

1 INCLINE VILLAGE
 2 GENERAL IMPROVEMENT DISTRICT
 3 BOARD OF TRUSTEES
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 8 TRANSCRIPT OF HEARING
 9 PUBLIC MEETING
 10 Live and Via Zoom
 11
 12 Held at the Boardroom
 13 893 Southwood Boulevard
 14 Incline Village, Nevada
 15
 16 Thursday, January 25, 2024
 17
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 20
 21
 22
 23
 24 Reported by: Brandi Ann Vianney Smith
 25 Job Number: IVGID 20

1 APPEARANCES
 2
 3 **BOARD MEMBERS PRESENT**
 4 SARA SCHMITZ, CHAIR
 5 MATTHEW DENT, VICE CHAIR
 6 MICHAELA TONKING, SECRETARY
 7 RAY TULLOCH, TREASURER
 8 DAVE NOBLE, MEMBER
 9
 10
 11 **ALSO PRESENT**
 12 SERGIO RUDIN, LEGAL COUNSEL
 13 HEIDI WHITE, DISTRICT CLERK
 14
 15 -o0o-

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1 Incline Village, Nevada - 1/24/2024 - 6:00 P.M.
 2 -o0o-
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 4
 5 CHAIR SCHMITZ: It's the meeting of the
 6 IVGID Board of Trustees on January 25th, 2024, being
 7 held at the boardroom at 893 Southwood Boulevard in
 8 Incline Village, Nevada.
 9 We'll begin the meeting by kicking off
 10 with the Pledge of Allegiance.
 11 A. PLEDGE OF ALLEGIANCE
 12 (Pledge of Allegiance.)
 13 CHAIR SCHMITZ: Thank you for your
 14 patience. Continuing on, the roll call of trustees.
 15 B. ROLL CALL OF TRUSTEES
 16 CHAIR SCHMITZ: Trustee Tonking?
 17 TRUSTEE TONKING: Here.
 18 CHAIR SCHMITZ: Trustee Tulloch?
 19 TRUSTEE TULLOCH: Present.
 20 CHAIR SCHMITZ: Trustee Noble?
 21 TRUSTEE NOBLE: Here.
 22 CHAIR SCHMITZ: Trustee Dent?
 23 TRUSTEE DENT: Here.
 24 CHAIR SCHMITZ: And myself. That makes a
 25 quorum of the board. We'll continue on to initial

5
1 public comments.
2 C. INITIAL PUBLIC COMMENTS
3 CHAIR SCHMITZ: Please be advised that you
4 have three minutes for each person making public
5 comment.
6 MR. KATZ: Good evening, Trustees. Aaron
7 Katz, Incline Village. I've given several written
8 statements to be attached to the minutes of this
9 meeting.
10 Did you know that staff intend to conduct
11 a public hearing next Wednesday to steal -- that's
12 my word, steal -- 5.5 million from our rec fee,
13 beach fee, and utility revenues to cover all sorts
14 of new overspending having nothing to do with the
15 availability of recreational facilities or beach
16 facilities or the cost of our utilities? And staff
17 hasn't even formally notified the public. That will
18 take place tomorrow.
19 So why is it that you have to hear about
20 this from me rather than the Board? Do you realize
21 staff told us that documents supporting this budget
22 augmentation exist and they're available for pick up
23 at district offices? And they're not. I attempted
24 to pick them up this afternoon and was informed by
25 the clerk they're still working on that. So why are

7
1 give him severance pay. I don't know where you guys
2 come from, but where I do, this is just crazy.
3 It's unsustainable. You have to face
4 reality, and you have to start doing something other
5 than raising the rec fee.
6 Thank you.
7 MR. SCHULTZ: Good evening, Board. Joe
8 Schultz, Putter Court.
9 I read rather quickly this evening some of
10 the contracts and FlashVote reports that were going
11 to be reviewed this evening, and I came away with a
12 few thoughts.
13 Under the general manager contract,
14 section 1.5 states that he's expected to be
15 available at all times. So, apparently, the
16 contract is for 365 days a year, 24 hours a day. So
17 maybe that's part of the reason why the contract
18 might be very expensive.
19 I thought we should add -- section 1.7
20 that the GM is expected to be present and available
21 during holidays, summer vacation months, generally
22 speaking, June, July, August, and school vacations
23 as these are the times of greatest demands for the
24 service.
25 I have heard through the grapevine that

6
1 you telling the public they're available to examine?
2 Do you realize that at the December 13
3 board meeting, staff told us this public hearing
4 would take place in mid February or March? And now
5 we learn they're trying to ram it through on
6 three day's notice without back up documentation.
7 Now, that's what I call true honesty, transparency,
8 ethics in government. Wouldn't you agree?
9 So I wrote to the Board about this
10 wrongdoing, and Sara writes back, chastising me for
11 telling the truth, like I'm the problem. She states
12 the only criticism she will accept is constructive
13 criticism. And I don't know what that word means,
14 so I guess I can't criticize.
15 I hate to admit it, but you hateful people
16 out there who supported the recall had it right.
17 Now, maybe the reason was wrong, but the end result
18 was right, in my opinion. Congratulations.
19 So I learned also this evening what we're
20 paying Bobby Magee. Do you realize it's \$322,000
21 annually for an interim finance director? So how
22 much are we going to have pay or GM now? And that's
23 on the agenda today. You have to fill in the blank,
24 but you want to give him a COLA cost of living
25 increase, you want to give him a bonus, you want to

8
1 there are departments and department chairs who seem
2 to take vacations at those times, and that does not
3 seem right.
4 Section 4.2, life insurance policy for the
5 new GM to be \$50,000, that seems rather miserly.
6 5.2, this is a section that says that the
7 general manager is going to get additional pay for
8 holidays. It seems to me if his general salary is
9 going to be paid for 365 days a year, why would he
10 get a salary and a holiday pay?
11 6.5, in my estimation, should be
12 eliminated. It refers to severance benefit.
13 So if the general manager who is on board
14 and has expectations that are all written out in the
15 contract doesn't fulfill those expectations, and he
16 or she is let go, why would you reward them with a
17 severance? If that has to be so, because of legal
18 requirements, it should be a very small amount of
19 money.
20 I was surprised that the contract had no
21 recommendations for letters of reference, and no
22 requirements for a background check with regards to
23 criminal, financial, or litigation involvements. I
24 would have thought that that would be necessary and
25 basic.

9

1 With regards to the director of golf,
2 similarly, there were no requirements for letters of
3 recommendations or background checks. Under
4 qualifications, there's a statement that says
5 "reasonable accommodations may be made to enable
6 individuals with disabilities to perform essential
7 functions." Seems to me if you have a disability
8 and you can't perform an essential function, maybe
9 that person shouldn't be considered.
10 Lastly, in reading these things -- oh,
11 time's up.
12 MS. MARTINI: Margaret Martini, Incline
13 Village.
14 I think in the general manager contract
15 all of the applicants and all of their information
16 should be vetted through this board first before the
17 staff even sees it. Why waste staff's time when the
18 GM answers to you guys? Only to you guys. And so
19 you're the one that his boss, her boss, whatever.
20 You guys should be looking at all of these before it
21 even goes to staff. I mean, that's just a common
22 sense concept.
23 We've have enough of staff's deceptions.
24 We've had enough. It's time for you guys to stand
25 up, do your job, and monitor things. Whether or not

11

1 improvement district's operations to look and see
2 what you're going to do?
3 And a severance pay on a GM contract, any
4 contract, is ridiculous. It should be one dollar.
5 One dollar. If you're not doing your job, you don't
6 need a severance pay for not doing your job.
7 Thank you.
8 MR. DOBLER: Cliff Dobler, resident of
9 Incline Village.
10 I would like to make a few comments about
11 the Rubin Brown LLP contract regarding the forensic
12 audit.
13 First of all, just to put some things in
14 perspective, from the beginning when we decided to
15 develop an RFP until now, it's been five months.
16 Okay?
17 Now, in my book, Ray Tulloch and Magee did
18 exactly what was in the 11/8/2023 board packet.
19 They were to award a contract, develop a final scope
20 of work. The treasurer was authorized to do final
21 terms and conditions with related contract pricing,
22 with related contract pricing. And it was the full
23 consent of the Board to go along with this.
24 Now, if anybody had any common sense, in
25 that period of time, that 150 days, we were aware

10

1 the staff answers directly to you, you are still
2 responsible for their actions. Period. So it may
3 have to go through the GM first, but I think that
4 you need to take a real close look at what's
5 happening and what's not happening.
6 And I think that Sara was dissed for
7 taking an active role in the management of this
8 district, and in all reality, that's why we hired
9 her, or voted her in, or Matt or Ray. Just
10 basically they said that they would be oversight,
11 overseeing everything. And then when they do what
12 they said they were going to do, which other boards
13 have not done anyway, then everybody, oh, recall,
14 recall, recall. That's the most ridiculous concept
15 I've ever heard of. Recall them because they're
16 doing their jobs? It's ridiculous.
17 And 322,000 for an interim finance
18 director and all of these increases in salary are
19 pretty much unsustainable. And unless you can come
20 up with a budget that shows that they're sustainable
21 and even appropriate to what other positions in
22 other boards are doing -- I know that the Sun Valley
23 board, and you look at, for example, the attorney.
24 How do they hire their attorney? What do they do?
25 Are you looking at other boards and other

12

1 that there was \$13 million of costs in the land
2 account that should not have been there, they were
3 actually improvements or just outright expenses, and
4 then there was 10.7 million of other charges to
5 other accounts that should have probably been
6 charged off, both in the capital projects area.
7 So when you added that and then other
8 things came up during the last 150 days, and with no
9 led suggested by the Board, the scope of work
10 changed, and therefore that's why it got from
11 130,000 up to 350,000, a \$200,000 increase.
12 What amazed me, however, is at that
13 1/10/2024 meeting, nobody said, well, did the scope
14 of work change? Instead, what we got is two
15 Indians, Tonking and -- who's the other guy? -- that
16 just turned around and they're frightened by the
17 price.
18 So now what happens, you have this legal
19 nonlegal meeting and all of a sudden, you got the
20 lawyer turning around and saying, well, you don't
21 have a budget for that, I don't know what to do, and
22 things like that.
23 Well, if you have reserves in excess of
24 fund balance, what you're going to do is do an
25 augmentation, and augmentations are done all the

13

1 time, especially for governmental funds.
 2 Now, the thing is -- what everybody
 3 doesn't seem to understand is Magee said that when
 4 this starts, it's going to be four to six months for
 5 them to complete their work. And Nolet says that
 6 Davis Farr will not provide any opinion to any audit
 7 until the forensic audit is done. Their audit will
 8 take probably 60 or 90 days, so we're looking at
 9 June.
 10 And what I'm perturbed about is this idea,
 11 go running around to the tax board and turning
 12 around saying, well, we need --
 13 (Expiration of three minutes.)
 14 MS. WELLS: Hi. Christy Wells, Incline
 15 Village resident.
 16 Tonight we will hear you discuss the
 17 results from yet another poorly written survey that
 18 was sent to the FlashVote service, a survey that was
 19 clearly biased when written, presented by one or
 20 more of the Board members. 1,329 people have signed
 21 to respond to surveys via FlashVote. When you apply
 22 a locals-only filter, that number is even less.
 23 The survey you're discussing tonight had
 24 less than 600 people respond. There are over 9,000
 25 residents in Incline Village/Crystal Bay, yet here

14

1 we are discussing the feedback from 600 people. Are
 2 the 600 people representative of this community?
 3 Maybe. But why are we making this assumption?
 4 When you're making decisions on where tens
 5 of millions of dollars will be spent, you should
 6 make the effort to survey all parcel owners and
 7 residents. And you know how you would do that?
 8 Have IVGID run our surveys, as they can reach more
 9 people. And they actually wrote great surveys in
 10 the past.
 11 I would recommend you terminate this
 12 FlashVote service and put this back in the hands of
 13 staff, but I don't think you'll do because it's
 14 clear it doesn't serve your bias.
 15 Now, since we have to go on this FlashVote
 16 survey tonight, I do have some feedback. In the
 17 first two questions, the beaches were listed when
 18 asked about the condition of the asset and the level
 19 of importance to the community. However when you
 20 asked community members if they would like IVGID to
 21 invest in questions number 3, the beach wasn't even
 22 on the list.
 23 Overlooking the fact you missed the beach
 24 areas in question number 3, and based on answers in
 25 questions 1 and 2, the beach area would likely have

15

1 secured the number one spot in what people want you
 2 to invest. In fact, in every survey I've seen over
 3 the past couple of years, investment in Incline and
 4 CB has consistently ranked in the number one spot.
 5 The Board knows this, yet they have IVGID
 6 staff to scale back the design of Beach House, which
 7 I guess we should now call the "beach hut." They've
 8 also given staff a ridiculously low budget amount to
 9 make these improvements that won't even come close
 10 to what this community has asked for.
 11 As I mentioned, there are 9,000 people
 12 here, so what I'd like to know is what is the number
 13 of survey respondents you feel is necessary to guide
 14 your decisions? What percentage of parcel owners
 15 and residents should vote before major decisions are
 16 made? Once you select that minimum number, you can
 17 then rerun the survey, after a few rewrites, so that
 18 more parcel owners, residents, and, by the way,
 19 voters can participate in determining our
 20 community's future.
 21 Thank you.
 22 MATT: That was our last comment on Zoom,
 23 Chair.
 24 CHAIR SCHMITZ: Thank you. That will
 25 close out initial public comment. Moving on to

16

1 approval of the agenda.
 2 D. APPROVAL OF AGENDA
 3 CHAIR SCHMITZ: Do we have any changes
 4 requested for the agenda?
 5 Seeing none, the agenda is approved.
 6 E. REPORTS TO THE BOARD
 7 CHAIR SCHMITZ: I don't believe we have
 8 any reports to the Board with this particular
 9 meeting.
 10 F. CONSENT CALENDAR
 11 CHAIR SCHMITZ: The consent calendar is
 12 found on pages 3 through 48, and are the
 13 meeting minutes from October 25th, 2023.
 14 Do I hear a motion to approve or discuss
 15 the consent calendar?
 16 TRUSTEE TONKING: I move the Board approve
 17 the consent calendar.
 18 TRUSTEE DENT: Second.
 19 CHAIR SCHMITZ: All those in favor?
 20 TRUSTEE TONKING: Aye.
 21 TRUSTEE TULLOCH: Aye.
 22 TRUSTEE NOBLE: Aye.
 23 TRUSTEE DENT: Aye.
 24 CHAIR SCHMITZ: Aye.
 25 The consent calendar is approved

17

1 unanimously. Moving on to general business.
2 G. GENERAL BUSINESS
3 G 1. FlashVote Results
4 CHAIR SCHMITZ: General business item
5 number 1 can be found on pages 49 through 68 of the
6 board packet. And it is to review and discuss the
7 results of the FlashVote priority survey. And we
8 have Kevin Lyons of Governance Sciences here to
9 talks us through the results and perhaps he can even
10 answer some of the questions that were raised during
11 public comment.
12 MR. LYONS: I can answer all your
13 questions.
14 So thanks for requesting this item. We've
15 definitely done this in the past, and it's -- of
16 course, also had individual discussions with folks
17 after surveys. We try to make sure people
18 understand the results of the surveys, as well as
19 under the difference between a scientific survey,
20 which some of us have talked about separately, and
21 like the caller.
22 Statistics is kind of counterintuitive.
23 Actually, it's not sort of counterintuitive, it's
24 very counterintuitive.
25 I can tell you a story from 88 years ago,

19

1 different level of interest in the topic.
2 And so what I've learned to explain --
3 explain it -- I was just teaching this in Texas last
4 weekend -- when you think about sampling anything,
5 whether it's a survey of people or you're trying to
6 figure out what kind of trees you have in some
7 property, the idea is you want to make sure that
8 your sample, the things in your sample, whether it's
9 people responding or M & Ms in a bag or whatever,
10 look as close as possible to the things not in your
11 sample. That's really the key.
12 So the big problem with surveys is do
13 people have a particular extra interest in a topic
14 or an ax to grind or stuff like that, and that's
15 where you end up with results, if you do
16 multiple-choice questions, kind of put them out
17 there to everyone, what happens is you attract
18 people who have the most interest in the topic, they
19 follow it first, then they take it at a higher rate,
20 and then they share it with their friends usually on
21 the same side of an issue.
22 And so that's why if you have an open
23 survey and you consider the response rate, say it's
24 less than 50 percent, then you don't have a good
25 sample. And we see the data, more often than not

18

1 that people think more responses is better; right?
2 And why wouldn't you, because it's more.
3 So 88 years ago, there was two surveys
4 that were done in the U.S., when the U.S. was about
5 130 million people. One survey was done nationwide
6 with 11 million responses. Think about that. It's
7 kind of a breathtaking amount of mailing and
8 responses that were sent back. Another survey was
9 done and only had 50,000 responses. And they were
10 both done on predicting a presidential election in
11 1936.
12 Now, anyone with a brain would assume the
13 11 million is way better, I mean, it's got to be. I
14 would. But it turns out, the 50,000 one predicted
15 the election correctly and precisely, and the 11
16 million one was wrong, had that wrong winner, and it
17 was off by about 14 points compared to the other
18 one.
19 The 50,000 one was done by George Gallop.
20 It's the survey that made his name, actually. And
21 Gallop was really one of the first to think about,
22 systemically, how do you actually get regular
23 people, representative people to take a survey as
24 opposed to people with a bias of some kind. Maybe
25 they're different demographics or maybe they have a

20

1 actually, it tends to skew towards the opposite of
2 what the representative sample would tell you.
3 So maybe that's helpful to the early
4 caller and you guys in terms of thinking about it.
5 But, yeah, that's what this survey, all the surveys
6 we do through the FlashVote scientific panel that
7 we've set up are designed to get a high response
8 rate from people, regardless of the topic, so you
9 don't see the response rate go from 80 percent down
10 to 20 and bounce around.
11 You get the regular people first, and then
12 you give them the topics. And that's how we get
13 really good results that are representative of what
14 regular people think of stuff.
15 Hopefully that covers -- addresses the
16 caller's issues.
17 Yeah, so, surprisingly, if you have --
18 yeah, please.
19 TRUSTEE TONKING: I have two questions on
20 that. Can you speak to how people receive that
21 survey? Because I'm also having issues getting it
22 sent to me, so I would love to know as well.
23 MR. LYONS: There is a feedback tab, there
24 should be. Whenever you see it, do send that in if
25 you do have a problem with it because we turn that

21

1 around immediately. It's kind of like our
 2 number one thing. If you ever have a technical
 3 issue, glitch, whether it's your own computer or
 4 you're not sure or it's our system, you think. We
 5 love -- compliance are a gift because if somebody's
 6 having a problem, somebody else probably is too.
 7 That's the first thing I would say. You can contact
 8 tech. You can contact me if you want, it goes to
 9 our technical team, though.

10 And, yeah, in terms of how people take the
 11 survey, each person as has their own choices. They
 12 can do email, most people do just email, they can
 13 have a text reminder, which you may want to set up,
 14 actually.

15 TRUSTEE TONKING: That's what I had --
 16 CHAIR SCHMITZ: Trustee Tonking, could you
 17 please allow him --
 18 (Inaudible cross talk.)
 19 CHAIR SCHMITZ: Thank you. If you could
 20 just be respectful.

21 MR. LYONS: Was it the text or the email,
 22 do you remember which one you might not have gotten?
 23 TRUSTEE TONKING: I didn't get the text.
 24 MR. LYONS: Okay. We can check into that,
 25 then. That's a little trickier, depending on how

22

1 it's been set up.
 2 So people have email, text, and then phone
 3 call. There are some particularly old users in
 4 other parts of the country. Amish, turns out can do
 5 phone calls but not smart phones, for example. So
 6 just try to make it easier for people to
 7 participate. Okay?

8 TRUSTEE TONKING: Then my next question is
 9 in a lot of statistical surveys, they control for
 10 demographics. Do you do demographic controls or no?
 11 MR. LYONS: If we were doing like one
 12 number, like a political poll, which you have in
 13 mind I imagine, that's when you do all the fudge
 14 factors, it's got fancier terms "renormalization,"
 15 whatever you want to call it. But, basically,
 16 you're trying to make the sample look like some
 17 selected demographic. Male, female, age groups, you
 18 can't do them all.

