹² was for "professional consultants" ("6030") under "Community Relations" ("14" and "170") of the General Fund¹² ("100"), I was able to examine that portion of the 2016-17 budget to look for this entry¹³. Since the expense could not be for "salaries and wages" or "employee benefits," assuming it were budgeted, it would have to be listed under "services and supplies." Although I asked Ms. Herron to make available for my examination all budgeted entries for "professional consultants" under "services and supplies," *none* was produced. Moreover, what does a survey like this have to do with "Community Relations?" For these reasons I must assume that this expenditure was *never* appropriated by the IVGID Board. And never having been appropriated, this expenditure was assigned to a non-existent "object" code.

Example No. 2 – Finn Consulting's 2018 Study to Update the Demographic Make Up of Incline Village/Crystal Bay, and How Local Properties Therein Are Used⁸: On/about December 5, 2018 former GM Pinkerton entered into a second written professional services contract with Wavelengths' former principal, Steven Bohnet. This contract was again to design and send out a survey which closely matched the "wants and needs" of local parcel owners and residents of Incline Village/Crystal Bay as was surveyed in 2016. Thus this survey was again intended to profile respondents, and ask they rate IVGID, the public's recreational facilities, and IVGID's communications. Mr. Bohnet then analyzed and reported his findings to the IVGID Board. Again IVGID staff did not advertise the contract for competitive bidding, relying upon the "professional services" exemption of NRS 332.115(1)(b) instead. And again, staff engaged Mr. Bohnet so it could use the results of a skewed survey as a propaganda tool to advance staff's agenda of getting bigger-and-bigger and taking on more-and-more. The cost of this endeavor, exclusive of bulk mailing costs which were handled by IVGID separately, was \$14,800.

¹¹ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016-2017_Operating_Budget_2.pdf ("the 2016-17 budget").

¹² The complete COA was 100-14-170-8030.

¹³ Schedule B-10 at page 19 of the 2016-17 budget is attached as Exhibit "B" to this written statement.

Although PRO Susan Herron again represented that this expenditure was included in the 2018-19 budget¹⁴, she was *never* able (or willing) to provide records for my examination which confirmed that it was in fact appropriated by the IVGID Board. Since the COA assigned to this expenditure¹¹ was again for “professional consultants” (“8030”) under “Community Relations” (“14” and “170”) of the General Fund¹⁵ (“100”), I was able to examine that portion of the 2018-19 budget to look for this entry¹⁶. This time there was no budgeted entry for “Community Relations.” Although I asked Ms. Herron to make available for my examination all budgeted entries for “professional consultants” under “Community Relations,” *none* was produced. For these reasons I must assume that this expenditure was *never* appropriated by the IVGID Board. And never having been appropriated, this expenditure was assigned to a non-existent “object” code.

Example No. 3 – Eric Severance’s Yield Management Study No. 1⁸: Eric Severance is a resident of Incline Village. He is a former venue manager for Diamond Peak, one of IVGID staff’s cheerleaders, and he was one of the final candidates for IVGID GM when Mr. Pinkerton was hired. At the time Mr. Severance admitted he was not a college graduate, held no college degree, but had supposedly been manager of a privately held billion dollar hedge fund. On June 25, 2018 former GM Pinkerton entered into a written professional services contract with Mr. Severance whereby the latter proposed “review(ing) and study(ing) the arena of Yield Management and Pricing and provid(ing) recommendations for strategy and implementation” at Diamond Peak. Prior to entering into this agreement IVGID staff did not determine whether Mr. Severance was a “qualified service company” [“a person with a record of established projects or a person with demonstrated technical, operational, financial and managerial capabilities to...carry out operating cost-savings measures” (see NRS 333A.060)]. Nor did they advertise the contract for competitive bidding, relying upon the “professional services” exemption of NRS 332.115(1)(b). In other words, we engaged Mr. Severance so we could finance his education [“study(ing) the arena of Yield Management and Pricing”]. The cost of this endeavor was \$150 per hour not to exceed \$15,000. And the ultimate cost was \$15,000.00 to the penny!

This expenditure was *never* appropriated by the IVGID Board. Instead, according to PRO Susan Herron, it was incurred by Diamond Peak venue manager Mike Bandelin¹⁷ and former GM Pinkerton based upon the GM’s alleged authority to make any expenditure of his choosing, whether or not appropriated, as long as it totals less than his \$50,000 spending authority. Moreover, this expenditure was assigned a “professional consultants” expenditure (“6030”) under some unidentified division (“990”) under Diamond Peak (“34”) of the Ski Fund¹⁸ (“340”). In other words, not only was this

¹⁴ Go to https://www.yourtahoepiece.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf (“the 2018-19 budget”).

¹⁵ The complete COA was 100-14-170-8030.

¹⁶ Schedule B-10 at page 19 of the 2018-19 budget is attached as Exhibit “C” to this written statement.

¹⁷ Mr. Severance’s September 4, 2018 and November 21, 2018 invoices were both expressly approved to be paid by Mr. Bandelin.

¹⁸ The complete COA was 340-34-990-6030.

expenditure never appropriated, it was assigned to some non-existent “object” which arguably may or may not have ever been appropriated.

Example No. 4 – **Eric Severance’s Yield Management Study No. 2⁸**: On December 25, 2018 former GM Pinkerton entered into another written professional services contract with Mr. Severance whereby the latter proposed to “continue/expand the work regarding Yield Management and Pricing For Diamond Peak¹⁹.” Again, we engaged Mr. Severance so we could further finance his education [“study(ing) the arena of Yield Management and Pricing”]. The cost of this endeavor was \$150 per hour not to exceed another \$20,000. And the ultimate cost was another \$10,575.00!

Like the first Eric Severance Yield Management study contract, this expenditure was *never* appropriated by the IVGID Board. Instead, according to Public Records Officer (“PRO”) Susan Herron, it was incurred by Diamond Peak venue manager Mike Bandelin²⁰ and former GM Pinkerton based upon the GM’s alleged authority to make any expenditure of his choosing, whether or not appropriated, as long as it totals less than his \$50,000 spending authority. Again this expenditure was assigned a “professional consultants” expenditure (“6030”) under some unidentified division (“990”) under Diamond Peak (“34”) of the Ski Fund¹⁸ (“340”). In other words, not only was this expenditure never appropriated, it was assigned to some non-existent “object” which arguably may or may not have ever been appropriated.

¹⁹ Insofar as pricing is concerned, understand that IVGID maintains an in-house Marketing Department at a cost to local parcel/dwelling unit owners of some \$931,000 Annually! Notwithstanding the fact no General Improvement District (“GID”) has the basic power to operate “for profit” commercial public business enterprises with all that entails [see NRS 318.055(4)(b) and 318.116], according to IVGID’s marketing manager, Paul Raymore, the justification for spending nearly \$1 million annually on the marketing of our venues to the world’s tourists is to drive them to our versus someone else’s recreational venues. In this vane IVGID employs a marketing department which consists of: 3.2 full time equivalent employees (“FTEs”), a Marketing Manager, Sales Manager, Marketing Coordinator, and part-time support personnel. In addition, this department spends nearly \$435,000 annually on print, digital, television, radio spot, social media, and billboard advertising as well as related paid search campaigns negotiated through another local favored collaborator; EXL Media. According to staff’s 2019-20 Budget, marketing costs, all told, are estimated to cost *a mind blowing* \$931,322! And since staff freely admit “the General Fund(s) *sole function is to provide administrative support to the District’s proprietary funds*,” none of this \$931,322 includes “central services” costs such as those for IT, HR, accounting, communications, etc. Nor does any of it pay for the services of venue managers (such as Mike Bandelin for Diamond Peak). Nor does any of it pay for costs associated with of our GM, nor his Ass’t GM. Nor does it pay for buried marketing costs such as those associated with Mr. Severance. If you want the REAL marketing costs local parcel/dwelling unit owners are paying, they’re probably well over \$1.5 million or more annually! Which thus raises the question, why should we be paying for services such as those contracted for with Mr. Severance?

²⁰ Mr. Severance’s March 15, 2019 invoice was expressly approved to be paid by Mr. Bandelin.

Example No. 5 – Tri-Strategies Public Relations⁸: Tri-Strategies is a self-styled “government relations and public affairs firm (that) specializ(es) in strategic communications, coalition management, public engagement, and government advocacy. (It) employ(s) a campaign-style approach to execute...winning strategy(ies) for (clients’) legislative, regulatory and communications needs. (It) help(s)...clients develop their strongest messages, *reframe conversations*, and ensure that th(eir) message(s are) delivered to those (who) need to hear” them²¹. This last year IVGID wasted over \$30,000 of our RFF engaging Tri-Strategies to influence State legislation.

On July 1, 2019 former GM Pinkerton entered into a written contract with Tri-Strategies whereby the latter agreed to “assist IVGID...*staff*...in matters of Communication and Community Engagement” to include “support(ing) IVGID’s needs for CRISIS Communications,” creation/distribution of press releases, and creation of a “public information plan.” In other words, IVGID staff PROPAGANDA! And what is the cost of these vital endeavors? A whopping \$4,000 per month plus “job related” expenses.

This expenditure was *never* appropriated by the IVGID Board. Instead, according to PRO Susan Herron, it was incurred by former GM Pinkerton based upon his alleged authority to make any expenditure of his choosing, whether or not appropriated, as long as it totals less than his \$50,000 spending authority. This expenditure was assigned a “professional consultants” expenditure (“6030”) under some unidentified division (“170”) under Community Relations (“14”) of the General Fund²² (“100”). In other words, not only was this expenditure never appropriated, it was assigned to some non-existent “object” which arguably may or may not have ever been appropriated.

Example No. 6 – Borders Golf Group’s (“BGG’s”) Executive Search for a Director of Golf⁸: “BGG is a (self-styled golf) ownership, management, consulting...restructuring firm...and...recruitment... firm” located in Lafayette, CA. On December 31, 2019 former GM Pinkerton entered into a written contract with BGG “to assist (IVGID’s) marketing team (and)...engage a Director of (golf) Operations to oversee the Clubs²³, Food and Beverage for the District.” In other words, an executive recruiter for golf. The cost of this endeavor was \$10,000 plus travel/other expenses. The ultimate cost was \$12,707.33.

This expenditure was *never* appropriated by the IVGID Board. Instead, according to PRO Susan Herron, it was incurred by HR Director Dee Carey and former GM Pinkerton²⁴ based upon the GM’s alleged authority to make any expenditure of his choosing, whether or not appropriated, as long as it

²¹ Go to <https://www.tri-strategies.com/>.

²² The complete COA was 100-14-170-6030.

²³ This admission demonstrates BGG’s lack of knowledge insofar as what IVGID really is. IVGID has no golf clubs. Rather the clubs which frequent the District’s golf courses are private, third party entities.

²⁴ The Accounts Payable Check Request was signed by both Dee Carey and Steve Pinkerton on March 19, 2019.

totals less than his \$50,000 spending authority. Moreover, rather than assigning this expenditure to the golf or catering sub-funds under the Community Services (recreation) Fund, it was assigned as a “travel and conference” expenditure (“7685”) under the GM division (“100”) under the executive department (“11”) of the General Fund²⁵ (“100”). In other words, since the expenditure was never appropriated, it was assigned to some other specific “object” which arguably was appropriated.

Example No. 7 – **Ascent360**⁸: On or about July 3, 2019 former GM Pinkerton entered into a written contract with Ascent360 for the latter to extract data from the District’s various sources of customer contact information. There is a question outstanding as to whether the \$30,650 contract price was actually included in the 2019-20 Budget. Whether or not it was, I asked IVGID’s PRO for the purchase order which identifies the COA(s) assigned to this contract. In response I was provided with a purchase order of even date²⁶. Although a number of expenditures have been assigned a COA which correspond to “computer license fees,” at least four do not. These four (COA 350-31-980-7010, 350-45-980-7010, 320-31-980-7010 and 320-32-980-7010) correspond to “paid advertising” assigned to golf and Recreation Center marketing. But data extraction has nothing to do with paid advertising for a select few of our recreation venues. In other words, some of these expenditures have been assigned to an incorrect COA. Now maybe this occurred because these expenditures were not budgeted. Or maybe they were budgeted however other budgeted expenditures have already been assigned to this COA and staff have exceeded what has been budgeted (which means staff needs to improperly assign these expenditures to a different COA which has not exceeded its budgeted amount). Or maybe there is some other explanation. But whatever the explanation, it appears expenditures have been assigned to an arguably budgeted COA even though they have nothing to do with that budgeted appropriation.

This is a “red flag” which needs to be investigated because it may be that a slew of unbudgeted or under budgeted expenditures have been assigned to COAs simply because appropriated expenditures to that COA have not as of yet been exhausted. And the only way someone will discover whether staff have been improperly assigning COAs to marginally appropriate expenditures, is by doing the analysis I have done to match up expenditures, to appropriations, to proper reporting in the district’s financials.

Example No. 8 – **Litigation Costs Against Local Resident Kevin Lyons’ Governance Science Group, Inc.’s [“GSGI’s” (aka FlashVote)] Surveys**: On May 12, 2017 IVGID initiated litigation against GSGI arising from the latter’s alleged “use of customer data obtained from IVGID through the parties’ previously terminated contractual relations.”²⁷ “Prior to...commencement of (the) litigation, the

²⁵ The complete COA was 100-11-100-7685.

²⁶ This purchase order is attached as Exhibit “D” to this written statement.

²⁷ See page 52 of the packet of materials prepared by staff in anticipation of the IVGID Board’s February 21, 2018 meeting [“the 2/21/2018 Board packet” (https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_2-21-18.pdf)].

District Manager approved a litigation budget that capped legal fees and costs at \$45,000.²⁸ Given this expenditure had *never* been appropriated by the IVGID Board, “legal fees and costs ha(d) reached approximately \$43,000” as of February 14, 2018, and “legal fees and costs w(would) likely exceed the General Manager’s [“GM’s” (alleged)] \$50,000 (spending) authority, (at the IVGID Board’s February 21, 2018 meeting)...the District General Manager (sought IVGID Board) authority to approve an additional \$25,000 in legal fees and costs.”²⁷ The sought for augmentation to GM Pinkerton’s alleged spending authority was never given by the Board. Instead, the GM was directed to attend a pending “settlement conference to seek a settlement...(without) exceed(ing) the \$50,000 that has (allegedly) been delegated to him.”²⁹ And at the Board’s March 28, 2018 meeting³⁰, it approved the proposed settlement which GSGI and GM Pinkerton had conditionally entered into³¹. Notwithstanding the settlement, the IVGID Board never retroactively approved the GM’s expenditure of \$50,000 or less of attorney’s fees and costs on the prosecution of this litigation.

On September 13, 2019 I made request upon PRO Susan Herron to examine records evidencing where these litigation costs had been appropriated by the IVGID Board, either in the budget or otherwise. Although on September 24, 2019 Ms Herron responded that “staff is working on (my) request and...anticipate(s) completion on or before October 18, 2019,” I predict those records will not be made available for my examination because simply stated, *they do not exist*.

Example No. 9 – Litigation Costs Defending Mark Smith’s Public Records (“NPR”) Concealment Lawsuit:

On July 30, 2018 resident Mark Smith initiated litigation against IVGID, Kendra Wong in her capacity as IVGID Board Chairperson, and Jason Guinasso individually, as counsel for IVGID, and as its *de facto* Public Records Officer seeking to compel the disclosure of public records³². “General Manager Pinkerton (unilaterally) approved the defense against the litigation (for Wong and Guinasso in addition to IVGID given)...the expenditure of public funds for contracted legal fees and costs...was (allegedly) less than \$50,000, which was within the authority (allegedly) delegated to the General Manager.”³¹

²⁸ See page 53 of the 2/21/2018 Board packet.

²⁹ See pages 132:17-133:3 and 140:18-141:12 of the packet of materials prepared by staff in anticipation of the Board’s March 28, 2018 meeting [“the 3/28/2018 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-28-18.pdf)].

³⁰ See pages 12-19 of the 3/28/2018 Board packet.

³¹ See pages 253-255 of the packet of materials prepared by staff in anticipation of the Board’s April 11, 2018 meeting [“the 4/11/2018 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-11-2018.pdf)].

³² See page 164 of the packet of materials prepared by staff in anticipation of the Board’s June 19, 2019 meeting [“the 6/19/2019 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-19-19.pdf)].

Given through June 12, 2019 the defense of this litigation had cost \$45,608.62, and “litigation counsel estimate(d) that \$15,000 w(ould) be needed to complete post-judgment litigation, counsel sought a \$15,000.00 appropriation from the IVGID Board to complete defense of that litigation³³. The sought for appropriation was never given by the Board. Instead, the IVGID Board approved the expenditure of an estimated \$10,000 to continue the defense of the litigation³⁴. Notwithstanding this \$10,000 appropriation, the IVGID Board never retroactively approved the GM’s expenditure of \$45,608.62 of attorney’s fees and costs on the defense of this litigation, let alone of Kendra Wong’s and Jason Guinasso’s behaves.

On September 13, 2019 I made request upon PRO Susan Herron to examine records evidencing where these litigation costs had been appropriated by the IVGID Board, either in the budget or otherwise. Although on September 24, 2019 Ms Herron responded that “staff is working on (my) request and...anticipate(s) completion on or before October 18, 2019,” I predict those records will not be made available for my examination because simply stated, *they do not exist*.

Why it is So Difficult to Learn of Improper Contracts and Expenditures Un-Elected Staff Have Occasioned Without Board Knowledge/Approval: IVGID staff don’t want the Board and the public to know the line item expenditures it budgets to spend. And they don’t want the Board and the public to know whether the expenditures it makes are actually budgeted. Because if the Board and the public knew what staff were really spending the public’s moneys on, staff knows they would not be pleased. To staff this is information no one needs to know other than themselves.

The instances of improper contracting and spending I bring to the Board’s and the public’s attention are only the few circumstances I have been able to uncover. The Board and the public will never learn of the many more I/others have not been able to uncover until there is a comprehensive forensic audit. We need to know the extent of wrongdoing before we can address what it is we need to do to put a stop to it.

Staff will respond as I have referenced herein that these expenditures and contracts were entered into without the Board’s express approval because of the spending authority the GM allegedly has because of Resolution 1480³⁵ and Policy 3.1.0³⁶. But Resolution 1480 addresses personnel management. And although Policy 3.1.06(f) authorizes the General Manager (“GM”) to “authorize...approve...and execute...contracts, other than those covered by Nevada Revised Statutes

³³ See pages 169-170 of the 6/19/2019 Board packet.

³⁴ See page 172 of the packet of materials prepared by staff in anticipation of the Board’s July 17, 2019 meeting [“the 7/17/2019 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-17-19.pdf)].

³⁵ See pages 13-17 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Policy_and_Procedure_Resolutions.pdf.

³⁶ See pages 8-13 at <https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>.

332.115 and which are not subject to the advertising thresholds of Nevada Revised Statutes 332 and/or 338," and Policy 3.1.06(g) authorizes the GM "to negotiate on behalf of IVGID, the settlement of all property damage, personal injury, or liability claims (and the)...final settlement of such claims...provided the amount attributed to IVGID is less than the amount that must be approved by the Board for amounts per occurrence, including all sources of payment (insurance, risk reserve, operating funds, or working capital)," these provisions do not mean that the GM has the power to enter into contracts which involve the expenditure of money which have never been appropriated by the IVGID Board because IVGID has no power to pass laws nor create legislation. Nor does it have the power to make lawful what the Legislature has declared to be unlawful [i.e., NRS 354.626(1)].

The deeper one digs, the dirtier it gets. *NEVER* will you reach a core of truth nor goodness. The entire system is built upon lies and deceit perpetrated by un-elected staff who are more concerned with creating over compensated and over benefitted "busy" work for themselves and their public employee colleagues, than addressing the interests of we local property/residential dwelling unit owners who involuntarily subsidize their salaries and benefits. Former GM Pinkerton calls it "Investing in Our Community." I call it stealing from local property owners to feed bloated staff. This is the IVGID "way;" the IVGID "culture;" the truth as to where your RFF and Beach Facility Fee ("BFF") really go; and, the reason why the RFF/BFF will *NEVER* be eliminated nor reduced.

Pandering to Poppy: How are IVGID staff able to get away with this? By *pandering to poppy*. You know, the "takers" in our community who eagerly turn their cheeks to these realities as long as the "gravy" they've become addicted to continues to flow. Those who covet a quasi-private golf country club (about 250 elitist core golfers) which is paid for by those in our community least able to afford it. Or the local businesses in our community who covet free access to the public's recreational facilities (such as Diamond Peak season passes) so they can use this access to promote "events" which generate additional business revenues they get to keep for themselves without having to pay for their promotion. Or the local businesses who rely upon our community's largest employer (i.e., IVGID) to steer lucrative contracts in their favor in violation of Nevada's public bidding purchase requirements by IVGID staff's disingenuous reliance upon exemptions (like soft drink syrup being a "perishable good," or inventory at our two golf pro shops and the Hyatt Sport Shop being "goods for sale at retail," or EXL Media's purchase of media advertising as our salesperson somehow turning into "professional services"). Or the nonprofits in our community who covet free or discounted access to the public's community centers (which are disingenuously labeled recreational facilities so IVGID can use the RFF to subsidize their massive losses) so these nonprofits can pull off fund raising events which benefit their particular "social causes of the moment." Or they can hold their meetings at The Chateau without having to pay published user rates. Or those in our community who aren't IVGID employees, however, long to become such employees, so they can work a couple of hours a week and treat their families to "recreation privileges (and beach access which) are available to District employees at *no cost*."

Naysayers will argue that these giveaways of public assets for endeavors like these are a good thing for our community. They will assert these are the kinds of giveaways that make a community what it is. I call it the subliminal corruption of a community.

Conclusion: Regardless of what you Board members call the expenditures I have pointed to, I have now provided evidence of improper if not outright unlawful staff action. And because I have, the IVGID Board now has reason to finally order a forensic audit so we have a complete picture of what staff have been doing for some time. Which is the purpose of this written statement.

So You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Waste/Wrongdoing Are as High as They Are? I've now provided more answers.

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

EXHIBIT "A"

LEGEND TO IVGID'S ACCOUNT STRUCTURE

As announced by the District General Manager Steve Pinkerton, at the September 26, 2017 Board meeting, this document is the "Legend to our Account Structure". This document is a useful tool to our Board of Trustees, Staff, and our public. This legend includes four elements – Fund, Department, Division, and Object. This legend will be especially helpful in understanding the coding on our Weekly Payment of Bills located on our website. Below is the account breakdown:

SAMPLE ENTRY

	FUND	DEPARTMENT	DIVISION	OBJECT
ACCOUNT	410	51	900	7840
	FLEET	FLEET	MAINT	TELEPHONE

We hope that you find this document helpful and if you have any constructive feedback, please send it to info@ivgid.org.

This document has been updated effective July 1, 2019.

FUND				
Code	Description	Fund Type	Fund Class	NOTES
100	General	Governmental	General	
200	Utilities	Proprietary	Enterprise	
320	Golf	Governmental	Special Revenue CS	
330	Facilities	Governmental	Special Revenue CS	
340	Ski	Governmental	Special Revenue CS	
350	Recreation Programs	Governmental	Special Revenue CS	
360	Community Services Administration	Governmental	Special Revenue CS	
370	Parks	Governmental	Special Revenue CS	
380	Tennis	Governmental	Special Revenue CS	
390	Beach	Governmental	Special Revenue B	
410	Fleet	Proprietary	Internal Service	
420	Engineering	Proprietary	Internal Service	
430	Building	Proprietary	Internal Service	
450	Workers Compensation	Proprietary	Internal Service	
520	Golf	Governmental	Capital Projects	Combined with 320 eff 7/1/19
530	Facilities	Governmental	Capital Projects	Combined with 330 eff 7/1/19
540	Ski	Governmental	Capital Projects	Combined with 340 eff 7/1/19
550	Recreation Programs	Governmental	Capital Projects	Combined with 350 eff 7/1/19
560	Other Recreation	Governmental	Capital Projects	Combined with 360 eff 7/1/19
570	Parks	Governmental	Capital Projects	Combined with 370 eff 7/1/19
580	Tennis	Governmental	Capital Projects	Combined with 380 eff 7/1/19
590	Beach	Governmental	Capital Projects	Combined with 390 eff 7/1/19
620	Golf	Governmental	Debt Service	Combined with 320 eff 7/1/19
630	Facilities	Governmental	Debt Service	Combined with 330 eff 7/1/19
640	Ski	Governmental	Debt Service	Combined with 340 eff 7/1/19
650	Recreation Programs	Governmental	Debt Service	Combined with 350 eff 7/1/19
660	Other Recreation	Governmental	Debt Service	Combined with 360 eff 7/1/19
670	Parks	Governmental	Debt Service	Combined with 370 eff 7/1/19
680	Tennis	Governmental	Debt Service	Combined with 380 eff 7/1/19
690	Beach	Governmental	Debt Service	Combined with 390 eff 7/1/19
925	Cash Pool	Governmental	Government Activities	
950	Payroll Clearing	Governmental	Government Activities	
975	Non-Depreciable Fixed Assets	Governmental	Government Activities	
980	Long Term Debt	Governmental	Government Activities	
990	Capital Assets	Governmental	Government Activities	

DEPARTMENT	
Code	Description
00	Unclassified
10	General Government
11	Executive
12	Financial Administration
13	Personnel Administration
14	Community Relations
22	Water
25	Sewer
27	Solid Waste
28	TWSA
31	Championship Course
32	Mountain Course
33	Facilities
34	Diamond Peak Ski Resort
36	Snowflake Lodge
38	Incline Beach F&B
39	Beaches
43	Parks
45	Tennis
46	Programs
48	Recreation Center
49	Community Services Administration
52	Engineering
53	Buildings
54	Sign Shop
55	Workers Comp

DIVISION		DIVISION	
Code	Description	Code	Description
000	Unclassified	650	Ski Patrol
010	Revenue Collection	660	Ski & Snow Board School
100	General Manager	670	Child Ski Center
110	Trustees	680	Rental & Repair shop
120	Accounting	690	Property, Parking & Transportation
130	Information Services	710	Beach Hosts
140	Risk Management	730	I.Beach Food
150	Human Resources	740	BC Beach Food
160	Health & Wellness	750	BC Beach Bar
170	Community Relations	760	I.Beach Bar
200	Service Revenue	770	Hermit Beach
210	Supply	780	Parks Services
220	Pumping	810	Programs Youth & Family
230	Treatment	811	Youth & Family Sports
240	Transmission	820	Seniors
380	Solid Waste	830	Programs Adult
400	Course Services	831	Adult Sports
410	Course Operations	840	Rec Center Operations
420	Course Maintenance	850	Aquatics
430	Driving Range	860	Fitness
440	Golf Carts	870	Compliance Services
450	Equipment Repair	880	Tennis Services
490	Brushing Crew	890	Kid's Zone
500	Chateau	900	Equipment Maintenance
510	Aspen Grove	910	Golf Equipment Maintenance
520	F&B Events	920	Ski Equipment Maintenance
530	Food & Beverage	930	Engineering Operations
600	Skiing Services	940	Building Maintenance
610	Ticket Office	950	Sign Shop
620	Lift Operations	960	Hyatt Shop
630	Slope Maintenance	970	Shared Expenses
640	Mountain Operations	980	Marketing

OBJECT	
Account No	Description
0110	Operating Checking
0111	RTP Check
0112	RTP Visa MC Discover
0113	RTP AMEX
0115	Payroll Checking
0120	HRA Checking
0125	WC Checking
0130	FSA Checking
0135	Held by Others
0140	Petty Cash
0145	ATM
0150	Short Term Investments
0155	LGIP
0160	Money Market
0165	Certificate of Deposits
0205	Accounts Receivable
0209	POS AR Clearing
0210	Customers
0211	POS AR Credits
0212	Room Charges Receivable
0215	Employees
0220	AR POS Internal
0230	Miscellaneous
0235	Allowance for Uncollectibles
0240	Accrued from Concessionaire
0245	Due from Pay Pal
0250	Rev Earned & Unbilled
0260	Rebates Receivable
0290	Pending Credit Card Adjustment
0305	Taxes Receivable
0310	Tax Receivable State
0320	Tax Receivable County
0405	Grants Receivable Header DNU
0410	Grants Rec. Federal
0415	Grants Rec. State
0420	Grant Rec. County
0425	Grants Rec. Other
0455	Interest receivable
0460	Investments
0470	Due from Other Governments
0505	Prepaid Expenses
0510	Insurance
0515	Deposits
0520	Other
0605	Due from Other Funds
0610	DF/General Fund 100
0615	DF/Utility Fund 200
0620	DF/Community Services
0625	DF/Golf 320 Operating
0626	DF/Golf 520 Capital
0627	DF/Golf 620 Debt
0630	DF/Facilities 330 Operating
0631	DF/Facilities 530 Capital
0632	DF/Facilities 630 Debt
0635	DF/Ski 340 Operating
0636	DF/Ski 540 Capital

OBJECT	
Account No	Description
0637	DF/Ski 640 Debt
0640	DF/Recreation 350 Operating
0641	DF/Recreation 550 Capital
0642	DF/Recreation 650 Debt
0645	DF/Recreation Admin 360
0646	DF/Recreation Admin 560 Capital
0647	DF/Recreation Admin 660 Debt
0650	DF/Parks 370
0651	DF/Parks 570 Capital
0652	DF/Parks 670 Debt
0655	DF/Tennis 380
0656	DF/Tennis 580 Capital
0657	DF/Tennis 680 Debt
0660	DF/Beach 390
0661	DF/Beach 590 Capital
0662	DF/Beach 690 Debt
0665	DF/Fleet 410
0670	DF/Engineering 420
0675	DF/Buildings 430
0680	DF/Work Comp 450
0685	DF/Cash Pool 925
0690	DF/Payroll Clearing 950
0695	DF General Fixed Assets 990
0705	Inventory Header DNU
0710	Pro Shop Inventory
0712	Hyatt Inventory
0715	Repair Parts Inventory
0720	Food & Beverage Inventory
0721	Beer Inventory
0722	Wine Inventory
0723	Liquor Inventory
0724	Prepackaged Inventory
0725	Fuel Inventory
0730	Utility Warehouse Inventory
0735	Clearing Accounts Inventory
0805	Restricted Deposits
0810	TRPA
0815	State
0855	RETIRED Bond Issue Costs DNU
0865	RETIRED Bond Issue Costs Amortization DNU
0870	Bond Discount at Issuance
0875	Accum Amort Bond Discount
0905	Long Term Investments
0910	Government Instruments
0915	INVESTMENTS DNU
0920	Mark to Market Adjustment at Year End
1005	Capital Assets Header DNU
1010	Water System Land
1015	Water Rights
1020	Water CIP
1030	Building & Structures
1035	Service Distribution Infrastructure
1040	Service Equipment
1045	Office Equipment
1050	Vehicles
1110	Sewer System Land