19 But, yeah, it turns out that those, that
 20 works if that's what you're trying to do, like a
 21 political number, single-number survey. These are
 22 set up as decisions supports, which is different.
 23 So we don't average that information away.
 24 You can see, what you're really looking
 25 for are there differences between male and female,

23

1 or are there differences by age? So when you think
 2 about how do we make sure we're serving the whole
 3 community, you can look to see maybe we have to do a
 4 little more of this over here, maybe this group's
 5 satisfied and this one's not and have different
 6 opinions about what's important to them too, as we
 7 saw in this survey.

8 Rather than doing the one number
 9 renormalization, we do the -- show you the data, we
 10 show you the actual subsamples, because they're
 11 useful, usually. And then there are a few questions
 12 where we will just calculate a little renormalized
 13 number in case it's interesting. But the real gold
 14 is in the subsamples.

15 Good question.
 16 CHAIR SCHMITZ: Could you walk us through
 17 this, and let us save or questions until you finish
 18 walking us through what you've provided here?
 19 MR. LYONS: Sure. Unless they're burning.
 20 That is why it's fun to be here in person. I can
 21 see you guys have a question-looking kind of face.
 22 This priority survey we're looking at from
 23 a couple of months ago -- should I screen share? I
 24 can screen share. Sharing the screen.
 25 I'll give you a quick overview of the page

24

1 in general. The basic idea on these pages, you'll
 2 see there's "title," so you can remember to find the
 3 survey. We have some downloadable PDF, Excel, stuff
 4 like that, if you want to make your own graphs, for
 5 example. They are designed to be attractive so you
 6 can just screenshot them and crop them.

7 Then the upper left side, where the
 8 filters are, locals only is the default. Those are
 9 people who signed up to participate and they
 10 provided an address and that address is in the
 11 Incline Village General Improvement District
 12 jurisdiction. We also have an owner, nonowner
 13 filter, so that's owner renter. Residency, which is
 14 actually interesting sometimes in places like this.
 15 That's part-time, full-time residency. Then two age
 16 filters for the different median. This area skews
 17 older, so the 51 is a little better because that
 18 sets the midpoint at 50, just so you can see those
 19 subsamples. And then gender male, female. And then
 20 member panel, which sometimes it's interesting to
 21 look at the sample of the panel versus whoever
 22 happen to take it while it was open, especially if
 23 it might have been promoted by people, if there's a
 24 big number there, basically.
 25 So actually just to come back to your

<p>1 question about the sampling and the averaging, what 2 you're looking for with the filter, instead of 3 like -- what do we think is good enough, for example 4 here. Championship Golf Course, there's different 5 age groups here. And so rather than just averaging 6 them out and saying, hey, the answer is 7 80-something percent, this is more interesting. The 8 young people who probably don't play as much are 9 like, yeah, it's fine.</p> <p>10 And you'd think this might be inverse to 11 the importance. Let's see if that theory holds up. 12 Yeah, the older folks think it's a little more 13 important than the younger folks, maybe, but you get 14 the idea on the sampling. That's how to use that.</p> <p>15 And, really, all you're looking for with 16 those is is there a staircase kind of thing? Is 17 there a trend one way or another? Are they all 18 about the same? Or is there, maybe, a like a hump, 19 a clear maximum? And sometimes the Park and Rec 20 stuff, you might see that in the 30 to 45 group, 21 which is parents versus grandparents and so on.</p> <p>22 Back to the basic survey design. You can 23 see the participants, you can see the panel size at 24 the moment the survey launched, you can see the 25 response time, and you can see when it started and</p>	<p>25</p> <p>1 ended.</p> <p>2 And the design of this particular survey 3 used a two-question combo design that we'll use. 4 Each question is interesting: What do you think is 5 good enough? That's the satisfaction. And then 6 what's important?</p> <p>7 When you do those together with the same 8 choices, you can actually create a graph that shows 9 you importance versus satisfaction. I'll walk you 10 through that because that's really helpful 11 augmentation of what you might have otherwise.</p> <p>12 I think it was also mentioned on a call, 13 something about the beach, why was the beach not in 14 there. We actually did a previous, separate survey 15 on the beach stuff. And I believe that was why we 16 didn't have that one in the spend a dollar, because 17 we had already done a spectrum, more in-depth dive.</p> <p>18 By the way, one of the follow-ups you 19 might want to do after a survey like this, kind of 20 zoomed out fully, is to zoom into some more topics. 21 Maybe learn some more about what people think is 22 wrong with certain things that could be improved.</p> <p>23 Question one is good enough. You can see, 24 the pool and Championship Golf Course are the top 25 two. You're looking for tiers, not exact numbers</p>
<p>27</p> <p>1 here. And then the same set of answers -- by the 2 way, yes, the open-ended questions, the other, to 3 complete the choices, you can always click on the 4 word cloud and then see.</p> <p>5 Over here, you see this little feedback 6 tab, that's what is really good if you have any tech 7 issues.</p> <p>8 Q 2, same set, and now we're asking what's 9 more important. Beaches are most important. That's 10 the number one. Then skiing is the number two. Rec 11 Center, number three. Maybe that's not surprising, 12 but that's a community-wide perspective. Of course 13 for some people, maybe the boat ramp is the most 14 important thing. This is community-wide percent, 15 and that's why we have it at that level.</p> <p>16 So then moving ahead, satisfaction, this 17 is one designed to take all those choices and just 18 graph them so you can see, one area, you've got the 19 low importance and high satisfaction. These are 20 things where you're doing great. You're well above 21 this line, which is just there to help you visually 22 see what side you're on. And then, here, you have 23 the high importance/low satisfaction, so that's 24 where there's -- it's really important to a lot of 25 people, but maybe the satisfaction is not quite up</p>	<p>28</p> <p>1 to that percentage. And those are the things that 2 you might put on a to-do list to try to close that 3 gap.</p> <p>4 And in some cases, there's things up here 5 where maybe a small interest group got a lot of 6 attention and maybe they could reallocate resources 7 away. But before doing anything like that, you want 8 to think about, as we talked about in the training, 9 what's the whole portfolio look like? Is everyone 10 getting something out of the Park and Rec budget? 11 Is there something for everyone and enough for 12 everyone? Before you dump into something that maybe 13 a small group or even a large group want.</p> <p>14 That's where the Q 3 comes in now. Now an 15 individual person taking Q 3, they're allowed to 16 allocate \$100. This one is designed to capture 17 overall, not just the preference, kind of a ranking, 18 but the intensity of the preference. In this case 19 if I'm really into the boat ramp, for example, I can 20 put \$100 in the boat ramp and ignore anything else. 21 Or the dog park or whatever it is. This is the 22 aggregation of all the things how people would 23 allocate their own personal, individual budgets of 24 \$100, and this is what it looks like when you put it 25 all together.</p>

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1 Nothing's zero and nothing's one hundred,
 2 obviously. The things you might notice here is
 3 dedicated dog park versus Rec Center expansion
 4 versus Snow Flake Lodge, which was a really high
 5 number. By the way, we do randomly rotate these in
 6 the taking of the survey to eliminate any kind of
 7 order bias and things like that as well.
 8 Then, finally, any other improvements or
 9 changes. This is designed to give you two things.
 10 One is a percentage of people who are like, no,
 11 we're good. And if you wanted to do this question
 12 in the future, you can track that percent and see
 13 that that's going up, people don't have any changes
 14 that they would make. And also to capture the
 15 open-ended stuff in the yes, such as. So that's
 16 really what are the things people say? And, again,
 17 you can click on a word, see what people say about
 18 the boat ramp. To expand these, you can just show
 19 all, and then you have all the information you need
 20 and you can dive into it by topic. Or you can view
 21 them all without the filter, of course.
 22 Q 5 is designed there just as we try to
 23 complete every question. So whatever answer the
 24 person wants to give, it's gotta be there.
 25 Sometimes that's on a list, sometimes it's an other.

30

1 And really, survey wide, the same thing applied, we
 2 learned early on, people, well, they didn't want to
 3 ask that or they didn't want to hear about that.
 4 And that's where Q 5 meets their needs to tell you
 5 anything else that might be useful or interesting or
 6 every once in awhile, someone just wants to vent.
 7 But the nice thing is we found the
 8 constructive comments are the norm in the dominant
 9 thing there.
 10 CHAIR SCHMITZ: Thank you, Kevin.
 11 Questions?
 12 TRUSTEE TONKING: Does the filter that you
 13 applied stay throughout those word clouds too?
 14 MR. LYONS: It doesn't. The word clouds
 15 are something -- it's actually something we're
 16 talking about doing. There's some anonymity, things
 17 we have to balance out because as you narrow it
 18 down, you could, potentially, figure out who said
 19 what because not everyone answers the word cloud so
 20 the numbers are a lot smaller.
 21 But, yeah, there are for the whole filter,
 22 so they're not broken up within that filter. Okay?
 23 You don't get to see what did men say and what women
 24 said, but you do get to see everyone who has a tag
 25 to gender.

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1 TRUSTEE TULLOCH: Couple of questions,
 2 more about the process. How long was the survey
 3 opened for?
 4 MR. LYONS: For 48 hours, and people get
 5 multiple reminders in there. That's about how long
 6 it takes, as you can see in the graph, to get
 7 everyone that is going to take that survey. Or most
 8 everyone.
 9 TRUSTEE TULLOCH: So unlike another recent
 10 survey, this one wasn't left open for months to keep
 11 getting response?
 12 MR. LYONS: Yeah, that's right.
 13 We have what has become a famous video on
 14 backyard chickens. It was a city in Oklahoma that
 15 had backyard chickens -- and they had been bouncing
 16 this around for two years -- and there was some
 17 noisy people agitating about chickens in town. They
 18 wanted to know, hey, how big a deal is this to
 19 everyone?
 20 And so the second question was how much do
 21 you care about chickens? Pretty obvious
 22 self-selection interest question. And what we saw
 23 is that the panel, we went and looked at this hour
 24 by hour, it bounced around with what the number
 25 would end up, which is what you would expect if

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1 you're just randomly getting answers from people
 2 without any particular interest.
 3 And then went and looked at this end open
 4 sample that ended up being pretty large in just 48
 5 hours. Within 15 minutes, we saw that started to go
 6 from about 30 percent and keep going, hour by hour,
 7 until by the time survey ended, just 48 hours later,
 8 it was 70 percent of people cared a lot about
 9 chickens.
 10 So I had a direct measurement of what goes
 11 on behind the scenes if you have an open survey.
 12 We've seen replicate in other times.
 13 TRUSTEE TULLOCH: Okay. One other
 14 question. In terms of you saying you're looking --
 15 you're asking for addresses to validate. Are you
 16 actually validating these people at these addresses,
 17 are you doing cross-check?
 18 MR. LYONS: What we do is we actually have
 19 the validation on a map, so they self-validate on a
 20 map. But we make the process difficult enough and
 21 easy enough at the same time where you have to go
 22 through and do these things. So, we don't do any
 23 cross-check. We have data, but there's reliability
 24 challenges with all of the data you get from voter
 25 registration and so on.

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1 We've done other things to check to see if
 2 there's any shenanigans going on, we have other
 3 audits that we do, and we haven't seen any.
 4 TRUSTEE TULLOCH: What's your confidence
 5 level on that?
 6 MR. LYONS: Pretty high, especially with
 7 the large number of responses in your panel. In a
 8 panel of maybe 100, you can imagine ten people might
 9 be a big deal. But we can look to see if people are
 10 taking the survey and giving the same answers, for
 11 example.
 12 CHAIR SCHMITZ: Any other questions?
 13 I have a couple of questions and follow-up
 14 to Trustee Tulloch. How do you validate that
 15 someone resides at that address? And at what point
 16 do you clean it up? Because people move, and so how
 17 long are they still retained at that address?
 18 MR. LYONS: The validation is done, like I
 19 said, self-validated with pictures. They enter it,
 20 first, and then they can also add another address if
 21 they have multiple addresses.
 22 In terms of the leaving, so what you'll
 23 see is people will move away, pass away, lose
 24 interest. Over time, there's some number of that.
 25 And people just stop taking the surveys. When that

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1 haven't been taking surveys, do you want us to opt
 2 you out? Making it super easy for anyone. And then
 3 the other one is, hey, we noticed you having taken
 4 surveys after that, we're going to opt you out. If
 5 you want to stay in, click here.
 6 Two-step process for doing the weeding.
 7 CHAIR SCHMITZ: I'm wondering if you could
 8 go to the list that had high importance, low
 9 satisfaction, that graph, and could you show us
 10 what -- where the dots that were below the line.
 11 Those three dots.
 12 MR. LYONS: Again, the line there is for
 13 visual. It's not a magic formula. The
 14 three things, if you look furthest and you measure
 15 it perpendicular from the line, basically, it's
 16 beach areas. So importance is the highest, that's
 17 the key. The importance goes this way, you move
 18 away from the line.
 19 And then similar level of satisfaction but
 20 less important would be the ski area. Less people,
 21 not everyone's here in the winter, more in the
 22 summer. What's what we see here.
 23 The Rec Center, that one's pretty close,
 24 only about a ten-point gap, but that one would be
 25 the third one.

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1 happens, of course, at the same time new people come
 2 in as the word gets out and you promote it, and so
 3 we watch the overall number of people rather than
 4 worrying too much about some people leaving and some
 5 new people coming in, actually.
 6 CHAIR SCHMITZ: Well, it's sort of like
 7 voter registration rolls. They don't necessarily
 8 get cleaned up, and we wouldn't want over five years
 9 to have people who no longer live here participating
 10 in our surveys.
 11 And, unfortunately, people do do that, so
 12 I'm curious how you -- we can talk offline, but I'm
 13 curious how you scrub that as time goes on to make
 14 sure that you still are getting feedback from,
 15 truly, people who reside in the community.
 16 MR. LYONS: There's a couple of ways to do
 17 that. One is you can -- we can look at people who
 18 took past surveys. We can also look and see when a
 19 user account stops being active, and can go from a
 20 active to completely inactive. It can go from
 21 active to selectively active. And something we've
 22 actually had added now that we'll be do doing with
 23 you guys is we clean them out. We will actually
 24 being doing two steps.
 25 One will be offering, hey, we notice you

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1 CHAIR SCHMITZ: Then my final question,
 2 where you had the breakdown of the demographics for
 3 that first question that you showed us, do we have
 4 the ability to look at that for even the slide, the
 5 high import- --
 6 MR. LYONS: Yeah.
 7 CHAIR SCHMITZ: Do we have the ability to
 8 break that down by each of those questions?
 9 MR. LYONS: Yeah. It's done automatically
 10 for you. You pick your drop down, your cross tab,
 11 and then you can -- when you go from that, you can
 12 follow it. Then when you get to here, you can see,
 13 oh, gee, what's going with the young people or the
 14 Rec Center? Makes sense for the stuff younger
 15 people do.
 16 And then you might also go, oh, what's
 17 going on in that next group up? Well, the ski area.
 18 People with kids, maybe they want more lodge. That
 19 would fit with the Snow Flake. You could start to
 20 piece the story together as you look at some of
 21 those dots.
 22 CHAIR SCHMITZ: Having that is really
 23 helpful for all of us because it helps us to be able
 24 to say what does one -- what's really important to
 25 one demographic versus another demographic, so that

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1 we aren't just lumping everything together and
 2 averaging it out. I really like that.
 3 MR. LYONS: This stuff is the most useful,
 4 for sure.
 5 TRUSTEE TULLOCH: With regard to the
 6 demographics, do you have a graph showing what the
 7 different percentages is in the demographics?
 8 That's kind of critical as well for catering to the
 9 community.
 10 MR. LYONS: Yeah, that's exactly right.
 11 If you want to know what the specific subsample
 12 looks like -- and some are bigger than others -- you
 13 can mouse over. The young groups are the hardest to
 14 get, even if we over-target them. You can see by
 15 mousing over, the different numbers, who
 16 participated in the survey.
 17 TRUSTEE TULLOCH: Do you have any data
 18 just on the general demographics of the community?
 19 If there's 9,000 residents, what the makeup of that
 20 is. I have a suspicion.
 21 MR. LYON: Data commons is a project of
 22 census data. I was just teaching this to some
 23 people and they were blown away. I don't know if it
 24 works here, haven't done it here.
 25 You basically go here and go to the place

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1 explorer. Let's try it. Incline Village, Nevada.
 2 So this is the most amazing set of comparisons, and
 3 it tells you what is your membership -- if you're a
 4 city, citizenship is essentially city membership,
 5 this tells you what your membership looks like, so
 6 everything from income.
 7 But the demographics are spectacular. And
 8 you can see breakdowns by age groups and see how
 9 they compare to Washoe County. For example, median
 10 age, age distribution, here we go. You can compare
 11 it to nearby cities, counties, anything.
 12 So, data commons, place, explorer, and I
 13 can send you guys a link afterwards.
 14 CHAIR SCHMITZ: Are there any other
 15 question or comments?
 16 Thank you for your time and helping us to
 17 understand this survey. Hopefully this will help us
 18 as we're moving into our five-year capital
 19 improvement planing.
 20 MR. LYONS: We can do targeted surveys for
 21 that too.
 22 CHAIR SCHMITZ: Moving on.
 23 G 2. General Manager's Draft Template
 24 CHAIR SCHMITZ: Review, discuss, and
 25 possibly approve a draft template for the District

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1 manager's anticipated employment contract, pages 69
 2 through 79.
 3 MS. FEORE: We were going to come back and
 4 discuss the general manager employment agreement.
 5 And I -- there have been some recommendations. I
 6 think we just need to get this sorted so that we're
 7 ready to go for next week's meeting.
 8 CHAIR SCHMITZ: Thank you.
 9 Sergio, did you have anything that you
 10 wanted to include before we start discussion?
 11 MR. RUDIN: No. I don't have anything
 12 specific I wanted included, but I am available to
 13 answer questions as to maybe why certain things were
 14 drafted the way that they're drafted and respond to
 15 any concerns you guys may have.
 16 CHAIR SCHMITZ: Thank you.
 17 Any comments, questions? No feedback?
 18 TRUSTEE TULLOCH: I sent in some redlined.
 19 MS. FEORE: Was that included in the --
 20 MS. WHITE: If you like, I can get
 21 redlines printed out for you during a break.
 22 TRUSTEE TULLOCH: Yes, please. I'm trying
 23 to get my battery down. I can bring them up on
 24 screen, certainly.
 25 CHAIR SCHMITZ: While Trustee Tulloch is

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1 doing that, I have a couple of suggestions just for
 2 clarity sake.
 3 If we could look at section 1, 1.4, it's
 4 for clarification. If we could say that in the very
 5 first sentence where it says "for compensation or
 6 otherwise," I'd like to say "for compensation as a
 7 volunteer or otherwise," to make that clear.
 8 And then in the ending statement where it
 9 says "being joint venture officer, shareholder,
 10 invest or participate in any business venture," I'd
 11 like to include "participate in including as a
 12 volunteer," so that's very clear.
 13 In 1.5, I would like it to just conclude,
 14 it's the very last sentence, and I would like to
 15 propose that we put a period after the word that
 16 says "shall vary in accordance to the work required
 17 to be performed," period, and strike the "in
 18 accordance with any specific direction of the
 19 trustees." They should just be focused on what's
 20 required to do their job, not what's requested by
 21 the trustees.
 22 And then I would like to add in section 6,
 23 6.6, I would like have it read: Failure to enforce
 24 compliance with section -- the items in section 1.1,
 25 which are the Nevada laws, written policies,

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1 practices, and resolutions constitutes a cause for
 2 termination.

3 So I would like there to be a tieback to
 4 the duties, 1.1, and saying: A failure to enforce
 5 compliance with those things constitutes cause for
 6 termination.

7 MR. RUDIN: That may already be addressed
 8 in 6.8, finding cause.

9 CHAIR SCHMITZ: It wasn't.

10 I would like to make sure that if we have
 11 it up here, then we need to change 6.8 to be more
 12 specific, because failure to enforce board policies,
 13 board practices, ordinances, and Nevada state law
 14 should all be clearly documented as cause for
 15 termination.

16 The only other question I have was brought
 17 up, a couple of things in public comment, about 5.3,
 18 I think, was additional holiday pay. Paid holiday
 19 leave. I think that might have been misunderstood
 20 in public comments, because isn't this just talking
 21 about holiday benefits?

22 MS. FEORE: Right. As salaried
 23 individuals where pay date set salary for that
 24 period, should there be a holiday pay, we don't
 25 receive pay plus holiday. We receive just our

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1 normal salaries and eight or ten hours, depending on
 2 what the work schedule is, is coded as holiday pay.

3 CHAIR SCHMITZ: That makes sense.

4 6.5 was something that was brought up in
 5 public comment about a severance benefit. I didn't
 6 recall that being in the prior. Was that an
 7 addition or change?

8 MR. RUDIN: No. There was 12 months
 9 severance in the prior general manager's agreement.

10 CHAIR SCHMITZ: Okay. Thank you.

11 TRUSTEE TULLOCH: I would like to strike
 12 the COLA percentage. I see no -- this type of job
 13 should be based on performance, on the performance
 14 assessment and perform evaluation. Because we had
 15 the ludicrous situation not so long ago with the
 16 previous general manager where he got ten percent
 17 COLA, then another performance bonus, and everything
 18 on top. It think it should be one or other.

19 I would go to the performance evaluation.
 20 I don't think it's appropriate at this level to have
 21 the COLA built in as well.

22 CHAIR SCHMITZ: Any comments on that at
 23 all?

24 TRUSTEE DENT: I think we did run into a
 25 situation. And I think we did discuss, even certain

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1 senior managers or certain pay levels. So I think
 2 that would be -- I'm not sure where we settled when
 3 it came to District policies on that, but I know the
 4 Board did have feedback on that.

5 I would support my colleague in removing
 6 that.

7 CHAIR SCHMITZ: I was surprised -- I paid
 8 attention to Eric Brown's performance evaluation
 9 process, and I was surprised that even the county
 10 manager had a cost of living in his contract.

11 I was surprised by that, but I think that
 12 that's something for us to just understand that
 13 might be somewhat of a norm in governmental
 14 agencies, but it's up for us to decide what we want
 15 to have in here.

16 TRUSTEE TULLOCH: In 1.2, on the second
 17 line, after "under this agreement," I would like to
 18 add the phrase: And to execute and implement the
 19 policies of the Board of Trustees.

20 MS. FEORE: Similarly to the language that
 21 we're going to be adding to 6.6 about failure to
 22 enforce, to include language on board policies?

23 TRUSTEE TULLOCH: I think it's more than
 24 that. I think it's additive to that.

25 MS. FEORE: To 1.2, but using the same

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1 type of language, speaking to --

2 TRUSTEE TULLOCH: Yes. The language in my
 3 redline, you could be enforcing the policies but not
 4 following the practice of the Board of Trustees.

5 MS. FEORE: If there is a policy and a
 6 procedure that conflicts with board direction, I
 7 just kind of wonder, maybe this is more of a Sergio
 8 question that I can take offline. I wonder if that
 9 sets up some confusion. Something to think about.

10 TRUSTEE TULLOCH: To me, my answer would
 11 be would that be within -- there's an issue with the
 12 policy. But we know we have policies that have been
 13 in place and haven't been updated for years and
 14 things as well. Sometimes it's takes a long time to
 15 change these policies.

16 MS. FEORE: Understood.

17 MR. RUDIN: If I can briefly comment on
 18 that. Generally, the manager is going to have a
 19 duty to follow adopted policies until the Board
 20 rescinds them or changes them or modifies them.

21 And with respect to following the
 22 direction of the Board, typically managers will have
 23 concerns about direction that is not given at a
 24 board meeting. There's often tension that a manager
 25 will face about facing conflicting direction from

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1 individual trustees.

2 So, typically, most contracts with a

3 general manager will specify they have to follow

4 direction that is given by the Board at a meeting.

5 TRUSTEE TULLOCH: Yeah. We could add that

6 at a meeting if you want, Sergio. But the phrase I

7 used is the "Board of Trustees," not board members.

8 MR. RUDIN: Yep.

9 TRUSTEE TULLOCH: The COLA section 3.2,

10 I've already covered that one.

11 5.1, just for clarity, on the last line,

12 second to last line: The general manager shall be

13 entitled to retain any existing IVGID annual

14 vacation leave existing as of the effective date,

15 not carrying over existing vacation leave from a

16 previous role.

17 Because it says "from the effective date,"

18 so at the effective date, he could -- the potential

19 general manager could have vacation accruing from a

20 previous role, previous job.

21 MR. RUDIN: And looking at that language

22 more closely, it may just be more appropriate to

23 strike that sentence.

24 TRUSTEE TULLOCH: Yep.

25 In 6.4, we need -- I would suggest a

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1 voluntary termination should be not less than 90

2 days' notice. I would also add a sentence: This

3 period may be reduced by agreement of the Board of

4 Trustees. If this period is reduced by agreement,

5 payment of salary and benefits shall be limited to

6 the agreed period.

7 Moving down. On 6.8, I would add: After

8 agreement or for failure to faithfully and timeously

9 execute, implement, and observe the lawful and legal

10 policies as established by resolution of the Board

11 of Trustees.

12 Again, it's similar to the other two

13 additions.

14 And 7.1: The Board of Trustees may in its

15 sole discretion use any professional assistance in

16 establishing standards, including but not limited to

17 a facilitator selected by the Board.

18 I deleted the agreed upon facilitator.

19 MS. FEORE: That was?

20 TRUSTEE TULLOCH: 7.1. It's a new --

21 yeah, the numbering's gone wrong. But you'll see it

22 in my redline. I copied you on that as well.

23 And 8.2: Including but not limited to

24 general manager conferences and events and such

25 other national, regional, local associations,

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1 provided that any such events can be demonstrated to

2 be of relevance and value to IVGID.

3 Insert, and then insert final sentence:

4 Any such proposed attendances shall be notified in

5 advance to and approved by the Board of Trustees.

6 Am I the only one that's redlined this?

7 That was it.

8 CHAIR SCHMITZ: Thank you.

9 Any comments, questions?

10 TRUSTEE NOBLE: This is just more for a

11 process going forward.

12 We knew that this was going to be on, and

13 I know time is tight and stuff, but it would be

14 helpful to have all of these proposed changes in the

15 board packet to review them because trying to review

16 them on the fly -- I know there's going to be times

17 where we need to do that because time is of the

18 essence. But I would just ask in the future, if at

19 all possible, we do these so I can actually look at

20 them, think about them, and have some time to

21 actually put some meaningful input into it.

22 That's just my request going on forward.

23 CHAIR SCHMITZ: I appreciate that. I

24 agree with you. And even if it's supplemental

25 material that is provided, I think it would be help.

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1 And I apologize that I didn't get mine in. It was

2 just a matter of my availability.

3 That's a very good suggestion, and I think

4 it will help us all in the future.

5 MS. FEORE: I will going forward.

6 Hopefully we don't have to keep going back to this

7 contract, but in the event that would happen, or any

8 other contract, I will make sure to get everyone's

9 changes and then note them by the trustee that's

10 making the changes so that you've got one document

11 that you can read, along with the original copy as

12 well.

13 TRUSTEE TULLOCH: I tried to -- I sat down

14 to do it on Sunday night, and I found out I had not

15 received the Word document I had previously asked

16 for. But I did this on Monday.

17 MS. FEORE: I apologize.

18 CHAIR SCHMITZ: Any other comments?

19 I'd entertain a motion.

20 TRUSTEE TULLOCH: I'll propose a motion

21 that we accept the redlined version, accept Trustee

22 Schmitz's added additions as well.

23 CHAIR SCHMITZ: Is there a second?

24 TRUSTEE DENT: I'll second.

25 CHAIR SCHMITZ: Further discussion on this

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1 item?

2 TRUSTEE TONKING: Are parts of this

3 contract still up to be negotiated with the --

4 whoever ends up being selected? I'm more concerned

5 about that COLA compensation one.

6 MS. FEORE: Yeah. Theoretically, the

7 entire contract would be negotiated by the other

8 person, so there could be items that they bring

9 forward that would change this. And so that's just

10 going to be part of it.

11 MR. RUDIN: This will be the starting

12 point for negotiations, basically.

13 CHAIR SCHMITZ: Any other comments or

14 questions?

15 Seeing none, all those in favor?

16 TRUSTEE TONKING: Aye.

17 TRUSTEE TULLOCH: Aye.

18 TRUSTEE NOBLE: Aye.

19 TRUSTEE DENT: Aye.

20 CHAIR SCHMITZ: Opposed, none. Passes,

21 5/0.

22 Moving on to Item G 3.

23 G 3. Best, Best, and Krieger Contract

24 CHAIR SCHMITZ: Review, discuss, and

25 possibly approve the contract with Best, Best &

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1 so, actually, I had spoken -- there's a sentence in

2 here and Josh Nelson had indicated that it was a

3 failure, that it just was a carryover, had indicated

4 that you were going to request.

5 So in section 3.6 -- go ahead.

6 MR. RUDIN: Yeah. The current contract

7 reads:

8 "If anytime Mr. Rudin becomes

9 substantially unavailable for any reason, the client

10 may terminate this agreement immediately by

11 notifying BBK in writing so the client can hire

12 replacement counsel."

13 That is language that is there, typically

14 for the client's protection because the client has

15 the right to select counsel. If I die, you guys

16 don't have to stick with BBK, and you don't have to

17 comply with the notice provisions to terminate the

18 contract.

19 But I understand that you spoke with Josh

20 Nelson. He's willing to serve as substitute counsel

21 if something happens, and I leave the firm or suffer

22 some sort of ski accident that renders me

23 unavailable for six months.

24 Yeah, I'm willing to remove this provision

25 or modify it as necessary.

50

1 Krieger LLP, for legal services for the period

2 January 1, 2024, through December 31, 2024.

3 Requesting trustee, Michaela Tonking. Pages 80

4 through 103.

5 TRUSTEE TONKING: There's just three

6 changes to the discussion. One is it's a one-year

7 contract. The other is that there will be a 90-day

8 termination notice given to us by BBK, and we would

9 only have to give a 30-day termination notice on the

10 other side. And then the rate that -- the only

11 other rate that BBK offered is a discounted rate of

12 \$275 for the first three hours of the meeting, and

13 then the original legal rate for all other hours,

14 and as well as a discounted rate of \$140 for travel.

15 CHAIR SCHMITZ: Any comments or questions?

16 TRUSTEE TULLOCH: So we've got -- we're

17 getting a discount of 10 bucks an hour, 30 bucks per

18 meeting?

19 TRUSTEE TONKING: That's correct.

20 CHAIR SCHMITZ: Any other comments or

21 questions, including from legal counsel?

22 Do you have any modifications to be made?

23 MR. RUDIN: No. I don't have anything

24 else.

25 CHAIR SCHMITZ: Okay. I will tell you --

52

1 CHAIR SCHMITZ: So the provision was in

2 there. If you look at it, it basically say that if

3 we lose him, it's basically grounds for termination

4 of the contract. And this was originally put in the

5 contract because BBK didn't have their practice

6 built up in Nevada, and BBK would not leave us high

7 and dry.

8 So my understanding is that BBK wanted to

9 modify this language to show support that BBK would

10 be backing us and still be providing us legal

11 counsel and wouldn't leave us without reputation.

12 MR. RUDIN: Yea. And if you notice, the

13 way this reads is "the client may terminate," so

14 it's your decision as to whether you terminate the

15 contract.

16 CHAIR SCHMITZ: Okay. The other

17 question -- I'm sorry. Go ahead, Trustee Tonking.

18 TRUSTEE TONKING: Isn't this, though, and

19 I think you said it, it's a protection for us

20 because if you were to leave the firm and we wanted

21 to move with you, this allows us to terminate BBK

22 and move with you too, doesn't it?

23 MR. RUDIN: Correct.

24 TRUSTEE TONKING: And if we get rid of

25 that, that is no longer an option for us; is that

53

1 correct?

2 MR. RUDIN: I mean, you would still be

3 able to terminate the agreement --

4 TRUSTEE TONKING: Within 30 days, but we

5 couldn't just do as of that moment. All right.

6 CHAIR SCHMITZ: The other change I would

7 just like to see is the sentence, that same

8 sentence, is that: Sergio Rudin is responsible for

9 the representation of the client.

10 Rather than "personally involved." Just

11 that you are the responsible legal counsel.

12 MR. RUDIN: I have no objection to that,

13 and I don't think anybody else at the firm would

14 either.

15 TRUSTEE TULLOCH: Can we clarify here who

16 is being defined as the client? Since under 1898,

17 Resolution 1898, the general counsel is responsible

18 to the Board. But here, we're defining the client

19 as IVGID.

20 MR. RUDIN: So, technically, under ethics

21 rules the client is the District. I have a duty to

22 the District, I take direction from the Board,

23 because the Board is the highest authority of the

24 District. But my duty is to the corporate entity,

25 and they are the client.

55

1 Seeing none, all those in favor?

2 TRUSTEE TONKING: Aye.

3 TRUSTEE NOBLE: Aye.

4 TRUSTEE DENT: Aye.

5 CHAIR SCHMITZ: Aye.

6 Opposed?

7 TRUSTEE TULLOCH: Abstain.

8 CHAIR SCHMITZ: Motion passed, 4 to 0, I

9 guess.

10 Moving on.

11 H. BOARD OF TRUSTEES UPDATES

12 CHAIR SCHMITZ: Do we have any board of

13 Trustees updates?

14 TRUSTEE TULLOCH: I will -- I received an

15 invitation from Kari Ferguson to ski with the

16 community next during community week. I said I

17 would be there at 9:30 on Tuesday.

18 If anyone would like to come and ski with

19 me, we shall see you there.

20 CHAIR SCHMITZ: Thank you for

21 participating in that. Any other trustee updates?

22 Seeing none, moving on to --

23 Go ahead, Trustee Tulloch.

24 TRUSTEE TULLOCH: I did also meet with the

25 Beach House team on Tuesday. We discussed the

54

1 CHAIR SCHMITZ: Thank you.

2 Any other comments or questions?

3 Is there a motion that anyone would like

4 to make?

5 TRUSTEE DENT: I move that we approve the

6 contract for Best, Best & Krieger LLP, from January

7 1, 2024, through December 31, 2024, with Sergio

8 serving as District's general counsel, and with the

9 changes that were brought up.

10 CHAIR SCHMITZ: Question, go ahead,

11 Trustee Noble.

12 TRUSTEE NOBLE: With regards to proposed

13 revision to section 3.6, I would ask that you amend

14 your motion, not include that one, since that's

15 actually a benefit to us as a client.

16 TRUSTEE DENT: Yep.

17 CHAIR SCHMITZ: Correct. The only

18 language to be changed was to say that Sergio would

19 be responsible. That's the only change.

20 TRUSTEE NOBLE: Sorry. My understanding.

21 CHAIR SCHMITZ: I appreciate the

22 clarification. Thank you.

23 TRUSTEE NOBLE: Then I would second.

24 CHAIR SCHMITZ: Motion been made and

25 seconded. Any further discussion?

56

1 presentation, what we expected to see from the

2 respondents to the Beach House for 30 percent

3 design.

4 I stressed that we would expect to see

5 some sort of idea of concepts as well, so we have an

6 idea of what we're actually going to get, rather

7 than just having a story. But, yeah, I stressed the

8 fact we expected to have some indication of what it

9 would look like.

10 Whether we get that or not remains to be

11 seen but we've asked the respondents for that.

12 CHAIR SCHMITZ: Any others?

13 Moving on.

14 I. FINAL PUBLIC COMMENTS

15 MR. SCHULTZ: Joe Schultz, Putter Court.

16 I wasn't speaking fast enough, so I'll

17 just finish what I had written down here.

18 Having looked at the director of golf

19 contract, I thought of this: It might be better to

20 consolidate all food and beverage under a separate

21 department to control, supervise all those

22 services at all IVGID sites, including golf, ski,

23 Chateau, Aspen Grove, Snow Flake Lodge, tennis, Rec

24 Center, Preston Field, and all other present and

25 future sites where food and beverage is offered.

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1 It seems long overdue that this aspect of
2 food and beverage becomes at least a self-sustaining
3 community service.
4 Thank you.
5 MR. EPPOLITO: John Eppolito, Incline
6 Village resident for about 28 years, 27 years.
7 I would just like to thank you all for
8 what you do and for being up there. And when I -- I
9 come to these meetings on and off, sometimes more
10 than others. I really like the way the Board's
11 working together. I appreciate what Trustee Tulloch
12 is doing. I really like the way Sara runs the
13 meetings. I like the way you guys are working
14 together. I think it's really good to see. It's a
15 big improvement.
16 Thank you all very much.
17 CHAIR SCHMITZ: Do we have any online?
18 MR. DOBLER: This is Cliff Dobler.
19 I guess I'm a little concerned about our
20 relationship with the Board of Taxation. It seems
21 like a lot of verbal decisions are being made that I
22 don't know are actually really true or not true. We
23 see nothing in writing from them at all.
24 And my biggest concern is is that we are
25 playing a game of asking for 30-day extensions for

59

1 So my only request is why don't we stop
2 being dishonest to the State and to the citizens,
3 and say this is where we are and this is probably
4 where we're going to end up and how long it would
5 take us to get done.
6 But this idea of asking for extensions
7 every 30 days, I just don't buy it. And I don't
8 think it's proper, and I don't think it's good
9 business. It shows you that, basically, you're just
10 hiding the cookie under the cookie jar, and I think
11 that should be changed.
12 Thank you.
13 MATT: That was our final public comment,
14 Chair.
15 CHAIR SCHMITZ: That is the final public
16 comment. Next is adjournment, but I just wanted to
17 clarify that we will be having a meeting, a regular
18 meeting, Wednesday, next week, at six o'clock. The
19 agenda and the materials are expected to be all
20 posted tomorrow, is my understanding. So the
21 materials relative to the questions that were
22 brought up in initial public comment, those
23 documents will be available at that time.
24
25

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1 not being able to deliver our audit report. And at
2 the same time, we're saying, hey, we can give you a
3 unaudited statement and maybe a trial balance, and
4 will that help you along?
5 I don't think they would even be concerned
6 about that. They have no obligation to take that
7 nor would they even review it. They're looking for
8 an audited financial statement.
9 And I think we need to be more honest with
10 the citizens and also with the Board of Taxation and
11 turn around and say, look, here's the spot that
12 we're in, this is what we're doing with a forensic
13 audit. And then after that, an audit will be done,
14 and we're looking at probably May or June.
15 And be honest with them, rather than
16 saying, well, we're going to take it 30 days at a
17 time because we're working on it.
18 We're not working on it at all. You don't
19 have a forensic audit contract yet, and you have
20 Davis Farr sitting on the sidelines waiting for the
21 forensic audit to get done.
22 And at the last Audit Committee meeting,
23 Mr. Nolet said it's a hundred thousand to two
24 hundred thousand chance that they would do an audit
25 prior to getting the forensic audit done.

60

1 J. ADJOURNMENT
2 CHAIR SCHMITZ: With that, I will adjourn
3 this meeting at 7:17. Thank you very much.
4 (Meeting ended at 7:17 P.M.)
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1 STATE OF NEVADA)
2 COUNTY OF WASHOE) ss.

3

4 I, BRANDI ANN VIANNEY SMITH, do hereby
5 certify:

6 That I was present on January 25, 2024, at
7 the Board of Trustees special meeting, via Zoom, and
8 took stenotype notes of the proceedings entitled
9 herein, and thereafter transcribed the same into
10 typewriting as herein appears.

11 That the foregoing transcript is a full,
12 true, and correct transcription of my stenotype
13 notes of said proceedings consisting of pages 61,
14 inclusive.

15 DATED: At Reno, Nevada, this day of 30th
16 day of January, 2024.

17

18 /s/ Brandi Ann Vianney Smith

19

20 BRANDI ANN VIANNEY SMITH

21

22

23

24

25

INVOICE

BAVS SM-LLC
brandiavsmith@gmail.com
United States

BILL TO
**Incline Village General Improvement
District**
Susan Herron / Heidi White

775-832-1218
AP@ivgid.org

Invoice Number: IVGID 20

Invoice Date: January 30, 2024

Payment Due: February 25, 2024

Amount Due (USD): \$716.00

Items	Quantity	Price	Amount
Base fee January 25, 2024 BOT special meeting	1	\$350.00	\$350.00
Per page fee January 25, 2024 BOT special meeting	61	\$6.00	\$366.00

Subtotal: \$716.00

Total: \$716.00

Amount Due (USD): \$716.00

From: [Kristie Wells](#)
To: [Sara Schmitz](#); [Matthew Dent](#); trustee_tulloch@ivgid.org; trustee_tonking@ivgid.org; trustee_noble@ivgid.org; [Info IVGID](#)
Subject: Please add my comment to the minutes of tonight's meeting
Date: Thursday, January 25, 2024 5:57:27 PM

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

Kristie Wells, Incline Village Resident
January 25, 2024

Tonight we will hear you discuss the results from yet another poorly written survey that was sent through the FlashVote service. A survey that was clearly biased when written, presumably by one or more of the board members.