OBJECT	
Account No	Description
1120	Sewer CIP
1130	Building & Structures
1135	Service Distribution Infrastructure
1140	Service Equipment
1145	Office Equipment
1150	Vehicles
1210	Recreation Land
1220	Recreation CIP
1230	Building & Structures
1232	Golf Course Improvements
1234	Slope & Mountain Improvements
1236	Fields and Park Improvements
1240	Service Equipment
1245	Office Equipment
1250	Vehicles
1910	General Land
1920	General CIP
1930	Building & Structures
1936	Land Improvements
1938	IT & Communications Equipment
1940	Service Equipment
1945	Office Equipment
1950	Vehicles
1990	Accumulated Depreciation
2005	Accounts Payable
2010	Retainage Payable
2020	Accrued Exp Not Invoiced
2040	Accrued to Concessionaire
2110	Pooled Cash Fund 100
2120	Pooled Cash Fund 200
2132	Pooled Cash Fund 320
2133	Pooled Cash Fund 330
2134	Pooled Cash Fund 340
2135	Pooled Cash Fund 350
2136	Pooled Cash Fund 360
2137	Pooled Cash Fund 370
2138	Pooled Cash Fund 380
2139	Pooled Cash Fund 390
2141	Pooled Cash Fund 410
2142	Pooled Cash Fund 420
2143	Pooled Cash Fund 430
2145	Pooled Cash Fund 450
2152	Pooled Cash Fund 520
2153	Pooled Cash Fund 530
2154	Pooled Cash Fund 540
2155	Pooled Cash Fund 550
2156	Pooled Cash Fund 560
2157	Pooled Cash Fund 570
2158	Pooled Cash Fund 580
2159	Pooled Cash Fund 590
2162	Pooled Cash Fund 620
2163	Pooled Cash Fund 630
2164	Pooled Cash Fund 640
2165	Pooled Cash Fund 650
2166	Pooled Cash Fund 660
2167	Pooled Cash Fund 670

Account No	OBJECT Description
2168	Pooled Cash Fund 680
2169	Pooled Cash Fund 690
2195	Pooled Cash Fund 950
2205	Taxes
2210	Federal
2215	State
2220	Unemployment
2305	Current Benefit Payments
2310	401a TransAmerica
2311	401a Strategic Retirement
2312	Union Pension
2315	Deferred Comp 457 TransAmerica
2316	Deferred Comp 457 Strategic Retirement
2320	Health Ins
2325	Dental Ins
2330	Vision Ins
2335	Life Ins
2340	Disability Ins
2345	Am Fam Life Assur Co
2350	HRA
2355	FSA
2360	Tips Payable
2365	IVGID Bucks
2368	Sunshine Fund
2370	Other Liabilities
2375	Union Dues
2380	Accrued Work Comp Premiums
2385	Accrued Sick Leave Retire Ben
2390	Garnishments
2395	Sick Leave Retiree Payable
2396	Sick Leave Retiree Payable
2400	Accrued Exp Not Invoiced
2425	Payroll Accrual
2426	Split Accr Earnings
2427	Split Accr Other Earnings
2428	Split Accr Leave
2429	Split Accr Fringes
2450	Vacation Accrual
2460	Comp Time Accrual
2470	Banked Holiday Accrual
2505	Accrued Interest
2555	Due to Other Governments
2605	Due to Other Funds
2610	DT/General Fund 100
2615	DT/Utility Fund 200
2620	DT/Community Services
2625	DT/Golf 320
2626	Split Accr Earnings DNU
2627	Split Accr Other Earnings DNU
2628	Split Accr Leave DNU
2629	Split Accr Fringes DNU
2630	DT/Facilities Food & Bev 330
2631	DT/Facilities 530 Capital
2632	DT/Facilities 630 Debt
2635	DT/Ski 340
2636	DT/Ski 540 Capital

OBJECT	
Account No	Description
2637	DT/Ski 640 Debt
2640	DT/Recreation 350
2641	DT/Recreation 550 Capital
2642	DT/Recreation 650 Debt
2645	DT/Recreation Admin 360
2646	DT/Recreation Admin 560 Capital
2647	DT/Recreation Admin 660 Debt
2650	DT/Parks 370
2651	DT/Parks 570 Capital
2652	DT/Parks 670 Debt
2655	DT/Tennis 380
2656	DT/Tennis 580 Capital
2657	DT/Tennis 680 Debt
2660	DT/Beach 390
2661	DT/Beach 590 Capital
2662	DT/Beach 690 Debt
2665	DT/Fleet 410
2670	DT/Engineering 420
2675	DT/Buildings 430
2680	DT/Work Comp 450
2685	DT/Cash Pool 925
2690	DT/Payroll Clearing 950
2695	DT General Fixed Assets 990
2710	NV Sales Tax Liability
2801	Def Rev External Restriction
2802	Deferred Inflow - Taxes & Fees
2803	Def Rev Coverage Sales
2805	Deferred Revenue
2807	Deferred Rev - Vouchers
2810	Deposits
2815	Unearned Revenue
2820	DR POS Internal
2825	DR POS CLASS
2830	Miscellaneous
2835	IVGID Gift Certificate Liab.
2837	DR Golf Prize & Awards
2840	Unearned Pass Revenue
2845	Unearned Voucher Revenue
2850	Costco Gift Card Liab.
2851	COSTCO Contra Allowance
2852	Diamond Peak Bucks Liability
2855	Refundable Deposits
2860	Customers
2861	RTP Deferred Revenue Snowsports
2862	RTP Deferred Revenue Rentals
2863	RTP Deferred Revenue Retail
2865	Other Funds Held
2870	RTP Reservation Deposits
2871	Held for Vets Club
2872	Held for Vets Video
2873	Held for Holiday Giving
2876	Held for Youth Council
2882	Deferred Grant Federal
2884	Deferred Grant ARRA
2886	Deferred Grant State
2890	Actuarial Work Comp Liab

OBJECT	
Account No	Description
2905	Bonds
2920	Non-current
2925	Bonds Issued
2935	Bonds Paid
2940	Bond Premium at Issuance
2945	Accum Amort of Bond Premium
3000	Fund Balance
3100	Nonspendable
3136	Pooled Cash Fund 360
3200	Restricted
3300	Committed
3400	Assigned
3500	Unassigned
3550	Contributed Capital
3599	Net Assets
3600	Capital Assets , Net of Debt
3700	Restricted
3800	Unrestricted
3980	Encumbrance
3990	Budgetary Control
4005	Charges for Services Header DNU
4020	water
4021	water base
4022	Water Consumption
4023	Tier 1
4024	Tier 2
4026	Inspection/Plan Fees
4027	Fire Protection
4028	Other Water
4029	Water Connection
4032	Capital Improvement Retro
4033	Capital Improvement Monthly
4036	Back Flow Tests
4038	Misc. - Water Rights
4039	Administrative Fees
4040	Sewer
4041	Sewer Base
4042	Sewer Excess Consumption
4046	Inspection/Plan Fees
4048	Other Sewer
4049	Sewer Connection
4050	Effluent Disposal Sales
4052	Capital Improvement Retro
4053	Capital Improvement Monthly
4060	Trash & Recycling
4061	Recycled Material Sales
4070	Defensible Space Charges
4075	Work Order Charges Labor
4076	Work Order Chgs Eq & Materials
4080	Snow Removal Fees
4085	Hunting Fees
4090	Franchise Fee
4100	Interfund Revenue Transfers
4200	Passes
4205	Admissions & Fees
4210	Program Registration

OBJECT	
Account No	Description
4215	Rental Income
4220	Concessions
4225	Sponsorships
4240	Parcel Owner Allowances
4250	Inter-District Program Allowances
4255	Scholarship Allowances
4260	Guest Allowances
4270	Charitable Allowances
4280	Employee Allowances
4285	Promotional Allowances
4287	COSTCO Allowance
4290	Yield Management Allowances
4295	Punch Cards Utilized
4300	Interfund Services Operations
4350	Interfund Services CIP
4375	Interfund Central Services Revenue
4400	Sales of Goods & Services Header DNU
4405	Merchandise Sales
4409	Allocated to others
4410	Personal Services
4411	Personal Services Contract
4415	Repairs for customers
4417	Service & User Fees
4420	Food Sales
4424	Beer Sales
4428	Wine Sales
4432	Liquor Sales
4436	Prepackaged
4490	Facility Fees
4500	Other Operating Grants
4503	Operating Contributions
4505	Operating Grants - Federal
4510	Operating Grants - State
4515	Operating Grants - County
4520	Fines & Penalties
4525	Licenses & Permits
4530	Intergovernmental
4600	Taxes Header DNU
4620	General Property Tax
4630	Personal Property Tax
4640	General Sales & Use Tax
4660	Other Taxes
4700	Other Resources Header DNU
4705	Non-Operating Lease Income
4710	Investment Earnings
4715	Other Interest Income
4720	Contributions
4725	Capital Grants
4730	Sales of Capital Assets
4732	Proceeds covering cost of assets sold
4735	Sales of Intangibles
4740	Accrued interest paid by other funds
4745	Deferred Inflow Outflow Realized
4790	Debt Proceeds
4800	Interfund Transfers Header DNU
4820	Transfer In

OBJECT	
Account No	Description
4840	Transfer Out
4860	Other Transfers
4880	Funded Cap Resource - Consumed
5010	Regular Earnings
5012	Hourly
5013	Other Earnings
5015	Accrued Salary
5016	Accrued Hourly
5017	Accrued OT
5020	Other Earnings
5025	Vacation Earned
5028	Wages applied to CIP Project
5030	Leave
5040	Pre-tax deductions
5050	Taxes
5055	Taxes applied to CIP Project
5060	Non-sheltered Deductions
5100	Retirement Fringe Benefits
5200	Medical Fringe Benefits
5250	Dental Fringe Benefits
5300	Vision Fringe Benefits
5400	Life Ins Fringe Benefits
5500	Disability Fringe Benefits
5600	Unemployment fringe Benefits
5650	Fringes applied to CIP Project
5700	Work comp Fringe Benefits
5995	WAGES DAILY ESTIMATE
6010	Legal
6020	Audit
6030	Professional Consultants
7010	Advertising - Paid
7020	Advertising - Trade
7110	Allowances & Discounts
7120	Employee Discounts
7130	Charity Discounts
7140	Parcel Owner Discounts
7150	District Program Discounts
7160	Customer Service Discounts
7170	Empowerment Service Discounts
7180	Event Prizes Issued
7200	Banking Fees & Processing
7210	Community Relations
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7410	Operating Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab

OBJECT	
Account No	Description
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7670	Suspended Items
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Purchased Coverage
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7905	Cost of Goods Sold Header DNU
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
7980	Central Services Cost Allocation
7990	Interfund Expense Transfers
8005	Depreciation
8105	Capital Expenditure
8110	Fuels Management
8120	Capital Improvements
8130	Capitalization Offset

OBJECT	
Account No	Description
8140	Capital Carryforward
8150	Capital Grant Expensed
8160	Capital Grant Exp net of Revenue
8205	Debt Service
8210	Principal
8215	Principal Payment Offset
8220	Interest
8230	Amort Bond Disc/Prem/Issuance Costs
8240	Fiscal Agent Fees
8510	Contra 4732 Proceeds covering assets sold
8520	Contra to Accrued interest paid by other fund
8530	Contra 4745 Deferred Inflow Outflow Realized
8700	Extraordinary Items
8800	Interfund Transfers
8820	Transfer In
8840	Transfer Out
8860	Other Transfers
8905	Funded Cap Res - Established
9000	Other Financing USES Header DNU
9120	Capital Improvements
9130	Capitalization Offset
9150	Capital Grant Expensed
9160	Capital Grant Expensed net of revenue
9210	Principal Payments
9220	Interest Payments
9230	Bond Issuance Costs
9240	Fiscal Agent Fees
9505	Gallons Processed
9510	Rounds - Residents
9520	Rounds - Guest
9530	Rounds- All Other
9540	Event Count
9550	Transaction Count
9560	Visits
9565	Pass Transactions
9570	Touches
9660	FTE
9670	Hours Paid
9680	No. of Positions
9700	Extra Ordinary Expense
9970	Hours Paid
9990	METRICS CONTRA REVENUE

EXHIBIT "B"

EXHIBIT "C"

EXPENDITURES BY FUNCTION AND ACTIVITY	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/19	
	ACTUAL PRIOR YEAR ENDING 6/30/2017	ESTIMATED CURRENT YEAR ENDING 6/30/2018	TENTATIVE APPROVED	FINAL APPROVED
GENERAL GOVERNMENT				
General Administration				
Salaries and Wages	30,534	30,500	28,215	28,215
Employee Benefits	16,918	18,500	17,839	17,839
Services and Supplies	504,297	450,000	416,084	408,084
Capital Outlay - current	148,435	132,000	392,250	392,250
Capital Outlay - carryover project	-	-	-	43,700
Subtotal General Administration	760,184	629,000	854,368	860,068
General Manager				
Salaries and Wages	235,185	238,000	247,506	247,506
Employee Benefits	85,922	95,000	114,583	114,583
Services and Supplies	26,915	35,000	56,740	56,740
Subtotal General Manager	348,022	368,000	418,809	418,809
Trustees				
Salaries and Wages	99,445	99,400	100,984	100,984
Employee Benefits	28,294	28,000	30,346	30,346
Services and Supplies	40,979	30,000	66,600	74,600
Subtotal Trustees	168,718	157,400	197,930	205,930
Accounting				
Salaries and Wages	608,487	560,000	566,805	566,805
Employee Benefits	265,249	255,000	288,079	288,079
Services and Supplies	59,592	60,000	68,390	68,390
Subtotal Accounting	933,328	875,000	903,274	903,274
Information Services & Technology				
Salaries and Wages	336,450	365,000	468,487	468,487
Employee Benefits	122,687	150,000	220,452	220,452
Services and Supplies	230,363	230,000	323,583	323,583
Subtotal Information Services	689,500	745,000	1,012,522	1,012,522
Risk Management				
Salaries and Wages	78,201	78,000	80,435	80,435
Employee Benefits	40,495	40,000	44,539	44,539
Services and Supplies	9,948	12,000	21,910	21,910
Subtotal Risk Management	128,644	130,000	146,884	146,884
Human Resources				
Salaries and Wages	319,779	365,000	416,216	416,216
Employee Benefits	189,113	182,000	236,294	236,294
Services and Supplies	38,775	52,000	76,573	76,573
Subtotal Human Resources	527,667	599,000	729,083	729,083
Health & Wellness				
Salaries and Wages	12,276	12,000	14,058	14,058
Employee Benefits	5,414	5,000	5,557	5,557
Services and Supplies	5,276	4,000	21,475	21,475
Subtotal Health & Wellness	22,966	21,000	41,090	41,090
Communications				
Salaries and Wages	99,562	99,000	81,313	81,313
Employee Benefits	47,874	46,000	32,236	32,236
Services and Supplies	85,637	125,000	78,030	78,030
Subtotal Communications	233,073	270,000	191,579	191,579
FUNCTION SUBTOTAL	3,752,102	3,794,400	4,495,539	4,539,239

Incline Village General Improvement District

SCHEDULE B - GENERAL FUND

FUNCTION General Government

Page 19
Schedule B-10

FORM 4404LGF

Last Revised 12/8/2017

EXHIBIT "D"



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

PURCHASE ORDER

P.O. NUMBER	DATE
20-0011	07/03/2019

THIS NUMBER MUST APPEAR ON ALL INVOICES PACKING LISTS, LABELS, BILLS OF LADING AND CORRESPONDENCE.

Vendor Name, Address, and Number	Ship To Address And Phone Number	Please Send Invoices To
3875 Ascent360, Inc 651 Corporate Circle, Ste 204A Golden, CO 80401	775-832-1100	Incline Village GID 893 Southwood Blvd. Incline Village, NV 89451 775-832-1100 ap@ivgid.org

LINE NO.	QUANTITY	UOM	ITEM AND DESCRIPTION	UNIT COST	EXTENDED COST	GL Coding
1	1.00	Each	SETUP FEES - SKI - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$6,500.00	\$6,500.00	340-34-980-7310 <i>ski - dp - mkt - comp</i>
2	1.00	Each	SETUP FEES - GOLF - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$1,000.00	★ \$1,000.00	320-31-980-7010 <i>golf - chgolf - mkt - advert</i>
3	1.00	Each	ONGOING FEES - REC - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$1,000.00	★ \$1,000.00	350-48-980-7010 <i>rec prog - rec dtc - mkt - advert</i>
4	1.00	Each	ONGOING FEES - GOLF CHAMP - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$2,000.00	★ \$2,000.00	320-31-980-7010 <i>golf - chgolf - mkt - advert</i>
5	1.00	Each	ONGOING FEES - GOLF MT - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$2,000.00	★ \$2,000.00	320-32-980-7010 <i>golf - mtn golf - mkt - advert</i>
6	1.00	Each	ONGOING FEES - DIAMOND PEAK - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$16,150.00	\$16,150.00	340-34-980-7310 <i>ski - dp - mkt - comp</i>
7	1.00	Each	SETUP CONTINGENCY - Customer Data Platform (CDP) and Customer Relationship Management (CRM) software for IVGID recreation venues.	\$2,000.00	\$2,000.00	340-34-980-7310 <i>ski - dp - mkt - comp</i>

	TOTAL	\$ 30,650.00
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Comments:
 USER ID Paul Raymore

The District is granted Tax Exempt Status by the State of Nevada, State ID 88-7600004-K, therefore any goods or services delivered to the District within the boundaries of the State of NV are exempt from NV sales and use tax.

All shipments should be freight prepaid F.O.B. destination. Unauthorized shipments will be returned at the seller's expense Title and risk of loss on all items shipped shall pass to the buyer at the F. O. B. destination.

Payments of all invoices is net 30 unless expressly written and acknowledged in writing by the District's Director of Finance or Controller. IVGID's Federal Tax ID Number is **88-0099974**.

I CERTIFY THAT THE ABOVE PURCHASE IS FOR AN EXPENDITURE AS DEFINED BY NRS 354.520 OR AN EXPENSE UNDER NRS 354.523 AND THAT THE PURCHASE ORDER HAS BEEN ENCUMBERED AS DEFINED BY NRS 354.516.



Director of Finance, Accounting, Risk Management and Information
Technology



6/2

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(1) – GUIDANCE ON ACQUISITION OF FIFTY-EIGHT (58) MOUNTAIN GOLF COURSE GOLF CARTS FOR USE IN FISCAL YEAR 2020-21

Introduction: Here staff seek guidance insofar as acquiring fifty-eight (58) golf carts for use at the Mountain Golf Course in fiscal year 2020-21. This is after staff sought approval to purchase the very same carts at its May 1, 2019¹. *Why is staff coming back to the Board for a second bite at the apple when it already had a bite on May 1, 2019, and it was resolved against IVGID’s preferred lease/option installment purchase alternative?* This request should be rejected for this reason alone.

Nonetheless, here staff basically recommends two EZ-Go lithium battery or two EZ-Go gas powered cart purchase options, either as outright or installment purchases. Thus a total of four options are presented. Outright purchase of the lithium battery powered carts will cost \$282,067.60 or approximately \$4,863 per cart. Outright purchase of the gas powered carts will cost \$204,627.16 or approximately \$3,528 per cart. The difference in outright purchasing gas versus lithium battery powered carts, is a \$77,440.44 or approximately a \$1,335 per cart savings².

But staff’s intent is to *never* purchase equipment like either of these options outright. Because to do so deprives them of cash flow funds they can use to purchase more-and-more! So they come up with “creative finance” options like the ones at issue trying to make the Board and the public believe they save money when in-truth-and-in fact they actually cost more.

For instance, staff claim that leasing the lithium battery powered carts will only cost \$135,664.32 over four years. And leasing the gas powered carts will only cost \$121,605.12³. But deceitfully, neither of these options includes the cost to purchase these carts at the end of the lease term. One can get a feel for the effect of this undisclosed cost at the bottom of page 12 of the 9/25/2019 Board packet where staff admit:

“The lease proposals from EZ-Go...call for less principal paid during the forty-eight (48) months by allowing (for) a (larger) residual value purchase option. (In contrast,) the lease proposals from (competitor) Club Car...carry (but) a one dollar (\$1) purchase option.”

¹ See agenda item H(3) at pages 218-239 of the packet of materials prepared by staff in anticipation of the Board’s May 1, 2019 meeting [https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-1-2019.pdf (“the 5/1/2019 Board packet”).]

² See pages 8-12 of of the packet of materials prepared by staff in anticipation of this September 25, 2019 meeting [“the 9/25/2019 Board packet” (https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-25-19.pdf)].

³ Page 10 of the 9/25/2019 Board packet mistakenly states the number as \$121,65.12.

cost to lease EZ-Go's gas powered carts versus purchasing them outright totals at least \$97,189.44 more. *Leasing is not only more, it is stupid!*

Staff's Real Intent is to Free Up Between \$174K-\$248K of Projected 2020-21 Revenue So it Can Be Wastefully Overspent on MORE-AND-MORE: Under staff's proposals, the cost to lease lithium battery powered carts in 2020-21 will be \$48.73 per cart per month⁹ for a total of \$33,915.08 during this fiscal year. Alternatively purchasing those carts outright, will cost \$248,151.52 more (\$282,067.60-\$33,915.08). The cost to lease gas powered carts in 2020-21 will be \$43.68 per cart per month¹⁰ for a total of \$30,401.28 during this fiscal year. Alternatively purchasing those carts outright, will cost \$174,225.88 more (\$20,627.16-\$30,401.28). Yet rather than either of these golf cart purchase savings options, staff wants to overspend this "so called" savings on more. I say NO!

NEVER Do Cash Flow Savings as a Result of Financing Versus Purchasing Outright Options Result in Less Spending or a Reduction in Our Recreation ("RFF") or Beach ("BFF") Facility Fees:

ALWAYS, Cash Flow Savings as a Result of Financing Versus Purchasing Outright Options Result in the Expenditure of Those "So Called" Savings on Something Else:

So Why Should Local Parcel/Residential Dwelling Unit Owners Who Are Assessed the RFF/BFF Care About Staff's "Creative Financing" Options Which Allegedly Save Money? Because at the end of day they result in more and more *overspending*.

For These Reasons, if a Majority of the Board Vote to Acquire These Golf Carts, I Urge Trustees to Vote NO to Staff's Preferred Lease/Option Alternative: Remember, staff admit that to exercise the lease/option alternative requires the vote of FOUR of our Trustees¹¹. I urge at least two of you to vote NO and send the resounding message to staff who care more about acquiring more and more at local parcel/residential dwelling unit owners' expense, rather than saving them money.

I Urge the Board to Vote NO on Staff's Lithium Battery Powered Cart Option Because Not Only Does it Cost \$77,440.44-\$187,920 More Than Acquiring Comparable Gas Powered Carts (Depending Upon Whether They Are Purchased Outright or Creatively Financed), But There Will Likely Be Hundreds of Thousands of Dollars in Additional Mountain Clubhouse Capital Improvement ("CIP") Costs Required: At page 9 of the 9/29/2019 Board packet staff admit that "requisite electrical service" upgrades "in the lower level of the Mountain Course Maintenance Building," as well as downsizing the "Mountain Golf Fuel Storage Facility" will be required should the Board opt to acquire lithium battery powered carts. And as a result, "choosing this option will (adversely) impact CIP 3241ME1804." So how much in additional CIP costs are we talking about? Staff states it "is in the process of evaluating (the) potential scope and cost of (additional)...electrical services" costs.⁸ That's fine, but ***don't you think the Board and the public should know those costs before making the***

⁹ See page 9 of the 9/25/2019 Board packet.

¹⁰ See page 10 of the 9/25/2019 Board packet.

¹¹ See pages 9-12 of the 9/25/2019 Board packet.

decision to acquire lithium battery versus gas powered golf carts? Rest assured that these additional CIP costs are going to be substantial. And to a building, no less, that staff contemplate razing and building anew in a handful of years.

Conclusion: I am against giving IVGID staff more monies to waste more of our RFF/BFF on for their pet projects which don't end up saving any money, globally, and don't end up reducing the RFF/BFF. Although making the proposed purchase wastes several hundreds of thousands of RFF dollars, should a majority of the Board vote to make that purchase, I urge staff's creative lease/option purchase alternative *NOT* be employed. Either pay for the carts with cash, or choose to not make the purchase because the District cannot afford to make the expenditure with cash.

And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Waste/Wrongdoing Are as High as They Are? I've now provided more answers.

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

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – WHERE DOES JASON GUINASSO GET OFF BEING THE SPOKESPERSON FOR THE IVGID BOARD INSOFAR AS THE *SMITH v. IVGID* LITIGATION IS CONCERNED WHEN THE BOARD HASN'T DESIGNATED HIM TO BE THEIR SPOKESPERSON?

Introduction: For more than a year the District, Chairperson Kendra Wong *personally*, and Jason Guinasso *personally* have been defendants in resident Mark Smith's lawsuit seeking a judgment compelling the turnover of requested public books and records. On May 10, 2019 the judge in this litigation made an order granting summary judgment in Mr. Smith's favor without the necessity of a court trial. Shortly thereafter IVGID filed several motions, in part, seeking clarification/modification/reconsideration/amendment of the trial judge's order granting that summary judgment¹. On September 10, 2019 the case judge ruled on IVGID's post judgment motions. Insofar as IVGID's assertion the Court incorrectly ordered the production of a post-litigation privilege log, the trial judge ruled the assertion was "unwarranted." And insofar as IVGID's contention summary judgment should be rendered in its favor rather than Smith's, the trial judge ruled the contention was "without grounds" and "misplaced."²

Apparently members of the media reached out to attorney Guinasso for IVGID's response to this latest in a string of legal defeats. And unbelievably, *without IVGID Board approval or knowledge*, Mr. Guinasso provided a response that was published in *ThisisReno* on September 11, 2019³. Mr. Guinasso's comments and his decision to speak on the IVGID Board's behalf without first consulting with his client, the Board, are the purposes of this written statement.

Who Instructed Mr. Guinasso He Can Publicize the Position of the IVGID Board in Response to a Court Order in a Pending Piece of Litigation *Without* First Being Informed by the Board of That Position? Given only the Board can take a position, and such action has never been agendized for possible action by the Board and duly noticed as NRS 241.020(2) mandates ("except in an emergency, written notice of *all* meetings must be given at least 3 working days before the meeting"), Mr. Guinasso had no authority to say anything on IVGID's behalf.

Moreover, Given Mr. Guinasso Has Failed to Agendize the Issue of Responding to the Trial Court's Latest Order in the *Smith* Litigation, How Could He Represent to *ThisisReno* That "IVGID is

¹ See pages 165-169 of that packet of materials prepared by staff in anticipation of the Board's June 19, 2019 meeting ["the 6/19/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-19-19.pdf)].

² See Our Village Voice's September 11, 2019 Facebook post: *The Smith Litigation – Another IVGID Fiasco*. A copy of this post is attached as Exhibit "A" to this written statement.

³ The portion of *ThisisReno* article which quotes Mr. Guinasso is attached as Exhibit "B" to this written statement.

Reviewing the Court’s Order and Considering its Options?” The agenda for this meeting is conspicuously silent on the court judge’s latest order in the *Smith* litigation which denies IVGID’s motions above-referenced⁴. In fact, the 9/25/2019 Board packet doesn’t even include a copy of the court judge’s Order. So how does Mr. Guinasso propose asking the Board to review that Order and communicate its “options?” The answer is simple; it *cannot*.

How Are Mr. Guinasso’s Actions Here Any Different Than His Unilateral Decision to Initiate a Lawsuit Against Citizen Kevin Lyon’s Governance Science Group, Inc. (“GSGI”)? Or to hire the Beko firm to represent himself, Chairperson Wong and IVGID in the *Smith* litigation? Or to reject the proposed settlement in the GSGI litigation? Or to reject the proposed settlement in the *Katz* litigation? The answers are no different. Which leads to the question why have an IVGID Board if Mr. Guinasso can make decisions on their behalf and communicate the IVGID Board’s decisions to the media?

How Much Have Mr. Guinasso’s Actions Without Board Approval Cost the Public in the *Smith* Litigation? As aforesaid, on July 30, 2018 resident Mark Smith initiated litigation against IVGID, Kendra Wong in her capacity as IVGID Board Chairperson, and Jason Guinasso individually, as counsel for IVGID, and as its *de facto* Public Records Officer, seeking to compel the disclosure of public records⁵. “General Manager Pinkerton (unilaterally) approved the defense against the litigation (for Wong and Guinasso in addition to IVGID given)...the expenditure of public funds for contracted legal fees and costs...was (allegedly) less than \$50,000, which was within the authority (allegedly) delegated to the General Manager.”⁵

Given through June 12, 2019 the defense of this litigation had cost \$45,608.62, and “litigation counsel estimate(d) that \$15,000 w(ould) be needed to complete post-judgment litigation, counsel sought a \$15,000.00 appropriation from the IVGID Board to complete defense of that litigation⁶. The sought for appropriation was never given. Instead, the IVGID Board approved the expenditure of an estimated \$10,000 to continue the defense of the litigation⁷. Notwithstanding this \$10,000 appropriation, the IVGID Board never retroactively approved the GM’s expenditure of \$45,608.62 of

⁴ See pages 1-3 of the packet of materials prepared by staff in anticipation of tonight’s September 25, 2019 meeting [https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-25-19.pdf (“the 9/25/2019 Board packet”)]. That agenda is attached as Exhibit “C” to this written statement.

⁵ See page 164 of the packet of materials prepared by staff in anticipation of the Board’s June 19, 2019 meeting [“the 6/19/2019 Board packet” (https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-19-19.pdf)].

⁶ See pages 169-170 of the 6/19/2019 Board packet.

⁷ See page 172 of the packet of materials prepared by staff in anticipation of the Board’s July 17, 2019 meeting [“the 7/17/2019 Board packet” (https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-17-19.pdf)].

attorney's fees and costs on the defense of this litigation, let alone on Kendra Wong's and Jason Guinasso's behaves.

Mr. Smith has filed a motion for recovery of his attorney's fees and costs as NRS 239.011(2) allows. Those costs and fees exceed \$30,000 and are likely to total even more now that IVGID's recent motion has been denied and Mr. Smith was required to respond. Thus all in all, IVGID has probably expended and is on target to spend \$100,000 or more on this litigation *just in the trial court!*

Since We're Self-Insured, How Much More of Local Parcel/Residential Dwelling Unit Owners' Recreation ("RFF") and Beach ("BFF") Facility Fees Does Mr. Guinasso Want the District to Waste Appealing the Court Judge's Order(s)?