- 1,329 people have signed up to respond to surveys via FlashVote.
- When you apply a "locals only" filter, that number is even less.
- The survey you are discussing tonight had less than 600 people respond.

There are over 9,000 residents in Incline Village and Crystal Bay yet we are here discussing the feedback from 600 people. Are the 600 people representative of this community? Maybe. But why are we making this assumption?

When you are making decisions on where 10s of millions of dollars will be spent, you should make the effort to survey all parcel owners and residents. And you know how you would do that? Have IVGID run our surveys as they can reach more people. And, they wrote great surveys in the past. You should terminate the FlashVote service and put this back in the hands of staff. But you won't as it's clear that doesn't serve your bias.

Now, since all we have to go on is this FlashVote survey tonight, I have some feedback:

- In the first two questions, the beach areas were listed when asked about the condition of the asset, and the level of importance to the community. However, when you asked where community members would like IVGID to invest in question #3, the beach wasn't even on the list.
- Overlooking the fact you missed the beach areas in question #3, and based on the answers in questions #1 and #2, the beach area would have likely secured the number one spot on where people want you to invest. In fact, in every survey I have seen over the past couple of years, investment at Incline and Ski Beach has consistently ranked in the number one spot.
-

The board knows this yet they directed IVGID staff to scale back the designs at the beach house, which we should now call the beach "hut." They also gave staff a ridiculously low budget amount to make these "improvements" that won't even come close to what this community has asked for.

As I mentioned, there are 9,000 people here. I want to know what is the number of survey respondents you feel is necessary to guide your decisions. What percentage of the parcel owners and residents should vote before major decisions are made? Once you select that minimum number, you can then rerun this survey so that more parcel owners, residents, and, by the way, voters, can participate in determining our community's future.

Thank you.

My Comments are regarding Agenda item H.3, the forensic audit service agreement.

The contract form is improper and does not use the clauses expected in a forensic audit engagement. First, Language requiring IVGID to promptly provide the information, resources and assistance (including access to records, systems, premises and people) is not in the contract. Second, Language requiring the auditor to contact law enforcement if it spotted potential crimes — generally a standard practice in audit contracts. — is not included. Third, There is no mention of an opinion — often part of the report delivered in a forensic audit. The contract form is the same as used by Public Works for a engineering consulting contract with Farr West. Contrast that with 2020, when IVGID used the CPA firm Moss Adams contract form.

And the scope of work appear inadequate. First, At least 59 employees have procurement cards — these are credit cards that have been used at local restaurants and other questionable purchases. But only 8 employee's cards are being examined? Second, The requirement to examine emails is a waste of time — but maybe that is what IVGID wants. Third, The scope does not address many of the 30 points that were given to Trustee Tulloch and Chair Nolet in November 2023, which are attached to this comment and become public record.

It is shocking that Audit Committee Chair Nolet would agree to use an agreement that lacked expected clauses — and for Rubin Brown to agree to this. It is more shocking that the scope is inadequate.

Financial statement fraud has already been discovered — by residents who held CPAs before they retired. Over \$13 million dollars in improper expenses has been hidden in the land account on the IVGID balance sheet. This is what was done at Worldcom, in 2002, and part of the financial scandals in the Enron era.

After these scandals, I spent years auditing with the Institute of Internal Auditors, the certifying body for internal auditors. The engagements on which I worked improved and enhanced audit practices and internal controls at major corporations. So I know of what I speak.

One other key point - Regarding the Statute of Limitations

The financial statement fraud has been covered up for decades by IVGID management. Watergate taught us — the cover-up is worse than the crime. As the financial statement fraud appears a conspiracy, federal law, 18 USC Section 371 Conspiracy states that until the conspiracy is uncovered, the clock for the statute of limitations does not begin to run. No federal law enforcement has investigated — or Nevada law enforcement. So the clock has not yet started.

The following are a list of irregular and possibly illegal activities that have been discovered by residents. We want to ensure the forensic auditor RubinBrown LLP is aware of all of these activities, so they can leverage the work that has been done. [THIS LIST WAS PROVIDED Nov 30, 2023 TO TRUSTEE RAY TULLUCH who acknowledged receipt, and AUDIT CHAIR CHRIS NOLET.]

The Association of Certified Fraud Examiners (ACFE) defines occupational fraud as **"using one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."**

1. **Financial statement fraud** – capitalization of expenses, e.g. LAND account. Over \$13 million. CFE Fraud Tree: Understated expenses. This should be the first assignment for the forensic auditor. It is easy to understand and has been clearly documented.

<https://ourivcbvoice.com/land-misstated-on-ivgid-financials-for-over-a-decade/>

<https://ourivcbvoice.com/opinion-cooking-the-books-part-2/>

<https://ourivcbvoice.com/cooking-the-books-in-lake-tahoe-part-3/>

IVGID has purchased a Government Finance Officers Award since the mid 1990s. As the “books” have been being “cooked” since 1990, this is deceptive. GFOA’s excuse for allowing government agencies to buy an award is that they rely on a “clean” audit opinion, and do no additional validation. By purchasing the award AND improperly capitalizing expenses for over 30 years, IVGID’s management has intentionally deceived the property owners (taxpayers).

2. **Financial statement fraud** – capitalization of expenses of capital projects (over \$9 million). CFE Fraud Tree: Understated expenses. Cliff Dobler has documented this area. Kendra Wong refused even the possibility of restating the financial statements.

<https://ourivcbvoice.com/forensic-audit-the-need-to-investigate-accounting-fraud-by-past-ivgid-management/>

<https://ourivcbvoice.com/ivgid-accounting-cover-up/>

3. **Recreational Facility Fee has been classed as operating revenue**, which is improper. (over \$155 million since 1989) CFE Fraud Tree: Overstated revenues.

4. **Government grants have been classed as revenue**, which is improper. (millions) CFE Fraud Tree: Overstated revenues.

5. **IVGID operates recreation programs that are unauthorized – which property owners are forced to subsidize. (Rec Center loses about \$1.5 million a year)..** For example, IVGID operates money-losing recreation programs. In addition to salary/wages, IVGID pays COMMISSIONS to some Recreation Center employees. IVGID is NOT authorized to provide recreation programs – ONLY recreational FACILITIES – as its mandate was set by Washoe County Ordinance 97. In its OFFICIAL STATEMENTS, part of its municipal bond offering filings, the District states, *“The District is empowered through its enabling legislation to acquire, provide and maintain pavement, curbs, gutters, sidewalks, storm drainage facilities, water systems, sanitary sewer systems, street lighting, garbage and refuse removal and electric power. The District may also acquire, construct and maintain lands, works, systems and facilities-for recreation.”* and *“The District was formed pursuant to provisions of the State's General Improvement District Law (Chapter 318, Nevada Revised Statutes) on June 1, 1961 as a body corporate and public, and a quasimunicipal corporation in the State of Nevada.”* (Official Statement, August 1, 1993 emma.msrb.org The District used the same boilerplate phrases in all Official Statements 1991-2008) **There is NO MENTION of RECREATION PROGRAMS because neither Ordinance 97 nor NRS 318 include this phrase.** The District is only empowered to provide RECREATION FACILITIES. To see

legislation that empowers recreation programs, NRS 377A authorizes SMALLER NEVADA COUNTIES to provide recreation programs and senior citizen programs. But NRS 377A does not apply to the District, which was formed under NRS 318. So all the recreation programs, and the payments to these employees of salaries and commissions, are improper and not authorized by law.

Nevada is a Dillon's Rule state whereby the powers of local government are limited to those expressly granted by statute. Although COUNTIES were given more leeway in 2015 by Legislative action, Districts, such as IVGID, were not.

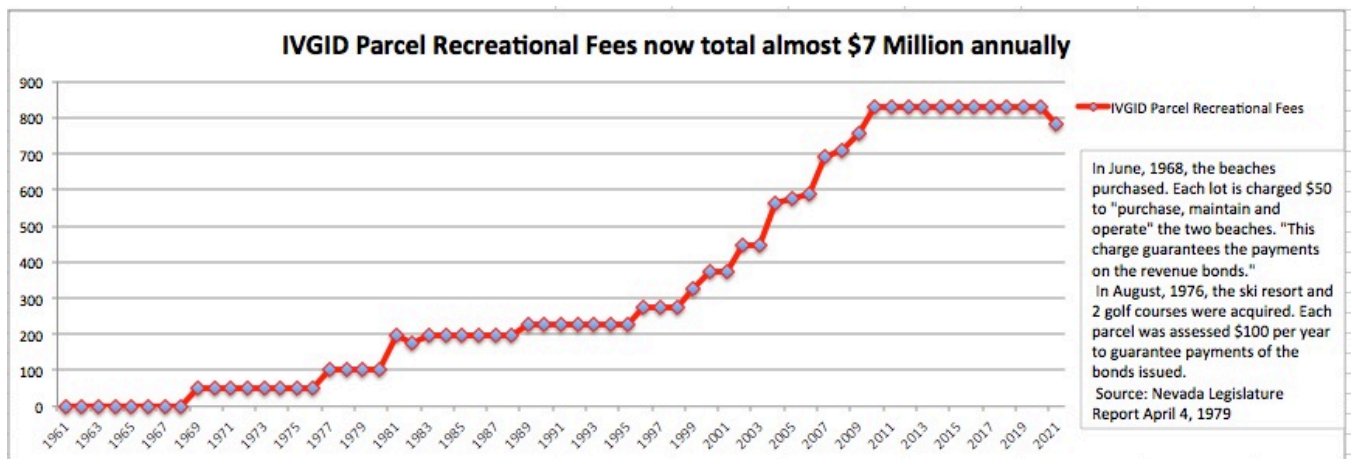
The Nevada Attorney General stated in opinion 2006-07, "the Nevada Supreme Court has adopted and applied a common law limitation of local government power known as Dillon's Rule. See *Ronnow v. City of Las Vegas*, 57 Nev. 332, 342, 65 P.2d 133, 136 (1937). Under that general rule, a local government is authorized to exercise only those powers which are expressly granted, which are necessarily implied to carry out powers expressly granted, or essential to the accomplishment of the declared objects and purposes of the local government. "Any fair [or] reasonable . . . doubt concerning the existence of power" is resolved against a local government entity seeking to exercise it, and it "is denied. . . . All acts beyond the scope of the powers granted are void.") Id. at 343, 65 P.2d at 136. Dillon's Rule is a rule of construction, serving as an aid in determining legislative intent. BLACK'S LAW DICTIONARY 412 (5th ed. 1979)."

Prior legal counsel ignored Dillon's Rule and said certain powers were "incidental". This goes against what the Nevada Attorney General and case law has laid down.

For the Veteran's Club, IVGID controls payments and takes in revenues from their fund-raisers. These payments are made from IVGID's operating checking account, which is co-mingling funds. IVGID is not authorized to be the Trustee of any Clubs – The "Incliners" are another club for which IVGID sometimes pays expenditures. The excuse in the past was the District was exempt from sales tax – but it pays sales tax for Vet's Club purchases.

Senior Transportation – IVGID received \$17,000 from Washoe County for "Senior Transportation" – but it spends tens of thousands on vehicles, wages for drivers, fuel, and other costs. IVGID is not authorized to provide transportation.

CFE Fraud Tree: Economic Extortion may be the category for these activities. The category is used for "pay-to-play" schemes, where vendors pay employees to receive contracts. The Recreation Facility Fee has characteristics of extortion. It is extortion because it is levied on all property owners, except government, who must pay the fee or be in fear that their property will be confiscated because tax liens will be placed against the property. Fear is an essential part of extortion, and Washoe County has confiscated parcels In Incline Village and Crystal Bay for tax delinquencies. It is extortion because the fee grew so large – at \$830 per year – that it was no longer "reasonable".It is extortion because the tax was called a "standby charge" even though no calculations justifying the fee levy were ever provided. Instead, the ALLOCATION of the fee was to various IVGID venues, and not to the purchase of facilities or capital expenditures for facilities. The fees became a slush fund to be used as IVGID management wished. If an entity is levying a tax, using the proceeds in ways other than the fee was intended, and threatens confiscation for non-payment – that would seem to fit the term "economic extortion".

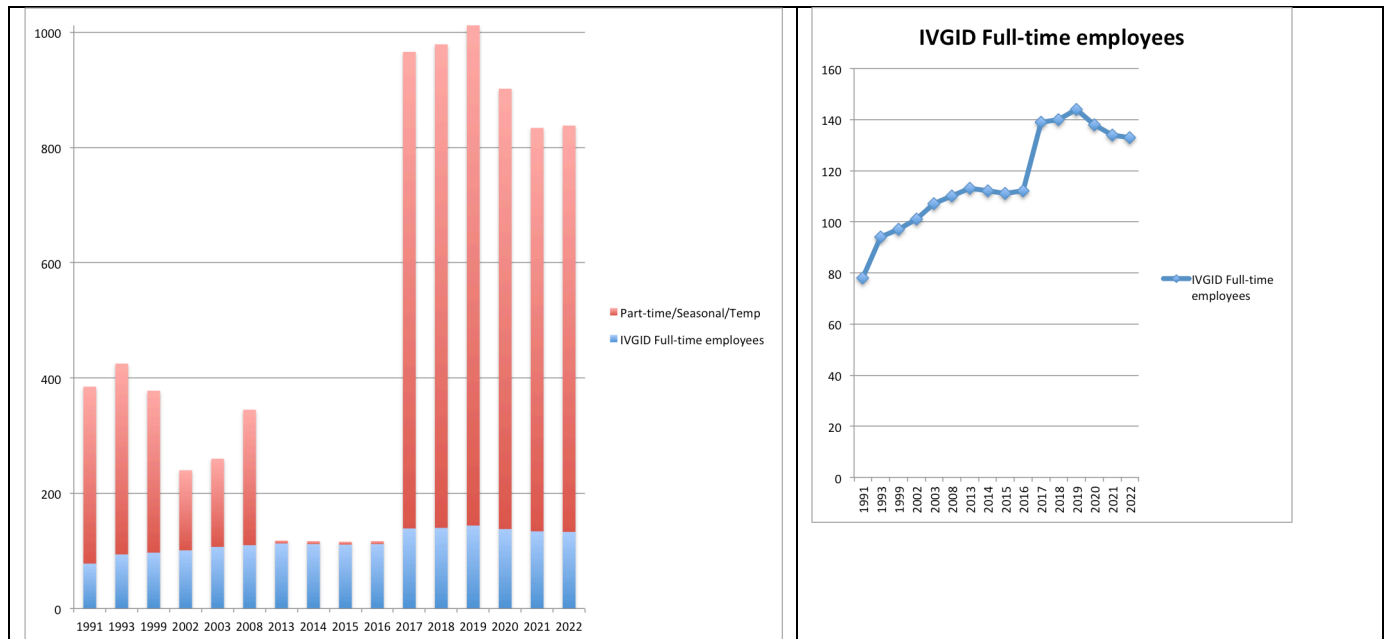


6. Lack of competitive bidding. Excuse is that Nevada law allows this. (Potential cost: millions of dollars a year). CFE fraud tree: potential bid rigging. The CMAR contract for Burnt Cedar pool was inappropriate as pool construction is commonly performed. The Granite Construction contract using CMAR may also be improper, as pipeline construction is commonly performed. The District purchases pavement, sealing and other services. A resident’s analysis of 2018 & 2019 procurement showed red flags for bid-rigging.

7. Payment of 14% to Granite construction when no % is in contract. (over \$900,000 over life of contract). <https://ourivcvoice.com/deficient-contract-raises-specter-of-false-claims-fraud/> Paying more than what the contract specifies; although this is not OCCUPATIONAL FRAUD – it is FALSE CLAIMS FRAUD. Nevada law NRS 357.

8. No fixed asset inventory performed for years – likely decades. (Over \$1.4 million computer equipment assets likely need to be removed from the books. Another \$16.5 million in assets need to be evaluated to determine if they should be removed from the books.) CFE Fraud Tree : possible asset transfer. The accounting manual last updated 2014 has NO PROCEDURES regarding physical inventory of fixed assets, as pointed out by the Moss Adams August 2023 report. In response to public records requests, IVGID has not been able to produce the “FA vs GL Variances” report, even though per the IVGID 1994 Records Retention Schedule indicated the last 8 years should be available. Financial statement fraud: Overstatement of assets. Possible misappropriation of assets by employees.

9. Massive increase in employees (graph) – both full-time and part-time, without justification. (over a million a year). Some employees, such as FLEET, may be paid year-round but only work full-time during April – October (golf season). The “Supervisor” works from his home in the Reno/Storey County area – not how can he supervise employees?



For years 1991 – 2008, the data is from the municipal bond OFFICIAL STATEMENT filed by IVGID with the Municipal Bond Rules organization msrb.org. For years 2013-2016, IVGID refused to provide part-time and seasonal employee numbers, except for Trustees. Both Transparent Nevada and residents were provided with only full-time employees and Trustees.

The data that IVGID provided for payroll is suspect. For 10 high level salaried employees, their “base pay” went DOWN sometime between 2014 and 2018. This likely means the “base pay” was not being reported accurately in the public records request. Or, it could mean that base pay excludes tax-deferred income. But then the definition of base pay is being manipulated, doesn’t it?

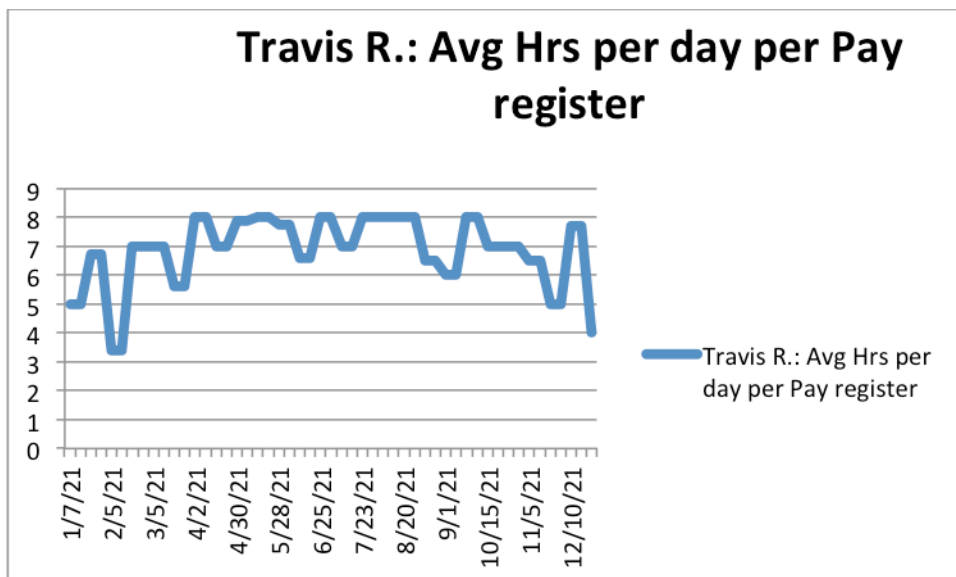
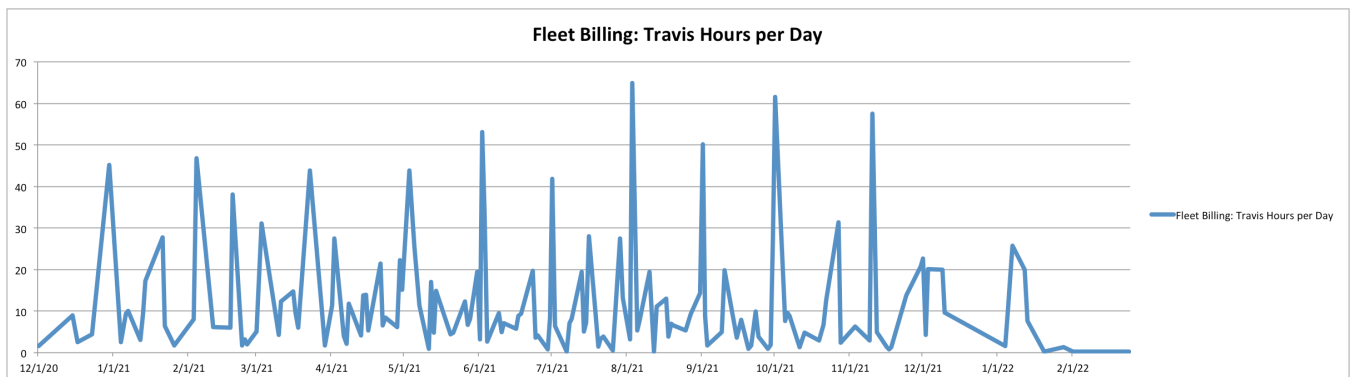
The increase in full-time employees in 1993 is because of the Recreation Center opening. No new venues requiring staffing have been added since 1993. The creation of patronage jobs, regardless of labor needs to staff venues and run operations, has substantially increased the payroll costs of IVGID.