Isn't it Time For Mr. Guinasso to Go as IVGID's Attorney?

Isn't it Time For Mr. Guinasso to Reimburse the District For the Wasteful Costs in This Litigation it Has Been Forced to Incur: when simply turning over the requested public records would have resolved the matter?

Conclusion: If Mr. Guinasso can make unilateral decisions to spend public funds defending litigation where he is the cause, if he and former GM Pinkerton can make unilateral decisions to hire attorneys to defend such litigation, and if staff can make unilateral decisions to spend public moneys and enter into contracts involving the expenditure of less than \$50,000, then what's the purpose in having an IVGID Board? The time is now to take our general improvement district ("GID") back. And the time is now to excise Mr. Guinasso who has improperly acted as referenced herein.

And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Waste/Wrongdoing Are as High as They Are? I've now provided more answers.

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

EXHIBIT "A"



Our Village Voice

September 11 at 7:52 PM ·

The Smith Litigation – Another IVGID Fiasco

When will Counsel Guinasso and Trustees Wong, Horan and Morris abide by the law and just release public documents? When will these three Trustees act as responsible stewards of our public money instead of wasting close to \$100,000 to stop a citizen from obtaining public records?

The Court's latest ruling was a disaster for IVGID and a victory for Incline Village/Crystal Bay citizens.

After IVGID lost the initial lawsuit, which also named Guinasso and Wong as defendants, the outside attorney, Thomas Beko convinced Morris and Horan that the Court's decision should be reconsidered because IVGID actually won. (Yep, you read that right!). So after former GM Pinkerton, Wong and Guinasso already spent \$50,000, without Board approval, engaging Beko on the initial lawsuit, Wong, Horan, and Morris tossed in another \$10,000 for the motions to reconsider the Court's ruling. Beko's theatrics to get the extra appropriation was amazing.

The Court denied all four claims made by IVGID in the motion for reconsideration. Here are the Highlights of the Court's Findings:

“IVGID's assertion that this Court incorrectly ordered the production of a post-litigation privilege log when Smith had only claimed he was entitled to a pre-litigation log is **UNWARRANTED...**”

“IVGID contends that ordering IVGID to provide the 304 pages in hard copy form to Mr. Smith infers that summary judgment should have been entered in favor of IVGID is **WITHOUT GROUNDS...**”

“IVGID'S contention that compelling a charge of fifty (50) cents (per page) indirectly infers summary judgment should have been entered in favor of IVGID is **MISPLACED...**”

“The Court does not deem it appropriate to increase the fee and instead deems it appropriate, after the analysis herein, to decrease the fee to no charge because no notice was given for the fees which IVGID characterized as extraordinary...”

So now citizens are out about \$60,000 and IVGID will probably be responsible for paying Smith's legal fees, which are approaching \$30,000. IVGID will also have to return the \$152 that Smith was ordered to pay to obtain the 304 released documents.

ARE WE DONE YET? No. Smith filed a motion to compel IVGID to release all or a portion of the 13,000 emails which Guinasso alleged to be attorney-client privileged. Guinasso, of course, had no authority to act as both the client and the attorney and decided on his own what is and what isn't attorney-client privileged. Attorney Beko, taking direction from Pinkerton, Wong and Guinasso, without Board approval, moved forward with more court filings to oppose Smith. How much will those legal fees be?

In the Court filings, Smith has asked the Court to enter an Order compelling immediate production of all records listed in the log of privileged documents where there is no attorney included on the communication or an attorney is only copied, as these communications cannot be determined to be providing legal advice required for the privilege to be applied.

Beko's Court filings in opposition suggest that the Court should consider providing the parties with its determination as to the breadth of the attorney-client privilege under the law. Assuming the Court's holding differs in any way from that which Guinasso applied when he first conducted his assessment, IVGID will once again review the withheld documents to ensure that said records fall within the law, AS DEFINED BY THE COURT. Does anyone believe that the Court will want to redefine the Nevada Revised Statutes? Having no valid grounds for asserting attorney-client privilege to withhold these public documents, Beko just threw in the kitchen sink.

So at the end of the day, Smith will probably get most documents, citizens will be out of pocket for about \$100,000 in an attempt to strip citizens of their rights and to defend Guinasso's unlawful actions and bad decisions.

Just three years ago, IVGID was destroying public records and was chastised by the State. Nevada Policy Research Institute filed a complaint with the Nevada Attorney General citing IVGID's felony level concealment of public records. Guinasso tried an end-run around the public records law by telling IVGID staff to copy him on everything. That way, he alone could then claim these public records to be attorney-client privileged and the District would not have to release public records to the public.

Guinasso will continue to get his annual retainer of \$144,000.

Our next story will be on Guinasso re-interpreting the law to shield IVGID public officers from compliance and to create litigation for his own benefit. He has cost us dearly in time and money. WE consider he has betrayed the public trust.

EXHIBIT "B"



ThisisReno
Reno's Online News & Events Source

IVGID Again Ordered to Turn Over Public Records (Updated)

September 11, 2019 Bob Conrad

The Incline Village General Improvement District has **again been ordered to turn over public records.** The order, by District Court Judge Lynn Simons, admonished the agency in a long-running battle for records requested by a citizen...

Guinasso, in response to this article, disagreed with how it was presented:

I disagree with your characterization of what the Court ruled. IVGID made available the public records Mr. Smith requested without a Court order. However, he disagreed with (1) the format the records were provided in, and (2) what was charged to produce the public records. Additionally, Mr. Smith had requested a privilege log (pre-litigation) for documents that were confidential and privileged communications between IVGID's attorney and IVGID staff, which the Nevada Public Records Act does not require.

You should really take time to read and understand the law, the issues before the Court, the pleadings, and the Court's orders before you report on what you believe the Court ruled. This is not an easy case. It is a lot more nuanced than you have reported and it raises issues that have not been [addressed] by our Nevada Supreme Court.

Nevertheless, IVGID and its legal staff respect the legal process and the court's review of the matter. IVGID has always worked to be good stewards of public records and the public records process. We will continue to [protect] the integrity of the District and we will vigorously protect the public records process from being abused. IVGID is reviewing the Court's order and considering its options.

UPDATE: This article has been updated to include a response by Guinasso.

EXHIBIT "C"

NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, September 25, 2019** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*
- C. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

Public Comment Advisory Statement – *A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chair may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.*

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. Interim District General Manager Indra Winquest – **pages 4 - 7**

F. REPORTS TO THE BOARD OF TRUSTEES*

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 September 25, 2019 - Page 2

G. CONSENT CALENDAR *(for possible action)*

Excerpt from Policy 3.1.0, Conduct Meetings of the Board of Trustees

0.15 Consent Calendar. In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar." A memorandum will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the general business section of the meeting.

H. GENERAL BUSINESS *(for possible action)*

1. Review and discuss four (4) recommendations and select a preferred course of action regarding the authorization to acquire, which will come before the Board of Trustees on October 30, 2019, fifty eight (58) Mountain Golf Course Golf Carts for use in the 2020/2021 fiscal year (Requesting Staff Member: Director of Golf/Community Services Darren Howard) – **pages 8 - 15**
2. Review, discuss, and possibly provide Staff input on the Community Services Master Plan – Priority project update based on Board of Trustees request made on August 14, 2019 (Requesting Staff Member: Interim District General Manager Indra Winquest and Director of Public Works Joe Pomroy) – **pages 16 - 18**
3. Review, discuss, and authorize a Prior Period Adjustment to Opening Net Position of the IVGID Comprehensive Annual Financial Report for June 30, 2019 for \$800,000 for a Transfer Authorized by the Board of Trustees May 9, 2018 and to reflect the full effect of the original transfer as completed during the fiscal year ending June 30, 2019, and to reflect a \$300,000 Transfer from the Workers Compensation Fund to the General Fund for the Fiscal Year Ending June 30, 2019, with the full effect of the original transfer authorized May 9, 2018 from the General Fund to the Utility Fund, Community Services Special Revenue Fund and the Beach Special Revenue Fund and to be included in the fiscal year ending June 30, 2020 (Requesting Staff Member: Director of Finance Gerry Eick) – **pages 19 - 39**
4. Review, discuss, and possibly provide Staff input on Financial Reporting – Board Work Plan (Requesting Trustee: Chairwoman Kendra Wong) – **page 40**
5. Review and discuss the Board of Trustees roles as outlined in the Board of Trustees Handbook (Requesting Trustee: Chairwoman Kendra Wong) – **pages 41 - 62**

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

1. Regular Meeting of August 14, 2019 – **pages 63 - 159**



NOTICE OF MEETING

Agenda for the Board Meeting of September 25, 2019 - Page 3

2. Regular Meeting of August 28, 2019 – **pages 160 - 168**
- J. REPORTS TO THE IVGID BOARD OF TRUSTEES*
 1. District General Counsel: Law Firm of Hutchison & Steffen
- K. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*
- L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see **Public Comment Advisory Statement** above.
- M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (*for possible action*) – **page 169**
- N. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, September 20, 2019 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of September 25, 2019) 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 Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center
7. The Chateau at 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: Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Phil Horan, and Matthew Dent.

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.

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – WHAT DO WE DO WITH A PUBLIC RECORDS OFFICER (“PRO”) WHO CONCEALS PUBLIC RECORDS AND REFUSES TO DO HER JOB OF COMPLYING WITH NEVADA’S PUBLIC RECORDS ACT¹ (“NPRA”)?

Introduction: On August 25, 2019 I made a NPRA request upon IVGID’s PRO, Susan Herron, to examine a series of records associated with a contract between IVGID and Tri-Strategies whereby the latter became IVGID’s public relations (“PR”) spokesperson. Instead of complying with my request and adhering to her requirements under NRS 239.0107, Ms. Herron intentionally provided non-responsive responses and disingenuously declared “this completes your records request in its entirety.” Contemporaneously, on August 30, 2019, pointing out to Ms. Herron where her responses and declaration were not in compliance with her obligations under the NPRA, I sent copies to the IVGID Board and Interim General Manager Indra Winquest asking that:

“At least one Board member and/or our interim GM...agendize...direct(ing) Ms. Herron to provide the requested records Ms. Herron ha(d) refused to provide...for possible action at the Board’s next Board meeting.”

I also asked:

“Ms. Herron (to) please place a copy of (my)...e-mail string (with her) in the next Board packet so the public c(ould) see what I (was seeing)... insofar as Ms. Herron’s concealment of public records” is concerned².

Since no Board member has agendized this matter for possible action at this evening’s meeting, and Ms. Herron has not included a copy of the e-mail string between she and I in the packet of materials prepared by staff in anticipation of this evening’s meeting³ (“the 9/25/2019 Board packet”), I have submitted this written statement.

So What Have We Learned? That Mr. Pinkerton Entered Into a Contract Calling For the Expenditure of Public Moneys Neither Budgeted Nor Approved by the IVGID Board: The string of e-mails attached evidences that instead of providing records evidencing that the subject expenditure was budgeted, or that it was expressly approved by the Board, Ms. Herron argued neither was necessary (nor did they exist) because the subject contract (wa)s within the General Manager’s

¹ See NRS 239.001, et seq.

² I have attached the e-mail string between Ms. Herron and me, including the portion where I asked Board members and Ms. Herron as aforesaid, as Exhibit “A” to this written statement.

³ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_9-25-19.pdf.

authority." The District's 2018-19 Budget⁴ includes a schedule for all estimated expenditures assigned to the District's General Fund⁵. Given the chart of account number⁶ ("COA") assigned by staff to expenditures pursuant to this contract corresponds to a "community relations" expenditure in the District's "General Fund" (see discussion below), I have searched all budgeted General Fund expenditures. Although "General Administration," "General Manager," "Trustees," "Accounting," "Information Services & Technology," "Risk Management," "Human Resources" and "Health & Wellness" Departments or Divisions are all budgeted, conspicuously absent, are expenditures assigned to "Community Relations." Translation: *expenditures for the subject contract were never budgeted.*

So What Have We Learned? That Nearly \$50,000 of Our Recreation ("RFF") and Beach ("BFF") Facility Fees, Annually, Are Being Spent on Staff Propaganda⁷ Rather Than the Availability of Recreation Facilities as the IVGID Board Has Represented⁸: Ms. Herron produced the purchase order for the contract GM Pinkerton entered into without Board approval⁹. I have placed an asterisk next to

⁴ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf ("the 2018-19 Budget").

⁵ See Schedule B-10 at page 19 of the 2018-19 Budget. This page is attached as Exhibit "B" to this written statement.

⁶ "A chart of accounts is a created list of the accounts used by an organization to define each class of items for which money or its equivalent is spent or received. It is used to organize the entity's finances and segregate expenditures, revenue, assets and liabilities in order to give interested parties a better understanding of the entity's financial health.

Accounts are typically defined by an identifier (account number) and a caption or header and are coded by account type...

The list can use numerical, alphabetic, or alpha-numeric identifiers. However, in many computerized environments...only numerical identifiers are allowed. The structure and headings of accounts should assist in consistent posting of transactions. Each nominal ledger account is unique, which allows its ledger to be located. The list is typically arranged in the order of the customary appearance of accounts in the financial statements: balance sheet accounts followed by profit and loss accounts...

In most countries it is entirely up to each accountant to design the chart of accounts" (go to https://en.wikipedia.org/wiki/Chart_of_accounts).

⁷ Also known as "community relations."

⁸ According to three members of the IVGIID Board, the current RFF/BFF represent standby service charges for the parcels/residential dwelling units assessed's availability to access and use the public's recreational facilities [see pages 247-262 of the packet of materials prepared by staff in anticipation of the Board's May 22, 2018 meeting {https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf ("the 5/22/2019 Board packet")}].

⁹ That purchase order is attached as Exhibit "C" to this written statement.

the COA assigned by staff to this expenditure; "100-14-170-6030." According to IVGID's "Legend of Our Account Structure"¹⁰ this number corresponds to a "Professional Consultants" (Object) expenditure assigned to "Community Relations" (Department and Division) within the District's "General Fund." I have placed another asterisk next to the contract amount; \$4,000 per month or \$48,000 annually.

Although our RFFs/BFFs are not being directly expended on this particular expenditure, indirectly they are. Let me explain. Schedule B-9 at page 18 of the 2018-19 Budget depicts revenues assigned by staff to the District's General Fund¹¹. If one compares the subtotal of budgeted revenue from all sources assigned to the General Fund (\$4,596,933) to the subtotal of all budgeted expenditures (\$4,539,239), one will see that at first blush then essentially balance one-another.

However, \$1,169,400 of revenue assigned to the General Fund is labeled "Central Services Cost Allocation."¹² According to the budget's "glossary of terms," the term Central Services Cost Allocation is defined as "the amount allocated between the Utility, Community Service(s) and Beach Funds to cover the cost of services provided by the General Fund"¹³ allegedly "prepared and calculated in accordance with NRS 354.613."¹⁴

This is a misstatement for several reasons the most glaring being that NRS 354.613(1) addresses "transfer(s) of) money from an enterprise fund." Since the District's Community Services and Beach Funds are "special revenue" rather than "enterprise" funds, NRS 354.613 has no application. But more to the point, 74% of the \$1,169,400 of central services cost allocation (\$860,800) come from the Community Services and Beach Funds (see Exhibit "E"). And since budgeted expenditures assigned to both the Community Services and Beach Funds exceed revenues, just like they exceed revenues in the General Fund, the RFF/BFF are required to offset those deficiencies. Which explains why I have stated the subject contract with Tri-Strategies is being funded by the RFF/BFF.

So What Have We Learned? That Not Only Were These Expenditures to Tri-Strategies Never Budgeted, But No Other 2019-20 Budgeted Expenditure Has Been Assigned the Exact COA Assigned to These Tri-Strategies Expenditures:

So What Have We Learned? That Mr. Pinkerton's Entrance Into a Contract Calling For the Expenditure of Public Moneys Neither Budgeted Nor Approved by the IVGID Board Was and is Unlawful: NRS 354.626(1) is clear in that other than "bond repayments...and...long-term contracts

¹⁰ Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency/legend-of-our-account-structure>.

¹¹ This page is attached as Exhibit "D" to this written statement.

¹² I have placed an asterisk next to this entry on Exhibit "D."

¹³ See page 164 of the 2018-19 Budget.

¹⁴ See the asterisk on page 124 of the 2018-19 Budget where this quoted language appears. This page is attached as Exhibit "E" to this written statement.

expressly authorized by law...no governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend *any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function*...Any officer or employee of a local government who willfully violates (this section) is guilty of a misdemeanor and upon conviction...ceases to hold his or her office or employment."

Since NRS 354.482 instructs that "a governing body('s)...expenditures¹⁵ and...obligations¹⁶ for specified purposes" are called "appropriations," and that they *must* be "authoriz(ed) by (its) governing body," NRS 354.626(1) speaks to expenditures and obligations incurred without the IVGID Board's formal approval.

So What Have We Learned? That Mr. Pinkerton's Entrance Into a Public Relations Contract Calling For the Expenditure of Moneys Deposited or Entrusted For the Availability of Use of Recreational Facilities Rather Than Staff Propaganda Was and is Unlawful: NRS 205.300(1) is clear in that "any person with whom any money...ha(s) been deposited or entrusted, who uses or appropriates the money...or any part thereof in any manner or for any other purpose than that for which they were deposited or entrusted, is guilty of embezzlement, and shall be punished in the manner prescribed by law for the stealing or larceny of property of the kind and name of the money...(mis)used or appropriated."

So What Have We Learned? Now That Ms. Herron Has Aided Her Public Employee Colleagues in the Concealment of These Facts, She's Liable as an Accessory: NRS 195.030 states that "every person who is not the spouse or domestic partner of the offender and who, after the commission of a felony...(or gross misdemeanor...conceals, or aids...such offender...in the...concealment of, material evidence...with intent that the offender may avoid or escape from arrest, trial, conviction or punishment, having knowledge that such offender has committed a felony...or gross misdemeanor... or is liable to arrest, *is an accessory to the felony.*"

So What Have We Learned? Now That Interim GM Indra Winquest Has Aided His Public Employee Colleagues in the Concealment of These Facts by Refusing to Agendize This Matter For Possible Board Action, He's Liable as an Accessory: for similar reasons as Ms. Herron.

Conclusion: What do we do with a PRO who disregards her duties under the NPRA? And what do we do with an interim GM who refuses to compel Ms. Herron to do her job as PRO? And what do we do with the IVGID Board which refuses to intervene to compel Ms. Herron to do her job as PRO?

¹⁵ NRS 354.520(1)(a) defines an expenditure as a "cost of goods delivered or services rendered, whether paid or unpaid."

¹⁶ NRS 354.548 defines an obligation as a "liabilit(y)...arising out of (a) transaction...which must be liquidated or refunded at some future date."

And you wonder why the RFF/BFF remain as high as they do? Now I've provided some answers.

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

EXHIBIT "A"

RE: Records Request - Contract With Tri Strategies For IVGID Communications to the Public - Follow Up

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: "Herron,Susan"
Cc: Wong Kendra Trustee <wong_trustee@ivgid.org>, Callicrate Tim <tim_callicrate2@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Morris Peter <morris_trustee@ivgid.org>
Subject: RE: Records Request - Contract With Tri Strategies For IVGID Communications to the Public - Follow Up
Date: Aug 30, 2019 6:48 PM

Thank you Ms. Herron -

But you haven't provided all the public records I requested to examine, or alternatively inform me that none exist. And you know this because you have done the same before.

I am therefore asking again that you comply as detailed (in red) below:

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

>From: "Herron, Susan"
 >Sent: Aug 30, 2019 2:48 PM
 >To: "s4s@ix.netcom.com"
 >Subject: RE: Records Request - Contract With Tri Strategies For IVGID Communications to the Public

>

>Dear Mr. Katz,

>

>This e-mail is IVGID's response to your records request dated August 25, 2019 which reads as follows:

>

>1. The contract itself;

>2. Written evidence where the IVGID Board approved Mr. Pinkerton's/anyone on his behalf's entrance into that contract;

A) Your response (below) that "this contract is within the General Manager's authority so I don't have anything for 2. above" is non-responsive.

Whether or not the GM had authority to enter into this contract (and by the way he didn't), doesn't respond to my records request. I asked for evidence where the IVGID Board approved anyone's entrance into the subject contract. Either provide the requested records I have requested which evidence where the Board approved entrance into this contract, or state you have no such records because none exist. That is what NRS 239.0107 requires you to do, and that's what I and the Legislature request you do.

Now, GM Pinkerton had no authority. And here's why. GM Pinkerton only had that authority, assuming arguendo, the expenditure was either budgeted to separately appropriated. Assuming neither took place here, he had no authority. Only the Board can appropriate a particular expenditure.

>3. The portion of the approved 2018-20 IVGID budget(s) where expenditures associated with the contract were expressly appropriated, as well as the chart of account number ("COA") assigned to those expenditures;

A) I acknowledge your providing a purchase order with the COA indicated is sufficient for the second part of this request. And for the record, this COA, according to IVGID's COA legend on its web site (go to <https://www.yourtahoepalace.com/ivgid/financial-transparency/legend-of-our-account-structure>), responds to a professional consulting contract under community relations under the General Fund.

We've had this discussion before. The 2019-20 budget appears on the district's web site at https://www.yourtahoepalace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf. General fund expenditures appear at schedule B-10 on page 15. Nowhere do I see community relations, let alone professional consulting under community relations. So you show me where, if anywhere, this expenditure was budgeted. Or do as NRS 239.0107 instructs you do; admit you have no records which evidence this expenditure was budgeted.

>4. All purchase orders issued by staff for expenditures associated with the contract;

>5. All invoicing from Tri Strategies for payment(s) associated with the contract;

- >6. All payments pursuant to that invoicing, and records evidencing the COA assigned to those payments;
- >7. Records evidencing all 2018-19 payments assigned this COA, including payments to Tri Strategies; and,
- >8. Records evidencing all 2019-20 payments assigned this COA, including payments to Tri Strategies.


A) Your response (below) states I "can drill down on open.gov to see all payments against any COA." You know this is not true. There is no way to insert a COA into the tool and query every expenditure assigned this COA. If you assert I am wrong, please point me to where in the tool I can do as you suggest. Assuming you can't, please comply with my request by providing records evidencing every 2018-19 expenditure which has been assigned the subject COA number, and every 2019-20 expenditure which has been assigned the subject COA number,

Your response (below) also states that "the COA is also referenced on each check on our weekly payments so I would ask that you please identify/send to me the check #, vendor name and week ending date for any and all invoices you would like to have provided to you."

I did not ask you provide all invoices for payments assigned the subject COA number. Rather, I asked you provide public records evidencing every 2018-19 and 2019-20 expenditure which has been assigned the subject COA number.

Moreover, NRS 239.0107 does not require me to sift through hundreds of pages of bill pays searching for possible expenditures assigned a particular COA. Especially when all you need do is type in the COA into the district's expenditure sorting program, and the answers will be spit out in 30 seconds or less.

So again, please provide the records I have requested as NRS 239.0107 mandates.

Assuming you do what in the past you have repeatedly done, i.e. nothing, I am asking at least one Board member and/or our interim GM to agendize this matter for possible action at the Board's next Board meeting. I am asking that as Ms. Herron's immediate superior, GM Winquest direct Ms. Herron to provide the requested records Ms. Herron has refused to provide. And independently, I ask the Board to direct Ms. Herron to provide the requested records she has refused to provide. 

If both the Board and GM Winquest refuse to compel Ms. Herron to provide the requested records she has refused to provide, I will construe both of your actions to be aiding and abetting Ms Herron's concealment of public records; a crime.

Finally, I ask Ms. Herron please place a copy of this e-mail string in the next Board packet so the public can see what I am cealing insofar as Ms. Herron's concealment of public records.

Thank you for your cooperation. Aaron Katz

- >
- >This contract is within the General Manager's authority so I don't have anything for 2. above.
- >The COA is on the purchase order which is attached and it was charged to the account is was budgeted to.
- >For 6. above, payment was made in accordance with the purchase order and that COA.
- >For 7. above, you can drill down on open.gov to see all payments against any COA and the COA is also referenced on each check on our weekly payments so I would ask that you please identify/send to me the check #, vendor name and week ending date for any and all invoices you would like to have provided to you.

- >
- >This completes your records request in its entirety.

- >
- >Susan A. Herron, CMC
- >Executive Assistant/District Clerk/Public Records Officer
- >Incline Village General Improvement District
- >893 Southwood Boulevard
- >Incline Village Nevada 89451
- >P: 775-832-1207
- >F: 775-832-1122
- >sah@ivgid.org
- >http://yourtahoeplace.com

>-----Original Message-----

- >From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
- >Sent: Sunday, August 25, 2019 7:51 AM
- >To: Herron, Susan
- >Subject: Records Request - Contract With Tri Strategies For IVGID Communications to the Public

- >
- >Hello Ms. Herron -
- >
- >Another records request.

>

>I have been informed that before Mr. Pinkerton's departure, he entered into a contract with Tri Strategies for IVGID Communications to the public.

>

>I would like to examine the following records associated with that contract:

>

>1. The contract itself;

>2. Written evidence where the IVGID Board approved Mr. Pinkerton's/anyone on his behalf's entrance into that contract; 3. The portion of the approved 2018-20 IVGID budget(s) where expenditures associated with the contract were expressly appropriated, as well as the chart of account number ("COA") assigned to those expenditures; 4. All purchase orders issued by staff for expenditures associated with the contract; 5. All invoicing from Tri Strategies for payment(s) associated with the contract; 6. All payments pursuant to that invoicing, and records evidencing the COA assigned to those payments; 7. Records evidencing all 2018-19 payments assigned this COA, including payments to Tri Strategies; and,

8. Records evidencing all 2019-20 payments assigned this COA, including payments to Tri Strategies.

>

>Thank you for your cooperation. Aaron Katz

EXHIBIT "B"

EXPENDITURES BY FUNCTION AND ACTIVITY	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/19	
	ACTUAL PRIOR YEAR ENDING 6/30/2017	ESTIMATED CURRENT YEAR ENDING 6/30/2018	TENTATIVE APPROVED	FINAL APPROVED
GENERAL GOVERNMENT				
General Administration				
Salaries and Wages	30,534	30,500	28,215	28,215
Employee Benefits	18,918	18,500	17,839	17,839
Services and Supplies	504,297	450,000	416,064	408,064
Capital Outlay - current	148,435	132,000	392,250	392,250
Capital Outlay - carryover project	-	-	-	43,700
Subtotal General Administration	700,184	629,000	854,368	890,068
General Manager				
Salaries and Wages	235,185	238,000	247,506	247,506
Employee Benefits	85,922	95,000	114,583	114,583
Services and Supplies	26,915	35,000	56,740	56,740
Subtotal General Manager	348,022	368,000	418,809	418,809
Trustees				
Salaries and Wages	99,445	99,400	100,984	100,984
Employee Benefits	28,294	28,000	30,346	30,346
Services and Supplies	40,979	30,600	66,600	74,600
Subtotal Trustees	168,718	157,400	197,930	205,930
Accounting				
Salaries and Wages	608,487	560,000	566,805	566,805
Employee Benefits	285,249	255,000	268,079	268,079
Services and Supplies	59,592	60,000	68,390	68,390
Subtotal Accounting	933,328	875,000	903,274	903,274
Information Services & Technology				
Salaries and Wages	336,450	365,000	468,487	468,487
Employee Benefits	122,887	150,000	220,452	220,452
Services and Supplies	230,363	230,000	323,583	323,583
Subtotal Information Services	689,500	745,000	1,012,522	1,012,522
Risk Management				
Salaries and Wages	78,201	78,000	80,435	80,435
Employee Benefits	40,495	40,000	44,539	44,539
Services and Supplies	9,948	12,000	21,910	21,910
Subtotal Risk Management	128,644	130,000	146,884	146,884
Human Resources				
Salaries and Wages	319,779	365,000	416,216	416,216
Employee Benefits	169,113	182,000	236,294	236,294
Services and Supplies	38,775	52,000	76,573	76,573
Subtotal Human Resources	527,567	599,000	729,083	729,083
Health & Wellness				
Salaries and Wages	12,276	12,000	14,058	14,058
Employee Benefits	5,414	5,000	5,557	5,557
Services and Supplies	5,276	4,000	21,475	21,475
Subtotal Health & Wellness	22,966	21,000	41,090	41,090
Communications				
Salaries and Wages	99,562	99,000	81,313	81,313
Employee Benefits	47,874	46,000	32,236	32,236
Services and Supplies	85,637	125,000	78,030	78,030
Subtotal Communications	233,073	270,000	191,579	191,579
FUNCTION SUBTOTAL	3,752,102	3,794,400	4,495,539	4,539,239

Incline Village General Improvement District

SCHEDULE B - GENERAL FUND

FUNCTION General Government

EXHIBIT "C"



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

PURCHASE ORDER

P.O. NUMBER	DATE
20-0010	07/01/2019

THIS NUMBER MUST APPEAR ON ALL INVOICE PACKING LISTS, LABELS, BILLS OF LADING AND CORRESPONDENCE.

Vendor Name, Address, and Number	Ship To Address And Phone Number	Please Send Invoices To
3834 Tri-Strategies, Ltd. 59 Damonte Ranch Parkway, Suite B-55 Reno, NV 89521	775-832-1100	Incline Village GID 893 Southwood Blvd. Incline Village, NV 89451 775-832-1100 ap@ivgid.org

LINE NO.	QUANTITY	UOM	ITEM AND DESCRIPTION	UNIT COST	EXTENDED COST	GL Coding
1	1.00	Each	2019-2020 Communications Consultant	★ \$48,000.00	\$48,000.00	100-14-170-6030 ★

	TOTAL	\$ 48,000.00	
--	--------------	---------------------	--

Comments:
USER ID

The District is granted Tax Exempt Status by the State of Nevada, State ID 88-7600004-K, therefore any goods or services delivered to the District within the boundaries of the State of NV are exempt from NV sales and use tax.

All shipments should be freight prepaid F.O.B. destination. Unauthorized shipments will be returned at the seller's expense **Title and risk of loss on all items shipped shall pass to the buyer at the F. O. B. destination.**

Payments of all invoices is net 30 unless expressly written and acknowledged in writing by the District's Director of Finance or Controller. IVGID's Federal Tax ID Number is **88-0099974**.

I CERTIFY THAT THE ABOVE PURCHASE IS FOR AN EXPENDITURE AS DEFINED BY NRS 354.520 OR AN EXPENSE UNDER NRS 354.523 AND THAT THE PURCHASE ORDER HAS BEEN ENCUMBERED AS DEFINED BY NRS 354.516.



Director of Finance, Accounting, Risk Management and Information Technology

EXHIBIT "D"

EXHIBIT "E"

Incline Village General Improvement District
Central Services Cost Allocation Plan

For the Fiscal Year Ending June 30, 2019

	General	Utility	Championship Golf	Mountain Golf	Facilities	Ski	Recreation Center	Parks	Tennis	Comm. Services Admin	Beach	Internal Services	Total District
Budgeted FTE by Fund Allocation	23.38 8.78%	34.39 12.92%	38.49 14.46%	11.235 4.22%	1.41 0.53%	72.976 27.41%	25.01 9.40%	9.49 3.57%	2.26 0.85%	3.19 1.20%	25.86 9.71%	18.5 6.95%	266.191 100%
Budgeted Wages by Fund Allocation	\$ 2,004,019 14.81%	\$ 2,663,937 19.69%	\$ 1,493,437 11.04%	\$ 382,111 2.82%	\$ 85,968 0.64%	\$ 2,867,877 21.20%	\$ 1,092,992 8.08%	\$ 328,315 2.43%	\$ 136,102 1.01%	\$ 122,353 0.90%	\$ 833,105 6.16%	\$ 1,518,840 11.23%	\$ 13,529,056 100%
Budgeted Benefits by Fund Allocation	\$ 969,905 18.19%	\$ 1,304,385 24.46%	\$ 451,909 8.48%	\$ 115,490 2.17%	\$ 43,156 0.81%	\$ 978,691 18.36%	\$ 347,964 6.53%	\$ 80,461 1.51%	\$ 27,535 0.52%	\$ 43,256 0.81%	\$ 209,334 3.93%	\$ 759,670 14.25%	\$ 5,331,756 100%
Budgeted Services & Supplies by Fund Allocation	\$ 1,129,365 8.07%	\$ 3,221,493 23.02%	\$ 2,037,513 14.56%	\$ 474,552 3.39%	\$ 395,078 2.82%	\$ 3,171,646 22.66%	\$ 804,127 5.75%	\$ 399,857 2.86%	\$ 89,233 0.64%	\$ 193,188 1.38%	\$ 787,937 5.63%	\$ 1,290,505 9.22%	\$ 13,994,494 100%
Budgeted Accounting - Invest. Int. Allocation based on Services & Supplies	49,368	140,821	89,065	20,744	17,270	138,642	35,151	17,479	3,901	8,445	34,443	56,412	\$ 611,739
Blended Allocation	14%	19%	11%	3%	1%	22%	8%	3%	1%	1%	7%	11%	
Budgeted Human Resources HR + 20% Accounting													
Based on Wages, Benefits & FTE	122,856	167,802	99,886	27,081	5,805	196,892	70,563	22,053	6,972	8,567	58,210	95,330	\$ 882,018
Central Services Cost Allocation	\$ 323,965	\$ 308,622	\$ 188,951	\$ 47,825	\$ 23,075	\$ 335,534	\$ 105,714	\$ 39,532	\$ 10,873	\$ 17,012	\$ 92,553	\$ 170,112	\$ 1,493,757
Annual Billing for Adopted Budget	\$ 308,600	\$ 188,900	\$ 47,800	\$ 23,000	\$ 23,000	\$ 335,500	\$ 105,700	\$ 39,500	\$ 10,800	\$ 17,000	\$ 92,600	\$ 170,000	\$ 1,169,400

Prepared and calculated in accordance with NRS 354.613 Subsection 1c and IVGID Board Policy 18.1.8

Note: The basis for Services & Supplies for the Central Services Cost Allocation differs from the Budgeted Services & Supplies by excluding costs for the allocation itself.

By: Gerald W. Eck, Director of Finance

Utility - \$308,600
 Beach - \$92,600
 Community Svcs - \$768,200
 Total - \$1,169,400

\$768,200
 \$308,600
 \$92,600

\$308,600
 \$188,900
 \$47,800
 \$23,000
 \$23,000
 \$335,500
 \$105,700
 \$39,500
 \$10,800
 \$17,000
 \$92,600

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS SEPTEMBER 25, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – WHAT DO WE DO WITH A CHAIRPERSON AND VICE-CHAIRPERSON WHO DECEIVE AND MISREPRESENT FACTS TO THE REST OF THE BOARD AND THE PUBLIC?

Introduction: At the Board’s August 14, 2019 meeting, in response to Trustee Callicrate’s sponsored agenda item H(4) which sought to “discuss and possibly revise the role of Board Trustee – Treasurer” Peter Morris¹, Chairperson Wong, supported by Vice-Chairperson Horan, advanced the narrative that since January 31, 1985 the Board’s and the District’s treasurer has been and currently is the District’s Chief Financial Officer (“CFO”). And for this reason, Trustee Morris who is the Board’s and the District’s official treasurer, has no duties nor responsibilities to the District or the public because they have been delegated to the District’s CFO notwithstanding NRS 318.09533(1)(f) declares the contrary². In support of Chairperson Wong’s narrative she presented a 59 page packet of written materials³ which purportedly proved her case, and then declared:

“I did a bunch of research and included the role(s) of all the different trustees...I started with references to the NRS...NRS 318 relates to boards and organizations and roles of trustees. I went ahead and highlighted the areas to focus on...specifically related to the role of trustees. If you turn to page...20 specifically (you will see)...the role of...treasurer...And then there are references to other policies and resolutions over the years. I guess the one point that I would make is that at one point in time the Board had actually designated the CFO as the treasurer...It was revoked at some other period of time⁴. But for all intents and purposes *the role is still being fulfilled by the CFO*....So I will just put that on the table.”⁵

¹ See https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Agenda_Regular_8-14-19.pdf.

² NRS 318.09533(1)(f) states that “the...treasurer *shall* perform the duties prescribed in subsection...4 of NRS 318.085.” NRS 318.085(4) states in part that “the treasurer *shall* keep strict and accurate accounts of all money received by and disbursed for and on behalf of the district in permanent records.”

³ These materials consisted of the following: NRS 318.085 (pages 1-2), the current version (effective April 25, 2018) of Board Policy 3.1.0 (pages 3-8), Resolution 1480 adopted November 28, 1984 (pages 9-14), the working copy of the Board of Trustees Member Handbook (pages 15-35), Resolution 1482 adopted January 31, 1985 (pages 36-40), Resolution 1508 Further Amending Resolution 1 adopted January 9, 1986 (pages 41-44), Resolution 1508 Further Amending Resolution 1 on August 27, 1987 (pages 45-50), Resolution 1 as amended January 14, 1988 and re-numbered Resolution 100 (pages 51-54), and the District’s “Financial Transparency” web page as of July 21, 2019 (pages 55-59).

⁴ On August 15, 2019 I made a public records request, in part, asking to examine “the minutes of any Board meeting where Resolution 1482 was rescinded.” Although IVGID’s Public Records Officer

But it turns out Chairperson Wong's narrative is neither supported by the materials she presented to the Board, nor the arguments she and Vice-Chairperson advanced. Quoting the well known adage first ascribed to Carroll D. Wright, a prominent statistician employed by the U.S. government who used the phrase in 1889 while addressing the Convention of Commissioners of Bureaus of Statistics of Labor, "figures will not lie, but liars will figure."⁶ Which raises the question what exactly should we do with such Board officers "who speak with forked tongue?" And that's the purpose of this written statement.

Each January a General Improvement District ("GID") Board Shall Elect Officers, Expressly Including a Treasurer: NRS 318.085(1) states as follows:

"After taking oaths and filing bonds, the (initial) board (of trustees) *shall* choose one of its members as chair of the board and president of the district, and *shall elect a secretary and a treasurer* of the board and of the district." NRS 318.09533(1)(c) and (e) state that "in January of each year (thereafter the Board shall)...designate another of its members to serve as chair of the board of trustees and president of the district *for a term of 1 year* (and)...may designate the...county treasurer...to act *ex officio* as... treasurer, or it may designate some other person to fill...th(is) office."

Moreover, Board Policy 3.1.0.11 states as follows:

"Officers of the Board *shall be elected* as provided by NRS 318.085 and *shall consist* of a Chair of the Board, Vice-Chair of the Board, *Treasurer* and Secretary. *The term of office shall be for one (1) year or until a reorganization of the Board is required.*"⁷

The Board's Election of Officers at its Meeting Held January 12, 1984: To demonstrate that the role of Board a District Treasurer was *never* being fulfilled by the CFO, here Jane Maxfield, a

("PRO") responded "there are no minutes where Resolution 1482 was rescinded," she did provide Resolution 1508 adopted January 9, 1986, where at ¶16(k) the similar subject matter of ¶16(j) of Resolution 1482 had been modified. Therefore ¶16(j) of Resolution 1482 was revoked and modified by ¶16(k) of Resolution 1508 less than a year after adoption of Resolution 1482. I have attached a copy of Resolution 1508 as Exhibit "A" to this written statement.

⁵ IVGID livestreams its Board meetings (<https://livestream.com/accounts/3411104>), and the livestream of its August 14, 2019 meeting appears at <https://livestream.com/IVGID/events/8782401/videos/195049969> ("the 8/14/2019 livestream"). 3:07:19-3:09:24 of the 8/14/2019 livestream depicts Chairperson Wong's comments to this effect.

⁶ Go to <https://quoteinvestigator.com/2010/11/15/liars-figure/>.

⁷ See pages 12-13 at <https://www.yourtahoepace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>.

member of the Board, was elected Secretary-Treasurer of the Board and the District⁸. Evidence of this portion of the minutes to the Board's January 12, 1984 meeting is attached as Exhibit "B" to this written statement.

The Board's Election of Officers at its Meeting Held January 10, 1985: Although a Chairperson, Vice-Chairperson and Secretary were elected, no one was elected to fill the position Treasurer of the Board and the District. Evidence of this portion of the minutes to the Board's January 10, 1985 meeting is attached as Exhibit "C" to this written statement.

Resolution 1482, Which Incorporated "a Number of Changes in Board Procedures," Was Adopted at the Board's January 31, 1985 Meeting: Evidence of this portion of the minutes to the Board's January 31, 1985 meeting is attached as Exhibit "D" to this written statement. Actual Resolution 1482, which was included in the packet of materials submitted by Chairperson Wong to other members of the Board on August 14, 2019, is attached as Exhibit "E" to this written statement⁹.

Resolution 1508, Which Incorporated "a Number of (Additional) Changes in Board Procedures" and In Essence Revoked ¶16(j) of Resolution 1482, Was Adopted at the Board's January 9, 1986 Meeting: This resolution is attached as Exhibit "A" to this written statement.

The Board's Election of Officers at its Meeting Held January 9, 1986: To demonstrate that the role of Board a District Treasurer was *never* being fulfilled by the CFO, Pam Wight, a member of the Board, was elected Secretary-Treasurer of the Board and the District⁸. Evidence of this portion of the minutes to the Board's January 9, 1986 meeting is attached as Exhibit "F" to this written statement.

The Board's Election of Officers at its Meeting Held January 8, 1987: To demonstrate that the role of Board a District Treasurer was *never* being fulfilled by the CFO, Bobbie Gang, a member of the Board, was elected Treasurer of the Board and the District. Evidence of this portion of the minutes to the Board's January 8, 1987 meeting is attached as Exhibit "G" to this written statement.

The Board's Election of Officers at its Meeting Held January 14, 1988: To demonstrate that the role of Board a District Treasurer was *never* being fulfilled by the CFO, Bobbie Gang, a member of the Board, was again elected Treasurer of the Board and the District. Evidence of this portion of the minutes to the Board's January 14, 1988 meeting is attached as Exhibit "H" to this written statement.

Notwithstanding Resolution 1482, the IVGID Board Has *Never* Elected its CFO as the Board's and the District's Treasurer: Moreover, any "policy" relating to the CFO being the Board's and the District's Treasurer was revoked on January 9, 1986 with the adoption of Resolution 1508.

⁸ NRS 318.085(1) states that "the secretary and the treasurer may be one person."

⁹ I have placed an asterisk next to the following language at ¶16(j), "RULES OF PROCEEDINGS," "Officers of the Board:" "The Chief Financial Officer of the District shall hold the office of Treasurer. The term of office shall be for one (1) year or until a reorganization of the Board is required."

The Board's Election of Officers at its Meeting Held February 6, 2019: To demonstrate that the role of Board a District Treasurer was *never* being fulfilled by the CFO, not only was Peter Morris, a member of the Board, was elected Treasurer of the Board and the District, but he nominated *himself*. Evidence of this portion of the minutes to the Board's February 6, 2019 meeting is attached as Exhibit "I" to this written statement.

Now Listen to Vice-Chairperson Horan's Comments on This Agenda Item:

"NRS 318.180 also provides for the hiring of staff to do all of these associated duties...And I think that...our Policy...1480 covers the delegation of those things and that...happened back in 1984, 1985...So I think we have delegated that."¹⁰

Vice-Chairperson Horan Obviously Doesn't Understand the Difference Between Delegating Administrative Duties and Accepting Responsibility For Undertaking the Duties Required as a GID Treasurer: He doesn't understand that when it comes to statutory duties as IVGID's Treasurer, *the buck stops with Treasurer Morris* regardless of what staff do or do not do.

The Board Exercises No Power to Hire *Anyone* Other Than the GM. So How Can it Hire the Board's and the District's Treasurer? It's disingenuous for Vice-Chairperson to fall back on the authority of NRS 318.180 which states "the board shall have the power to hire and retain agents, employees, servants, engineers and attorneys, and any other persons necessary or desirable to effect the purposes of this chapter." Other than IVGID's General Manager ("GM"), the Board hires and fires *no one*. Now all of a sudden three members of the Board are asserting it has the right to hire a Treasurer?

The Position of Board and District Treasurer is Not Identified as an "Authorized (Employee) Position" in the Board's Most Recent Budget: Take a look at the employees the Board has approved the GM may hire [this appears in the current budget (https://www.yourtahoepace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf)] at pages 115-139. Under "authorized positions," do you see the position of Board and District Treasurer? *Anywhere?*

If the District's CFO is the Board's and the District's Treasurer, How Come These Duties Do Not Appear in the CFO's Job Description? Most if not all IVGID jobs have formal job descriptions. With that said, look at the CFO's job description¹¹. Do you see his assumption of the title and responsibilities of the Board's and District's Treasurer? *Anywhere?*

Since Gerry Eick Has Been the District's CFO Since 2009, How Come He Has *NEVER* Signed Any Document Whereby He Represents Himself as the Board's and the District's Treasurer? On August 15, 2019 I made a public records request to examine all documents signed by the District's current

¹⁰ See 3:11:48- 3:12:13 of the 8/14/2019 livestream.

¹¹ That description is attached as Exhibit "J" to this written statement.

CFO, since 2009, wherein he represents himself as the Board's and the District's Treasurer. On August 16, 2019 IVGID's PRO responded as follows:

Because "Mr. Eick has never signed any documents where he has represented himself as IVGID's Board Treasurer...I have no documents to provide...on that part of your (records) request."¹²

"Regardless of Whatever Policies and Procedures We Have as a Board...if They Don't Abide by the Letter of the Law, They're Null and Void." This is what Trustee Callicrate stated at the Board's August 14, 2019 meeting on this agenda item¹³, and *he is 100% correct!*

Conclusion: So now you know the truth, it suggests a question: "what do we do with a Board Chairperson who intentionally spews deceit and misrepresentation to less knowledgeable members of the Board and public who are susceptible to her propaganda?" And what do we do with a Vice-Chairperson who disingenuously exists for no other reason than to act as wing man for his beloved chairperson colleague relying upon disingenuous and inappropriate arguments? And what do we do with an attorney who thinks his client is Chairperson Wong, individually, rather than the IVGID Board as a whole? On August 16, 2019 I raised these very questions to the Board in an e-mail asking that at least one member agendaize the issue for possible action at the Board's upcoming August 28, 2019 meeting¹⁴. Now the public has the opportunity to see what we do.

And you wonder why the Recreation ("RFF")/Beach ("BFF") Facility Fees remain as high as they are? Now I've provided some answers.

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

¹² The string of e-mails between Susan Herron and me are attached as Exhibit "K" to this written statement.

¹³ See 3:11:14-3:11:27 of the 8/14/2019 livestream.

¹⁴ A copy of that e-mail is attached as Exhibit "L" to this written statement.

EXHIBIT "A"

POLICY AND PROCEDURE RESOLUTION NO. 100
AS AMENDED JANUARY 9, 1986

RESOLUTION NO. 1508

A RESOLUTION FURTHER AMENDING
RESOLUTION NO. 1, AS AMENDED

*Amended again
Jan 14, 1988*

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, as follows:

WHEREAS, on June 1, 1961, the Board of Trustees of the District adopted its Resolution No. 1, entitled "A Resolution Fixing the Time and Place of the Regular Meeting of the Board of Trustees of the Incline Village General Improvement District, and Providing the Manner in Which Special Meetings of Said District May be Called, Designating an Official Mailing Address, and Establishing the Order of Business and Rules for Its Proceedings;" and

WHEREAS, on October 30, 1962, and several times thereafter, this Board has adopted resolutions amending said Resolution No. 1; and

WHEREAS, the Board of Trustees desires again to amend said Resolution No. 1 to eliminate the requirement that the office of Treasurer of the Board be held by the Chief Financial Officer of the District, and to add a provision that would allow the Board to authorize a change in the procedure for payment of bills, if necessary.

WHEREAS, this resolution supersedes Resolution No. 1 and all prior resolutions amending Resolution No. 1; and

WHEREAS, this Board deems it appropriate to set forth in its entirety said Resolution No. 1, as amended to date;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED that Resolution No. 1, as heretofore amended or as hereby amended in the manner above described, now reads:

"1. REGULAR MEETINGS. The regular meetings of the Board of Trustees of the Incline Village General Improvement District shall hereafter be held on the second (2nd) Thursday of each and every calendar month at the hour of 7:00 p.m. and on the last Thursday of each and every calendar month at the hour of 7:00 o'clock p.m.

2. SPECIAL MEETINGS. Special meetings of the Board of Trustees shall be held upon call of the Chairman of the Board or of a majority of the members thereof, by delivering personally or by mail or other notice to each member. Notice of all meetings shall be given in conformity with the provisions of Nevada Revised Statutes 241.020.

3. MEETING PLACE. All meetings of the Board of Trustees shall be held at the regular meeting place within the District, unless they shall adjourn to or fix another place of meeting in a notice to be given thereof, or unless prevented by flood, fire or other disaster. Said regular meeting place, which shall be the principal place of business of the District, is hereby fixed and established at 893 Southwood Boulevard within the District.

4. HOLIDAYS. In the event that any day fixed for a regular meeting of the Board shall fall upon a holiday, that meeting shall be cancelled unless the meeting is rescheduled by the Board.

5. ORDER OF BUSINESS. The order of business at the regular meetings of said Board shall be substantially as follows:

- a) Roll call
- b) Approval of minutes
- c) Approval of agenda
- d) Public hearings
- e) General business
- f) Reports
- g) Approval of bills
- h) Adjournment

The order of business may be revised by the General Manager upon consultation with the Chairman, where necessary to accomplish the efficient conduct of a meeting.

6. RULES OF PROCEEDINGS.

a. Public Meetings. All meetings of the Board shall be in accordance with NRS 241, the Nevada Open Meeting Law.

b. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business.

c. Method of Action. The Board of Trustees shall act only by ordinance, resolution, motion or contract, which, to become effective, shall be adopted by the affirmative vote of at least a majority of its members present in public meeting, unless otherwise provided by statutes.

d. Recording Vote. Except where action shall be taken by the unanimous vote of all trustees present and voting, the

ayes and noes shall be taken on all actions had and entered upon the minutes. All Trustees shall have the equal right to vote, make and second motions.

e. Ordinances. The enacting clause of all ordinances passed by the Board shall be in these words: "Be it ordained by the Board of Trustees of the Incline Village General Improvement District, as follows:." All ordinances shall be signed by the Chairman of the Board of Trustees and attested by the Secretary.

f. Contracts. Contracts entered into by the District in any aggregate amount exceeding \$10,000.00 must be approved by the Board of Trustees. All contracts, deeds, warrants, releases, receipts and documents approved or awarded by the Board shall be signed in the name of the District by the Chairman and countersigned by the Secretary, unless authorization to sign is given to another person by the Board. In the absence of the Chairman or Secretary, another member of the Board may sign. Contracts involving an aggregate amount of \$10,000.00 or less, which are not subject to the formal bid requirements of the Nevada Revised Statutes, may be authorized, approved and executed by the General Manager of the District or his designee, unless otherwise ordered by the Board of Trustees.

g. Robert's Rules. In all other regards, such meetings shall be substantially conducted in conformity with Robert's Rules of Order.

h. Agenda Preparation. The General Manager is responsible for preparing the agenda for each meeting. The General Manager shall schedule for consideration by the Board any matter requested to be placed on the agenda by a Trustee. If a person or party wishes to have a matter considered by the Board, a written request should be submitted to the General Manager, in advance of the meeting, allowing enough time for staff research. The amount of advance time required will be determined by the General Manager, based upon Board policy, administrative procedure? and the facts in each instance. Unless directed otherwise by the Board, the General Manager may delay consideration of an item, based upon the length of an agenda, need for coordination with other agenda items, meeting efficiency, or other considerations. In any conflict between the provisions of this paragraph and that of paragraph i, paragraph i shall govern.

i. Reconsideration. Reversal, or substantial modification, of any item by the Board of Trustees within six months of the meeting date at which the action was taken, will only be considered by the Board under the procedures established in this paragraph. After six months, the provisions of paragraph h shall be controlling. The General Manager may request reconsideration of any action of the Board, and place reconsideration of the action before the Board, if the General

Manager determines that the action compromises the efficiency of operations or otherwise impairs the effective management of IVGID. A Board action may also be scheduled for reconsideration with the concurrence of at least three Trustees, such concurrence expressed in a Board meeting or filed in the form of a request to the Executive Secretary to the Board, in writing. Written requests for reconsideration by any other person or party, including members of the general public, will be distributed to the Trustees but shall not be placed on the Board agenda, without the concurrence of at least three Trustees, as provided above. If the original action was taken after a public hearing, a second hearing shall be held in conjunction with any reconsideration. Once placed on the agenda under the procedure established herein, the Board may rescind, modify, reaffirm, or take no action on the item, in the same manner it would take action on any other new or old business.

j. **Public Participation.** Comments shall be solicited from the public on each item scheduled for consideration by the Board. When comments from the public are solicited, the Board or Board chairperson may set a time limit on any presentation by a member of the audience. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item.

k. **Officers of the Board.** The officers of the Board shall be elected as provided by NRS 318.085 and shall consist of a Chairman of the Board, Vice Chairman of the Board, Treasurer, and Secretary. The term of office shall be for one (1) year or until a reorganization of the Board is required.

l. **Authorization to Sign Checks.** The General Manager and the officers of the Board are hereby authorized to sign checks drawn on the various bank accounts of the District. It shall be required that at least two (2) signatures are affixed to any check drawn on such accounts. A list of checks, exceeding \$2,500, except payroll, shall be presented to the Board at each meeting for their review and approval, unless otherwise ordered by the Board.

m. **Facsimile Signatures.** The banks with which the District does business are authorized and directed to honor checks drawn on the various bank accounts of the District, when bearing any two facsimile signatures of the officers of the Board and General Manager of the District, after their manual signatures are filed with the Secretary of State, in conformance with NRS 351.030.

n. **Pre-payment.** The Board hereby authorizes pre-payment of contractual obligations, payroll obligations, and obligations that would be subject to penalty or loss of discount, if not paid prior to the next regular meeting of the Board,

EXHIBIT "B"

MINUTES OF REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE INCLINE
VILLAGE GENERAL IMPROVEMENT DISTRICT

January 12, 1984

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Maxfield at the regular meeting place of the District at 893 Southwood Boulevard, Incline Village, Nevada, at 7:00 p.m. on Thursday, January 12, 1984.

I. ROLL CALL

On roll call, Trustees present were Jane Maxfield, Bob Wolf, Tom Duggan, Bill Bergmann and Syd Brosten.

Staff members present were General Manager Mike McHugh, General Counsel Lester H. Berkson, Director of Recreation Jurgen Wetzstein, Director of Budgeting Paul Wickstrom, Engineer Jack Shefchik, Director of Marketing Kay Lee Nicholas, and secretary Anne Vorderbruggen.

Also present were Kim Zaski of the North Lake Tahoe Bonanza, Monika Baker of KLKT, Werner Schuster and Nick Badami of Alpine Development Corporation and their attorney Harvey Whittemore, Marguerite Maxfield, Don Steinmeyer, Kathi Skytta, Jules Radow, Sally Miller, D. A. Strongin, Mr. & Mrs. Russ Graff, Diane Fisher, Bob McGivern, Werner Wikander, Jack O'Leary, Art Koerber, Anita John, Bill Cahill, Mr. & Mrs. Luggi Foeger, Janet McHugh and Janet Hahn of Creative Interiors, Cappy Cook, Paul Conti, Shirley Dale, and others.

II. ELECTION OF OFFICERS

Chairman Maxfield called for nominations for the office of Chairman of the Board. Trustee Bergmann nominated Jane Maxfield, and Trustee Brosten nominated Bob Wolf. There being no further nominations, Trustee Duggan moved that nominations be closed. The motion was seconded by Trustee Wolf and unanimously carried. Chairman Maxfield then called for votes on the nominations, and by a vote of three to two, Trustee Wolf was elected Chairman of the Board.

Chairman Maxfield then called for nominations for the office of Vice Chairman. Trustee Duggan nominated Syd Brosten, and Trustee Bergmann nominated Jane Maxfield. Trustee Bergmann moved that nominations be closed and the motion was seconded by Trustee Wolf and unanimously carried. Chairman Maxfield then called for votes on the nominations and Trustee Brosten was elected Vice Chairman by a vote of three to two.

Trustee Brosten nominated Jane Maxfield for the office of Secretary-Treasurer. There being no further nominations, Trustee Brosten moved that nominations be closed. The motion was seconded by Trustee Duggan and unanimously carried. Trustee Maxfield was elected Secretary-Treasurer by a unanimous vote.

III. APPROVAL OF MINUTES

On motion by Trustee Maxfield, seconded by Trustee Duggan and unanimously carried, the minutes of the regular meeting of December 15, 1983, were approved as submitted.

On motion by Trustee Maxfield, seconded by Trustee Duggan and unanimously carried, the minutes of the Emergency Meeting of December 22, 1983, were approved as submitted.

EXHIBIT "C"

Minutes of January 10, 1985
BOD Meeting

V. EMPLOYEE OF THE MONTH

Chairman Wolf presented Marcie Johnson, Accounts Payable Clerk, with a plaque in recognition of her being selected as Employee of the Month for January. He also congratulated her on her birthday, which is on January 10, and presented her with flowers.

VI. ORGANIZATION OF THE BOARD

A. Election of Chair

Trustee Gang nominated Bob Wolf for Chair of the Board. Trustee McKay nominated Jane Maxfield. There being no further nominations, on motion by Trustee Maxfield, seconded by Trustee Wight and unanimously carried, nominations for Chair of the Board were closed. Chairman Wolf then called for votes and the following votes were cast:

Jane Maxfield:	Trustees Maxfield and McKay
Bob Wolf:	Trustees Gang, Wolf, and Wight

Bob Wolf was elected Chairman of the Board.

B. Election of Vice Chair

Trustee Gang nominated Pam Wight for the office of Vice Chair. Trustee McKay nominated Jane Maxfield. There being no further nominations, Trustee Maxfield moved that nominations be closed. The motion was seconded by Trustee Wight and unanimously carried. The following votes were cast:

Jane Maxfield:	Trustees Maxfield and McKay
Pam Wight:	Trustees Gang, Wolf, and Wight

Pam Wight was elected Vice Chairperson.

C. Election of Secretary

Trustee Wight nominated Bobbie Gang for the office of Secretary. There being no further nominations, on motion by Trustee Maxfield, seconded by Trustee Wight and unanimously carried, nominations were closed. Chairman Wolf then called for votes on the nomination, and Bobbie Gang was unanimously elected Secretary of the Board.

VII.A. PRE-BUDGET PUBLIC HEARING

Chairman Wolf stated that notice of the Pre-Budget Public Hearing has been posted, and published in the December 7, 1984, and January 9, 1985, issues of the North Lake Tahoe Bonanza.

General Manager Hunt stated that the purpose of the public hearing is to allow the community at large and the Board an opportunity to provide input for staff to consider in preparing the budget.

No written comments were received.

Chairman Wolf called for comments from the Board, and there were none.

Chairman Wolf then asked for comments from the audience and there were none. Chairman Wolf noted that as the community and Board become more familiar with this approach to the budget, it will prove more beneficial.

EXHIBIT "D"

V.B. RESOLUTION NO. 1, PROPOSED AMENDMENTS

General Manager Hunt stated that there have been a number of changes in Board procedures in the last year or so that have not been recognized in amendments to Resolution No. 1. A proposed resolution amending Resolution No. 1 has been distributed. Mr. Hunt said that because this resolution is so fundamental to the way the Board acts, it is appropriate that they should make the decisions on the amendments.

Trustee Gang moved that paragraph 6.a be changed to read:

"a. Public Meetings. All meetings of the Board shall be in accordance with NRS 241, the Nevada Open Meeting Law."

The motion was seconded by Trustee Maxfield and unanimously carried.

Chairman Wolf moved that "Communications" be removed from paragraph 5, "Order of Business," and that communications be handled as outlined by General Manager Hunt. If the communication has relevance to a particular agenda item, it can be addressed at that time; or if the letter requires a staff response, staff would be given time to research the issue and provide the letter and response at a future Board meeting. The motion was seconded by Trustee Maxfield and unanimously carried.

Trustee Maxfield moved that the following sentence be added to paragraph 6.i, after "Public Participation." and before "When": "Comments shall be solicited from the public on each item scheduled for consideration by the Board;" and that the following be added as the second sentence of paragraph 6.h, "Agenda Preparation.":

"The General Manager shall schedule for consideration by the Board any matter requested to be placed on an agenda by a Trustee."

The motion was seconded by Trustee Gang and unanimously carried.

On motion by Trustee Maxfield, seconded by Trustee McKay and unanimously carried, RESOLUTION NO. 1482, A Resolution Further Amending Resolution No. 1, as Amended, and Repealing Resolution No. 1290, was adopted. ★

VI.A. TRPA PARTIAL TENTATIVE LITIGATION SETTLEMENT

General Manager Hunt reported that General Counsel Berkson was asked to request an opinion from IVGID's special counsel, Jim Thompson, on whether IVGID should continue to pursue the intervention suit, which is now at an appeal level, in view of the partial tentative settlement that was approved by the TRPA Board.

General Counsel Berkson reported that IVGID's options are set forth in Mr. Thompson's letter, and it is the recommendation of Mr. Thompson's firm that IVGID should continue the appeal. General Manager Hunt stated that he concurs with the recommendation.