Labor Distribution Reports (LDR) with hours and wages/salary/benefits have not been provided although public records requests have been made, with the exception of Calendar Year 2021. That year, it was accidentally included as it was part of the Excel file provided. IVGID Trustees time is recorded for them by some unknown employee – per the LDR 2021, Trustees worked 80 hours every two weeks. But the Trustees are part-time. An analysis of the 2021 LDR performed in November 2023 by a resident brought multiple questionable practices to light. The LDR was obtained in response to a PRR for ALL payroll, benefits, and emoluments of employees. **a) Vacation and “Comp time” pay was not included in the report. This means public records regarding vacation time costs were concealed, as the payroll was understated substantially.** b) For salaried staff, 8 hours appears to be recorded – even though more – or less – than 8 hours is actually worked. For example, Tim Kelly, a recreation programs supervisor, consistently had 80 hours every pay period. But he coaches for both the Lake Tahoe School and Incline High School. These teaching activities would conflict with being a supervisor, as he would be away from IVGID during business hours of 8 am – 5 pm., in particular 3 – 5 pm. How can he supervise staff if he is not there? Who is recording the time for which an individual is paid – human resources? OR the person who is working? c) Is IVGID receiving value for money? 6 employees consistently worked below 80 hours a week, including HR staff. Is IVGID over-staffed? Twelve

employees were in seasonal roles, but paid year-round. They did not have an alternate seasonal role. What duties did they perform in the 5 to 7 months that their venue was not open? Four seasonal employees were paid well beyond the season end of their venue. d) How are comp time and vacation time tracked?

A payroll earnings report was obtained on November 20, 2023 after a second request for a LDR. The report showed the District paid \$220,012 in overtime, but the payroll data reported to Transparent Nevada showed 0 overtime. The report showed the District paid \$1,272,434.78 in “other earnings” (acct 5020) and \$228,478.24 in “Other earnings” (account 5013) but the Transparent Nevada report showed 0 in “other earnings”. Only the categories of base pay and benefits were reported to the Transparent Nevada. The Earnings report did not include any data on benefits cost.

The request for “Attendance / timekeeping records for all employees for calendar year 2022” was not provided. Only a time-card summary report for one employee was provided: Travis Riley. But the billing log report for Travis often exceed 8 hours per day as shown by the graph below. The billing records should be a accurate and reliable record of work performed – and they are not. In 2021, for Travis time, Fleet billed the 2 golf courses & Chateau 1,647 hours Labor \$: \$154,246.2 at a rate that included overhead: \$86.865 per hr. the Labor Distribution Report showed he was paid for 1,747 hours. A year has 2,000 hours with 2 weeks vacation (80 hours).



This analysis was done because of a public records request for equipment records for 6 mowers showed

Internal Billing by Fleet staff exceeds 8 hours a day, and sometimes as much as 34 hours per day. The billing charges affect golf rates, and should be accurate and verifiable. These billing records contain falsified dates – do they also contain falsified hours? Are replacement parts cost accurate – using a specific markup - or falsified?

\$22,567.34	Repair parts purchased by Rich Allen in 2021 with p-card. Wes & Travis have no p-card)
\$57,314.12	Repair Parts\$ for just Travis for 2021 per Equip Work log

Based on Travis Riley’s data, Fleet mechanics are full-time employees receiving benefits – but Travis Railey’s 2021 shows he worked 75 to 80 hours prepay period only 10 of 26 pay periods of the year. CFE Fraud Tree: Potential ghost employees. Why is he not assigned to work on Ski Dept equipment during the “off-season” of golf?

The MUNIS payroll system appears to be mis-configured. Salaried employee pay for vacation hours is being debited to account 5012: “Hourly payroll”. A separate account should be used for vacation pay, sick pay and leave pay. In 2022, Over \$500,000 was debited to account 5012 for salaried employees. This setup issue was brought to the attention of Director of Finance Bobby Magee and Trustee Sara Schmitz, who wrote by email Nov 30, 2023, “I have discussed this with Mr. Magee. This is how the system works and IVGID will not be spending \$ to have this customized.” Ms. Schmitz is confused; This is a configuration issue – NOT how a payroll system “works”.

Since 1979, gold and silver cards for lifetime recreational privileges have been awarded to a variety of people. One of the first recipients was Arthur Wood, owner of the developer of Incline Village, Crystal Bay Development Co. Ten cards were awarded to Boise Cascade in 1976. Over 130 current and past employees, including Trustees prior to 1994, have been given cards. These cards buy loyalty and omerta. No statute allows GIDs to give lifetime privileges to anyone, so this appears to violate Dillon’s Rule. No budget is set for the use of public funds for these cards. No reporting is done on their cost to the public.

10. Procurement of rolling stock, regardless of condition. (likely \$100,000 of more a year). IVGID procures vehicles, service equipment for golf, ski, parks generally on a 5-year replacement schedule REGARDLESS of CONDITION or USE of the fixed asset. These “early replacements” are costly, especially with high inflation. WHY is Rich Allen of FLEET doing these early replacements? It has likely always been done that way. Vendors may be happy – but IVGID taxpayers are footing the bill. No disposal forms are completed even though signed forms are an Accounting Manual requirement. And are there any kickbacks involved? <https://ourivcbvoice.com/ivgids-financial-meltdown-part-1/> CFE Fraud Tree: potential kickbacks. CFE Fraud Tree: Asset Transfer.

11. Bonus payments are made that are NOT approved by the Board of Trustees. (over \$290,000 a year). CFE Fraud Tree: payroll schemes. For example, some catering employees receive the 15% service charge that IVGID includes in its catering contract. In fact, these payments were NOT “tips”. The government of California has a FAQ on tips and gratuities, including this relevant question/answer:

Q. Is a mandatory service charge considered to be the same as a tip or gratuity?

A. No, a tip is a voluntary amount left by a patron for an employee. A mandatory service charge is an amount that a patron is required to pay based on a contractual agreement or a specified

required service amount listed on the menu of an establishment. An example of a mandatory service charge that is a contractual agreement would be a 10 or 15 percent charge added to the cost of a banquet. [emphasis added] Such charges are considered as amounts owed by the patron to the establishment and are not gratuities voluntarily left for the employees. Therefore, when an employer distributes all or part of a service charge to its employees, the distribution may be at the discretion of the employer and the service charge, which would be in the nature of a bonus, would be included in the regular rate of pay when calculating overtime payments.

https://www.dir.ca.gov/dlse/faq_tipsandgratuities.html

Over \$290,000 of the \$448,000 were service charges for banquets at IVGID facilities. IVGID then paid the 19 employees who worked at the banquets these service charges. [General Ledger fiscal year 2020 and fiscal year 2021]. The general ledger clearly shows “SERVICE CHARGE” in the transaction description when banquet transactions were processed. These were discretionary payments, and not a tip or gratuity left by a patron. The payments were “in the nature of a bonus” – **a bonus not approved by the IVGID Board of Trustees**. The Nevada Commission on Ethics stated in Opinion No.93-34, “*The IVGID Board of Trustees, who approve the pay levels for management and employees as well as bonuses and perquisites for those employees, is the only authority that has jurisdiction to develop and follow criteria based upon merit and performance, for determining which employee should be awarded gifts or other special recognition for excellent employee performance.*”

Another example of bonuses not approved by the Board of Trustees is the payment of \$1.47 million bonuses to employees for 2013 and 2014. These bonuses were not approved by the Board of Trustees. CFE Fraud Tree: Payroll schemes.

12. Propaganda Magazine published at taxpayer expense. IVGID publishes a magazine 5 times a year and MAILED it to all owners plus distributes this with the local newspaper. (including labor hours of IVGID staff: \$60,000+). CFE Fraud Tree: Misuse. This magazine has advertising and is a puff public relations magazine, for which owners foot the bill. The vendor CC MEDIA receives ALL the advertising revenue. The many reasons why this magazine should be stopped are described here:

https://ourivcbvoice.com/trashing-the-ivgid_quarterly/

13. About half of IVGID’s full-time staff have p-cards, and controls are extremely lax. (Misuse may range from \$7,000+ to over \$100,000, depending on how the forensic auditor evaluates questionable transactions). CFE Fraud Tree: Personal Purchases. There are thousands of dollars in questionable payments. Some payments are not approved. Some appear to be personal benefit, not public benefit. Amazon is a frequent vendor. There is no separation of duties – the purchaser is the receiver of the goods. Descriptions of purchases are often the name of the General Ledger account used, such as Operating. Some p-card purchases have no GL account assigned when purchase is made. This means the purchaser likely did not verify there were budgeted funds available.

14. Golf Fees (GHIN Fees) paid for by IVGID – this is potential vote buying. Payments have no public purpose. There is no statute authorizing such expenditures. <https://ourivcbvoice.com/why-does-ivgid-pay-golf-fees-for-some-voters/> CFE Fraud Tree: Misuse.

15. There is no statute allowing DONATIONS by a GID- another mechanism for vote buying. *But*

IVGID makes donations disguised as “marketing” and in-kind use of its facilities for less than the rack rate. CFE Fraud Tree: Misuse.

16. Uniforms, meals and other cash payments to employees are made with no withholding. *(estimated \$30,000 per year) CFE Fraud Tree: Personal Purchases.*

17. Public funds and resources are being used for employee parties, meals for staff and management, holiday gifts for public works employees and other improper uses for PUBLIC FUNDS and RESOURCES (see attached pages for EXAMPLES: over \$20,000). CFE Fraud Tree: Mischaracterized expenses. There is no statute authorizing such expenditures.

Employee EVENTS were organized using public resources, and were likely usually held at IVGID-owned property: the Chateau at 955 Fairway Blvd in Incline Village, NV. These events included going-away parties for former General Manager Steven Pinkerton, former Director of Finance Gerald Eick. An employee EVENT was held at RENO ACES – entertainment for employees is an improper use of public funds. The all employee barbeque may have been held at Burnt Cedar Beach – which is a violation of the Beach Deed, as it is to only be used by Incline Village residents and their guests. See the transaction list, including other IVGID parties for employees.

18. There is no statute authorizing payment for travel by GID employees. (\$35,000+ annually). *There are over 70 statutes authorizing travel for employees of other government entities. IVGID pays lobbyists – but never has sought to get a travel statute passed by the legislature. These travel payments have amounted to tens of thousands of dollars a year in the past. COVID reduced them, but they have been on the rise again. CFE Fraud Tree: Mischaracterized expenses.*

19. Lease of public land to IVCBVCB for \$1 per year. (Over \$25,000 annually) – this benefits tourists, and certain local businesses – but not the inhabitants who are overwhelmed by tourists in summer and parts of the rest of the year. CFE Fraud Tree: Misuse.

20. Lease of public land to Parasol Foundation for \$1 a year. (Over \$25,000 annually) When the sale by Boise Cascade to IVGID placed a restrictive covenant on the land, stating it was to be used only for recreational use. CFE Fraud Tree: Misuse.

21. Petty cash accounts –*these accounts hold thousands of dollars – not \$200. Are expenditures for a public purpose? Or personal use? Are receipts reviewed and approved? There are NO PROCEDURES for petty cash in the accounting manual (2014) as pointed out by Moss Adams Aug 2023 report. CFE Fraud Tree: Expense Reimbursements.*

22. There is no statute authorizing GID to join associations, e.g. TWSA or Cities organization. *Without an authorizing statute, all its expenditures are unauthorized. In contrast, cities can join associations. NRS 270A.010 Power of cities and towns to join organization. It shall be lawful for the governing body of any city or town in this state, whether organized under the general laws or a special or home rule charter, to join with the governing body of any other city or town, or cities or towns, in the formation of an organization of municipalities for the purpose of securing concerted action among such municipalities in behalf of such measures as the organization shall determine to be in the common interest of the municipalities.*

23. In furtherance of the conspiracy and to effect the objects of the conspiracy, the Director of Finance

EICK changed the type of fund used for “business-type activities” from Enterprise Fund to Government Fund effective fiscal year 2015. These changes affected the two golf courses, the beaches, the recreation center and the Diamond Peak ski resort. The purpose was to manipulate the financial statements to avoid showing depreciation and asset renewal costs and to avoid setting user charges at rates sufficient to cover all costs including capital assets and debt service. The district charges each residential parcel owner an annual standby and service charge fee (“recreation facility fee”) to subsidize its operations with monetary losses totaling several million annually. The standby and service charge fee was originally intended for sewer and water districts to have a mechanism to charge for vacant parcels with no sewer / water billing yet in place. The standby and service charge was also used as a fee to be charged for non-payment as a one-time disconnect or reconnect fee. Such a charge might range from \$50 to \$75. From FY 2010 – 2020, the “recreation facility fee” was \$830 per parcel annually for Incline Village residents with beach access, generating nearly \$7 million dollars. For FY 2021, the fee was decreased to \$780. For FY 2023, the fee was decreased to \$455, with all money directed to the Beach Fund. Crystal Bay residents paid \$0. In May 25, 2023 Board minutes, Trustee Tulloch said, *“I think I made clear, I'm against collecting in anticipation of something we may or may not do. I think we've been going that far too long. When we talked with the capital budget spend earlier, we've spent 5 million in the first three quarters of a 29 million budget. Yeah, it's obvious we're over-collecting.”* Trustee Schmitz said, *“We have been over-collecting, we have been intending to do projects and spend down the fund balance, and we don't deliver on that. And from an NRS perspective, an enterprise fund cannot collect more than what it needs. It can be on an annual basis, it can be in a longer-term perspective, but you have a plan. And our plans, we have haven't executed on, and that's been demonstrated by our continued growth of the fund balance. So, as we look at this budget also, community services does not need a facility fee in order to over its cash flow. It does not. And it hasn't for a few years, which is why we keep building up this fund balance.”*

In a 12/7/2020 report, CPA Firm Moss Adams recommended changing financial reporting methods back to using an Enterprise Fund, stating, *“These activities generally meet the GAAP definition of ‘business-type’ activities and are better suited for reporting within enterprise funds.”*

Trustee Wong was Chair in 2015 when the change from an Enterprise Fund took place. As a licensed CPA in California, and since her CPA credential helped get her elected, she should be held to a higher standard. As a CPA, she KNEW that the change from an Enterprise Fund was improper – and allowed it to happen. As a CPA, she knew the change was a cover-up. Residents had complained about questionable activities and improper accounting, requesting a forensic audit. As Chair, she set the Board agenda. There is a federal law to address cover-up of a felony: it is called misprision of a felony.

24. THREE Unauthorized sales of land by Director of Finance Gerald Eick. Eick sold 3 parcels for which Washoe County has transferred ownership to IVGID. CFE Fraud Tree: Asset transfer. These parcels were included in 87 parcels that were transferred in 2013 under the condition that the parcels remain open space. Instead, Eick spent \$11,000 in district funds to obtain an appraisal for 9 of the lots which were placed in the General Fund. He capitalized this amount in the LAND account. The 2017 CAFR stated the other parcels were placed in the Community Services Fund – but the detail Fixed Asset Ledger did not contain ANY of the parcels acquired from Washoe County. The LAND account for the Community Services Fund did not contain the land. In 2020, more stream restoration costs were capitalized in the LAND account. Three parcels (shown below) from the Community Services Fund were sold without public knowledge and without Board approval to private parties known to EICK. EICK signed the deed of sale documents even though he was not the legal owner, and was not authorized to

sell the parcels. SUSAN HERRON notarized the real estate sales documents, even though she knew Eick was not authorized to make the sales. The parcels were sold without an appraisal to the following buyers:

Date	Buyer	Parcel ID	Purchase Price
3/3/2014	Sabin Living Trust (Jonathan Robert Sabin)	126-294-28	\$14,095
7/18/2014	Randolph-Wall Living Trust	126-294-29	\$14,095
12/10/2015	JDG Trust (James Robert Gately)	126-294-18	\$19,000

The District denied wrong-doing and no one was held accountable.

25. Kickback payment by Waste Management to IVGID. (estimated 325,000 per year). There is no statute authorizing such a payment to General Improvement Districts. Nevada statutes allow such a payment only to a city or a county. <https://ourivcbvoice.com/why-were-the-mark-smith-emails-kept-secret/> CFE Fraud Tree: Kickbacks.

26. Concealment of public records. According to ACFE, destroying or withholding physical documents is one of the five concealment methods used by fraudsters. The fraud of false financial statements and misuse of public funds was aided through concealment of public records. Evidence is available from the emails released from the Mark Smith lawsuit. The District Clerk, Susan Herron has conspired with legal Counsel to hide public records from the residents who request them. In 2017, multiple residents requested the General Ledger for various fiscal years, including Ray Tulloch, Kevin Lyons and Judith Miller. All requests were refused. Ms. Herron said in an email, *"I don't have a public record entitled General Ledger."* The General Ledger is a PERMANENT public record per the 1994 Retention Schedule IVGID filed with the state of Nevada. <https://www.projectauditors.com/Private/iv-app/readpdf.php?file=b.pdf&page=63> Trustee Matthew Dent requested a Chart of Accounts; General Manager Pinkerton responded that the Chart of Accounts could not be provided. <https://www.projectauditors.com/Private/iv-app/readpdf.php?file=b.pdf&page=2131> The District paid Mark Smith's attorney about \$77,000, basically admitting they had concealed public records. Kendra Wong was originally charged, as was Jason Guinasso, but Mark Smith elected to drop them from the lawsuit. <https://ourivcbvoice.com/nevada-globe-reports-on-ivgid-public-records-concealment-allegations/>

Not until a reporter from the Nevada Globe, Megan Barth, requested the FY2020 and FY2021 General Ledgers was a PRR for a General Ledger provided. District Clerk Susan Herron conspired with Steven Pinkerton, IVGID attorney Jason Guinasso to conceal these public records.

Susan Herron conspired with Josh Nelson, IVGID attorney from BB&K, to conceal public records. Picture pass holder (PPH) records and punch card records were denied, citing a statute of Nevada law regarding reservations for recreation classes being confidential. Punch cards and PPH cards are mechanisms to allow beach entry – for which there is NO reservation system. The cards allow for DISCOUNTS at Diamond Peak – for which there are no reservations. There are over 85,000 picture pass cards according to a Board packet on the PPH system. As IVGID has demonstrated a lack of internal controls across all departments, it is clear an examination is needed of these cards.

A detail fixed asset list (ledger) was requested in 2023. The list that was provided was 10 pages, with a

font type so small it required reverse engineering to read. Diana C. Robb, former IVGID accountant, and current Public Works employee conspired with Susan Herron to conceal the data by making it unreadable to the naked eye. However, using software the list was able to be readable and it was analyzed, revealing the financial statement fraud regarding the LAND account that has been going on for over 30 years, since at least 1991.

Public records requests for payroll records for part-time and seasonal employees were refused by Susan Herron in 2020. Transparent Nevada requested the employee payroll records beginning in 2013. However, records for 2013-2016 did not provide part-time and seasonal employees; only the Trustee records and full-time employees were provided to Transparent Nevada. Were there ghost employees in these records? Why were these records Nevada provided when multiple requests were made?

General Manager Indra Winquest promoted Susan Herron to a position that was not authorized in the budget. <https://ourivcbvoice.com/public-records-concealed-promotion/> Was this a thank you for concealing public records?

27. Concealment and potential destruction of records by implementing a new payroll and accounting system. According to ACFE, destroying or withholding physical documents is one of the five concealment methods used by fraudsters. In November, 2020, Director of Human Resources, Dee Carey, Dir of Finance Paul Navazio and Director of Information Technology Michael Gove requested the Board spend \$\$\$\$ to replace the hr/payroll and accounting systems. No specifics were provided regarding why the current systems needed replaced. The Board approved the project 5-0, over protests by residents.

As of November 12, 2023, the books had not been closed for AN ENTIRE YEAR, in part because the data conversion was out of balance by \$3.9 million and all accounts had not been converted, e.g. Land, Vehicles, and other accounts were missing from the OOB general Ledger obtained by a resident through a public records request.

The old system are no longer available for inquiry or reporting. This will make the activities of the forensic auditor much more difficult.

<https://ourivcbvoice.com/ivgids-financial-meltdown-part-2/>

<https://ourivcbvoice.com/audit-chair-nolet-ivgid-gross-mismanagement/>

28. Misrepresentation regarding effluent pipeline reserve. Public Works began accumulating \$2,000,000 per year in savings for the construction of the Effluent Export Project. *"We expect to have accumulated a total of \$8,000,000 by the construction project start date in spring 2016 while also continuing to collect \$2 million annually for this critical project."* Source: New homeowner packet.

The Chair of the Board, Kendra Wong, did not agendize reservation of the funds for a Board vote, as she should have. Instead, the district diverted millions of those funds for other purposes and delayed replacement of the compromised pipeline. They erected a cold storage building which cost over \$2,500,000. Hired a Canadian contractor PICA; their work was not completed per scope, but they were paid anyway (over \$100,000). Paid unapproved bonuses in 2013 and 2014 to District staff of \$1.4 million dollars.

As a result of the delay, cost of that replacement has soared from \$23 million to over \$78 million and the current board has been forced to a) obtain financing from the State Revolving Fund, that will be tens of millions of dollars to fund the project and b) dramatically increase the Water/sewer rates in coming years. <https://ourivcbvoice.com/opinion-effluent-projects-costs-balloon-to-78-million>

This is what IVGID said in its “New Homeowner Packet”: *Phase II will replace the remaining six miles of aging pipeline within the Lake Tahoe basin. The six miles of pipeline is comprised of approximately 17,300 lineal feet of welded, cement mortar lined, high pressure pipe and 13,700 lineal feet of bell and spigot, cement mortar lined, low pressure steel pipe. This pipeline experienced a significant leak in 2009. Subsequent investigations confirmed progressive corrosion of this pipeline that necessitates replacement. Design of this project is underway with construction estimated to start in 2014.*

29. Audit Committee was a sham when Kendra Wong was on it.

30. IVGID’s legal counsel has acted as a fixer for the District, rather than providing honest legal advice. The lawyer provides counsel that what the Board or General Manager wants to do is ok – even when it is not. Example: employee access of Beaches in 1988, when Beach Deed does not authorize such access. Attorney Geno Menchetti, deceased 2019. This practice was finally stopped in 2022. Obtaining a WRITTEN legal opinion, rather than a verbal opinion, took MONTHS because the lawyer, the Thorndal firm, was taking direction from the General Manager, and not the Board. Josh Nelson of BB&K and Jason Guinasso both facilitated IVGID’s management’s practice, aided and abetted concealment of public records, and were not independent advisors reporting to the Board.

Chair – IVGID Board of Trustees

Chair: Kendra Wong, 2015 – 2018, elected 2014

Chair: Tim Callicrate, 2019-2022, elected 2014

Chair: Matthew Dent, 2023-present, appointed 2015

Note: All individuals accused of allegations are assumed innocent until proven guilty in a court of law. This is why a law enforcement investigation is a necessity.

Statute of Limitations

As this matter is a conspiracy, federal law, 18 USC Section 371 Conspiracy states that until the conspiracy is uncovered, the clock for the statute of limitations does not begin to run. No federal law enforcement has investigated – or Nevada law enforcement. So the clock has not yet started.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL JANUARY 25, 2024 MEETING –
AGENDA ITEM C – PUBLIC COMMENT – ANATOMY OF ADDITIONAL
LIES BY THE BOARD AND STAFF – PUBLIC HEARING ON
BUDGET AUGMENTATIONS**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of now Board and staff incompetence, lies, a lack of transparency, and a flagrant disregard for the truth and financial sustainability of the District. And that's the purpose of this written statement.

The Board's December 13, 2023 Meeting, Agenda Item I(1) – Long Range Calendar: At the Board's December 13, 2023 meeting members set forth its intended long rate calendar². Marked by asterisks are public hearings for budget augmentation, at the Board's February 14 and 28, 2024, and March 13 and 27, 2024 meetings. Anyone attending the Board's December 13, 2023 meeting or listening to the livestream of that meeting would have advance notice thereof.

The District's First Notice to the Public of Its January 31, 2024 Public Hearing to Augment Its Budget: Rather than waiting until mid-February or beyond, yesterday (January 24, 2024) staff published notice of a January 31, 2024 public hearing to consider an increase in the District's total current budget by \$5,469,649. For those of you who didn't see the notice, it is attached as Exhibit "B" to this written statement.

My Request For The Proposed Documents in Support of The January 31, 2024 Public Hearing on Budget Augmentation: Take a look at the rear page of Exhibit "B" where I've placed an asterisk next to the following language: "copies of the proposed documents (in support of staff's proposed current budget augmentation) are available at 893 Southwood Blvd., Incline Village, NV. 89451."

So in response, at about 10:30 A.M. this morning, I sent our District Clerk an e-mail requesting those documents allegedly "available" in support of this public hearing. A copy of this e-mail is attached as Exhibit "C" to this written statement.

Our Chair's E-Mail Chastism That "If (I) Am Unable to Refrain From Derogatory E-Mail (Criticisms, My) E-Mails Will Not Be Routed to Staff, But" Rather Censored³: Can anyone actually

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

² Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/2023-12-13_Item_I.pdf. A copy is attached as Exhibit "A" to this written statement.

³ This e-mail is part of a string of January 25, 2024 e-mails between Chairperson Schmitz and me which are attached as Exhibit "D" to this written statement.

believe Trustee Schmitz would do something like this? And then to demonstrate she's really a "team player," she chose to send copies of her e-mail to me to staff and fellow Board members. Why? Because she wants to let all know that rather than supporting a member of the alleged "angry eight," she's really a kool aid drinker of staff propaganda! In other words, members of the public are free to criticize staff or members of the Board ONLY if that criticism is constructive.

My E-Mail Response to Chair Schmitz Outlining How Staff Lied to The Public When it Represented Staff Documents in Support of Their Request The Board Augment Its Budget Were Available For Examination at District Offices³: When Heidi hadn't responded to my request for documents in support of the January 31, 2024 Public Hearing, I informed her I would be coming to District Offices at 1:30 P.M. to pick up those documents. And at about 1:40 P.M. when I arrived, I learned there were no such documents. That contrary to Exhibit "B," they had not yet been prepared. In other words, more lies and more propaganda intended to paint a façade of untruths in the staff name for transparency.

My Warning to Anyone Who Relies Upon The Lies of Staff And Now The Board: Fool me once, shame on you. Fool me twice, shame on me! If you're one of the four (4) final proposed GM candidates, I ask you look long and hard at what this dysfunctional place really is! And if you think you're going to be able to avoid the dirty truth, the way interim Finance Director Bobby Magee thought he was going to be able to do, you're crazy.

And My Words to The Recall Haters in Our Community: You were right! Trustee Schmitz should be recalled. Not because of the reasons you stated in your petition. But because she has failed to properly manage the District, and is not complying with the laws of the State of Nevada⁴.

Conclusion: So you see the more things change, the more they remain the same. The District is just as dirty as it has always been. Yes the faces may have changed. And their attitudes may have improved over their predecessors. But at the end of the day, this place is as dirty as ever! And this is really the definition of a criminal syndicate⁵. Which is what we are. Dirty players may come or go. But in the end, the organization survives to engage in racketeering activities!

And now you the reader may have a better idea of what the District's Recreation ("RFF") and Beach ("BFF") Facility Fees really pay for which you can see for yourself have nothing to do with making public recreational facilities available for local parcel owners' access and use. Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

⁴ See NRS 318.515(1).

⁵ See NRS 207.370 which defines criminal syndicate as a "combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

EXHIBIT "A"

BOARD OF TRUSTEES LONG RANGE CALENDAR

JANUARY 10, 2024	
SCHEDULE	<i>1st draft agenda to Board Chairman on 12/29; all memos materials due in by 01/02; Packet out on 01/04; agenda posted no later than 8:45 a.m. on 01/05</i>
Finance	Approval of Tentative Budget Calendar
PW	Waste Management
Marketing	Report: IVGID Magazine – survey results
PW	Report: Utility Master Plan Update
IT	Contract Award: Point-of-Sale System?
P&R	Ordinance 7 modifications/recommendations (may include a discussion about the family tree, punch card recommendations, and Policy 16.1.0)
BOT	Liaisons assignment with Washoe County, Venues, etc.
PW	Agreement: HDR Utility Rate Study Update

JANUARY 31, 2024	
SCHEDULE	<i>1st draft agenda to Board Chairman on 01/19; all memos materials due in by 01/22; Packet out on 01/24; agenda posted no later than 8:45 a.m. on 01/26</i>
HR	Agreement: First Non-Profit 2024
PW	Agreement: Professional Services Jacobs Construction Services for Effluent Storage Tank – Approve & Award
PW	Procurement: Lab Equipment
GM	Pricing Pyramid and Policy?

FEBRUARY 14 AND 28, 2024	
PW	Easement: SPS #5 Easement
PW	Agreement: Professional Services for Rec Center HVAC Replacement
Finance	Augmentation for the budget including a public hearing
PW	Agreement: Diamond Peak Electrical Entrance Construction Contract Approval and Award

MARCH 13 AND 27, 2024	
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BOARD OF TRUSTEES LONG RANGE CALENDAR



Finance	Augmentation for the budget including a public hearing
PW	Agreement: Incline Beach House Design/Build Award with a stop at 30%, and return to the BOT to select the preferred design option
PW	Agreement: Skate Park Design/Build Award with a stop at 30%, and return to the BOT, to review the two options (spend \$250K or spend \$500K)

EXHIBIT "B"



CONTACT IVGID

NOTICE OF PUBLIC HEARING - JANUARY 31, 2024

IVGID is proposing a budget augmentation including a General Fund appropriation increase. The proposed augmentation would increase the total IVGID budget by \$5,469,649 which includes a General Fund increase of \$1,512,949.

The proposed budget increases are due to the following factors:

- Funding of the Tennis Court rehabilitation project
 - Funding the Finance Department for additional accounting resources
 - Carryforward of the Information Technology General Fund items from Fiscal Year 2022-23
 - Funding of the recommended Forensic Due Diligence Audit contract
 - Funding of the recommended Point of Sale system
 - Funding of the Finance Department staffing additions
- The unanticipated revenue sources are:
- General Fund Reserves in the amount of \$1,512,949
 - Recreational Services Reserves, Beach Utility Reserves, Internal Services Reserves in the cumulative amount of \$3,956,700.

News Categories

- Golf
- IVGID
- Meetings & Weddings
- Parks & Rec
- Public Works

Questions? Reach us

877.468.4397
info@ivgid.org



Copies of the proposed documents are available at 893 Southwood Blvd., Incline Village, NV 89451



The public hearing will be held:

Wednesday, January 31, 2024 not earlier than 6:00 pm and as soon thereafter as practicable at 893 Southwood Blvd, Incline Village, Nevada. Please check the posted Board of Trustees Notice of Meeting for any changes.

The 2023 Budget, which were presented to the Board of Trustees on May 25, 2023, is available on the website: <https://www.yourtahoeplace.com/ivgid/board-of-trustees/archived-agendas-and-packets-2023-january-june>

If you have comments about the proposed changes to the budget augmentation, please contact the IVGID Clerk.

By mail: 893 Southwood Boulevard Incline Village, Nevada 89451 Attn: Department Of Finance

Fax: (775) 832-1331

Email: info@ivgid.org

[For PDF Click here](#)



EXHIBIT "C"

Request For Proposed Jan 31, 2024 IVGID BOT Meeting Documents

From: <s4s@ix.netcom.com>
To: "White Heidi" <hhw@ivgid.org>
Cc: <info@ivgid.org>, <bma@ivgid.org>, "Bandelin Mike" <MLB@ivgid.org>, "Schmitz Sara" <schmitz_trustee@ivgid.org>, "Dent Matthew" <dent_trustee@ivgid.org>, "Tonking Michaela" <tonking_trustee@ivgid.org>, "Tulloch Ray" <tulloch_trustee@ivgid.org>, "Noble Dave" <noble_trustee@ivgid.org>
Subject: Request For Proposed Jan 31, 2024 IVGID BOT Meeting Documents
Date: Jan 25, 2024 10:34 AM

Hello Heidi -

According to the District's web site,

"IVGID is proposing a budget augmentation including a General Fund appropriation increase...(via a) NOTICE OF PUBLIC HEARING - JANUARY 31, 2024 (did anyone know there was going to be a public hearing for this purpose other than staff? When were you going to tell us? Tomorrow in the Tahoe Daily Tribune?)...The proposed augmentation would increase the total IVGID budget by \$5,469,649 which includes a General Fund increase of \$1,512,949.

The proposed budget increases are due to the following factors:

- Funding of the Tennis Court rehabilitation project
- Funding the Finance Department for additional accounting resources
- Carryforward of the Information Technology General Fund items from Fiscal Year 2022-23
- Funding of the recommended Forensic Due Diligence Audit contract
- Funding of the recommended Point of Sale system
- Funding of the Finance Department staffing additions

The unanticipated revenue sources are:

- General Fund Reserves in the amount of \$1,512,949 (even though WE HAVE NO RESERVES)!
- Recreational Services Reserves (even though WE HAVE NO RESERVES)!
- Beach Utility Reserves (even though WE HAVE NO RESERVES)!
- Internal Services Reserves (even though WE HAVE NO RESERVES)!

in the cumulative amount of \$3,956,700.

Copies of the proposed documents are available at 893 Southwood Blvd., Incline Village, NV 89451."

Heidi. I want those proposed documents. Please advise when I can pick them up. TODAY!

Hey Bobby Magee. Are you reading? WE HAVE NO RESERVES in any any of these funds! What you call "reserves" are really nothing more than excess fund balances created from prior years' misrepresentations of fact. In other words, we really didn't require the Rec Facility Fee to make our public recreational facilities available for those real properties' use which are assessed. Instead, we required them to create an excess fund balance in our Community Services Fund so the money could be stolen and re-purposed (i.e., "smoothed") on January 31, 2024. Right Bobby?

And we really didn't require the Beach Facility Fee to make our beach facilities available for those real properties' use which are assessed. Instead, we required them to create an excess fund balance in our Beach Fund so the money could be stolen and re-purposed (i.e., "smoothed") on January 31, 2024. Right Bobby?

And we really didn't require our water and sewer utility charges to be as high as they've been to pay the reasonable and necessary costs we've assigned to providing water and sewer utility services to those real properties' use which are assessed. Instead, we required them to create an excess fund balance in our Utility Fund so the money could be stolen and re-purposed (i.e., "smoothed") on January 31, 2024. Right Bobby?

What you're proposing is STEALING:

Excess involuntary Rec and Beach Fees unoeiowekt assessed in prior years;

Excess involuntary water and sewer rates improperly assessed in prior years;

Unspent previous capital improvement charges improperly collected in prior years.

That's right Bobby. STEALING. The same stealing former Finance Director Gerry Eick perfected, and former Finance Director Paul Navazio perpetuated. And now you're doing the same thing. Instead of sharing the truth with the public and putting an end to this wrongdoing. Because that's what an ethical Finance Director for IVGID would be doing.

All of this talk about your integrity and ethics. Come on Bobby. You fully understand the broken system we have here that a number of us have been telling you about for months. Welcome to the party! And now you're trying to come up with a fix NOT because it's the honest and ethical thing to do. But rather, because the ends justify the means. You've been dealt a hand of cards which is a loser unless you regress to the ways of the past!

But we're on to you Bobby. And now you know that we're on to you. And we won't be quiet in our criticism. Because the truth is more important than your job!

Hey Board members. I am sending each of you a copy of this e-mail. Because if you're not smart enough to figure out the truth, now I've laid it out to you. It's called "smoothing" and "re-purposing" all over again. And if any of you support this garbage you're no better than Kendra Wong. Or Peter Morris. Or Bruce Simonian. Or Gene Brockman. Or Steve Pinkerton. Or Bill Horn. Or Indra Winquest. ALL LOSERS! And deceivers.

You may think of yourselves differently. But at the end of the day, you're no better than the rest of these individuals. And we're on to you. Just like we're on to Bobby Magee.

Thank you for your cooperation. And I want my documents Heidi. Respectfully, Aaron Katz

EXHIBIT "D"

Re: Request For Proposed Jan 31, 2024 IVGID BOT Meeting Documents - SURPRISE - They Haven't Even Been Prepared

From: <s4s@ix.netcom.com>
To: "Sara Schmitz" <trustee_schmitz@ivgid.org>
Cc: "Bobby Magee" <bma@ivgid.org>, "Mike L. Bandelin" <MLB@ivgid.org>, "Matthew Dent" <dent_trustee@ivgid.org>, "Michaela Tonking" <tonking_trustee@ivgid.org>, "Ray Tulloch" <tulloch_trustee@ivgid.org>, "Dave Noble" <noble_trustee@ivgid.org>
Subject: Re: Request For Proposed Jan 31, 2024 IVGID BOT Meeting Documents - SURPRISE - They Haven't Even Been Prepared
Date: Jan 25, 2024 2:29 PM

Thank you Sara -

You're really a piece of work.

You know I've already requested to receive District communications. So why restate the below?

And then you have the gall to tell me "if (I am) unable to refrain from derogatory emails, (my) emails will not be routed to staff, but will be filtered."

How about if you and your staff are unable to publish the truth, no one should listen to you?

So let's deal with facts.

The District web site that unofficially announces a public hearing for next Wednesday (<https://www.yourtahoeplace.com/news/notice-of-public-hearing-january-31-2024>) clearly states that "Copies of the proposed documents are available at 893 Southwood Blvd., Incline Village, NV 89451."

So this morning at about 10:30 A.M. I e-mail Heidi and ask to review the proposed available documents as represented (see your replication of the e-mail below). Heidi does not respond.

Then at about 1:00 P.M. I follow up and inform Heidi that I will be coming to the Southwood Blvd. address noted at 1:30 P.M. to pick up those represented documents.

Then at about 1:40 P.M. I come to the Southwood Blvd. address noted to pick up those documents. I ask to speak to Heidi who tells me she has no documents. She states Bobby Magee is still working on them and once he's finished, she'll let me know and provide electronic copies.

I then ask Heidi why the web site states otherwise? Of course she has no response.

So now we see that not only are you and your fellow Board members untruthful, unethical and non-transparent, but so are your staff. Why would staff inform members of the public that documents related to a \$5M+ augmentation of the budget are available for pick up when in truth, they're not?

And you wonder why the public can't believe anything that comes out of your collective mouths?

And in the hope your vaunted staff is reading this e-mail, or better yet, our four proposed GM candidates, wake up and smell the roses. I'm tired of listening to staff like Erin Fiore who proclaim that their fellow workers are the most wonderful, competent and ethical people to work with. Bolderdash! The truth is they're generally incompetent, grossly overpaid and over benefited, and just as dirty and untruthful as our Board. These are the facts!

You know, the more things change, the more they remain the same.

Respectfully, Aaron Katz

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

From: Sara Schmitz <trustee_schmitz@ivgid.org>

Sent: Jan 25, 2024 1:29 PM

To: s4s@ix.netcom.com <s4s@ix.netcom.com>, Heidi White <hhw@ivgid.org>

Cc: Info IVGID <info@ivgid.org>, Bobby Magee <bma@ivgid.org>, Mike L. Bandelin <MLB@ivgid.org>, Matthew Dent <dent_trustee@ivgid.org>, Michaela Tonking <tonking_trustee@ivgid.org>, Ray Tulloch <tulloch_trustee@ivgid.org>, Dave Noble <noble_trustee@ivgid.org>

Subject: Re: Request For Proposed Jan 31, 2024 IVGID BOT Meeting Documents

Mr. Katz,

If you have not, please subscribe to receive the emails related to board activities. You and the public will all be informed when they are available on the District's website. Here is the link to the page: <https://www.yourtahoeplace.com/email-subscribe>.