Trustee Gang stated that IVGID should ask for a delay in the briefing schedule so as not to incur any unnecessary costs, since both sides are committed to negotiate a settlement out of court. She stated she doesn't think the delay would hurt the District's position in the appeal.

General Counsel Berkson stated that he agrees with the spirit of cooperation, and that IVGID has been trying to cooperate with TRPA. He noted that IVGID is getting a negative

response from the TRPA staff on the ski lodge remodel. Mr. Berkson suggested that after the next Board meeting, the Board may have a better handle on whether the appeal should be delayed.

Trustee Gang moved that Mr. Thompson be instructed to not proceed at this time, pending the discussions at the February 14 Board meeting. The motion died for lack of a second.

Trustee Gang stated that the intent of her motion was that the attorney be instructed not to do anything until the subject is discussed again at the next meeting.

It was the consensus of the Board that this should be continued as an agenda item at the next Board meeting.

General Manager Hunt stated that he has a problem with paragraph 7 of Attachment 2, the Tentative Agreements, which seems to put the League to Save Lake Tahoe and the California Attorney General in the position of approving public service projects for the next ten years. He asked for authorization from the Board to talk with other governmental entities, and approach the litigation committee and/or TRPA staff to discuss it.

It was the consensus of the Board that the General Manager should be authorized to proceed to address this issue and find out the sentiments of the other governments in the Basin.

VI.B. CONSTRUCTION TAX FOR PARKS--LEGISLATIVE POSITION

Parks and Recreation Director Doug Doolittle stated that the Nevada Parks and Recreation Society is concerned that the construction industry may try to repeal the construction tax for parks, and they are asking for support from the Board to oppose any attempt to repeal the tax. Mr. Doolittle asked that IVGID's lobbyist be directed to take any action that is necessary to stop a repeal of the tax.

The Board concurred that any efforts to repeal the construction tax should be opposed, but they would not be opposed to making the construction tax money available for operation and maintenance purposes, as long as it would not jeopardize the use of the funds for construction.

VII.A. GENERAL MANAGER'S REPORT

Interim General Counsel

General Manager Hunt noted that at the special meeting of January 17, 1985, the Board authorized the appointment of the Washoe County District Attorney's office as their interim attorney.

General Counsel Berkson introduced George Campbell, Deputy District Attorney, who will provide the legal services for IVGID. Mr. Berkson reported they have negotiated a fee of \$40 per hour, with no reimburseable expenses or hidden costs.

On motion by Trustee Maxfield, seconded by Trustee McKay and unanimously carried, the Board accepted the agreement with the Washoe County District Attorney's office, under the terms negotiated by staff.

Operating Engineers Local Union No. 3

General Manager Hunt reported that the Operating Engineers Local Union has notified IVGID of their intent to open negotiations on wages for the coming fiscal year. Mr. Hunt noted that IVGID is in the second year of a three-year contract with

EXHIBIT "E"

RESOLUTION NO. 1482

A RESOLUTION FURTHER AMENDING
RESOLUTION NO. 1, AS AMENDED; AND
REPEALING RESOLUTION NO. 1290

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, as follows:

WHEREAS, on June 1, 1961, the Board of Trustees of the District adopted its Resolution No. 1, entitled "A Resolution Fixing the Time and Place of the Regular Meeting of the Board of Trustees of the Incline Village General Improvement District, and Providing the Manner in which Special Meetings of said District May be Called, Designating an Official Mailing Address, and Establishing the Order of Business and Rules for Its Proceedings;" and

WHEREAS, on October 30, 1962, and several times thereafter, this Board has adopted resolutions amending said Resolution No. 1; and

WHEREAS, this Board desires again to amend said Resolution No. 1 to conform to the Nevada Open Meeting Law and in other respects; and

WHEREAS, on August 11, 1977, the Board of Trustees of the District adopted its Resolution No. 1290, entitled "A Resolution Authorizing the Use of Facsimile Signatures for the Disbursement of Funds from the District's Various Bank Accounts;" and

WHEREAS, on November 29, 1979, and on January 13, 1983, this Board has adopted resolutions amending said Resolution No. 1290; and

WHEREAS, this Board deems it appropriate that the authorization contained in Resolution No. 1290, be included as part of Resolution No. 1, as amended; and

WHEREAS, this resolution supersedes Resolution No. 1 and all prior resolutions amending Resolution No. 1; and

WHEREAS, this Board deems it appropriate to set forth in its entirety said Resolution No. 1, as amended to date:

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED that Resolution No. 1, as heretofore amended or as hereby amended in the manner above described now reads:

"1. REGULAR MEETINGS. The regular meetings of the Board of Trustees of the Incline Village General Improvement District shall hereafter be held on the second (2nd) Thursday of each and every calendar month at the hour of 7:00 o'clock p.m. and on the last Thursday of each and every calendar month at the hour of 7:00 o'clock p.m.

2. SPECIAL MEETINGS. Special meetings of the Board of Trustees shall be held upon call of the Chairman of the Board or of a majority of the members thereof, by delivering personally or by mail or other notice to each member. Notice of all meetings shall be given in conformity with the provisions of Nevada Revised Statutes 241.020.

3. MEETING PLACE. All meetings of the Board of Trustees shall be held at the regular meeting place within the District, unless they shall adjourn to or fix another place of meeting in a notice to be given thereof, or unless prevented by flood, fire or other disaster. Said regular meeting place, which shall be the principal place of business of the District, is hereby fixed and established at 893 Southwood Boulevard within the District.

4. HOLIDAYS. In the event that any day fixed for a regular meeting of the Board shall fall upon a holiday, that meeting shall be cancelled unless the meeting is rescheduled by the Board.

5. ORDER OF BUSINESS. The order of business at the regular meetings of said Board shall be substantially as follows:

- a) Roll call
- b) Approval of minutes
- c) Approval of agenda
- d) Public hearings
- e) General business
- f) Reports
- g) Approval of bills
- h) Adjournment

The order of business may be revised by the General Manager upon consultation with the Chairman, where necessary to accomplish the efficient conduct of a meeting.

6. RULES OF PROCEEDINGS.

a. Public Meetings. All meetings of the Board shall be in accordance with NRS 241, the Nevada Open Meeting Law.

b. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business.

c. Method of Action. The Board of Trustees shall act only by ordinance, resolution, motion or contract, which, to become effective, shall be adopted by the affirmative vote of at least a majority of its members present in public meeting, unless otherwise provided by statutes.

d. Recording Vote. Except where action shall be taken by the unanimous vote of all trustees present and voting, the ayes and noes shall be taken on all actions had and entered upon the minutes. All Trustees shall have the equal right to vote, make and second motions.

e. Ordinances. The enacting clause of all ordinances passed by the Board shall be in these words: "Be it ordained by the Board of Trustees of the Incline Village General Improvement District, as follows:." All ordinances shall be signed by the Chairman of the Board of Trustees and attested by the Secretary.

f. Contracts. All contracts, deeds, warrants, releases, receipts and documents approved or awarded by the Board shall be signed in the name of the District by the Chairman and countersigned by the Secretary, unless authorization to sign is given to another person by the Board. In the absence of the Chairman or Secretary, another member of the Board may sign.

g. Robert's Rules. In all other regards, such meetings shall be substantially conducted in conformity with Robert's Rules of Order.

h. Agenda Preparation. The General Manager is responsible for preparing the agenda for each meeting. The General Manager shall schedule for consideration by the Board any matter requested to be placed on the agenda by a Trustee. If a person or party wishes to have a matter considered by the Board, a written request should be submitted to the General Manager, in advance of the meeting, allowing enough time for staff research. The amount of advance time required will be determined by the General Manager, based upon Board policy, administrative procedure, and the facts in each instance. Unless directed otherwise by the Board, the General Manager may delay consideration of an item, based upon the length of an agenda, need for coordination with other agenda items, meeting efficiency, or other considerations.

i. Public Participation. Comments shall be solicited from the public on each item scheduled for consideration by the Board. When comments from the public are solicited, the Board or Board chairperson may set a time limit on any presentation by a member of the audience. Unless otherwise permitted by the chair, no person shall be allowed to speak more than once on any single agenda item.

j. Officers of the Board. The officers of the Board shall be elected as provided by NRS 318.085 and shall consist of a Chairman of the Board, Vice Chairman of the Board, and Secretary. The Chief Financial Officer of the District shall hold the office of Treasurer. The term of office shall be for one (1) year or until a reorganization of the Board is required.

k. Authorization to Sign Checks. The officers of the Board and General Manager of the District are hereby authorized to sign checks drawn on the various bank accounts of the District. It shall be required that at least two (2) signatures are affixed to any check drawn on such accounts. A list of checks, exceeding \$2,500, except payroll, shall be presented to the Board at each meeting for their review.

1. Facsimile Signatures. The banks with which the District does business are authorized and directed to honor checks drawn on the various bank accounts of the District, when bearing any two facsimile signatures of the officers of the Board and General Manager of the District, after their manual signatures are filed with the Secretary of State, in conformance with NRS 351.030.

m. Pre-Payment. The Board hereby authorizes pre-payment of contractual obligations, payroll obligations, and obligations that would be subject to penalty or loss of discount, if not paid prior to the next regular meeting of the Board, subject to reporting such pre-payments at the next regularly scheduled meeting."

IT IS FURTHER ORDERED, that Resolution No. 1290, adopted on August 11, 1977, and amended on November 29, 1979, and January 13, 1983, is hereby repealed.

* * * * *

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 31st day of January, 1985, by the following vote:

AYES, and in favor thereof, Trustees:

Bobbie Gang, Jane Maxfield, Greg McKay,
Pam Wight, Bob Wolf

NOES, Trustees: None

ABSENT, Trustees: None



Secretary

EXHIBIT "F"

Minutes of January 9, 1986
BOD Meeting

Treasurer were approved; the proposed changes to paragraph n, "Pre-payment," were not approved, but the following change to paragraph l was approved which would allow the Board to authorize changes in the procedure for payment of bills on a case-by-case basis, if necessary:

The words "and approval, unless otherwise ordered by the Board" were added to the last sentence of paragraph l, making that sentence read:

"A list of checks, exceeding \$2,500, except payroll, shall be presented to the Board at each meeting for their review and approval, unless otherwise ordered by the Board."

F.2. ORGANIZATION OF THE BOARD

Trustee McKay moved that for 1986 the offices of Secretary and Treasurer be combined. The motion was seconded by Trustee Maxfield and unanimously carried.

Chairman Wolf then called for nominations for the office of Chairman. Trustee Gang nominated Bob Wolf, and Trustee McKay nominated Jane Maxfield. On motion by Trustee Maxfield, seconded by Trustee Wight and unanimously carried, nominations were closed. Chairman Wolf then called for a vote on the nominations. Trustees Maxfield and McKay voted for Jane Maxfield, and Trustees Gang, Wight and Wolf voted for Bob Wolf. Bob Wolf was elected Chairman of the Board.

Chairman Wolf then called for nominations for the office of Vice Chairman. Trustee Wight nominated Trustee Gang. Trustee Maxfield moved that nominations be closed. The motion was seconded by Trustee Gang and unanimously carried. Chairman Wolf called for a vote on the nomination, and Trustee Gang was unanimously elected Vice Chairman.

* Trustee Gang nominated Pam Wight for the office of Secretary-Treasurer. On motion by Trustee Maxfield, seconded by Trustee McKay and unanimously carried, nominations were closed. Chairman Wolf called for a vote on the nomination, and Trustee Wight was unanimously elected Secretary-Treasurer.

F.3. PROPOSED TEEN CENTER

Parks and Recreation Director Doug Doolittle said the teen center planning committee has met, and talked with Director of Golf Bob Marshall about using the area at the Casual Water Bar for a teen center. He stated that IVGID staff has the time available for a project of this type, and the expertise to carry out the function.

Earl Burton stated that he, Werner Wikander and John Kirby are in the process of starting up a Junior Achievement Center, and they have asked I-CAN if they can use the teen center for their meetings. Parks and Recreation Director Doolittle said any group of students who would want to use that area for a meeting would be an acceptable part of the teen center's operations.

Marguerite Maxfield stated that she opposes the age grouping of 13 and 19 year olds and is opposed to any center that is a hangout for kids. She stated the center should not be equipped with a TV, and that a place is needed where children can meet with a highly competent, qualified and trained person, who can teach them how to use their leisure time creatively and constructively for the rest of their lives. She also stated that the users should contribute toward maintaining the facility, as it would be appreciated more. Mrs. Maxfield stated that she believes Trustee Gang has a conflict of interest because of I-CAN,

EXHIBIT "G"

Minutes of January 8, 1987
BOD Meeting

C. ORGANIZATION OF THE BOARD

Election of Chair. Trustee McKay nominated Jane Maxfield for the position of Chairman. Trustee Lillie moved that nominations be closed, and the motion was seconded by Trustee Maxfield and unanimously carried. Vice Chairman Gang called for a vote on the nomination and the vote was unanimous for Trustee Maxfield.

Chairman Maxfield then presided over the meeting.

Election of Vice Chair. Trustee Lillie nominated Greg McKay for the position of Vice Chairman. Trustee Gang moved that nominations be closed, and the motion was seconded by Trustee Wight and unanimously carried. Chairman Maxfield called for a vote on the nomination and the vote was unanimous for Trustee McKay.

Election of Secretary. Trustee Gang nominated Pam Wight for the position of Secretary. Trustee Lillie moved that nominations be closed, and the motion was seconded by Trustee Wight and unanimously carried. Chairman Maxfield called for a vote on the nomination and the vote was unanimous for Trustee Wight.

★ Election of Treasurer. Trustee McKay nominated Bobbie Gang for the position of Treasurer. Trustee Lillie moved that nominations be closed, and the motion was seconded by Trustee Wight and unanimously carried. Chairman Maxfield called for a vote on the nomination and the vote was unanimous for Trustee Gang.

D. APPROVAL OF MINUTES

On motion by Trustee Gang, seconded by Trustee McKay and unanimously carried, the minutes of the special meeting of December 4, and the regular meeting of December 11, 1986, were approved as submitted.

E. APPROVAL OF AGENDA

There were no corrections or additions to the agenda and it was approved as published.

F. EMPLOYEE OF THE MONTH

Inspector/Plant Operator John DiFeo was presented with a plaque in recognition of being named Employee of the Month for January.

General Manager Hunt stated that it has been suggested that the award to the Employee of the Month be broadened to include the option of receiving a gift certificate at a retail outlet of their choice in Village Village-Crystal Bay in lieu of a dinner for two, and he intended to expand the award to include this option if the Board thinks it is appropriate. The Board concurred with the suggestion.

G.1. 1987-88 PRE-BUDGET PUBLIC HEARING

General Manager Hunt stated that the pre-budget public hearing gives the citizens and Trustees an opportunity to provide input into the budget before it is prepared.

Publication of notice of the public hearing was made in the North Lake Tahoe Bonanza on January 2 and January 7.

Chairman Maxfield then opened the public hearing.

There being no written or oral comments, Chairman Maxfield closed the public hearing.

EXHIBIT "H"

Minutes of January 14, 1988
 BOB Meeting

F. ORGANIZATION OF THE BOARD

Trustee McKay nominated Jane Maxfield for the position of Chairman of the Board. There being no further nominations, on motion by Trustee Lillie, seconded by Trustee Gang and unanimously carried, nominations were closed. The Board then voted unanimously for Jane Maxfield as Chairman.

Trustee Lillie nominated Greg McKay for the position of Vice Chairman. There being no further nominations, Trustee Gang moved that nominations be closed. The motion was seconded by Trustee Lillie and unanimously carried. Chairman Maxfield called for a vote on the nomination and the vote was unanimous for Greg McKay as Vice Chairman.

Trustee Lillie nominated Pam Wight for the position of Secretary. There being no further nominations, Trustee McKay moved that nominations be closed. The motion was seconded by Trustee Gang and unanimously carried. Chairman Maxfield called for a vote on the nomination and the Board voted unanimously for Pam Wight as Secretary.

★ Trustee Wight nominated Bobbie Gang for the position of Treasurer. There being no further nominations, Trustee McKay moved that nominations be closed. The motion was seconded by Trustee Lillie and unanimously carried. Chairman Maxfield called for a vote on the nomination and the vote was unanimous for Bobbie Gang as Treasurer.

G. 1988-89 PRE-BUDGET HEARING

General Manager Hunt stated the pre-budget public hearing is an opportunity for citizens to give IVGID suggestions about matters they would like considered for inclusion in the 1988-89 budget; as well as an opportunity for the Board to give direction to staff. General Manager Hunt stated that staff is particularly interested in any input on user rates, service levels, capital improvements, and anything that affects any of IVGID's operations, including the five-year capital improvement program.

Notice of the public hearing was published in the North Lake Tahoe Bonanza on January 6 and January 13.

Chairman Maxfield opened the public hearing. No written comments were received and there being no one present in the audience who wished to speak, Chairman Maxfield closed the public hearing.

EXHIBIT "I"

Chairwoman Wong said she doesn't know how this will shake out but that it has been a pleasure serving as your Board Chair and turned over the elections to the District Clerk.

District Clerk Susan Herron said that the nominations are now open for Chair or a slate of officers.

Trustee Morris said he would like propose a slate of officers as follows:

Chair – Trustee Wong
Vice Chair – Trustee Horan
Treasurer – Trustee Morris
Secretary – Trustee Dent

Trustee Dent declined to be Secretary and asked if Trustee Callicrate could be Secretary.

Trustee Morris revised his slate to read as follows:

★ Chair – Trustee Wong
Vice Chair – Trustee Horan
Treasurer – Trustee Morris
Secretary – Trustee Callicrate

Trustee Horan seconded the revised proposed slate of officers. Chairwoman Wong asked for comments, receiving none, she called the question and the slate of officers' motion was passed unanimously.

G. DISTRICT STAFF UPDATE (*for possible action*)

- G.1. General Manager Steve Pinkerton
- a. Mountain Golf Course Clubhouse
 - b. Pending FEMA Reimbursements

District General Manager Pinkerton gave a brief verbal update and said regarding Item G.1.a. that Staff is awaiting information from the insurance company and that Staff is about three weeks away from submitting plans for permits. The District does have insurance proceeds available for paint and carpet and we have a very good interim plan for this summer. This will be pretty close to status quo and it will allow the District the time to work more

Minutes of February 6, 2019
BOB Meeting

Chairwoman Wong said as to the titles to tackle next she is thinking that Title 5 because it is related to the budget process as well as finances and property. Trustee Dent asked to prioritize the Ordinance 7 title as we have tried to tackle that several times so could we put that as a priority. District General Manager Pinkerton said you had your workshop where you started to flush it out and noted that Ordinance 7 will become a higher priority for the Board as you will need to have a higher philosophical discussion and that at your next meeting, Staff will have 4th of July and beach updates. He would ask that the first shot at Ordinance 7 would be sometime during the summer. Trustee Dent said he agrees and that we have gotten feedback for years and that he would like to start looking at it now and throw out what he is thinking. District General Manager Pinkerton said instead of doing this at the end of a meeting and in order to facilitate a more robust meeting, he would recommend doing it as a retreat. Chairwoman Wong said she would like to tackle Ordinance 7 after the budget and tackle Title 5 during the budget and then kick off Ordinance 7. District General Manager Pinkerton suggested April; Trustee Dent said he is okay with April. Trustee Callicrate said he likes that idea and wants to get it on our radar sooner rather than later. District General Manager Pinkerton said he will put it on the calendar for April 10. Trustee Morris asked which title. District General Counsel Guinasso said it was split into two titles – 9 and 10. Chairwoman Wong asked if we could get a condensed table of contents with titles only and then the articles. District General Counsel Guinasso said that was page 23. Chairwoman Wong said she would like that moved to the front. Trustee Dent asked that page numbers be put to it. District General Counsel Guinasso said that Title 9 is beaches and Title 10 is Community Services and that this is a proposal that you have to discuss and debate. Trustee Morris said when we get to it, agenda packet page 435, Title 9 is about beaches and there is a lot of stuff – it has only got one page so is there more to come on that. Chairwoman Wong said it is four pages. District General Manager Pinkerton said right now it is all in Ordinance 7 so there is nothing new. Trustee Morris said so agenda packet page 246 would go to page 435. District General Counsel Guinasso said that is what you get to debate. Trustee Morris said thank you and that he now understands.

Chairwoman Wong said that our next title will be Title 5 then in April we will work on Titles 9 and 10.

G.7. Election of Board Officers for 2019 – effective at the end of this meeting

EXHIBIT "J"

**Incline Village General Improvement District
Job Description**

Job Title: Director of Finance
Job Number: 1220A
Salary Grade: 40
Department: Finance
Reports To: General Manager
FLSA Status: Exempt - Executive
Prepared By: G. Eick/ /D. Carey/S. Pinkerton
Prepared Date: 10/11/95 Revised 07/01/17
Approved By: D. Carey
Approved Date: 07/01/17

SUMMARY

This position is responsible for the overall leadership and management of the District's Finance, Accounting and Risk Management divisions and regularly required to prepare presentations for the Board of Trustees. The incumbent performs high level administrative, technical, and professional work and supervises staff and management of resources consistent with the general administrative direction of the General Manager. An employee in this position is "at will," serving at the pleasure of the Incline Village General Improvement District.

ESSENTIAL DUTIES AND RESPONSIBILITIES, not necessarily in order of priority, include the following. Assigned job tasks/duties are not limited to the essential functions.

1. Provides excellent customer service to customers and business partners.
2. Directs and coordinates day to day operations of the Finance, Accounting and Risk Management Divisions to meet the processing, reporting and analysis needs of the District.
3. Oversees, coordinates, and directs the analysis of the data and makes recommendations regarding revenue, expenditures, investments, indebtedness, bond issues, bond refinancing, capital improvements projects and infrastructure financing and cash requirements.
4. Prepares reports that summarize and analyze District business activity and financial position in areas of income, expenses and other sources and uses based on past, present and expected operations.
5. Recommends, establishes, and monitors accounting, reporting and internal controls, Board Policies and Practices and District Procedures.
6. Supervises preparation of monthly, annual and ad hoc financial reports for review by management and the Board of Trustees.
7. Ensures the integrity of the District's computerized financial accounting system by maintaining expertise on this system; troubleshoots and solves system processing problems.
8. Oversees and coordinates the preparation of the District's Comprehensive Annual Financial Report.
9. Oversees preparation of the District's annual consolidated operating and capital budgets for presentation to the Board, the public, and Department of Taxation.
10. Arranges and coordinates audits of the District's accounts.
11. Prepares reports required by regulatory agencies.
12. Develops and administers annual operating budget and capital improvement budget for assigned areas of responsibility; monitors and controls budgets utilizing a computerized financial accounting system.

13. Coordinates the development of goals and objectives for the Revenue Office and Finance Division. Collaborates with Human Resources to develop Risk Management's goals and objectives.
14. Interfaces with other District staff to research and resolve a variety of accounting related issues.
15. Establishes and maintains effective working relationships with business partners, including representatives of banks, auditing firm, Nevada Public Agency Insurance Pool and the District's Insurance Brokers, etc.
16. Serves as a member of the Senior Management Teams; participates in formulating and administering District policies and developing long range goals and objectives.
17. Assists with and performs special projects and duties that require research and analysis.
18. Inputs and/or monitors employee time & pay records using an automated system. Ensures records are accurate each month.
19. Manages the District's risk insurance programs, including liability, property and workers compensation; recommends the selection of insurance brokers and/or self-insurance administrators and carriers to the Board of Trustees. Places insurance as directed.
20. Develops, evaluates, updates, interprets, implements, administers/or oversees to ensure compliance and provides training on the District's Operations and Safety Manual and OSHA Standards Manual.
21. Develops, updates, administers and/or oversees the District's Risk Management Worker's Compensation and Safety Programs in conjunction with the Director of Human Resources.; analyzes information pertaining to the various programs and makes recommendations regarding changes.
22. Represents District as member of the local disaster committee; assists in development of Washoe County Disaster Plan as mandated by the State; acts as liaison at emergency operations center; in corporation with Washoe County helps plan, coordinate and conduct emergency disaster training in conjunction with local police, fire, and roads; represents the District at Washoe County Homeland Security Counsel.
23. Acts as liaison with other local governmental entities (Tahoe Regional Planning Agency, Nevada Department of Forestry, Washoe County, etc.)
24. Reviews proposed legislation affecting the District; communicates information to Senior Staff and makes recommendations regarding District action or response.

SUPERVISORY RESPONSIBILITIES

Manages supervisors in the Revenue Office, Finance and Risk Management Divisions. Is responsible for the overall direction, coordination, and evaluation of these units. Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

QUALIFICATIONS To perform this job successfully, an individual must be qualified to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION and/or EXPERIENCE

Bachelor's degree (BA or BS) in Accounting from four-year college or university; and seven years related experience with automated financial and accounting systems, including five years supervisory experience; or equivalent combination of education and experience. Certification as a Certified Public Accountant (CPA) or MBA. Five years public sector experience preferred.

KNOWLEDGE Thorough knowledge of the principles, practices, and methods of current public sector accounting, auditing and budgeting methods; knowledge of insurance programs and actuary reviews, principles and practices of

leadership, management and supervision; knowledge of FASB and GASB pronouncements and the rules and preparation of financial statement in compliance with these rules; knowledge of the principles and practices of management and supervision; knowledge of methods and techniques of data collection, analysis and report preparation, extensive knowledge of word processing, spreadsheets, database and presentation computer applications for accounting records, budget preparation and financial analysis.

COMPREHENSION/COMMUNICATION SKILLS

Ability to read, analyze, and interpret technical journals, financial reports, and legal documents. Ability to respond to inquiries or complaints from customers, regulatory agencies, or members of the community. Ability to develop presentations and write articles for publication that conforms to prescribed style and format. Ability to effectively present information to employees, management, public groups, and the Board of Trustees. Ability to maintain composure when responding to inquiries or complaints. The duties and responsibilities of this position necessitate the use of a cellular phone for District business reasons.

MATHEMATICAL SKILLS

Ability to work with mathematical concepts such as probability and statistical inference to review and analyze financial transactions and reports. Ability to apply concepts such as fractions, percentages, ratios and proportions to practical situations.

REASONING ABILITY

Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of data and deal with several abstract and concrete variables.

CERTIFICATES, LICENSES, REGISTRATIONS

Valid Driver's License. Certification as a Certified Public Accountant (CPA) or MBA.

Successful completion State of Nevada/Federal background check through fingerprinting because position has unsupervised access to children, the elderly or individuals with disabilities and/or has access to their records. Pursuant to National Child Protection Act (NCPA) of 1993 as amended by the Volunteers for Children Act (VCA).

It is the employee's responsibility to maintain all required certifications and licenses and to report any changes to the supervisor.

OTHER SKILLS OR ABILITIES

Very good organizational, administrative, analytical, interpersonal, supervisory, and customer service skills; computer skills for word processing, spreadsheet and financial accounting applications; ability to operate 10-key calculator by touch. In support of Risk Management, the ability to hike, ski or snowshoe all forms of terrain.

PHYSICAL DEMANDS The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability who require and request such accommodations. Applicants and incumbents are encouraged to discuss potential accommodations with the employer.

While performing the duties of this job, the employee is regularly required to sit and talk or hear. The employee frequently is required to use hands to finger, handle, or feel. The employee is occasionally required to stand; walk; reach with hands and arms; climb or balance; and stoop, kneel, crouch, or crawl. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception and ability to adjust focus.

WORK ENVIRONMENT The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to fumes or airborne particle; risk of electrical shock; high, precarious places; and outside weather conditions. The noise level in the work environment is usually moderate.

I have read and understand this explanation and job description.

Employee Signature: _____

Date: _____

Employee Name: _____

EXHIBIT "K"

RE: Records Request - Resolution 1482, its Rescission, its Supersession, etc.

From: "Herron, Susan" <Susan_Herron@ivgid.org>
To: "s4s@ix.netcom.com"
Subject: RE: Records Request - Resolution 1482, its Rescission, its Supersession, etc.
Date: Aug 16, 2019 9:53 AM
Attachments: [Resolution 1482.pdf](#)

Dear Mr. Katz,

This e-mail shall serve as IVGID's response to your records request dated August 15, 2019 which reads as follows:

1. IVGID Board Resolution 1482;
2. The minutes of any Board meeting where Resolution 1482 was rescinded;
- ★ 3. Any documents originating from IVGID, from July 1, 2009 through and including the present, where Gerry Eick has represented himself as being the IVGID Board's Treasurer.

Attached is Board Resolution 1482. There are no minutes where Resolution 1482 was rescinded however it is tied to Resolution 1 which has had several amendments, including Resolution 1482, so I have included the tracking of that resolution in case you have further questions. Lastly, Mr. Eick has never signed any documents where he has represented himself as IVGID's Board Treasurer therefore I have no documents to provide to you on that part of your request.

Resolution #	Date Adopted	Book #	Title	Policy Resolution #	Date Amended	Date Repealed	Comments
1	6/1/61	1	Fixing Time & Place of Meetings/Manner for Calling Special Meetings, Mailing Address, Rules for Proceedings.	100	10/22/62, 11/3/66, 10/5/67, 5/20/68, 5/14/70, 1/18/71, 1/11/73, 8/26/76, 1/27/77, 4/27/78, 3/26/81, 1/31/85, 3/14/85, 6/27/85, 10/10/85, 1/9/86, 8/27/87, 1/15/89, 6/11/92, 1/14/93, 6/3/93, 9/9/93, 3/31/94	11/06/2007; see Policy Resolution #100	Superseded by Board Policy 3.1.0

This completes your records request in its entirety.

Susan A. Herron, CMC
 Executive Assistant/District Clerk/Public Records Officer
 Incline Village General Improvement District
 893 Southwood Boulevard
 Incline Village Nevada 89451
 P: 775-832-1207
 F: 775-832-1122
sah@ivgid.org
<http://yourtahoeplace.com>

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Thursday, August 15, 2019 8:57 AM
To: Herron, Susan <Susan_Herron@ivgid.org>
Subject: Records Request - Resolution 1482, its Rescission, its Supersession, etc.

Good morning Ms. Herron -

Another records request.

I would like to examine the following public records:

1. IVGID Board Resolution 1482;
2. The minutes of any Board meeting where Resolution 1482 was rescinded;
3. Any documents originating from IVGID, from July 1, 2009 through and including the present, where Gerry Eick has represented himself as being the IVGID Board's Treasurer.

Thank you for your cooperation. Aaron Katz

EXHIBIT "L"

Request to Agendize Removal of Chairperson Wong as Chairperson and President and Trustee Horan of the IVGID Board Upon Intentional Misrepresentation, and Removal of Jason Guinasso's Lawfirm as Counsel For IVGID Based Upon Faulty Legal Advice and Violation of Legal Services Agreement

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Callicrate Tim <tim_callicrate2@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Morris Peter <morris_trustee@ivgid.org>, Herron Susan <Susan_Herron@ivgid.org>
Subject: Request to Agendize Removal of Chairperson Wong as Chairperson and President and Trustee Horan of the IVGID Board Upon Intentional Misrepresentation, and Removal of Jason Guinasso's Lawfirm as Counsel For IVGID Based Upon Faulty Legal Advice and Violation of Legal Services Agreement
Date: Aug 16, 2019 3:33 PM

To Chairperson Wong and the Other Honorable Members of the IVGID Board -

I ask that at least one trustee agendize three matters for possible Board action at its next, August 28, 2019, Board meeting. As you know the Board cannot take action unless it is agendized and notice is given to the public, and it only takes one trustee to agendize a matter for possible action.

The three matters I ask be agendized for possible action are:

1. Removal of Chairperson Wong as Chairperson and President of the IVGID Board Because of Her Intentional Misrepresentations of Fact at the Board's August 14, 2019 meeting;
2. Removal of Trustee Horan as Vice-Chairperson of the IVGID Board Because of His Deceitful Representations of Fact at the Board's August 14, 2019 meeting; and,
3. Removal of Jason Guinasso's Lawfirm as Counsel For IVGID Based Upon Mrs. Guinasso's Faulty Legal Advice, and His Violation of His Firm's Legal Services Agreement with IVGID Inasmuch He Has Provided Legal Services to Chairperson Wong in Her Personal Capacity.

The facts which support these three requests are outlined below:

1. Removal of Chairperson Wong: At last night's meeting Ms. Wong presented a series of written materials she represented established long standing Board policy of making IVGID's chief financial officer ("CFO") the Board's and the District's treasurer. She represented these materials were assembled by her in support of her assertion of fact "that at one point in time the Board had delegated to IVGID's Chief Financial Officer as the (Board's) Treasurer." The first such piece of material Ms. Wong produced was IVGID Resolution 1482 which was adopted on January 31, 1985.

Notwithstanding, these written materials were assembled for Ms. Wong in her individual capacity by attorney Jason Guinasso. Mr. Guinasso caused section 6(j) to be "highlighted in red to focus upon." That section reads as follows:

"The officers of the Board shall be elected as provided by NRS 318.085 and shall consist of a Chairman of the Board, Vice Chairman of the Board, and Secretary. **The Chief Financial Officer of the District shall hold the office of Treasurer. The term of office shall be for one (1) year or until a reorganization of the Board is required.**"

The trustees on the Board at the time were: Bobbie Gang, Greg McKay, Bob Wolf, Jane Maxfield and Pam Wight.

NRS 318.085(1) at the time read as follows: "After taking oaths and filing bonds, the board *shall* choose one of its members as chairman of the board and president of the district, and shall *elect a secretary and a treasurer of the board and of the district, who may or may not be members of the board. The secretary and the treasurer may be one person.*"

Fast forward to the Board's January 12, 1984 meeting. Jane Maxfield, a Board trustee, was elected Board and District Secretary-Treasurer.

Fast forward to the Board's January 10, 1985 meeting. No one was elected Board and District Treasurer.

Fast forward to the Board's January 9, 1986 meeting. Pam Wight, a Board trustee, was elected Board and District Secretary-Treasurer.

Fast forward to the Board's January 8, 1987 meeting: Bobbie Gang, a Board trustee, was elected Board and District Treasurer.

Fast forward to the Board's January 14, 1988 meeting. Bobbie Gang, a Board trustee, was again elected Board and District Treasurer.

Resolution 1482 was adopted January 31, 1985. Although at section 6(j) it declared that the District's CFO "shall hold the office of Treasurer," barely a year later Resolution 1508 was adopted (on January 9, 1986) wherein at section 6(k) it removed the requirement the District's CFO hold the office of Treasurer. Therefore for Chairperson Wong to represent that for all intents and purposes IVGID's CFO has been IVGID's treasurer, is an intentional misrepresentation.

Moreover, Peter Morris was elected Treasurer by the Board on February 14, 2019. Although he could have declined to serve the way Trustee Dent declined to serve as Secretary, he didn't.

So for Chairperson Wong to represent the CFO has been the Board's and the District's Treasurer going back 35 or more years is intentionally false.

Chairperson Wong also represented that the Board had voted to instruct Design Workshop to omit the financial consequences of the Community Services Master Plan because if it were included, its price tag would likely "scare off" a good number of community members.

So on August 15, 2019 I made a public records request to examine records evidencing when and where the Board allegedly voted to instruct Design Workshop as represented above. On August 16, 2019 IVGID's PRO responded there are no such records. Because the Board never voted to instruct Design Workshop as represented.

So for Chairperson Wong to represent that the Board voted to instruct Design Workshop to omit the estimated financial costs associated with implementation of the Plan was intentionally false.

2. Removal of Trustee Horan: At the Board's August 14, 2019 meeting Trustee Horan stated: "NRS 318.180...provides for the hiring of staff to do all of these associated duties...And I think that under our policy...1480 covers the delegation of those things. And that happened back in 1984, 1985. So I think we have delegated that." Given the context of this discussion involved election of the Board and District office of treasurer, Trustee Horan's comments can be construed in no other manner than that past Boards have allegedly delegated the office and authority of Board treasurer to IVGID's Chief Financial Officer.

However based upon the above-evidence, no IVGID Board has ever delegated the office and authority of Board treasurer to IVGID's Chief Financial Officer.

Moreover, this Board has never hired any employee but for the GM. So for Trustee Horan to suggest it hired Gerry Eick, let alone to the office of treasurer, is disingenuous at best and outright false at worse.

Moreover, IVGID does not have a paid position for Board and District Treasurer. If you don't believe me, examine the most recent budget the Board adopted last May commencing at page 121. Take a look at "authorized positions." Where do you see the job of "board secretary?" How about board treasurer?" Neither exist. **Translation:** Since IVGID has NEVER used NRS 318.180 as justification to hire any Board officer as an employee. So to now suggest otherwise is disingenuous at best, and an outright misrepresentation at worst.

Let's examine the job description for IVGID CFO (all senior management positions have job descriptions). Nowhere will you find any reference to being the Board's and the District's treasurer.

Finally, I asked Susan Herron to make available for my examination, ANY record over the last ten years wherein Mr. Eick has represented himself to be the Board's and the District's Treasurer. And her response? Since Mr. Eick has never made this representation, even though according to Chairperson Wong he has been and currently is Treasurer, Ms. Herron responded she has no such records.

So for Trustee Horan to support Chairperson Wong's misrepresentations concerning Treasurer, using the examples he did, was intentionally deceitful.

3. Removal of Attorney Guinasso's Law Firm: Chairperson Wong did not prepare the 59 pages of documents she submitted to the Board on August 14, 2019 in support of her argument that for all intent and purposes the CFO is IVGID's Treasurer. Nor did she develop the arguments she advanced in support of this proposition. Instead it was Jason Guinasso. We know this because IVGID staff have never before highlighted materials in records the way Ms. Wong's materials were

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Request to Agendize Removal of Chairperson Wong as Chairperson and President and Trustee Horan of the IVGID Board Upon Intentio...

highlighted. We also know because Ms. Wong was on line with Mr. Guinasso, looking at her computer, when she advanced the arguments she did in support of her arguments. Therefore Mr. Guinasso was not providing legal services to the Board as a whole. Rather, he was providing them to Chairperson Wong personally. Given this kind of representation is precluded in Mr. Guinasso's legal firm's legal services agreement, he has breached that agreement.

Moreover, Mrs. Guinasso's legal advice in response to Chairperson Wong's invitation that NRS 318.180 allows the Board to delegate the position and responsibilities of GID Treasurer to its CFO, without voting to do so, is faulty advice. And we know from the livestream that just like Chairperson Wong, Mrs. Guinasso was reading arguments authored by her husband.

So what are the consequences of these improprieties? It's bad enough when the persons prejudiced are the general public. But here fellow Board members were deceived.

That's why I ask this matter be agendized for possible action at the Board's next meeting.

Thank you for your cooperation. Aaron Katz

Public Comments by Iljosa A. Dobler - IVGiD Board of Trustees meeting 9-25-2019. To be included in next Board packet

On May 22, 2019, a mere 4 months ago, the Board 3 person majority approved the 2020 budget which included buying 58 gas powered golf carts for the Mountain Golf Course for \$288,000. The project summary which was also approved indicated that in 2025, new golf carts with lithium batteries would be purchased for \$371,000 **AND \$120,000 would be required for an Electrical Service Retro Fit. So we know the estimate for electrical service and do not need to spend \$10,000.**

The golf cart purchases budgeted in 2020 and again in 2025 coincided with the severely needed **Maintenance Building Renovation** budgeted for design in 2023 with construction in 2024. The project would include the capacity of housing electric carts and associated charging equipment.

This renovation project was identified in 2012, 7 years ago, and has been postponed several times and the building is currently in horrible condition. According to the **undated** project summary "the building does not meet workforce ADA, has deficiencies and damage in the building structure, does not provide adequate ventilation for workforce during active course/ maintenance operations, and requires replacement of a number of key "wearing parts".

The renovation project is budgeted for \$695,000 and is included in the 5 year capital plan approved by the Board 3 person majority on July 17, 2019 and submitted to the State, a mere 2 months ago.

Why does staff want to deviate so quickly from a two month old plan and even consider a change in golf cart power? This alternative to the plan, is just plain crazy. Creating another standalone electrical upgrade project and leaving the remainder of the building in shambles is gross mismanagement.

Also to consider paying an extra \$80,000 to \$100,000 for upgraded carts while at the same time over 50% of the cart paths need immediate replacement with an estimated cost of \$550,000 with only \$45,000 in the budget seems silly. Let's get this straight, buy upgraded carts and beat the hell out of them on dilapidated cart paths and rather than renovating an entire building, do a partial improvement.

All for the sake of what ?

Public Comments by Clifford F. Dobler - Board of Trustee meeting on September 25, 2019

I spoke and wrote to this board on several occasions times about the deterioration of the Facilities and Operations at the Mountain Golf Course. Recommendations by consultants conducted 7 years ago were ignored and this Board just continued to look away at mounting losses.

In August, 2018, a fire occurred at the Clubhouse. Former GM Pinkerton rushed to engage an architect and promised an interior rehab would be completed by May 2019. This was a total lie and he knew it. This emergency fast track was never feasible and was nothing more than a deflection from constructing a new proper building. Instead over \$120,000 was spent to open the Clubhouse which was always feasible and has now been destroyed 4 months later. The old inefficient building is now under rehab and the all in costs will be approximately \$1,400,000. The consultant recommendations were never brought to the Board for consideration over the objections of Trustee Callicrate.

I took the time and reviewed the latest project summaries on 1 completed and 10 planned projects for the entire Mountain Golf Course. These project summaries are required under Board Policy 18.1 in order and to be included in the Capital Improvement budgets. I was appalled at the lack of and incomplete information. I will pass out a short summary on each project with the project summaries. It is quite clear this Board cared less about having the project summaries complying with Board Policies and staff certainly recognized this. According to the five year capital plan \$3,400,000 will be spent in the next couple of years and these reports are just slopped together.

One example is the roof replacement at the Clubhouse.

The project was indentified in 2017 to be completed in July 2018. As stated "The roof developed leaks seeping through the building and repairs were not effective" The budget was listed as \$25,000.

There was NO information that unbudgeted repairs of \$8,000 were done in 2017 and \$6,000 in repairs done in 2018. No information that the roof was actually budgeted in fiscal 2018 for \$82,400 nor that a contract for \$77,595 was issued to Kodiak Roofing on September 13, 2017. Required Board Approval for the contract was not obtained. No work was done for two years so was the roof really leaking?. There is no explanation why another \$25,000 was included in 2020. Yesterday we found out the \$25,000 and an additional \$10,000 is required for change orders. Increase from original contract is 45%. No bidding occurred

What I see is evidence that Pinkerton and the three member board never had any intention to consider a new clubhouse as the roofing contract was issued a year before the fire. They paid no attention to professional recommendations, to a majority of citizens desiring a new Club house, did not follow Policies and having no experience in making prudent business decisions made a bad one. What a shame.

Look up the definitions of Transparency, Trustee and Fiduciary and ask yourself if you are living up to the definitions.

Mountain Golf Course - Summary of Capital Projects (no equipment or course maintenance)

All information from incomplete project summaries for fiscal 2019/2020. Actual costs are from CIP and Carryover Reports.

ADA Access for the two On- Course Restrooms. - Completed

The original budget in 2016 was \$20,000, then increased by \$70,000 in 2017 and \$20,561 was spent in 2017 and 2018 leaving a budget balance of only \$69,439. When contact was approved by Board on January 23, 2019 the Board packet stated the remaining budget was \$87,300 a difference of \$17,861 more than the actual budget. This misstatement was created in order to use the consent calendar claiming the contract was within the budget. The actual contract, contingency and construction management was \$124,395 which was 81% over budget. The budget of \$45,000 for cart path replacement was used to prop up the budget. The contract only had about \$20,000 of cart paths to be replaced.

The TWO Golf Course Bathrooms Remodels - Page 201

Identified in 2012. Budget started at \$20,000 in 2016, increased by \$70,000 in 2017, Spent \$91,956 through 2019. Budgeted another \$60,000 this year. For What? Over \$150,000 to remodel 2 small bathrooms. The bathrooms are only 160 SF or a total of 320 SF or \$470 per SF. No structure, no exterior, no roof only interiors. This needs investigation.

Wash pad Improvements - Page 206

Identified in 2012. Budgeted in 2022 for \$70,000 "To prevent contaminants in ground water or drainage system. Delayed for 10 years.

Water Service Line Replacement - Page 207

Identified in 2018. Budgeted this year for \$65,000. Combined into the Clubhouse Rehab Project.

Golf Cart Fleet- Page 210

Budgeted this year for gas powered carts for \$288,000. In 2025 the carts will be exchanged for Lithium battery powered carts with cost estimate of \$371,200 with an Electrical Service Retrofit in Storage Building estimated at \$120,000

Fuel Storage Facility - Page 211

Identified in 2017. Spent \$22,000 in 2018 with no budget. Budgeted this year for \$200,000 Water intrusions in underground storage tanks. No other information

Cart Paths - Page 219-221

Project summary indicates \$790,000 for the next 17 years or an average of only \$46,000 per year. NO MAJOR REPLACEMENTS.

A recent survey of paths reveal that 50% must be replaced immediately and requires at least \$541,000 yet over the next FIVE years only \$220,000 is budgeted. 41% of requirement. The \$45,000 budgeted in fiscal 2018/2019 was reallocated to the ADA Access paving Project for the two course bathrooms which only had a budget of \$87,300 but bids required \$124,395. Total project cost was over \$125,000. Only 240 LF of existing cart paths were actually replaced for approximately \$20,000. No other cart paths were replaced.

Maintenance Building and Cart Storage - Page 222

Identified in 2012. Budgeted in 2023 and 2024 for \$695,000 to "address structural issues, building code violations, and bring wearing parts up to a like new condition" and also construct the ADA upgrade requirements for the Clubhouse which is now included in the Clubhouse Renovation. The budget includes upgrade to house electric carts and associated charging equipment which is in conflict with the budget for the golf carts. The budget has not been adjusted to reflect doubling up of efforts. Since being identified, 11 years will have passed before anything will be done. Pushed out from 2021. Spent \$21,000 last year on new doors and concrete floor repair and just installed a new washer dryer for towels.

Roof Replacement at Clubhouse - Page 223

Identified in 2017 to be completed in July 2018. "The roof developed leaks seeping through the building. Repairs of \$8,000 in 2017 with no budget and \$6,000 in 2018 but were not effective" Budgeted in 2018 for \$82,400 and then increased this year by \$25,000 for a total budget of \$107,400. An contract for \$77,595 was issued to Kodiak Roofing on September 13, 2017 and Kodiak is currently installing the roof. The contract was not brought to Board for approval. Why an additional budget of \$25,000 in 2020. Now we find out that another \$10,000 is required in a change order. Now we are at \$131,000. The project summary should have indicated the contract was issued and postponed.

Exterior Painting of Clubhouse - Page 224

Identified in 2017 . Was not budgeted in 2018 but current project summary has the estimated completion date of July 31, 2018. Budgeted in 2019 for \$27,800, and increased in 2020 by another \$41,500 for a total of \$69,300. No contract yet issued. Planned to paint again in 2025.

Clubhouse Interior Improvement and deck Project - Page 225

Budget of \$1,464,000. Includes a 15% contingency. Final Bids for construction and management was \$1,192,000. Bid included the water service line replacement.

The actual cost of the Clubhouse remodel based on money spent, contracts issued and budgets for unissued contracts will be \$1,512,000. In April 2014, the estimate by BRG for a NEW and superior Clubhouse was \$1,605,000. Even after adjusting for a 4% inflation not more than \$1,750,000 or \$652 per square foot.

Fuels Management Program

Last budget of \$30,000 was in 2016-17. Carried over and spent \$23,000 in 2018. NOTHING BUDGETED THROUGH 2024. Fuel management is a current requirement.

Clubhouse Fire Repairs in fiscal 2019 -

Spent an estimated \$120,000 in fiscal 2019 with No budget and No Board approval for costs exceeding \$50,000. We believe costs were much more.

Project Summary

Project Number:	3241BD1503
Title:	Min. Golf Course Remodel On Course Bathrooms, #6 & #13/14
Project Type:	D - Capital Improvement - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description
The restrooms at the Mountain Golf Course are in need of a remodel to meet the care and condition of current standards. The interior of the both the Hole #6 and Hole #13/#14 restrooms are showing the wear and tear of the many years of use and do not match the value of the golf course. All interior fixtures and finishes need to be replaced. The floors will be recoated and sealed. New exterior siding will be evaluated to be installed rather than paint, because of the existing condition of the siding and the durability and low maintenance of a replacement product.

All upgrades will be compliant with current American Disabilities Act requirements.

Project Internal Staff

Staff will supervise and inspect project.

Project Justification

The general purpose of this project is to improve our facilities through required maintenance and remodel improvements that directly or indirectly reflect on our guest experience. This project is designed primarily to maintain the value of the Mountain Golf Course asset and customer service. Both restrooms currently have power supplied to them. Currently there is no heat in either restroom. This project will provide heat to make the restrooms more comfortable during the shoulder seasons and early mornings of prime season. Both restrooms receive regular customer complaints.

Forecast

Budget Year	Total Expense	Total Revenue	Difference
2020	60,000	0	60,000
	Year Total	60,000	60,000
		60,000	
Year Identified	Start Date	Est. Completion Date	
2012			
	Manager	Project Partner	
	Principal Engineer		

Project Summary

Project Number:	3241GC1502
Title:	Wash Pad Improvements
Project Type:	D - Capital Improvement - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	GC - Golf Course Improvements
Active:	Yes

Project Description
Golf course wash water recycle systems with wash bays and pads. These facilities are self contained and recycle the wash water used on equipment. This prevents any contaminants from entering groundwater or drainage systems in the vicinity of our current wash facilities. The project also includes reconfiguration of the wash pads so that more than one person at a time can clean equipment.

Project Internal Staff
Golf staff will work with Engineering to research the best unit for our conditions

Project Justification
Environmental issues and restrictions are increasing in the golf course industry. These cleaning systems conserve water and also go a long way in showing our commitment to water quality issues in the Tahoe basin. They also provide a safer, less contaminated environment for employees when washing equipment. The new systems are very efficient and would increase overall productivity by spending less time at the wash area. The current systems only allow for one staff member at a time to wash equipment, requiring other members to stand and wait, which is very inefficient. The current systems also have the potential for contamination of creeks downstream due to the setup now in place.

Forecast	Total Expense	Total Revenue	Difference	Manager	Project Partner
Budget Year					
2022					
Internal Services	5,000	0	5,000		
Wash System	65,000	0	65,000		
Year Total	70,000	0	70,000		
Year Identified	70,000	0	70,000		
2012				Principal Engineer	Project Partner
	Start Date	Est. Completion Date			

Project Summary

Project Number:	3241GC1802
Title:	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement
Project Type:	D - Capital Improvement - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	GC - Golf Course Improvements
Active:	Yes

Project Description	Replace failing PVC service lines from the utility watermain point of connection to both the Clubhouse and Maintenance Building		
Project Internal Staff			
Project Justification	Engineering will perform Design, Engineering, Bidding, Contract Administration and Inspection tasks. Outside contractor to perform the underground work. IVGID buildings dept. to reconnect plumbing under clubhouse. IVGID Pipeline dept. resources remain available for ongoing maintenance activities and emergency response.		
Forecast	In November 2017 the service line serving both buildings experience a catastrophic failure and was temporarily repaired. Investigations revealed substandard glued PVC pipe serving both buildings and proximately beneath cell tower facilities. This pipe is known to fail without warning and full replacement is recommended. Reconnection is required under the Clubhouse with work to be performed by IVGID Buildings		
Budget Year	Total Expense	Total Revenue	Difference
2020			
Construction	55,000	0	55,000
Internal Services	10,000	0	10,000
Year Total	65,000	0	65,000
Year Identified	Start Date	Est. Completion Date	
2018			
	Manager	Project Partner	
	Senior Engineer		

Project Summary

Project Number:	3241LV1899
Title:	Mountain Course 58 Cart Fleet
Project Type:	F - Rolling Stock
Division:	44 - Mountain Golf Carts
Budget Year:	2020
Finance Option:	Lease Eligible
Asset Type:	LV - Light Duty Vehicles
Active:	Yes

Project Description
The Mountain Golf Course utilizes a fleet of 58 gas carts, which facilitate use over the hilly terrain of the Course. Historically gas carts have been the only one with power enough for several of the steep climbs and the repeat use that can occur with higher volumes of play during peak summer months. The District will look to replace the existing fleet with gas carts for the 2020 season. There has always been the expectation that some day technology would develop an electric cart capable of the terrain and degree of use. With advancements in lithium battery technology, the District will look at that technology for the 2025 replacement.

Project Internal Staff

Delivery and setup of the fleet is supported by the District Fleet Maintenance and golf course professional staff.

Ongoing maintenance is done by Fleet. Day to day cleaning and preparation is done by the golf staff.

Project Justification

The current fleet of 58 carts was obtained by a lease buyout in October 2017 following six years of service under a lease. The current care and condition of that fleet indicates it can be used without significant expense for maintenance for the 2019 season. A replacement with gas carts will be planned to be in place for the 2020 season. This will require a process beginning in the fall of 2019 with delivery no later than April 2020.

The next replacement of the cart fleet will be 4 to 6 years after 2020. It is expected this replacement will be lithium battery powered carts. If that choice is made, the Mountain Course Cart Building will have to be retro fitted for electrical service to support this type of cart.

Forecast

Budget Year	Total Expense	Total Revenue	Difference
2020			
58 Gas Cart Fleet	288,000	0	288,000
Year Total	288,000	0	288,000
2025			
58 Lithium Battery Carts	371,200	0	371,200
Electrical Service Retro Fit	120,000	0	120,000
Year Total	491,200	0	491,200
	779,200	0	779,200

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2019	Dec 2, 2019	Mar 31, 2020	Director of Golf	

Project Summary

Project Number:	3241ME1804
Title:	Mountain Golf Fuel Storage Facility
Project Type:	D - Capital Improvement - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	ME - Mechanical Equipment
Active:	Yes

Project Description
This project is to replace the underground fuel storage tanks at Mountain Golf. These tanks have reached the end of service and in 2017/18 over \$10,000 has been spent in repairs for water intrusion in to the fuel compartments.

Project Internal Staff

Project Justification
BLANK

Forecast	Total Expense	Total Revenue	Difference
Budget Year 2020			
Mountain Golf Fuel Storage Facility	200,000	0	200,000
Year Total	200,000	0	200,000
Year Identified 2018			
Start Date	200,000	0	200,000
Est. Completion Date			
Manager		Fleet Superintendent	
Project Partner			

Project Summary

Project Number:	3242L11205
Title:	Pavement Maintenance of Cart Paths - Mountain Golf Course
Project Type:	E - Capital Maintenance
Division:	42 - Mountain Maintenance
Budget Year:	2020
Finance Option:	
Asset Type:	LI - Land Improvements
Active:	Yes

Project Description
Continued maintenance and repair of Mountain Golf Course cart paths asphalt surfaces. Engineering maintains a database on this and other facilities for pavement condition, past projects and forecasts long-term maintenance and replacement needs. Includes 110,000 sf of pavement. Maintenance of retaining walls and slopes supporting the pathways are budgeted as a separate CIP.

Project Internal Staff
Engineering to perform design, bid, contract administration and inspection tasks. Work to be done by outside contractor.

Project Justification
Regular preventative maintenance of pavement significantly increases the life of a facility and defers the timeline for which wholesale replacement is required. Once pavement has reached its expected lifespan and begins to fail, major rehabilitation is required. Tahoe's freeze/thaw climate accelerate deterioration. These pathways see light use but also heavy damage due to age and irrigation and roots. Due to the nature of the facility and golf season regular small recurring annual projects are planned to keep up with a high level of service for the extensive cart path system.

Budget Year	Total Expense	Total Revenue	Difference
2020			
Internal Services	5,000	0	5,000
Section Replacement	35,000	0	35,000
Year Total	40,000	0	40,000
2021			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Section Replacement	30,000	0	30,000
Year Total	45,000	0	45,000
2022			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2023			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2024			
Internal Services	5,000	0	5,000
Year Total	45,000	0	45,000

Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2025			
Internal Services	5,000	0	5,000
Sealing	60,000	0	60,000
Year Total	65,000	0	65,000
2026			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Year Total	15,000	0	15,000
2027			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2028			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2029			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2030			
Internal Services	5,000	0	5,000
Sealing	60,000	0	60,000
Year Total	65,000	0	65,000
2031			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Year Total	15,000	0	15,000
2032			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2033			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2034			
Internal Services	5,000	0	5,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner																																								
2012			Senior Engineer																																									
<table border="1"> <thead> <tr> <th>Section Replacement</th> <th>Year Total</th> <th>0</th> <th>50,000</th> </tr> </thead> <tbody> <tr> <td>2035</td> <td>55,000</td> <td>0</td> <td>55,000</td> </tr> <tr> <td>Internal Services</td> <td>5,000</td> <td>0</td> <td>5,000</td> </tr> <tr> <td>Sealing</td> <td>60,000</td> <td>0</td> <td>60,000</td> </tr> <tr> <td>Year Total</td> <td>65,000</td> <td>0</td> <td>65,000</td> </tr> <tr> <td>2036</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Crack Fill and Maintenance</td> <td>10,000</td> <td>0</td> <td>10,000</td> </tr> <tr> <td>Internal Services</td> <td>5,000</td> <td>0</td> <td>5,000</td> </tr> <tr> <td>Year Total</td> <td>15,000</td> <td>0</td> <td>15,000</td> </tr> <tr> <td></td> <td>790,000</td> <td>0</td> <td>790,000</td> </tr> </tbody> </table>					Section Replacement	Year Total	0	50,000	2035	55,000	0	55,000	Internal Services	5,000	0	5,000	Sealing	60,000	0	60,000	Year Total	65,000	0	65,000	2036				Crack Fill and Maintenance	10,000	0	10,000	Internal Services	5,000	0	5,000	Year Total	15,000	0	15,000		790,000	0	790,000
Section Replacement	Year Total	0	50,000																																									
2035	55,000	0	55,000																																									
Internal Services	5,000	0	5,000																																									
Sealing	60,000	0	60,000																																									
Year Total	65,000	0	65,000																																									
2036																																												
Crack Fill and Maintenance	10,000	0	10,000																																									
Internal Services	5,000	0	5,000																																									
Year Total	15,000	0	15,000																																									
	790,000	0	790,000																																									



Project Summary

Project Number:	3299BD1403
Title:	Mountain Course Clubhouse and Maintenance Building Renovation and ADA Upgrades
Project Type:	D - Capital Improvement - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description
 The project will design and construct targeted renovations to the clubhouse to meet ADA requirements. Targeted renovations at the Maintenance Building will also occur to address structural issues, eliminate any remaining building code violations, and bring the building's "wearing parts" up to a like new condition. The updated maintenance facility would be capable of housing electric carts and the associated charging equipment. Upon completion of design, the project construction budget would again be evaluated and updated.

Project Internal Staff
 Golf Professional Staff, Engineering and Accounting would support the Design Phase. Engineering would be involved in inspection and supervision of the Construction Phase.

Project Justification
 The current Mountain Course Clubhouse does not meet ADA requirements. The current Maintenance Facility does not meet workforce ADA, has deficiencies and damage in the building structure, does not provide adequate ventilation for workforce occupancy during active course/maintenance operations, and requires replacement of a number of key "wearing parts" in the building.

Budget Year	Total Expense	Total Revenue	Difference
2023			
Design and Permits	80,000	0	80,000
Internal Services and Owner Costs	15,000	0	15,000
Year Total	95,000	0	95,000
2024			
Construction	500,000	0	500,000
Contingency	50,000	0	50,000
Internal Services and Owner Costs	50,000	0	50,000
Year Total	600,000	0	600,000
	695,000	0	695,000

Year Identified	2012	Start Date		Est. Completion Date	
			Manager		Project Partner
			Engineering Manager		



Project Summary

Project Number:	3299BD1702
Title:	Replace Roof - Mountain Golf Clubhouse
Project Type:	E - Capital Maintenance
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description
 The roof of the Mountain Course Club House roof has developed leaks seeping through in to building. Repairs were attempted to address the overall life and condition of the roof structure but were not effective. A professional roofing contractor evaluation has indicated the roof needs to be replaced.

Project Internal Staff
 Buildings Maintenance Staff

Project Justification
 This project is designed to maintain the serviceable life of the Mountain Golf Course Club House and must be completed to prevent further damage to the facility.