Subscribe to IVGID emails | Incline Village General Improvement District - IVGID - Incline Village, Crystal Bay, Lake Tahoe

www.yourtahoeplace.com

Subscribe to email newsletters for the Incline Village Golf Courses, Parks & Recreation Updates, Tennis & Pickleball Center, and general IVGID news.

All materials will be made available to the public and the board members.

If you are unable to refrain from derogatory emails, your emails will not be routed to staff, but will be filtered. Please be advised.

Sara

Sara Schmitz

Incline Village General Improvement District 2024 Board Chair

893 Southwood Blvd.

Incline Village, NV 89451

925-858-4384

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL JANUARY 25, 2024 MEETING –
AGENDA ITEM F(1) – BELATED APPROVAL OF MINUTES TO BOARD'S
OCTOBER 25, 2023 MEETING MINUTES**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff incompetence to the nth degree. Approval of the minutes of the Board's October 25, 2023 meeting nine-two (92) days after the fact when the NRS 241.035(1) requires no more than forty-five (45) days². And that's the purpose of this written statement.

Unless The Board Can Come Up With "Good Cause" For This Delay, it Will Have Committed Another Open Meeting Law ("OML") Violation:

So I Will Be Waiting With Bated Breath to Learn of The "Good Cause:" And since I expect there will be none...

This Isn't The First Such Episode of Similar Staff Incompetence: That's right! On February 21, 2018 the Office of Attorney General ("OAG") made a finding in its OML File No. 13897-260 that IVGID had committed *a whopping fifteen (15) separate OML violations* similar to the one the subject of this complaint! And the Board's response was to "pooh-pooh" the severity of these violations. At the Board's March 13, 2018 meeting staff agendized³ acknowledgment of the OAG's findings and conclusions in accordance with NRS 241.0395. And when it came time for discussion, listen to the responses of two (2) of the Board members:

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else>.

² NRS 241.035(1) instructs that "each public body *shall* keep written minutes of each of its meetings... (and) unless good cause is shown, (it)...*shall* approve the minutes of a meeting *within 45 days after* the meeting or at the next meeting of the public body, whichever occurs later."

³ See agenda item F(2).

Chairperson Wong⁴: “I just want to say there’s no remediation, there’s no fines, there’s nothing else that we have to do...This mainly related to how we were calculating days...We’ve gotten input from the OAG’s office...They had not given us input on how we were calculating days was incorrect. Now we have more guidance and we’re changing it going forward.”⁵

Trustee Horan: “I think that...we were in good faith practicing something, and now we have better guidance and we’re going to correct it.”⁶

Nor is This The Second Episode of The Board’s Failure to Timely Approve The Minutes of Its Meetings Within The Statutory Time Period¹: The Board noticed⁷ and held⁸ a meeting on May 12, 2021. Yet it did not approve the minutes of that meeting until the Board’s July 13, 2021 meeting⁹. The minutes of the Board’s May 12, 2021 meeting took place sixty-two (62) days after the meeting, and no explanation nor cause, let alone good cause, was given for the delay⁹.

Nor is This The Third Episode of The Board’s Failure to Timely Approve The Minutes of Its Meetings Within The Statutory Time Period¹: The Board noticed¹⁰ and held¹¹ a meeting on May 26, 2021. Yet it did not approve the minutes of that meeting until the Board’s July 13, 2021 meeting⁹. The minutes of the Board’s May 26, 2021 meeting took place forty-eight (48) days after the meeting, and no explanation nor cause, let alone good cause, was given for the delay¹¹.

⁴ Note: Ms. Wong was also a member of the IVGID Board for its May 12, 2021, May 26, 2021 and December 14, 2021 meetings which are discussed below.

⁵ The livestream of the Board’s March 13, 2018 meeting [go to <https://livestream.com/ivgid/events/8108022/videos/171514748> (“the 3/13/2018 livestream”)] where these comments were made took place was at 1:08:33-1:08:53 of the 3/13/2018 livestream.

⁶ See 1:09:01-1:09:27 of the 3/13/2018 livestream.

⁷ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/Agenda_-_Regular_Meeting_-_05122021.pdf.

⁸ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/J.1._-_Meeting_Minutes_05122021.pdf.

⁹ Go to the livestream of this meeting [<https://livestream.com/ivgid/events/9756368> (“the 7/13/2021 livestream”)].

¹⁰ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/Agenda_-_Regular_Meeting_-_05262021.pdf.

¹¹ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/J.2._-_Meeting_Minutes_05262021.pdf.

Nor is This The Fourth Episode of The Board’s Failure to Timely Approve The Minutes of Its Meetings Within The Statutory Time Period¹²: The Board noticed and held a meeting on December 14, 2021¹². Yet to my knowledge, proposed minutes of this meeting have *never* been presented to the Board for approval, nor actually approved. Am I wrong?

And Now The Fifth Episode of The Board’s Failure to Timely Approve The Minutes of Its October 25, 2023 Meeting Within The Statutory Time Period¹³: Right Board members? Before I file my OML complaint I look forward to hearing staff’s “good cause” explanation. However, I fully expect there will be none. Because there is none.

So What Has The District Learned as a Result of OAG File No. 13897-260¹³? What Has it Done to Correct Past Inappropriate Behavior Which Apparently is Systematically Repeated? Nothing, nothing, nothing! We must judge the District not by its hollow words but rather, its actions.

IVGID Staff’s Willfulness: I believe IVGID, which really operates a series of commercial “for profit”¹⁴ recreation business enterprises, via non-elected and mostly nonresident staff, has an arrogant and callous disregard for the rights of the citizens of Incline Village/Crystal Bay. In the words of the late George Carlin, its staff’s “arrogance is stunning.” I believe there are at least three (3) basic reasons for this behavior.

First, District staff do not consider IVGID to be “public.” According to them IVGID is *only* “quasi-public”¹⁵ and for this reason they believe they can pretty much do anything they want without repercussion or consequence because we’re “special.”

Second, notwithstanding NRS 318.175 gives GID Boards “the power: 1. To manage, control and supervise all the business and affairs of the district(; and,) 2. To acquire, improve, equip, operate and maintain any district project;” NRS 318.180 gives GID Boards “the power to hire and retain agents,

¹² Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/Agenda_-_Workshop_-_12142021.pdf.

¹³ Go to https://ag.nv.gov/uploadedFiles/agnv.gov/Content/About/Governmental_Affairs/OML_Portal/Opinions/Katz%20260%20Opinion.pdf.

¹⁴ Although essentially all of its businesses operate at a loss.

¹⁵ Take a look at the District’s latest “Water Quality Consumer Confidence Report 2023”(go to [https://www.yourtahoeplace.com/uploads/pdf-public-works/INCLINE_VILLAGE_GID_CCR_2023_NV0000158_Print_English_\(FINAL\).pdf](https://www.yourtahoeplace.com/uploads/pdf-public-works/INCLINE_VILLAGE_GID_CCR_2023_NV0000158_Print_English_(FINAL).pdf)). Read staff’s description of the District under “About IVGID: The Incline Village General Improvement District, commonly referred to as IVGID, *is a quasi-public agency* established under Nevada Revised Statute, Chapter 318...”

employees, servants, engineers and attorneys, and any other persons necessary or desirable to effect the purposes of this chapter;" NRS 318.185 gives GID Boards "the power to prescribe the duties of officers, agents, employees and servants, and fix their compensation;" NRS 318.100(1) gives GID Boards the power to "construct or otherwise acquire any improvement appertaining to any such basic power which the district may exercise and may finance the costs of any such improvement by any of the procedures provided in this chapter;" NRS 318.100(2) gives GID Boards the power to "furnish services pertaining to any such basic power which the district may exercise;" and, NRS 318.210 gives GID Boards "all rights and powers necessary or incidental to or implied from the specific powers granted in this chapter;" staff have convinced past Boards, including the present one, to abdicate away essentially all of these powers¹⁶ to an unbelievable 1,000 or more¹⁷ unelected staff personnel!

Finally, no other governmental entity, not even the county which created IVGID, has standing to interfere with IVGID's *ultra vires* activities¹⁸. Given this complaint does not represent the first

¹⁶ For nearly forty (40) years the District had what was labeled a "Personnel Management Policy" [former Resolution No. 1480 (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_PolicyAndProcedure105_Resolution1480.pdf)] which essentially abdicated away "responsib(ility) for supervising...day-to-day...operations [to the General Manager...with regard...to IVGID personnel." In addition, that policy declared that "the District operates under a Board-Manager form of government which...appoint(s)...staff...to administer and execute day-to-day operations." Therefore, the General Manager was empowered to "maintain direct, day-to-day supervision over all District employees, with the exception of the attorney. (That) supervision include(d) the power to hire, fire, motivate, discipline, evaluate, promote, demote, transfer, and train employees, subject to established personnel guidelines, union contracts, Board policy, and generally accepted personnel practices." And to make sure our popularly elected trustees didn't get in the way, individual "trustees were prohibited from exercis(ing) their authority to direct Staff(. And)...at Board meetings...trustees (were prohibited)...from directing or attempting to directly supervise Staff." This language in essence made IVGID's employees our General Manager's employees, and he rather than the IVGID Board their boss.

On January 25, 2023 the Board rescinded former Resolution No. 1480 and replaced it with a new Resolution No. 1898 (go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/PP_142.pdf) which reiterated the District's "Board-Manager form of government," and the General Manager's power to "maintain direct, day-to-day supervision over all District employees." Therefore, for all intents and purposes, the abdication of power referenced above continues, and our General Manager continues to be IVGID employees' boss.

¹⁷ Go to <https://transparentnevada.com/salaries/2019/incline-village-general-improvement-district/>.

¹⁸ On August 21, 2015 Washoe County Ass't District Attorney Paul Lipparelli authored a memorandum for the County Board of Commissioners on the "Legal Authority of General Improvement Districts in Nevada" (go to https://www.washoecounty.gov/bcc/board_committees/2015/files/agendas/2015-

instance of IVGID's OML violations, I and others I know believe something *more* is required to “get its attention” and protect the public from future similar OML violations.

To Put This Matter Into Perspective, the District Has Likely Been Found Guilty of More OML Violations in the Last Eleven (11) Years Than Any Other Public Body in the State! I do not know the number of OML violations the OAG has found IVGID guilty of since November 21, 2011. However, just off the top of my head I believe the number is more than six (6). Moreover, there have been a number of additional violations IVGID has been forced to correct in order to avoid being found guilty of additional OML violations. And there have been several other instances where although literal violations have not been recognized, the OAG made recommendations the District alter future questionable behavior. All in all, I believe IVGID has been the cause of more insertions into the OAG's OML Manual¹⁹ than any other public agency in the State! “Houston, we have a problem.” And I ask when will it be effectively addressed? Bueller? Bueller?

Conclusion: The time has come to subject IVGID staff and their attorneys (as accessories) to real consequence. Although it's not a lot of money at this stage, NRS 241.040(4) subjects “each member of a public body who attends a meeting of that public body where any violation of...chapter (NRS 241) occurs and who participates in such violation with knowledge of the violation, is subject to an administrative fine in an amount not to exceed: (a)...\$500...for a first offense...(b)...\$1,000...for a second offense, \$1,000; and, (c)...\$2,500...for a third or subsequent offense.” Since I anticipate there will be all five (5) trustees who will vote to approve the minutes of the Board's October 25, 2023 meeting, I will be requesting that \$2,500 of administrative fines be imposed.

And now you the reader may have a better idea of what the District's Recreation (“RFF”) and Beach (“BFF”) Facility Fees really pay for which you can see for yourself have nothing to do with making public recreational facilities available for local parcel owners' access and use.

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

08-25/9.pdf). Mr. Lipparelli concluded that “once ...GIDs...are in existence, (they) are independent legal entities with their own perpetual existence...The (GID) Law gives many powers to GIDs which are not subject to direct review or oversight of (the) county boards of county commissioners” which created them.

¹⁹ Go to

https://ag.nv.gov/uploadedFiles/agnv.gov/Content/About/Governmental_Affairs/OML_Portal/omlmanual.pdf.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL JANUARY 25, 2024 MEETING –
AGENDA ITEM G(2) – PROPOSED CONTRACT TEMPLATE FOR NEW
GENERAL MANAGER (“GM”) POSITION**

Introduction: Well here’s yet “another one” as my friend DJ Kahled would say¹. More evidence of staff incompetence and a disregard for the financial sustainability of the District. A basic proposed contract template to offer to our new GM. And that’s the purpose of this written statement.

Shouldn’t Staff Understand What The District is Before it Proposed Contract Provisions to Offer to a New GM? We’re nothing more than a limited purpose special district. Just like a mosquito district which has the limited power to furnish facilities for mosquito removal. Here water, sewer and solid waste removal services to local parcel owners, and public recreational facilities.

Doesn’t Each of Our Public Utility/Recreational Venues Have its Own Director/Equivalent CEO? That’s right! So why do we need another CEO to manager our other CEOs?

Isn’t Each of Our Public Utility/Recreational Venue Directors/CEOs Being Paid in Excess of \$100K in Annual Salary Plus Handsome Benefits? That’s right!

And For in Essence Seasonal Work? That’s right!

Which Includes COLA Salary Increases, Bonuses, Severance Pay, Retirement Plan Benefits, a District Match to Our GM’s Voluntary Retirement Plan Contributions, Vacation Pay, and Sick Pay Which Can be Converted Into Straight Compensation? That’s Right!

Given Our GM’s Salary And Benefit Costs Are Assigned to The General Fund, Do You Realize That Those Costs Will Total Approximately 25% of All The Annual *Ad Valorem* Tax Revenue We Collect? That’s Right! Our budget calls for \$2.145 million in *ad valorem* tax revenues.

If You Need to Spend 25% of Your Annual *Ad Valorem* Tax Revenues on a GM, Then IMO You Need to Get Out of the GID Business as We Know It: That’s Right! Because...

We Can’t Afford It!

My January 23, 2024 E-Mail to The Board: On January 23, 2024 I wrote to the Board on this very subject recommending members not go forward with the proposed contract as suggested².

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

² That e-mail is attached as Exhibit “A” to this written statement.

Rather than regurgitating my e-mail's contents, I direct the reader to reach the e-mail attached, and conclude the merits of this agenda item for him/herself.

Conclusion: We're not a county. Nor a city. Nor an unincorporated town. So we don't require the equivalent of a county manager. Or a city manager. It cannot afford to pay. So why do we keep doing what we've done in the past which has gotten us to the position we're currently in? For the reasons stated in my e-mail, I recommend the Board simply say no.

For the reasons stated in my attached e-mail, I recommend the Board eliminate many of the excessive provisions included in staff's proposed form of agreement I have identified and objected to. And it begin the process of winding down this organization to the basics of what it should be. And getting out of the money losing recreational and other commercial "for loss" business enterprises we're currently in.

And now you the reader may have a better idea of what the District's Recreation ("RFF") and Beach ("BFF") Facility Fees really pay for which you can see for yourself have nothing to do with making public recreational facilities available for local parcel owners' access and use.

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

EXHIBIT "A"

January 25, 2024 IVGID BOT's Meeting - Agenda Item G(2) - Approval of Staff Proposed GM Contract Template - Right!

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: January 25, 2024 IVGID BOT's Meeting - Agenda Item G(2) - Approval of Staff Proposed GM Contract Template - Right!
Date: Jan 23, 2024 12:32 AM

Chairperson Schmitz and Other Honorable Members of the IVGID Board -

Here staff propose approval of a Draft Template for the District General Manager's ("GM's") anticipated employment contract. I take issue with the following proposed provision(s).

Before I begin, let me ask that you take a hard look at what a GID is. And what is appropriate compensation for a GID's General Manager. Remember, we're the equivalent of a limited purpose Mosquito District. That's it. NRS 318 does not provide that GIDs engage in commercial, for profit, business enterprises. And you know this! It does not provide that we are only "quasi-public." And you know this. So why are we spending \$300K or more annually just in compensation for a GM? And how can we possibly afford it?

Don't tell me we have to pay our GM \$300K or more annually in salary and benefits because that's what Washoe County and the City of Reno are paying their GM equivalents. We are not a true municipality inasmuch as we have no power to provide for the health, safety or general welfare of the District's inhabitants. So stop comparing us to counties, cities or unincorporated towns. Because the comparison doesn't exist. And if it means we can't attract a qualified GM, then doesn't that really answer the question? If we don't have the money without involuntarily exacting a disingenuous Rec Fee on local parcel owners who DON'T WANT such an individual, then maybe it's time to go out of the GID business.

If we have a Director for golf, and another for ski, and another for tennis, and another for the Rec Center, and another for IT, and another for HR, and another for Public Works, and another for Finance, and the equivalent of another for marketing, and another for Food and Beverage, and the equivalent of another for Purchasing and Contracting, and the equivalent of another for legal, and a Board Clerk whose compensation exceeds \$110K annually (whew, I'm getting tired of counting), why do we need the additional overhead for a GM? Bueller? Bueller?

Also, don't compare us to a number of commercial, for profit, business enterprises. Because that's not what we are either. Want to continue in the commercial, for profit, enterprise business, go out of the GID business. It's that simple.

I get it you refuse to face reality, but that's part of your problem. And it explains why you're facing the current issue.

So what is appropriate compensation for the GM of our GID? I can tell you that IMO it's NOT compensation of \$300K or more plus benefits. Because if that's what it takes (and I believe our HR Director and Bobby Magee are going to tell you that it is) and you don't have the revenue available to pay these sums WITHOUT resorting to the disingenuous involuntary financial subsidy we know as the RFF or the BFF, simply put, you need to go out of the GID business. Let someone else (like the county) pay such enormous and outrageous compensation amounts!

Now apart from the above, I object to paragraphs 6.5-6.7 and 6.9 of the proposed contract (see pages 73-74 of the Board packet):

Section 6.5 "Severance Benefit. If General Manager is terminated by the Board of Trustees without cause, then General Manager shall receive a one-time, lump sum cash payment equivalent to the sum of (i) General Manager's then-current monthly salary multiplied by _____, (ii) the cash value of General Manager's then-current monthly medical premiums multiplied by _____ as of the effective date of termination of employment and (iii) the cash value of his Annual Vacation Pay balance."

A) I don't object to paying this person the accrued cash value of his/her Annual Vacation Pay balance. But I do object to severance pay. You DON'T pay a public employee severance pay. Especially not an individual who is a figure head for the equivalent of a Mosquito District. PERIOD! Especially if the person is not the CEO of a county nor city. I don't care that we have a history of paying severance pay thanks to former GMs Bill Horn or Steve Pinkerton. The history is WRONG. And it's time to stop repeating the wrongs of the past. Don't you think?

Section 6.9 "In the event the Board of Trustees terminates General Manager for Cause, General Manager's sole remedy shall be a judicial action in declaratory relief to determine whether there was Cause. If the court determines there was no Cause, General Manager shall receive the severance pay provided in this Section 6, but no other damages, litigation costs or expenses, or attorneys' fees. Further, IVGID shall not be obligated to pay any severance amounts or continue any benefits in the event General Manager voluntarily resigns his employment."

A) I object to the language that if the court determines there was no Cause, General Manager shall receive the severance pay provided in this Section 6. If there was no cause, then the GM can sue to recover whatever it is he/she is entitled to for breach of contract, if any. But no severance compensation for the reasons given above. PERIOD!

Section 7.3 (see page 75 of the Board packet) "Nothing in this provision shall be construed to require the Board of Trustees to grant General Manager pay increases based on the performance standards, if any, mentioned above nor to limit in any manner the discretion of the Board of Trustees to grant or not grant increases."

A) Let's face the facts. Shall we? The real purpose of performance evaluations is to grant our GM annual bonuses. Right H.R. Director Fiore? But here staff disingenuously don't use the term "bonus." They call it "pay increases based on...performance standards." Here's the performance standard. Eliminate the RFF/BFF altogether and operate all of our recreational businesses on a break even or positive cash flow basis. If you can't perform this simple task, then don't talk to me about bonuses. \$300K or more annually isn't enough? And don't disingenuously refer to these bonuses as pay increases. Pay increases are covered by COLA (see section 3.2) which is a completely different subject. And you know this!

Section 8.2 (see page 75 of the Board packet) "During appointment as IVGID General Manager, and subject to the Board of Trustees budgetary approval of funds for such purpose, General Manager may attend and/or participate in professional activities, including, but not limited to, General Manager conferences and events, the League of Cities conferences and events, and such other national, regional, and local associations, provided that General Manager's ability to perform his duties as IVGID General Manager is not compromised."

A) Come on! Doesn't our H.R. Director know we're no longer members in the League of Cities? So why are we allowing our GM to attend their conferences and events at our expense? And what exactly are GM conferences and events? To my knowledge there is no such thing as the League of GID GMs in Nevada. Delete this provision altogether.

Section 8.6 (see page 75 of the Board packet) "If General Manager wishes to engage in other outside professional activities (e.g. teaching, consulting, expert witness testimony, speaking, or other non-IVGID connected business for which compensation is paid), he shall seek and obtain express prior consent of the Board of Trustees. General Manager will take paid or unpaid leave time for all such outside activities of this nature should such activities interfere with the General Manager's regular IVGID duties."

A) If our GM wants to run his/her own business, rather than being our full time GM, then he/she should not be our GM. Didn't we run into problems like this with former GM Winqest and several of his underlings like Rec Center employees who work for WCSD during the IVGID workday as physical education instructors? And we end up paying their salaries? Eliminate all of this garbage. It's unnecessary and only creates the opportunity for abuse. If our GM can't devote 100% of his/her time and loyalty to IVGID, he's/she's the wrong person for the job! And you know it.

And how about this one? Where is the provision which mandates that our GM be or become a full time resident of Incline Village/Crystal Bay? I thought we decided this was a unique requirement for any future GM when the Board hired Steve Pinkerton? What's different now? If you're not willing to live within the community you manage, then again, this type of individual is the wrong person for the job! And you know it.

Thank you for your consideration of these recommendations. One would have thought that our professional, competent staff would have made the recommendations that I have. If so, I have a couple of bridges in Incline Village to sell you. Because that's not what happens here in IVGIDville.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL JANUARY 25, 2024 MEETING –
AGENDA ITEM C – PUBLIC COMMENT – SEND A LETTER TO SENATOR
ROSEN TELLING HER THANKS BUT NO THANKS FOR THE PROPOSED
GRANT OF 14 ACRES FOR A DOG PARK**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff incompetence, lies, a lack of transparency, and a disregard for the financial sustainability of the District. After the Board indicated it was not interested in Forest Service lands across from the high school for a dog park, staff went behind the Board's back and asked the Forest Service for the same lands, except this time under the guise of open space and defensible space. And that's the purpose of this written statement.

Shouldn't Staff Understand What The District is Before it Proposed Contract Provisions to Offer to a New GM? We're nothing more than a limited purpose special district. Just like a mosquito district which has the limited power to furnish facilities for mosquito removal. Here water, sewer and solid waste removal services to local parcel owners, and public recreational facilities. And yet we need to go into the business of "open space?" Or "defensible space?"

My January 22, 2024 E-Mail to The Board: On January 22, 2024 I wrote to the Board on this very subject alerting members to what's going on behind their backs, and recommending they nip this matter in the bud by sending Congress a thanks but no thanks letter². Rather than regurgitating my e-mail's contents, I direct the reader to reach the e-mail attached, and conclude the merits of this agenda item for him/herself.

Conclusion: Why do staff go after a larger and larger footprint which costs local parcel owners more and more? Where does the money come from for all of these endeavors? Why do we keep doing what we've done in the past which has gotten us to the position we're in? For the reasons stated in my attached e-mail, I recommend the Board put an end to this endeavor here and now.

And now you the reader may have a better idea of what the District's Recreation ("RFF") and Beach ("BFF") Facility Fees really pay for which you can see for yourself have nothing to do with making public recreational facilities available for local parcel owners' access and use.

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

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else>.

² That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

January 25, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - You Need to Kill U.S. Senator Rosen's Bill That Would Add 14 Acres to Incline Village

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, Bandelin Mike <MLB@ivgid.org>
Subject: January 25, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - You Need to Kill U.S. Senator Rosen's Bill That Would Add 14 Acres to Incline Village
Date: Jan 22, 2024 4:13 PM

Chairperson Schmitz and the Other Honorable Members of the IVGID Board -

Did you read this article in last Friday's Tahoe Daily Tribune (go to <https://www.tahoe-daily-tribune.com/news/senator-rosen-introduces-bill-that-would-add-14-acres-to-incline-village/>)?

Did you read where Senator Rosen's legislation proposes that the 14 acres across from the high school and Pet Network, adjacent to Village Blvd., that former GM Winquest lobbied for a segregated dog park, would be deeded to IVGID "for open space, trails and fire reduction" as a result of our alleged request?

For the reasons which follow, you as a Board need to **KILL** this proposed donation right from the start! Please agendize the matter, to send Congress a "thanks but no thanks" letter, for your next Board meeting.

1. First of all, the Board has NEVER made a request like this. Has it?
2. Second of all, the Board NEVER directed former GM Winquest to make a request like this. Has it?
3. Yet apparently, GM Winquest did! Because you abdicated away the Board's authority to unelected staff. And when you do something like this, look at what happens!
4. What, we don't have enough open space? We don't have enough trails to maintain? We're now in the fire protection/reduction business?
5. Please show me where in NRS 318 that a GID is empowered to acquire real property for open space. Or trails. Yes real property can be acquired. However, only to advance basic powers it is authorized to exercise.
6. And show me where the Washoe County Board of Commissioners ("County Board") has ever granted IVGID the basic power to furnish facilities for open space. Or trails. You'll recall that even if IVGID were empowered by NRS 318.116 to furnish facilities for open space or trails, NRS 318.077 mandates that grant still be formally approved by the County Board. And here it hasn't.
7. And although GIDs do have the power to "furnish...facilities for protection from fire" [see NRS 318.116(17)], show me where the County Board has ever granted this basic power to IVGID as NRS 318.077 mandates.
8. And show me where IVGID has been formed as a NRS 318A Parks, Trails and Open Space District which unlike a GID, does have the power to "acquire, construct, reconstruct, improve, operate, maintain, manage, restore, extend and better lands, works, systems and facilities, improvements and projects for parks, **trails and open space**" [see NRS 318A.300(1)(a)].
9. Moreover, didn't this Board expressly instruct former GM Winquest that the District was not interested in pursuing a special use permit with the USFS for this very same parcel of land to be used as a segregated dog park?
10. And how did former GM Winquest respond? He changed the represented use to open space, parks and trails, and then reaffirmed the application with the USFS. Sending the message the District really wanted this land for these purposes, even though former GM Winquest knew no such pronouncement had ever been made.
11. And then former GM Winquest and his minions (like Whiner Riner) pressured County Board Commissioner Alexis Hill to lobby Senator Rosen to include this land in the subject bill. Coincidental? Unintentional? Circumvention?

12. And BTW, what local public agency do we know that has a history of **lying** to other public agencies insofar as "open space" use is concerned? Wouldn't it be IVGID? Don't you remember when former Finance Director Gerry Eick lied to the County Board that if it granted title to 93 or so unbuildable Bitterbrush parcels, those parcels would be used and maintained by the District for...are you ready for this one? Open space.

13. And then what did our beloved Gerry do? He sold three of the lots to private parties for purposes other than "open space." That is before he was caught and exposed.

14. But that was "water under the bridge." Right Trustee Tonking? Or are we supposed to believe our dishonest staff now when they cry chicken little for open space, notwithstanding their prior track record? Full me once, shame on you. Full me twice, shame on me!

15. BTW, aren't these lands in essence already protected as open space? So why do we have to do the fed's work? And at local parcel owners' expense? Do nothing and they will continue to exist as open space.

16. Finally, please understand that even if Senator Rosen's bill is passed and our 14 acres is included therein, we're not responsible for accepting the grant until our Board affirmatively approves the same. That's right! NRS 318.160 mandates that a majority of the Board must approve any acquisition, disposal or encumbrance of property already devoted to public purpose or use. So rather than waiting for the other shoe to drop, or another Board to approve this "gift," how about being pro-active and telling Congress here and now "thanks, but no thanks?"

And that's what I ask. Please agendize this matter (sending Senator Rosen a letter asking she remove the subject 14 acres of Incline Village land for IVGID's alleged open space, trail and fire reduction purposes) for possible action at the Board's next meeting.

Thank you. Respectively, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL JANUARY 25, 2024 MEETING –
AGENDA ITEM G(3) – PROPOSED LEGAL SERVICES AGREEMENT
WITH THE BB&K LAW FIRM**

Introduction: Well here's yet "another one" as my friend DJ Khaled would say¹. More evidence of staff incompetence and disregard for the financial sustainability of the District. A new proposed contract to enter into with the BB&K law firm. And that's the purpose of this written statement.

Shouldn't Staff Understand What The District is Before it Proposed Contract Provisions to Offer to a New GM? We're nothing more than a limited purpose special district. Just like a mosquito district which has the limited power to furnish facilities for mosquito removal. Here water, sewer and solid waste removal services to local parcel owners, and public recreational facilities. And yet we need legal representation at our various public meetings at a cost of many several hundreds of thousands of dollars annually?

Didn't This Matter Come Up at The Board's January 10, 2024 Meeting? And Wasn't Action Deferred to Give Trustee Tonking The Opportunity to Negotiate the Hourly Fees BB&K Were Seeking? And Now We See This Negotiating Sleuth Has Negotiated a Maximum \$30 Savings Per Meeting: That's right!

Do You Realize These Attorneys Don't Even Maintain an Office in Nevada, Let Alone Washoe County? That's right!

And if We Require Litigation Support We're Going to Have to Hire a Second Set of Attorneys Just to Provide The Same Services: That's Right!

I Am Predicting The Annual Cost is Going to Be Several Hundred Thousands of Dollars Annually:

And We Didn't Even Go Out For Public Bid: That's Right!

And Exactly Who is Representing The Board in Its Negotiations With BB&K? No One!

Didn't The New Board Make it Clear to BB&K a Year Ago That Going Forward, BB&K's Client Was The Board Rather Than Staff? What happened?

Didn't BB&K Tell The Board Last Year That They Would Not Be Renewing Their Legal Services Agreement With The District Come The End of Last Year? What happened?

¹ Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

Didn't The Board Tell Staff to Hire Their Own Attorneys if Necessary, Rather Than Using The Board's Attorney? What happened?

If You Need to Spend Several Hundred Thousands of Dollars Annually For a General Counsel, You Need to Get Out of The Limited Special Purpose District We Know as IVGID!

Because We Can't Afford It!

My January 23, 2024 E-Mail to The Board: On January 23, 2024 I wrote to the Board on this very subject recommending members not go forward with the BB&K proposed contract as suggested². Rather than regurgitating my e-mail's contents, I direct the reader to reach the e-mail attached, and conclude the merits of this agenda item for him/herself.

Conclusion: Does the District need its own full time attorney? Can it afford to pay for one given its limited revenue sources? So why do we keep doing what we've done in the past which has gotten us to the position we're in? For the reasons stated in my e-mail, I recommend the Board simply say no.

For the reasons stated in my attached e-mail, I recommend the Board simply say no. And it begin the process of getting out of the money losing recreational and other commercial "for loss" business enterprises we're currently in.

And now you the reader may have a better idea of what the District's Recreation ("RFF") and Beach ("BFF") Facility Fees really pay for which you can see for yourself have nothing to do with making public recreational facilities available for local parcel owners' access and use.

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

² That e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

January 25, 2024 IVGID BOT's Meeting - Agenda Item G(3) - Possible Approval of Legal Services Agreement With BB&K - Why Exactly?

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>
Subject: January 25, 2024 IVGID BOT's Meeting - Agenda Item G(3) - Possible Approval of Legal Services Agreement With BB&K - Why Exactly?
Date: Jan 23, 2024 12:03 AM

Chairperson Schmitz and the Other Honorable Members of the IVGID Board -

Here Trustee Tonking proposes we agree to pay the BB&K firm hundreds of thousands of dollars annually, and really for what? Basically to attend Board and committee meetings and caution members thereat when they propose running afoul of the OML. What a waste! And we don't have the money to pay for an extravaganza like this. Remember, we're nothing more than a limited purpose special district. GIDs like us don't pay anywhere near the legal fees we pay. Just look at SVGID. They pay \$1K per month. Not good enough? Look at any of the other 83 or so GIDs in the State and show me one that pays anywhere near as much as we pay. And again, for what?

Besides the IVGID Board we have an Audit Committee. And a Golf Advisory Committee. And a Capital Advisory Committee. How many combined meetings do we have a month for all of these committees plus the Board? 5? 6? 8? Here Trustee Tonking proposes we pay the alleged discounted rate (discounted by a whopping \$10 per hour - thank you very much for your negotiating expertise Trustee Tonking) of \$275 per hour for BB&K attorneys, up to a maximum of three hours, and thereafter, the regular rate for Basic Legal Services (\$285 per hour), for mere participation at meetings. For a typical 4 hour meeting, that's \$1,110. And if the attorney physically attends our Board/committee meetings from Sacramento (remember, they have no offices in Nevada), that's \$1,400. And what about preparation time for meetings? At \$285 per hour. Whatever the number, remember, times 5, 6, 8 times per month!

And we continue to pay for a CSR court reporter to transcribe our meeting minutes. Word for word. At a typical cost of \$1,250 or more per meeting (see page 41 of the Board packet). Unbelievably, for committee meetings as well (see pages 1-43 of the January 11, 2024 Golf Advisory Committee meeting). When we supposedly have a well qualified Board Clerk. Where the heck is the financial responsibility? And where does the money come from given ad valorem and C-tax revenues are insufficient just to cover personnel costs assigned to the General Fund?

Moreover, if we have this much need for an attorney, don't you think the time has come to hire one as a staff member where he/she will be available 24/7 like all our other senior position employees? And our costs will be far less than \$285 per hour.

Moreover still, what do we need an attorney for to attend Board/committee meetings? Really nothing more than to advise if a discussion ventures into possible general business matter discussions which have not been clearly and completely identified on the agenda for that meeting. Can't we really determine this venturing on our own? Or if we venture too far, can't we secure a legal opinion after the fact to cure our impermissible venture given OML violations can be cured up to 30 days after the fact (see NRS 241.0365)?

If the Board needs an attorney for legal work other than attending meetings, it can have an agreement such as the current proposed one that does not include a scope of work which includes attendance at meetings. But not for wasteful services, nor those of staff (BB&K is the Board's attorney - NOT staff's - see discussion below). But that's not what is being proposed here. Just listen to the scope of services which generate fees for BB&K. And BTW, per look at section 3.2 of the proposed legal services agreement: "BB&K shall serve as General Counsel." What exactly does "general counsel" mean? What additional services are included as and for being "general counsel?" Do we intend to designate BB&K as the District's single, all encompassing attorney?

And who is protecting the District since BB&K has drafted the proposed agreement and obviously has a conflict of interest in recommending entrance or refusal to enter into its proposed agreement? Or do we simply take BB&K's word?

Let's start with section 3.2.8 "Representing and assisting on litigation matters, as directed by the Client. Such services shall include, but shall not be limited to, the preparation for and making of appearances, including preparing pleadings and petitions, making oral presentations, and preparing answers, briefs or other documents on behalf of the Client, and any officer or employee of the Client, in all federal and state courts of this State, and alternative dispute resolution officer, and before any governmental board or commission, including reviewing, defending or assisting any insurer of the Client or its agents or attorneys with respect to any lawsuit filed against the Client or any officer or employee thereof, for money or damages.

Client understands and agrees that BB&K does not currently have a Nevada office. As such, all litigation matters will require local co-counsel per applicable requirements."

Come on! Now why would you ever agree to a provision like this? If BB&K is not equipped to provide litigation services in Nevada because it doesn't maintain an office in Washoe County, then WHY, WHY WOULD WE EVER AGREE TO HAVE THEM BE OUR ATTORNEYS FOR LITIGATION MATTERS IN NEVADA? Co-counsel means multiple, unnecessary attorneys and multiples of the reasonable costs therefore. Totally wasteful. And why? Because the attorneys we've selected don't even maintain an office in Nevada? We don't require these services. If we need litigation support, we get it from local attorneys equipped and experienced therefore on an if and when basis. Am I wrong?

Next let's go to our biggest problem with the proposed agreement which BB&K has gone OUT OF ITS WAY to create. It's who is the client? In other words, who exactly is doing the "directing" of the various services spelled out in BB&K's proposed agreement? It's not staff's attorney. It's the Board's attorney. And who is it? Obviously NOT BB&K! And who should it be? Obviously BB&K. The way the agreement is currently written, we have a conflict of interest. We don't even have a "one division, one team" when it comes to our Board. It's divided 3-2. So you think our staff is part of "one division, one team" with the Board? If so you're crazy. The public has suffered from this conflict of interest for years. Please DON'T continue this conflict. If staff truly require their own attorney, they should hire one dedicated to their wants and needs just the way they've hired a Director of Food and Beverage and Director of Admin Services. Not the Board's attorney. Change who is the client from IVGID to the IVGID Board. That way there's now question. Nor confusion.

Section 3.2 of the proposed legal services agreement goes on to designate the following services as part of the Services to be performed thereunder:

Section 3.2.1 "Preparation for (see I told you), and attendance at, public Board of Trustees meetings;"

Section 3.2.2 "Provision of legal counsel at such other meetings as directed by the Client" (i.e., Audit Committee, Golf Committee, Capital Committee, Dog Park Committee?, whatever other committees?). See, I told you;

Section 3.2.3 "Preparation or review of Client ordinances and resolutions, together with such STAFF reports, orders, agreements, forms, notices, declarations, certificates, deeds, leases and other documents as requested by the Client." You mean as directed by staff. Right? Even though BB&K are supposed to be the Board's attorney;

Section 3.2.4 "Rendering to the officers and employees of the Client (again, STAFF) legal advice and opinions on all legal matters affecting the Client, including new legislation and court decisions." And are these services being "directed?" Or is BB&K simply providing them whether or not requested, because it thinks this is their job as "general counsel?"

Section 3.2.5 "Researching and interpreting laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the Client (i.e., STAFF) on legal matters pertaining to Client

operations;"

Section 3.2.6 "Performing legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, as directed by the Client (again, are these services being "directed?" Or is BB&K providing them whether or not requested?);

Section 3.2.7 "Responding to inquiries and review for legal sufficiency ordinances, resolutions, contracts, and administrative and personnel matters, as directed by the Client." Again, are these services being "directed?" And if so by whom? When has the Board requested such services in the last year?

Don't you think it's about time you as a Board stop wasting public funds? Well here's a place to make a start. Don't you think?

Finally, stupid me thought we were going out to public bid either via RFP or RFQ. What happened? Why aren't we securing attorneys who have actual offices in Washoe County? You don't think we can find them at \$285 per hour or less? Come on! Start acting professionally. Mosquito Districts, which are the equivalent of what IVGID is, don't require and certainly can't afford services such as these. And each of you know this statement of fact to be true.

Respectfully, Aaron Katz

General Manager Contract

1.5 "...he is expected to be available at ALL times."

1.7 duties should include that the GM is expected to be present and available during HOLIDAYS, summer vacation months (generally JUNE, JULY AND AUGUST) and school vacations as these are the times of greatest demand for services.

4.2 Life insurance should be greater than \$50,000

5.3 Why add additional pay for HOILDAYS as he is receiving a salary for ALL dyas within a year?

6.5 should eliminate Severance Benefit. Why reward someone who is terminated which implies being rewarded for failing at their responsibilities?

NO requirement for letters of recommendation

NO requirement of a background check for criminal, financial or litigation involvements?

Director of Golf Contract

NO requirement for letters of recommendation

NO requirement of a background check for criminal, financial or litigation involvements?

Under qualifications (pg 2) What is meant by "Reasonable accommodations may be made to enable individuals with disabilities to perform ESSENTIAL functions."?

It may be better to consolidate all **FOOD AND BEVERAGE** under a separate department to control and supervise all those services at all IVGID sites (golf, ski, Chateau, Aspin Grove, Snowflake lodge, tennis, rec. center, Preston field, and all other present and future sites. It seems long overdue that this aspect becomes AT LEAST a self-sustaining community service.