Budget Year	Total Expense	Total Revenue	Difference
2020	25,000	0	25,000
Replace Roof	Year Total 25,000	0	25,000
2037			
Contingency	5,000	0	5,000
Internal Services	10,000	0	10,000
Replace Roof	100,000	0	100,000
Year Total	115,000	0	115,000
	140,000	0	140,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2016	Jul 1, 2017	Nov 1, 2017	Buildings Superintendent	

Contract for \$78K was issued in Sept 2017. Nothing mentioned. The carryover budget of \$82K was not mentioned. explanation of why an additional \$25 K in 2020

Project Summary

Project Number:	3299BD1705
Title:	Paint Exterior of Mountain Golf Clubhouse
Project Type:	E - Capital Maintenance
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description	Paint exterior of Mountain Golf Course Clubhouse - The exterior paint of the structure is showing significant wear and tear and needs to be addressed.		
Project Internal Staff	Buildings Maintenance Staff		
Project Justification	This project is designed to maintain the serviceable life of the Mountain Golf Course Club House and must be completed to prevent further damage to the facility.		
Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2020			
Contingency	5,000	0	5,000
Internal Services	1,500	0	1,500
Paint Building Exterior	35,000	0	35,000
Year Total	41,500	0	41,500
2025			
Contingency	7,000	0	7,000
Internal Services	2,000	0	2,000
Paint Building Exterior	22,000	0	22,000
Year Total	31,000	0	31,000
	72,500	0	72,500
Year Identified	Start Date	Est. Completion Date	Manager
2017	Jul 1, 2018	Jul 31, 2018	Buildings Superintendent
			Project Partner



Project Summary

Project Number:	3299BD1902
Title:	Mountain Clubhouse Improvements Project
Project Type:	B - Major Projects - Existing Facilities
Division:	41 - Mountain Operations
Budget Year:	2020
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description
 Rebuild and rehabilitate the Mountain Golf Course Clubhouse resulting from the August 11, 2018 kitchen fire. The objective is to have a facility that provides good customer experiences for golf check-in, presentation of merchandise, supports a food and beverage service area, and has a social setting in support of both golf and non-golf users. Ancillary to these capacities, the facility also has to accommodate the administration and supervision of the operation for Management and front line staff through good sight lines and accessible storage. This project will also allow the District to address accessibility of the lower level.

Project Internal Staff
 The Project will be managed by the Engineering staff with substantial cooperation and involvement by the District General Manager, Director of Finance, the Director of Golf, the Mountain Course Head Professional.

Project Justification
 The August 11, 2018 fire rendered the kitchen area unusable. Smoke damage was incurred throughout the facility, which in turn affects walls, flooring and mechanical systems. The District's insurance coverage is for replacement. However, the evaluation of what is the best solution long term for the operations indicates a revised allocation of floor space, changes to access and ultimate substantial change to customer flow requires a make over of the floor plan. These changes facilitate other objectives including a long stand issue of ADA accessibility to the lower level and deck which serves food. A combination of insurance proceeds and District resources would be required to accomplish the full scope of the rehabilitation project. A design for the renovation of the mountain golf clubhouse has been completed to meet the objectives of future operation while staying within the existing footprint of the building.

Forecast	Total Expense	Total Revenue	Difference
Budget Year 2020			
Construction Contingency for renovation/remodel @ 15%	178,000	0	178,000
Construction Cost Estimate per architect	1,186,000	0	1,186,000
Construction Management and Construction Engineering	100,000	0	100,000
Year Total	1,464,000	0	1,464,000
Year Identified 2019	1,464,000	0	1,464,000
Start Date	Nov 1, 2018	Est. Completion Date	Mar 31, 2020
Manager		Engineering Manager	
Project Partner			

V. FINANCIAL IMPACT AND BUDGET

\$95,000 was included in the 2017/2018 Capital Improvement Program Budget under the ADA Access for On-Course Restrooms Project (Project # 3241BD1402 – see attached data sheet) of which there is a total of \$87,300 carried forward and currently available to complete the proposed work.

Total Available Project Budget

Description	Amount
3241BD1402 – Mountain Golf ADA Access for On-Course Restrooms – FY17/18 Funds	\$87,300
3242LI1205 – Pavement Maintenance of Cart Paths - Mountain Golf – FY18/19 Funds	\$45,000
Total Available Budget	\$132,300

The estimated project construction budget is presented in the following table.

Estimated Project Construction Budget

Description	Amount
Construction Contract	\$99,395
Construction Contingency at 10%	\$10,000
Construction Management, Inspection, and District Staff Time	\$15,000
Estimated Project Total	\$124,395

The total estimated project budget to complete the proposed work is \$124,395 and, if the contract is approved, the additional \$37,095 will come from Pavement Maintenance of Cart Paths - Mountain Golf (Project #3241LI1205) where there is adequate available funds.

VI. ALTERNATIVES

Not award the contract and defer the grading and paving for conformance to American Disabilities Act to a future date.

IVGID September 25, 2019 Board of Trustees Meeting Written Public Comment –
By: Linda Newman – to be included with the Minutes of the Meeting

On September 13th, Mr. Dobler and I wrote a memo to Audit Committee Chair Horan documenting IVGID's unlawful transfers of \$1.1 million from the Internal Services Fund to the Community Services, Beach, and Utility Funds. This was in violation of NRS 354.6215 which requires excess reserve balances in self-insurance funds only be transferred to the General Fund. To rectify this violation of Nevada law, these transfers needed to be reversed and these funds appropriately transferred to the General Fund. In addition, in order to provide complete and accurate financial statements, the District's 2018 CAFR required restatement along with revisions to the fiscal year 2019 and 2020 budgets. Instead of taking the proper action, tonight we are confronted with another violation of Nevada law. The Open Meeting Law. Agenda Item H-3 is neither clear and complete, nor is the information in the item and the packet accurate. I request this item be removed from the agenda. I also request that the Board agendaize a corrected item with accurate information for the Board's next meeting that remedies these multiple violations of Nevada Statutes. It is important to note, that violations of NRS 354.6215 constitute a misdemeanor under Nevada law.

Unfortunately, these impermissible transfers are just another example of Director of Finance Eick's inability to either understand or comply with the law; the Audit Committee's failure to exercise oversight; and Counsel Guinasso's inability to provide competent legal review. Compliance with applicable law and regulations, the effectiveness and efficiency of operations along with the reliability of financial reporting are the objectives of internal control. This according to our independent Auditor is management's responsibility. Clearly, the District has a major fault line in this realm. Its non-existent or ineffective internal controls must raise an alarm loud enough to compel this Board to immediately undertake corrective action! As fiduciaries, you have a duty to fire Mr. Eick and Counsel Guinasso and hire an independent auditor to overhaul our accounting and reporting system and implement an operative and effective internal control environment.

MEMORANDUM

TO: IVGID Audit Committee Chair Trustee Phil Horan

CC: IVGID Board Chair and Member of the Audit Committee Kendra Wong
IVGID Board Treasurer and Member of the Audit Committee Peter Morris
IVGID Board Secretary Tim Callicrate
IVGID Trustee Matthew Dent
IVGID Interim General Manager Indra Winquist
Eide Bailly Audit Engagement Partner Dan Carter
Deputy Director Jeffrey Mitchell, Nevada Department of Taxation
Committee on Local Government Finance

FROM: Clifford F. Dobler and Linda Newman

DATED: September 13, 2019

SUBJECT: IVGID Violation of NRS 354.6215 Resulting in Improper Accounting and Reporting in the 2018 CAFR and the Budgets for Fiscal Years 2019 and 2020

NRS 354.6215 Limitation on use of reserves or balances of funds created to insure risks. Except as otherwise provided in NRS 354.6241, if a local government provides a fund for self-insurance of property, for any form of insurance for the benefit of its employees, or for any other risk that it is permitted by law to assume, the reserves or balance of a fund thus provided must not be expended for any purpose other than that for which the fund was established, except that when the governing body deems the reserve or balance to be no longer required, either in whole or in part, it shall transfer the excess balance to the general fund of the local government. Any such transfer must be reported to the Department of Taxation within 30 days. Money so transferred is not available as a basis for augmentation of the local government's budget during the year of transfer. (Added to NRS by 1981, 310; A 1995, 1934)

Since 1992, the Incline Village General Improvement District maintained in the District's Internal Services Fund a self-insurance program fund for Workers' Compensation claims. This program was terminated on June 30, 2013 when the District began purchasing insurance for Workers' Compensation from the Nevada Public Agency Compensation Trust. At that time, the District's self-insurance fund maintained a self-insured retention level of \$1,250,000 as reserves for any unresolved claims. In 2018, all claims except \$58,000 were resolved and the remaining claims' risks were transferred to the Nevada Public Agency Compensation Trust for a onetime assessment of \$58,000. At the Board of Trustees meeting held on May 9, 2018, the Trustees approved permanent operating transfers of \$800,000 from the Workers' Compensation Fund to the Utility Fund in the amount of \$120,000, Community Services Special Revenue Fund in the amount of \$645,000 and the Beach Special Revenue Fund in the amount of \$35,000. The Board also authorized the permanent operating transfer of \$300,000 from the Workers' Compensation Fund to the Utility Fund in the amount of \$45,000, Community Services Special Revenue Fund in the amount of \$241,875 and the Beach Special Revenue Fund in the amount of \$13,125 to be

added to the budget for fiscal year 2019. (Exhibit A – <https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-9-18 - General Business Item F.3. - Insurance.pdf>)

These transfers violated the provisions of NRS 354.6215, which requires excess reserve balances (in whole or in part) for local government's self-insurance funds only be transferred to the General Fund.

As a result of the inappropriate \$800,000 in transfers made in fiscal year 2018, the fund balances or net positions of all funds have been materially affected. The 2018 CAFR must be restated to ensure the reporting of accurate financial statements. Note 7 titled Interfund Accounts and Transfers on page 48 of the 2018 CAFR identifies these unlawful transfers. (Exhibit B).

The transfers of \$300,000 made in fiscal year ending June 30, 2019 to the Utility Fund, the Community Services Special Revenue Fund and the Beach Special Revenue Fund must also be reversed.

The Memorandum dated April 27, 2018 from Director of Finance Eick to the Board of Trustees provides information on the wind-up of the District's Workers' Compensation self-insurance program and the distribution of the remaining reserve balance. (Exhibit A – Link to May 9, 2018 Board Packet)

The FY 2020 Budget message submitted to the State with the respective forms provides a brief recap of the dissolution of the District's self-insured Workers' Compensation Program Fund and the related transfers to the Utility Fund, Community Services Special Revenue Fund and Beach Special Revenue Fund. It further states that the remaining balance maintained in the Internal Services Fund of \$174,356 will be transferred to the General Fund in FY 2020. (Exhibit C – Page 8 of the FY 2020 Budget Message).

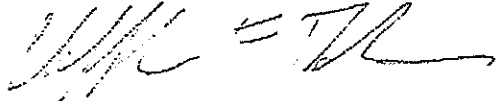
To comply with NRS 354.6215, the District's General Fund must receive the \$1.1 million improperly transferred to other funds. This will require the District to take the necessary measures to revise the FY2020 Budget reflecting reversal of the prior two years of illegal transfers and provide the Board, our citizens and the Department of Taxation with complete and accurate financial statements on all of the District's governmental and proprietary funds.

It is unfortunate, that IVGID staff, outside legal counsel Jason Guinasso, and the IVGID Audit Committee did not perform a review of compliance with the law relating to the limitations on the use of certain transfers for reserves or balances of funds created to insure risk. As you are aware, this is not the job of the independent Auditor. According to the Eide Bailly Audit Engagement letters for fiscal years 2018 and 2019 under the section titled Compliance with Laws and Regulations, both letters state: "the objective of the audit will not be to provide an opinion on overall compliance and we will not express an opinion." (Exhibit D – 2018 and 2019 Audit Engagement Letters)

Compliance with applicable laws and regulations, the effectiveness and efficiency of operations along with the reliability of financial reporting are the objectives of internal control. Clearly, the District has a major fault line in this realm. Please provide us with information on the current internal control structure including the parties responsible for overseeing the control activities. Please also advise what policies and processes you will recommend to the Board to ensure that the District has an operative and effective internal control environment.

Please acknowledge receipt of this Memo and attachments and advise at your earliest convenience what actions you will take to correct this significant violation of Nevada law and increasingly dangerous gap in the District's internal controls.

Sincerely,



Clifford F. Dobler

email: cfdobler@aol.com

mobile: 775-722-4487



Linda Newman

email: linda@marknewman.net

mobile: 775-225-1836

Exhibits:

Exhibit A – May 9, 2018 Board Packet (https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-9-18_-_General_Business_Item_F.3._-Insurance.pdf)

Exhibit B – 2018 CAFR Note 7 on page 48

Exhibit C – Page 8 of the FY 2020 Budget Message

Exhibit D – Fiscal Year 2018 and 2019 Eide Bailly Audit Engagement Letters

First of all let me state that I am a frequent user of the Mountain Golf Course facility. I like the current carts, while they are not new, they are in my humble opinion adequate. Our Interim GM has expressed the opposite view after testing several of our golf carts.

I have shared my view with him and he in turn has forwarded my view to the board.

I do not understand the logic or the imminent need for this transaction based on several factors:

1. In May and June of this year IVGID Board approved and submitted to the State a five year capital plan (4404LGF) which called for a complete redo of the MGC maintenance building in 2023-24 that would facilitate the migration from gas powered golf carts to lithium battery powered golf carts. This plan includes: a) improvements to building ventilation b) repair and upgrading of deficient electrical wiring elements c) a wash stand d) remediation of underground gas tank. These improvements were recommended in a 2012 consultant study. This plan to purchase or lease carts deviates from the plan approved by the board just 3 months ago.
2. Why did IVGID spend about \$450 per cart to upgrade the brakes on the existing gas carts this year when they are getting rid of them?
3. As the Board and management are aware, the cart paths on the MGC are in terrible shape and need replacement. My guess is that 30-50% of the paths need replacing. Why is this not in the budget. What is the logic of buying new carts and abusing them on damaged pathways?
4. In my prior note to the board, I pointed out the illogic of immediately buying electric carts when we do not have a secure plan or contract in place to upgrade the electrical system in the maintenance building to accommodate electric golf carts? Wouldn't it be interesting if we had electric carts and no electrical manifold system in place to charge them next May? In the context of this factor alone, the acquisition of these carts seems illogical.

Once again IVGID has hired expensive consultants, and has made a plan – a good plan -and once again has chosen to ignore and deviate from that plan. For what purpose? Again I ask, what is the logic or the imminent need for this transaction?

I say stick with the 5-year plan. Keep the current carts or if the staff feels that it is absolutely necessary replace with gas carts (probably leased) and do a comprehensive maintenance building upgrade in 2023-24 and then buy the lithium-powered carts.

Finally, I would like to thank Ms Herron for her quick reply to my request for info on the reimbursement on the MGC insurance claim.

It shows that we have received

\$16,529

\$190,835

\$21,838

\$33,771

\$262,973

Question – Is this the complete settlement or is more addition money coming our way to offset the reconstruction?

IVGID Public Comment:

I'm sorry I am unable to make my comments in person tonight. I am attending training and will not be able to make the meeting on time.

In reviewing the Board Packet, I have just a few comments.

First of all, thank you to Indra for putting forth a packet filled with ideas for discussion.

In talking with Mr. Howard, if lithium ion batteries are used at the Mountain Course, the sprinkler system requires an upgrade at the direction of North Lake Tahoe Fire Protection District. In tonight's packet, I don't see additional costs related to this issue for your consideration. I see the electrical upgrade, but not the sprinkler upgrade. I'd like the entire scope of the project be estimated so you are able to make a well informed decision in October.

As it relates to the Community Services project priority list, I applaud the Board for having clearly identified priorities. This has been missing in years past. Here are my comments related to the priority projects:

1. For the Dog Park, could we have an alternative location identified in the event the Forest Service land isn't attainable or the time frame for a decision is too far into the future? We have been in need of a dedicated dog park for too long and a decision is needed sooner rather than later on a location. The timeline for this project seems too long.
2. The Burnt Cedar pool already has estimates for replacement and a report indicating a short term fix isn't structurally feasible. I suggest this project be streamlined and completed sooner by abandoning time spent on rehab discussions.
3. As it relates to the Incline Beach house project, the report states the schematics are complete. If I recall these from meetings last year, they were all very elaborate and expensive. Can this be reviewed and scaled back to a more modest building?

The Board of Trustees Handbook is missing NRS role definitions contained in NRS318.085. Specifically, there is an absence of the Secretary being identified as the role responsible for transcripts of the meetings. While staff produces the minutes, based on NRS the handbook should clarify the Secretary is responsible for their accuracy. The role of the Treasurer is missing its NRS requirement. That being "the Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the district in permanent records". In addition, the handbook states the role of the chair is to "ensure all Trustees have a chance to express their opinions on issue". Given the number of times Chair Wong has silenced Trustee Callicrate, I suggest a new election of officers be held.

Sara Schmitz 7377

September 25, 2019 IVGID Board of Trustees Meeting Public Comment
By: Margaret Martini – To be Included with the Meeting Minutes

After reading through 169 pages of the Board packet, I want to know why the District cannot comply with the law, its own Trustee handbook, and even make a meek attempt to apply best management practices.

There is a proposal to purchase ion battery golf carts without having electrical charging capabilities or an adequate maintenance building for their storage. And even worse, hundreds of thousands of dollars will be spent for new carts that will ride on paths that are in desperate need of repair.

As for the priorities for the Community Services Master Plan, I would like to know the other options for a dog park; who will serve on the Tennis and the Beach Advisory committees –AND I still want to know why we are debating whether or not to renovate the Burnt Cedar Pool when we have a community that wants a new pool and a Consultant Report stating that renovation is not feasible and a NEW POOL is required.

Item H-3 left me confused. I read the 14 line single sentence agenda item about three or four times. Made no sense to me. I read the memorandum, looked over the exhibits. The truth is, I don't have a clue on what is being proposed.

I found the Trustee Handbook interesting and wondered if the Board Chair, Vice Chair and Treasurer along with some senior staff members had ever read it – because their conduct does not comport with its guidelines.

There is a form proposed for capital project reporting. All improvements to accurate reporting are welcomed. I would like to address the substance of budgeting as well as bidding on capital projects. I recommend that Trustee Dent be given the authority to convene a citizen advisory committee to initiate a capital asset replacement study, an overhaul of our budgeting process, best management practices on placing projects out to bid and formal oversight to ensure that expenditures comply with Board approved budgets.

Forest service Proposal to make Incline Lake and
our back yard at Apollo and Tyrolian Village
Snowmobile fun parks.

Call Ashley Sibr (530)543-2615

or

<https://go.usa.gov/xmgxT>

then: Developing Proposals

then: Winter Recreation and Over Snow Vehicle
Travel Management

then: right side "**Comment/object on project**"
click here to join dialogue and give opinion. **FILL
OUT and MAKE COMMENT IN BOX**

**Choose File to download (presumably your
comment or a letter you want them to read)**









then: prove you are not a robot

then: submit

Steve Doherty

To see Forest service site:
<https://go.usa.gov/xmgxT>
 then to; "Developing Proposal"
 then to; Winter Recreation and Over Snow Vehicle Travel Management

Legend

-  Areas Open to OSV Use on LTBMU Lands
-  Areas Open to OSV use on Odd Numbered Days Only
-  Areas Not designated for OSV use on LTBMU
-  Special Use Permit Snowmobile Routes
-  LTBMU Boundary
-  Other National Forest Boundary
-  Highway/Major Road
-  Stream
-  Lake
-  Wilderness Area
-  National Forest Land - Other National Forest



*Artesian Spring start of Third Creek
 *Incline Village Property at Meadows
 *East fork of Third Creek boundary line

State Waters
 TRPA Protected Basin
 Washoe County

Houses at Apollo
 End of Jennifer Street
 IVGID

stipped Odd day Snowmobiles Tyrolian & Diamond Peak
 Very Close?

Steve Dolan (775) 843-7244

**USDA Forestry Service Proposal: Snowmobiles in 3rd Creek and Incline Creek
SEZ**

TRPA Meeting 9/25/19

Stephen Dolan
Friends of Third Creek 501 (c) (3)
(pending)

- 100 ft. inside TRPA boundary is the spring fed source of the East Branch of 3rd Creek. USDA-Forestry Proposal includes this artesian spring, pond, and 3rd Creek to Lake Tahoe. I have drunk directly from this sweet soft water spring without complications. There is no up stream to an artesian spring.
- At the mouth of Third Creek NDOW is studying the spawning habits of trout in the hope of one day reintroducing Lahontan Cutthroat Trout.
- The nation, state, Washoe county, Lake Tahoe community, Incline Village General Improvement District contributed millions of dollars to restore Third Creek and the trout spawning areas.
- Incline Village and Commissioner Birkbigler are working to move Incline's Temporary dog park away from Third Creek with a Forest Service lease.
- Two stroke jet skis were removed from the lake, now an even less efficient gas emitter, oil spilling rubber distributing machine is proposed to being allowed, like a syringe in an artery of the Third Creek Watershed as well as the Incline Creek Watershed and specifically using Third creek as its vehicle.

Please contact USDA Forestry Service to stop Over Snow Motor Vehicles in the Stream Environmental Zone of Third Creek, Lake Tahoe.

In addition consider a ban of these vehicles in the watershed area of both Third Creek and Incline Creek.

The Forest Service is asking for input right now so please act rapidly to nip this invasive species in the bud.

Website requesting input:
<https://go.usa.gov/xmgxT>

Stephen Dolan
Incline Village
(775) 843-7244

23 September 2019

There is much confusion as to who the elected Treasurer is. I was not in attendance at the last board meeting but it was reported out by attendees, that Mr. Morris is not the duly elected Treasurer of the Board of Trustees and that in his stead Mr. Eick is acting as the treasurer while also being the Director of Finance and a member of staff if that is true then a new election by the board needs to be held to elect a Treasurer,

The role of Treasurer is clearly spelled out in the Board of Trustees Handbook.

A fiduciary duty is an obligation to act in the best interest of another party. For instance, a trustee has a fiduciary duty to the trust's beneficiaries. A fiduciary obligation exists whenever the relationship with the client involves a special trust, confidence, and reliance on the fiduciary to exercise his discretion or expertise in acting for the client. The fiduciary must knowingly accept that trust and confidence to exercise his expertise and discretion to act on the client's behalf.

Submitted to the Board of Trustees to be included in the minutes on September 25, 2019.

Michael Hess, resident
521 Spencer Way
Incline Village, NV 89451

Thank Susan Allen/LORI Pommerench ^{enh}

Speng. class ~~is~~ ^{is} ~~insignif~~ ^{insignif} a way to ^{use of present words} why ^{some} ~~we~~ ^{we} even discussed ^{no} ~~the~~ ^{the} system, ^{not} ~~ask~~ ^{ask} questions ^{on} ~~in~~ ⁱⁿ the system, ^{on} ~~not~~ ^{not} ~~blow~~ ^{blow} ~~up~~ ^{up} ~~our~~ ^{our} ~~col~~ ^{col}

We will ^{of} ~~all~~ ^{all} ~~bring~~ ^{bring} ~~over~~ ^{over} ~~to~~ ^{to} ~~public~~ ^{public} ~~and~~ ^{and} ~~the~~ ^{the} ~~board~~ ^{board}

had a general discussion a Treasurer Report that we will develop with Mr. Eick help.

Discussed the possibility of ~~revising~~ ^{revising} ~~the~~ ^{the} ~~statute~~ ^{statute} ~~Report~~ ^{Report}

Submittal from
Alexandra Profant

Incline Beach
967 Lakeshore Blvd
Incline Village, NV 89451
(775) 832-1233
7/4/2010 2:53 PM

38004 - Susari M - Incline Beach

Recreation Punch Card Usage Receipt

Punch Card Sale Items:
4 BCH - Daily Adult \$10 \$40.00

Sale Total \$40.00

Punch Card Payments:
PC-11962 \$40.00

Payment Total \$40.00

Punch Card Balance:
As of: 7/4/2010 2:53 PM
Card Id: 11962
Available Balance: 126.00

Thank you for visiting
Incline Beach
in Incline Village!

Visit us online at
www.inclinerecreation.com
www.yourtahoeplace.com

7/4/2010 2:53

and their agents.

SOURCE	DATE	AMOUNT DUE
US Postal Service Mailed "Statement" Royal Pines Association, Inc. c/o Incline Property Management 848 Tanager Suite M Incline Village NV 89451	08. 26. 2014	\$ 1 723.75
US Postal Service Mailed "Statement" Royal Pines Association, Inc. c/o Incline Property Management 848 Tanager Suite M Incline Village NV 89451	08. 26. 2014	\$ 25 945.00
US Postal Service Mailed "Statement" Hampton & Hampton /s/ Katryna Harper 8965 South Pecos Road Ste 9a Las Vegas NV 89074 Re: Royal Pines Homeowners Association	02. 04. 2016	\$ 11 4 796.35
US Postal Service Mailed "Statement" Hampton & Hampton /s/ Katryna Harper 8965 South Pecos Road Ste 9a Las Vegas NV 89074 Re: Royal Pines Homeowners Association	02. 04. 2016	\$ 123.75
US Postal Service Mailed "Statement" Hampton & Hampton /s/ Katryna Harper 8965 South Pecos Road Ste 9a Las Vegas NV 89074 Re: Royal Pines Homeowners Association	02. 04. 2016	\$ 1 600.00
US Postal Service Mailed "Statement" Hampton & Hampton /s/ Katryna Harper 8965 South Pecos Road Ste 9a Las Vegas NV 89074 Re: Royal Pines Homeowners Association	02. 04. 2016	\$ 15 454.90
US Postal Service Mailed "Statement" Hampton & Hampton /s/ Katryna Harper 8965 South Pecos Road Ste 9a Las Vegas NV 89074 Re: Royal Pines Homeowners Association	02. 04. 2016	\$ 11 476.35
Washoe County Recorders Office - Certified Copy of "Notice of Foreclosure Sale under Delinquent Assessment Lien" Recorded 09.27.2017 by John E Leach 8945 W Russell Road Ste 330 Las Vegas NV 89148	09. 27. 2017	\$ 33 415.84
US Postal Service Mailed "Statement" Royal Pines Association, Inc. c/o Incline Property Management 848 Tanager Suite M Incline Village NV 89451	12. 01. 2017	\$ 16 651.35
Statement from Royal Pines Association Inc. c/o Incline Property Management Po Box 675334 Phoenix Arizona 85082	12. 04. 2017	\$ 16 701.35
Verbal Opening Bid called by April 'Auctioneer' at Nevada Legal Support Services in Reno & Las Vegas Supervisor Heather Ebnetter "for Nationwide in Sacramento" Witness Austin Danner. & others	12. 14. 2017	\$ 40 048.92
Notice of Foreclosure Sale Under Delinquent Assessment Lien	12. 28. 2017	\$ 39 647.42

December 22, 2017

Formal & Written Talking Points for 8:00 am pre-scheduled meeting with Gerry Eick on Dec. 22, 2017

Presented to IVGID- Gerry Eick at IVGID [(Incline General Improvement District) on Southwood Blvd. Incline Village Nevada 89451] at 8:00 am meeting. Those present, Gerry, Peter Profant, Zosine Profant, & Alexandra Profant &

Introduction: I have been meaning to address some of the following issue(s) for many years. Due to the due diligence which we began in 2008, to present, in correcting the chain of title and protect the securitization chain, security in our houses, persons, and papers contained therein, on our family's farmstead & timber property, and our historic bungalow in Ferndale California, we have been waylaid from doing so until present.

A-Intersection between IVGID services, and Royal Pines Infrastructure

1. There is a written overview of sewer issues regarding White Pines & Royal Pines, and controversy with TRPA regarding property lines, etc.; have you ever seen this? Are you aware of this issue?

See Attachment "A".

A. If yes, are these issues at present, still relevant to Royal Pines Condominiums on 820 Oriole Way and expressly Unit 65 or unit 66 on Regal Circle?

1. Is it possible for us, Profant Family Trust, to do a collective partition action to remove ourselves from said Community Association, dissolve it, or re-invent a new association in order to effectively deal with said issue?

B-Accounting - The right to an accurate accounting (Lona v. Citibank) See Attachment "B" -Page 4.Line 11.

For the purpose of collecting all pertinent facts for a forensic and complete reconciliation regarding charges accrued, paid/offset regarding our home:

1. Is it possible for you/someone to provide:

A. A written and general overview of type and method of accounting used by IVGID for its residential customers, and, specifically,

B. Any and all schedules (General ledgers, Accounting, depreciation, costs, accruals, payments/offsets. charges, carry-overs, etc. etc.) for:

1. Any and all allocation(s), appropriation(s), and billing(s) for any and all Infrastructure related projects, or Trash projects in any part, provided by, or required for IVGID's involvement concerning services enjoyed by Royal Pines Condominium Unit owners, and particularly units on Regal Circle, such as Units numbered 63- 68; and

a. which may or may not be effected by the aforementioned issue. (White Pines & Royal Pines Past Mapping boundary line- sewer confusion)

1. but mainly, for any and all water provision, and sewer services and or trash related services since June 2005 to present provided to Royal Pines Condominiums- White Pines Condominiums, and if the issue, persists regarding the shared sewer, how the two are separated if said issue is, at present, unresolved?

2. Schedule of Fees collected by Washoe County Tax Collector for any and all Recreation services and privileges enjoyed by unit owners of Royal Pines 820 Oriole Way Unit #66- actually located on Regal Circle.)

C.. What is the lead time and research fees usually required and charged to conduct inquiries and provide written report to a property owner- in this case The Profant Family Trust?

D. Any and all meeting minutes created from any and all public meetings regarding Royal Pines Issues relevant to Unit #66 ON REGAL CIRCLE, our family home, since 2005 generated from IVGID or any other entity you know of regarding water or sewer issues and billing derived thereof.

C-Metering

1. Is there a meter specific to each individual unit at Royal Pines for water, which informs IVGID schedules?

2. Is it possible for any unit to get separate metering if they do not already exist?

D-Partition Actions for Individual or a collection of Unit Owners in Condominium(s)/Association(s)

1. Is there a "go-to" guide for partition action requirements for users who, my be, aggrieved unit owners who, prefer to break away from an existing larger contingency with IVGID such as Royal Pines, and become unique and independent customers, in order to implement alternative approaches, methods of plumbing effecting water use, and sewer uses with the idea of cost savings, and to eliminate a number of flushing toilets from their unit?

E-Potential Conflict of Interest

1. Per your stated "conflict of interest" (See Attachment "C").

A. Does said stated, written and signed, opinion prevent you from acting in good faith and /or interfere with your ability to provide Profant Family Trust(s), me, Alexandra, with the written information, and services I am requesting?

(I reserve the right to understand that in a small town, often, the most accomplished persons in their field end up wearing several hats, whereby making it impossible, improbable, or in the very least, less cost effective, to outsource the work to another with the same knowledge or qualifications.)

B. Will your past prejudice exhibited to us over the years (in the way of raised voice, dismissals, rudeness, and other exhibitions, via community interactions, or Royal Pines meetings), prevent you from treating us/me with respect, dignity, patience, and a truthful provision of information which we are requesting?

F- Attempt and Due Diligence to mitigate further damage to any interested parties serving our family home located at 820 Oriole Way Unit 66, on Regal Circle In Incline Village Nevada, 89451, in an attempt to conduct a forensic accounting to derive accuracy and retroactive remedy to redress said issues in County Records.

1. Three of the Profant Family Trustees recently conferred with staff at Washoe County regarding inaccurate property description(s), all payments made on behalf of "Royal Pines community Property" placed in a different jurisdiction, and and therefore got direction as to how to deal with unwitting Profant(s) actions in being parties to other documents, or recording documents themselves which are affiliated with their home, which might be regarded, according to NRS (Nevada Revised Statutes) as "forgeries" and/or "counterfeits", which, we first discovered first in 2008, and more recently, found other inaccurate information as of, October of 2017, associated with our family home in "The Royal Pines Condominium Complex";

We are therefore, approaching staff at IVGID with a desire to seek an administrative remedy to suggest halting any and all billing of fees or request a separate and unique billing to Profant Family Trust(s) (assuming there is a methodology in place to do so) versus persist billing the existing address and entity, "Royal Pines", until said legal issues are sorted out, or until a partition action may succeed in removing our home from past entanglements premised on inaccurate information, a community association, wherein we allege we have been disenfranchised from participation, (due to an insolvent situation) and would appreciate a directive from IVGID staff, not only yourself, regarding said meritorious concerns- especially in regards to potentially confused title, and sewer issues effecting any persisting or future security, and/or rightful enjoyment and use of said property.

Thank you very much for your time, consideration, and attention to these matters at hand.

In closing,

in my and my family's memory, Nevadans in Incline Village Nevada, created Community Property Associations in order to codify a homeowners rights and the mechanism of unified & collective bargaining, in order to stand together and to stand strong against those threatening to take a Nevadan's private property. Whether it be the over reach of government, a large corporation, or a newcomer unfamiliar with Nevadans' traditions, bullying us, NRS 116, galvanizes this historic intent.

I will invoke and actuate every sovereign, and inalienable right available to me as is extended to every human person under the Laws of these United States of America, to uphold and celebrate this tradition.

Merry Christmas.

Seriously

Peter & Alexandra Profant, Trustees Profant Family Trust(s)

Attached:

A:	Buyer beware sheet re: Royal Pines-White Pines Sewer	(Pages)
B:	Profant vs Option One DR150158- Ruling(live case)	(Pages)
C:	Conflict of Interest Statement for RPA/ Board Elections,	(Pages)
D:	SEC v OPTION ONE Judgment /US CODE-Case SACV 633	(Pages)

Mailing Address:

Please send any and all correspondence to Profant Family Trust(s) at
820 Oriole Way -66
Incline Village Nevada 89451

cc: file

Attachment A

Buyer Beware-White Pines-Royal Pines Sewer Issues

12212017 8:00 Meeting at IVGID w/Gerry Eick

NOTICE TO PROSPECTIVE PURCHASERS OF UNITS WITHIN ROYAL PINES

Prospective purchasers of dwelling units within the Royal Pines Association, Inc. (Royal Pines) should be aware of present efforts underway to make adjustment to the boundary lines between this Association and its neighboring Association, White Pine Estates Homeowners Association, Inc. (White Pine). As a matter of the history of Incline Village, these two Associations were originally formed and developed as Royal Pines. On August 22, 1973, Royal Pines was created as a Nevada non-profit corporation for purposes of meeting the obligations set forth in Nevada law relative to condominium management and operation.

On August 13, 1979, White Pine was created as a Nevada non-profit corporation for purposes of meeting the obligations set forth in Nevada law relative to condominium management and operation. It is believed that it was at or near this time that the single Association became two Associations, at least in the eyes of their respective members and all governing governmental bodies with the exception of the Tahoe Regional Planning Agency (TRPA).

The lack of uniform governmental recognition of the property or boundary line is currently being addressed in a number of manners, including revisions to the Royal Pines CC&R's to correct the reference recorded therein to any White Pine units, a possible declaratory relief litigation, and continued negotiation with the TRPA. The current Royal Pines project to separate the joint White Pine-Royal Pines sewer line is on hold due to the TRPA conflict and lack of recognition. That obstacle seems an insurmountable one simply because of the inflexibility of TRPA on the existence of the two Associations.

It is presently believed that neither Association can comply with the requirements that were in place in 1979 with the TRPA for the creation of two Associations, which they propose to treat as new developments that must meet expensive regulatory requirements. Current information is that those requirements can not be met today, and TRPA is unwilling to require less or to recognize the practical reality that all residents and other governmental entities have accepted for over 20 years, that one large Association became two smaller Associations in approximately 1979.

No records indicate that proper TRPA process and approval were received at the time of the separation such that a waiver or other demand for TRPA recognition could effectively be made. These matters will require Association time, attention, and thus future expense to resolve and thus are disclosed at this time.

Attachment B

Ruling DR 15018 CA State Court (Profant vs. Option One, Bank of America et al.)

12212017 8:00 Meeting at IVGID w/Gerry Eick

A. Stunich
Box #73

FILED

NOV 08 2016 *pel*

SUPERIOR COURT OF CALIFORNIA
COUNTY OF HUMBOLDT

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SUPERIOR COURT OF CALIFORNIA, COUNTY OF HUMBOLDT

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10 PETER PROFANT, ALEXANDRA PROFANT
11 AND JOHN PROFANT, CO-TRUSTEES FOR
12 PROFANT FAMILY TRUST(S),

CASE NO. DR150158

12 Plaintiffs,
13 vs.

RULING ON DEFENDANTS'
MOTIONS FOR SUMMARY
JUDGMENT/SUMMARY
ADJUDICATION

14 OPTION ONE nka SAND CANYON
15 CORPORATION, SAWYER, LIONEL, COLLINS,
16 COURTNEY O'MARA, JANE LEONARD, PRIME
17 PACIFIC, PARTNERS MORTGAGE fka
18 PARTNERS MORTGAGE A COUNTRYWIDE
CORPORATION, STEVE PETERSON, BANK OF
AMERICA AS SUCCESSORS IN INTEREST TO
COUNTRYWIDE AND DOES 1-100,

19 Defendants.

20 Defendants' Motions for Summary Judgment/Summary Adjudication came on for
21 argument on August 12, 2016. Plaintiffs appeared by their attorney, Andrew Stunich.
22 Defendants appeared by their attorneys, Jill Cohoe and Dustin Owens.

23 "Summary Judgment provides courts with a mechanism to cut through the parties'
24 pleadings in order to determine whether, despite their allegations, trial is in fact
25 necessary to resolve their dispute." (*Aguilar v. Atlantic Richfield Co.* (2001) 25
Cal.4th 826, 843 [107 Cal.Rptr.2d 841, 24 P.3d 493] (*Aguilar*). A summary
judgment motion "shall be granted if all the papers submitted show that there is no

N:\DR150158\sce

Attachment C

Candidacy Biography Statement (1 Page)

12212017 8:00 Meeting at IVGID w/Gerry Eick

CANDIDACY BIOGRAPHY STATEMENT

Name: Gerry Eick
Address: 80 Oriole Way #65 Incline Village NV 89451

Are you a unit owner? Yes No

NRS 116 31034(1) states: Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the units' owners shall elect an executive board of at least three members, whom at least be units' owners.

2a) NRS 116 31034 5 (a) and (b), please complete the following information regarding your candidacy

5. Each person whose name is placed on the ballot as a candidate for a member of the executive board must:

(a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would or likely would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and

(b) Cause the following to be responded to the statements required herein cited above. Attach additional sheets, if necessary

As Director of Finance for IUGID I influence the rate setting process - including water, sewer and solid waste that could be charged to the Royal Pines HOA.

6. Disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due assessments or construction penalties that are required to be paid to the association

7. Is the candidate in good standing as defined above? Yes No If no, please explain

The candidate must make all disclosures required pursuant to this subsection in writing to the association with his candidacy information. The association shall distribute the disclosures to each member of the association with the ballot in the same manner as the bylaws of the association

8. The candidate must make all disclosures required pursuant to this subsection in writing to the association with his candidacy information. The association shall distribute the disclosures to each member of the association with the ballot in the same manner as the bylaws of the association

9. The candidate must make all disclosures required pursuant to this subsection in writing to the association with his candidacy information. The association shall distribute the disclosures to each member of the association with the ballot in the same manner as the bylaws of the association

Signature of candidate:

Gerry Eick

Date: 7/10/14

Attachment D

Judgment SACV 633- SEC v. OPTION ONE/citation of US CODE (3 Pages)

12212017 8:00 Meeting at IVGID w/Gerry Eick

JS-8

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Case No: SACV 12-633-JST(MLGx)

Plaintiff,

vs.

OPTION ONE MORTGAGE CORPORATION n/k/a SAND CANYON CORPORATION.

Defendant.

FINAL JUDGMENT AS TO
DEFENDANT OPTION ONE
MORTGAGE CORPORATION
n/k/a SAND CANYON
CORPORATION

The Securities and Exchange Commission, having filed a Complaint and Defendant Option One Mortgage Corporation and a Sand Canyon Corporation having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment;

1.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)(2) and (3)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(b) to engage, in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$14,250,558, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$3,982,027, and a civil penalty in the amount of \$10,000,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77w(d)].

1 Defendant shall satisfy this obligation by paying \$28,332,585 within 14 days of
2 entry of this Final Judgment by certified check, wire transfer, bank cashier's check,
3 or United States postal money order payable to the Securities and Exchange
4 Commission. The payment shall be delivered or mailed to the Office of Financial
5 Management, Securities and Exchange Commission, 100 F Street, NE, Stop 6042,
6 Washington DC 20549, and shall be accompanied by a letter identifying Option
7 One Mortgage Corporation as a defendant in this action; setting forth the title and
8 civil action number of this action and the name of this Court; and specifying that
9 payment is made pursuant to this Final Judgment. Defendant shall pay post-
10 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The
11 Commission shall remit the funds paid pursuant to this paragraph to the United
12 States Treasury.

13 III.

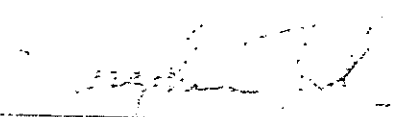
14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
15 Consent is incorporated herein with the same force and effect as if fully set forth
16 herein, and that Defendant shall comply with all of the undertakings and
17 agreements set forth therein.

18 IV.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
20 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
21 of this Final Judgment

22
23 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
24 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
25 forthwith and without further notice

26
27 Dated: April 26, 2012

28


JOSEPHINE STATON TUCKER
UNITED STATES DISTRICT JUDGE

Bill ID# 0238 00006217
 Last: Royal Pines Condos

IVGID Public Works 1220 Sweetwater Incline Village NV 89451 OFFICE HOURS: M-F 8 AM to 4:30 PM
 24 HR P: (775) 832-1203 F: (775) 832-1260 EMAIL: PW@VGD.ORG WWW.IVGIDPUBLICWORKS.ORG

WATER CHARGES
 Water Base \$562.59
 Water Capital Improvement \$709.70
 Water Admin Fee \$3.97
 Water Use \$371.91

SEWER CHARGES
 Sewer Base \$918.38
 Sewer Capital Improvement \$1,478.15
 Sewer Admin Fee \$3.97
 Sewer Use \$480.06

DEFENSIBLE SPACE
 Defensible Space Fee \$49.35



Lucylyn

CUSTOMER SERVICE

Hours: Mon-Fri 8:00am to 4:30pm

1220 Sweetwater Road • Incline Village, NV 89451
 P: (775) 832-1203 • F: (775) 832-1260 • pw@ivgid.org
 www.ivgidpublicworks.org



ACCOUNT SUMMARY
 Previous Balance \$4,545.94
 Payments (\$4,545.94)
 Total Current Charges \$4,578.08
Total Amount Due \$4,578.08

Payment Due Upon Presentation

Meter #	Start Date	End Date	Previous Read	Current Read	Consumption
83983638	07/03/2019	08/02/2019	20346140	20586080	239940
84078129	07/03/2019	08/02/2019	5500	5500	0

Your balance will be deducted automatically on 09/16/19. The IVGID Public Works office will be closed Monday, September 2, 2018 in observance of Labor Day. In case of water or sewer emergency please call (775) 832-1203, 24 hours a day 7 days a week.

Service Address	Account Number	Billing Start Date	Billing End Date
820 Oriole Way #48-93RP	03135300-01	08/19/2019	09/18/2019

Rate Table

Water Base x CAF x Users* \$11.97
 Water Capital Imprv x CAF x Users* \$15.10
 Water Admin - per account \$3.97
 Water Use \$1.55/1000 gal
 Excess Water Tier 1 > 20K x CAF x Users* \$0.93/1000 gal
 Excess Water Tier 2 > 60K X CAF x Users* \$1.34/1000 gal
 Sewer Base x CAF x Users* \$19.54
 Sewer Capital Imprv x CAF x Users* \$31.45
 Sewer Admin - per account \$3.97
 Sewer Use \$3.20/1000 gal
 Defensible Space Fee x Users* \$1.05

*Note: Single Family Residential CAF=1 Users=1

Online Account Access is available on our website! Use it to view your current balance, update your mailing address and contact information, view statements and meter reads, or make payments.

Never forget a payment again! It is FREE to sign up for auto payment of your bill from a checking account. Visit our website or contact our office for more information.

Visit our website for detailed information on rate studies, charge descriptions & how to read your bill.

Delinquent charges shall be subject to a 10% penalty. Charges become delinquent the day after their due date. Late fees are charged if payment is not received by the last day of the month it was due.

Email addresses which have been provided on accounts will be used to send out courtesy notifications from Public Works. If you wish to add/remove your email please contact our office.

PLEASE KEEP THIS PORTION OF YOUR BILL WITH YOU.
 PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.

IVGID Public Works
 1220 Sweetwater Rd
 Incline Village NV 89451-9214

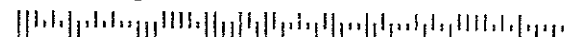
Service Address 820 Oriole Way #48-93RP
 Account Number 03135300-01
 Due Date 09/16/2019
 Amount Due \$4,578.08
 Amount Enclosed

Please, No staples or paperclips

DO NOT PAY - PAID BY AUTOMATIC BANK TRANSFER

Remit to

IVGID Public Works
 1220 Sweetwater Rd
 Incline Village NV 89451-9214




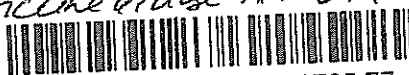
Royal Pines Condos
 PO Box 4402
 Incline Village NV 89450-4402



031353000100004578081

Trans Date	Description	Debit	Credit	Balance
04/19/18	Water Base	100.00		100.00
04/19/18	Water Base	100.00		200.00
05/19/18	Water Base	100.00		300.00
05/19/18	Water Base	100.00		400.00
06/19/18	Water Base	100.00		500.00
06/19/18	Water Base	100.00		600.00
07/19/18	Water Base	100.00		700.00
07/19/18	Water Base	100.00		800.00
08/19/18	Water Base	100.00		900.00
08/19/18	Water Base	100.00		1000.00
09/19/18	Water Base	100.00		1100.00
09/19/18	Water Base	100.00		1200.00
09/19/18	Water Base	100.00		1300.00
09/19/18	Water Base	100.00		1400.00
09/19/18	Water Base	100.00		1500.00
09/19/18	Water Base	100.00		1600.00
09/19/18	Water Base	100.00		1700.00
09/19/18	Water Base	100.00		1800.00
09/19/18	Water Base	100.00		1900.00
09/19/18	Water Base	100.00		2000.00
09/19/18	Water Base	100.00		2100.00
09/19/18	Water Base	100.00		2200.00
09/19/18	Water Base	100.00		2300.00
09/19/18	Water Base	100.00		2400.00
09/19/18	Water Base	100.00		2500.00
09/19/18	Water Base	100.00		2600.00
09/19/18	Water Base	100.00		2700.00
09/19/18	Water Base	100.00		2800.00
09/19/18	Water Base	100.00		2900.00
09/19/18	Water Base	100.00		3000.00
09/19/18	Water Base	100.00		3100.00
09/19/18	Water Base	100.00		3200.00
09/19/18	Water Base	100.00		3300.00
09/19/18	Water Base	100.00		3400.00
09/19/18	Water Base	100.00		3500.00
09/19/18	Water Base	100.00		3600.00
09/19/18	Water Base	100.00		3700.00
09/19/18	Water Base	100.00		3800.00
09/19/18	Water Base	100.00		3900.00
09/19/18	Water Base	100.00		4000.00
09/19/18	Water Base	100.00		4100.00
09/19/18	Water Base	100.00		4200.00
09/19/18	Water Base	100.00		4300.00
09/19/18	Water Base	100.00		4400.00
09/19/18	Water Base	100.00		4500.00
09/19/18	Water Base	100.00		4600.00
09/19/18	Water Base	100.00		4700.00
09/19/18	Water Base	100.00		4800.00
09/19/18	Water Base	100.00		4900.00
09/19/18	Water Base	100.00		5000.00
09/19/18	Water Base	100.00		5100.00
09/19/18	Water Base	100.00		5200.00
09/19/18	Water Base	100.00		5300.00
09/19/18	Water Base	100.00		5400.00
09/19/18	Water Base	100.00		5500.00
09/19/18	Water Base	100.00		5600.00
09/19/18	Water Base	100.00		5700.00
09/19/18	Water Base	100.00		5800.00
09/19/18	Water Base	100.00		5900.00
09/19/18	Water Base	100.00		6000.00
09/19/18	Water Base	100.00		6100.00
09/19/18	Water Base	100.00		6200.00
09/19/18	Water Base	100.00		6300.00
09/19/18	Water Base	100.00		6400.00
09/19/18	Water Base	100.00		6500.00
09/19/18	Water Base	100.00		6600.00
09/19/18	Water Base	100.00		6700.00
09/19/18	Water Base	100.00		6800.00
09/19/18	Water Base	100.00		6900.00
09/19/18	Water Base	100.00		7000.00
09/19/18	Water Base	100.00		7100.00
09/19/18	Water Base	100.00		7200.00
09/19/18	Water Base	100.00		7300.00
09/19/18	Water Base	100.00		7400.00
09/19/18	Water Base	100.00		7500.00
09/19/18	Water Base	100.00		7600.00
09/19/18	Water Base	100.00		7700.00
09/19/18	Water Base	100.00		7800.00
09/19/18	Water Base	100.00		7900.00
09/19/18	Water Base	100.00		8000.00
09/19/18	Water Base	100.00		8100.00
09/19/18	Water Base	100.00		8200.00
09/19/18	Water Base	100.00		8300.00
09/19/18	Water Base	100.00		8400.00
09/19/18	Water Base	100.00		8500.00
09/19/18	Water Base	100.00		8600.00
09/19/18	Water Base	100.00		8700.00
09/19/18	Water Base	100.00		8800.00
09/19/18	Water Base	100.00		8900.00
09/19/18	Water Base	100.00		9000.00
09/19/18	Water Base	100.00		9100.00
09/19/18	Water Base	100.00		9200.00
09/19/18	Water Base	100.00		9300.00
09/19/18	Water Base	100.00		9400.00
09/19/18	Water Base	100.00		9500.00
09/19/18	Water Base	100.00		9600.00
09/19/18	Water Base	100.00		9700.00
09/19/18	Water Base	100.00		9800.00
09/19/18	Water Base	100.00		9900.00
09/19/18	Water Base	100.00		10000.00

Statement for transactions between 08/27/07 and 09/01/07
 FID 01010 May 21F 9381

Transact No	Description	Debit	Credits	Balance
01	Water Use			
02	All Excess			
03	Sewer Admitt			
04	Water Excess			
05	Water Cap. Impr			
06	Defense Spent			
07	Payment by			
08	Water Admitt			
09	Sewer Use			
10	Water Cap. Impr			
11	Water Base			
12	All Excess			
13	Water Cap. Impr			
14	Water Use			
15	Water Excess			
16	Water Base			
17	Defense Spent			
18	Payment by			
19	Water Admitt			
20	Sewer Use			
21	Water Cap. Impr			
22	Water Base			
23	All Excess			
24	Water Cap. Impr			
25	Water Use			
26	Water Excess			
27	Water Base			
28	Defense Spent			
29	Payment by			
30	Water Admitt			
31	Sewer Use			
32	Water Cap. Impr			
33	Water Base			
34	All Excess			
35	Water Cap. Impr			
36	Water Use			
37	Water Excess			
38	Water Base			
39	Defense Spent			
40	Payment by			
41	Water Admitt			
42	Sewer Use			
43	Water Cap. Impr			
44	Water Base			
45	All Excess			
46	Water Cap. Impr			
47	Water Use			
48	Water Excess			
49	Water Base			
50	Defense Spent			
51	Payment by			
52	Water Admitt			
53	Sewer Use			
54	Water Cap. Impr			
55	Water Base			
56	All Excess			
57	Water Cap. Impr			
58	Water Use			
59	Water Excess			
60	Water Base			
61	Defense Spent			
62	Payment by			
63	Water Admitt			
64	Sewer Use			
65	Water Cap. Impr			
66	Water Base			
67	All Excess			
68	Water Cap. Impr			
69	Water Use			
70	Water Excess			
71	Water Base			
72	Defense Spent			
73	Payment by			
74	Water Admitt			
75	Sewer Use			
76	Water Cap. Impr			
77	Water Base			
78	All Excess			
79	Water Cap. Impr			
80	Water Use			
81	Water Excess			
82	Water Base			
83	Defense Spent			
84	Payment by			
85	Water Admitt			
86	Sewer Use			
87	Water Cap. Impr			
88	Water Base			
89	All Excess			
90	Water Cap. Impr			
91	Water Use			
92	Water Excess			
93	Water Base			
94	Defense Spent			
95	Payment by			
96	Water Admitt			
97	Sewer Use			
98	Water Cap. Impr			
99	Water Base			
100	All Excess			

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>02-1-20</u></p>
<p>1. Article Addressed to:</p> <p><i>HOA - ROYAL PINES ASSOC - BOARD OF DIRECTORS - UNIT OWNERS, GERRY EICK, LOU PARSONS 401PM 848 TANAGDE STE. M Incline Village NV 89451</i></p>  <p>9590 9402 3075 7124 8795 77</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 3010 0001 2455 3023</p>	<p>3. Service Type</p> <ul style="list-style-type: none"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>GERRY EICK</u> C. Date of Delivery <u>FEB 2 2019</u></p>
<p>1. Article Addressed to:</p> <p><i>GERRY EICK 401PM 848 TANAGDE Suite M Incline Village, NV 89451</i></p>  <p>9590 9402 3394 7227 3406 48</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label)</p> <p>RA 935 358 036 US</p>	<p>3. Service Type</p> <ul style="list-style-type: none"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <input checked="" type="checkbox"/> Priority Mail Express® <input checked="" type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

To: GERRY EICK

SENT: 1/10/2018
PAGE 10/13

RE: ERRATIC "PAYOFF" FIGURES PROVIDED TO
PROFANT FAMILY

January 9, 2018

GERRY,

PLEASE FIND A TABLE / 2 SETS OF
"ACCOUNTING" RECORDS FOR UNIT 66 ENCLOSED
ILLUSTRATING THE ERRATIC PAYOFF FIGURES
CAUSING US CONFUSION. SAID CONFUSION PRESENTED
TO US RE: "ACCOUNT(S)" INFORMING "PAYOFF"
FIGURES IS THE REASON WE ARE ATTEMPTING TO
GO OVER THESE DOCUMENTS WITH YOU. THE
VICE PRESIDENT OF ROYAL PINES ASSOCIATION -
YOURSELF, BEING A CERTIFIED PUBLIC ACCOUNTANT
WULD HELP EXPLAIN THE MATH - ALLEGED
DIFFERING AMOUNTS "DOWING". IS THERE A
SCHEDULE ; TIME BEFORE JANUARY 25, 2018
WE MIGHT SIT DOWN WITH YOU, Hillary
Werner ; Lonny PARSONS TO RECTIFY THE
DISCREPANCIES SO WHEN WE CORRECT THE
MISALLOCATION PROPERTY DESCRIPTIONS IN THE
COUNTY RECORDER'S OFFICE, WE MIGHT ASSESS
WHAT, IF ANYTHING, IS TRULY "DUE" ON OUR
... WILL HAVE HOME. CURRENTLY DESCRIBED

Profant Family Trust - All Rights Reserved Without Prejudice

OTHER THAN THE 515-1660-1710 JURISDICTION
PLEASE RESPOND TO THIS INQUIRY IN
WRITING; OR PLEASE CALL ME AT 515-1660-1710
A TIME; PLEASE (SUBSTANTIATION AT SUBJECT'S
FACE OR PUBLIC LIBRARY?) WE MIGHT
DO SO; THAT IS, GO OVER "ROYAL PINES ASSOC."
COUNTING METHODOLOGY - "ALLOCATING" -
RATH - NUMBERS.

IN CLOSING, THIS IS AN HONEST ATTEMPT
TO MITIGATE FURTHER DAMAGE TO US, AGAINST
THE PROPERTY; ANY; ALL FELLOW UNIT OWNERS
CURRENTLY RESIDING; IN POSSESSION OF; OR
VESTED IN THE COMMUNITY PROPERTY - COMMON
20A AFFILIATED WITH 320 ORIOLE WAY
ROYAL PINES SUBDIVISION - INcline Village
NEVADA; OR ANY OTHER ENTITY AFFILIATED
HEREWITH.

PAGE 2 of 2 - ¹HEAVENLY PROPANT
& ¹Other Propant

all rights reserved
w/o prejudice

C: Hilary Bonner / IPM
6:00 PM Dec 4, 1991
1 1/2. Drawings of 1991

control of the account. If the declaration was recorded before October 1, 1999, and, at the time the control of the declarant ends, the declarant has failed to pay his or her share of the amounts due, the executive board shall authorize the declarant to pay the deficiency in installments for a period of 3 years, unless the declarant and the executive board agree to a shorter period.

(b) Disclose, in writing, the amount by which the declarant has subsidized the association's dues on a per unit or per lot basis.

4. The association's money or control thereof.

5. All of the declarant's tangible personal property that has been represented by the declarant as property of the association or, unless the declarant has disclosed in the public offering statement that all such personal property used in the common-interest community will remain the declarant's property, all of the declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the common elements, and inventories of these properties.

6. A copy of any plans and specifications used in the construction of the improvements in the common-interest community which were completed within 2 years before the declaration was recorded.

7. All insurance policies then in force, in which the units' owners, the association, or its directors and officers are named as insured persons.

8. Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common-interest community other than units in a planned community.

9. Any renewable permits and approvals issued by governmental bodies applicable to the common-interest community which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the community.

10. Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.

11. A roster of owners and mortgagees of units and their addresses and telephone numbers, if known, as shown on the declarant's records.

12. Contracts of employment in which the association is a contracting party.

13. Any contract for service in which the association is a contracting party or in which the association or the units' owners have any obligation to pay a fee to the persons performing the services.

(Added to NRS by 1993, 2354; A 1999, 3002; 2001, 2490; 2005, 2597; 2009, 2918)

NRS 116.31039 Delivery to association of additional common elements constructed by declarant or successor declarant.

1. If a common-interest community is developed in separate phases and any declarant or successor declarant is constructing any common elements that will be added to the association's common elements after the date on which the units' owners other than the declarant may elect a majority of the members of the executive board, the declarant or successor declarant who is constructing such additional common elements is responsible for:

(a) Paying all expenses related to the additional common elements which are incurred before the conveyance of the additional common elements to the association; and

(b) Except as otherwise provided in NRS 116.31038, delivering to the association that declarant's share of the amount specified in the study of the reserves completed pursuant to subsection 2.

Linda Newman +

Public Comments by Clifford F. Dobler - Board of Trustees Meeting on 9-25-2019. To be included in next Board packet.

I believe this Board may need a refresher course on a few terms which are constantly tossed around but which have not been thought about or even know the meanings. These explanations are drawn from dictionaries.

Volunteers - Kenda has indicated publically the Board are volunteers. **Volunteering** is generally considered an [altruistic](#) activity where an individual provides services for no financial or social gain. Board Members are not Volunteers. They are elected paid officials and have obligations.

Transparency, in a business or governance context, is honesty and openness.

The implication of transparency is that all of an organization's actions should be extremely attentive to details enough to bear public scrutiny

Trustees are trusted to make decisions in the beneficiary's best interests and often have a fiduciary responsibility to the beneficiaries. A trustee is a person or firm that holds and administers property or assets for the benefit of a [third party](#)

Being a good Fiduciary has four Steps

Organize - The process begins with fiduciaries educating themselves on the laws and rules that will apply to their situations.

Formalize - Formalizing the process starts by creating the various program's goals, objectives and policies

Implement - The implementation phase is where specific investments or [investment managers](#) are selected to fulfill the requirements detailed in the investment policy statements. A due diligence process must be designated to evaluate investments. Assistance of an advisor is recommended because many fiduciaries lack the skill and /or resources to perform this step.

Monitor - The final step can be the most time-consuming and also the most neglected part of the process. Some fiduciaries do not sense the urgency for monitoring if they got the first three steps correct. Fiduciaries should not neglect any of their responsibilities because they could be equally liable for negligence in each step.

September 25, 2019 BOT Meeting – Second Public Comment

By: Linda Newman – To be included with the Minutes of the Meeting

In order to improve our citizens' participation in our governance and enhance the District's efficiency, accountability and transparency, I recommend the following initiatives:

1. Hold one workshop and one Board Meeting per month. Have all staff and other presentations as well as non-voting issues at the workshop.
2. Restore the 30 minutes prior to Board Meetings for discussions with Trustees and Staff.
3. Restore the opportunity for citizens to speak on each general business item.
4. Restore the inclusion of citizens' correspondence in the Board packets
5. Formulate a policy for individual Trustees to respond to citizen correspondence and rotate monthly, a Trustee to respond to correspondence addressed to the Board
6. Hold new officer elections for Board Chair, Vice Chair and Treasurer.
7. Terminate Counsel Guinasso and his firm and hire a competent interim Counsel
8. Terminate Tri-Strategies two contracts for \$6,000 per month and hire a communications/public information officer
9. Separate the job of public records officer from the Board Clerk/District Clerk and hire a new public records officer
10. Hire a consultant to do a capital reserve study for our \$600 million water and sewer infrastructure that will determine the life our equipment and funding sources for its replacement
11. Hire a Director of Asset Management
12. Retain an independent auditor to develop effective internal controls and overhaul our accounting and reporting system to comply with Nevada Statutes and Generally Accepted Accounting Principles.

13. THEN hire a new Director of Finance

14. Convene citizen committees with expertise in capital projects, finance, recreation and other areas to assist the Board and Staff in recommending and making the right decisions

15. Rescind the General Manager's Discretionary Spending Authority as well as the Public Works Director and have all "discretionary" spending brought to the Board for approval

16. In the wake of Mr. Pinkerton's departures and the debacles he has left behind, including the engagement of consultants and the signing of contracts we are just learning about it is impossible for the interim GM to clean up this mess alone. Hire an interim Chief Executive Officer with Corporate Experience to assist Mr. Winquist in improving the District's operations.