

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Indra S. Winqest  
Interim General Manager

Paul Navazio  
Director of Finance

**SUBJECT:** Resolution Number 1880: A resolution of intent to initiate the process to transition the Incline Village General Improvement District from use of Governmental Fund type - Special Revenue funds to use of Proprietary Type - Enterprise funds for the District's Community Services and Beach funds beginning with the FY2021-22 budget.

**DATE:** May 21, 2020

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### **I. RECOMMENDATION**

The Board of Trustees makes a motion to adopt Resolution Number 1880 which establishes the District's intent to initiate the process to transition the Incline Village General Improvement District from use of Governmental Fund type - Special Revenue funds to use of Proprietary Type - Enterprise funds for the District's Community Services and Beach funds beginning with the FY2021-22 budget.

### **II. BACKGROUND**

The Board of Trustees has directed Staff to explore the possibility of transitioning the District's Community Services Fund(s) and Beach Fund from Governmental Fund Type - Special Revenue funds back to Proprietary Type- Enterprise funds, as was in place prior to the 2015-16 fiscal year.

A preliminary Staff report on this topic was presented to the Board's at their meeting of April 1, 2020 (Item H.4). Among the highlights of the April 1, 2020 Board of Trustees meeting item was a discussion of the process required by the State of Nevada, Department of Taxation for approval to switch fund-types. Approval for the transition is required, in advance, in order for the District's formal budget submittal to be accepted by the State. As a result, the State Department of Taxation advises that the earliest that District can formally submit its budget to the State under a new fund-type structure would be for the 2021-22 fiscal year.

A Resolution of Intent to initiate the process to transition to use of Proprietary Type – Enterprise funds for the District’s Community Services and Beach funds beginning in FY2021-22

Given the Board of Trustees continued interest in pursuing a transition back to Enterprise fund-types for the District’s Community Services Fund(s) and Beach Fund, Staff is seeking Board approval to initiate the required process by adoption of a Resolution of Intent (Resolution Number 1880), to serve as the formal notice to the State Department of Taxation.

Additional work will be needed early in fiscal year 2020-21 to prepare documentation required by the Department of Taxation, however, it would be Staff’s expectation that a formal request for a hearing before the Local Government Finance Committee could be held in late summer or early fall, and provide sufficient time to inform development of the District’s FY2021-22 annual budget.

### **III. FINANCIAL IMPACT AND BUDGET**

There is no direct financial impact of the Staff recommendation; the proposed resolution would merely initiate a process for a change in the fund-types used for District operations, capital and debt beginning in FY2021-22.

### **IV. ALTERNATIVES**

The Board could provide direction to Staff to delay consideration of this resolution until a future date.



**RESOLUTION NO. 1880**

**A RESOLUTION OF INTENT TO INITIATE PROCESS TO TRANSITION THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FROM USE OF GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS TO USE OF PROPRIETARY TYPE - ENTERPRISE FUNDS FOR FOR THE DISTRICT'S COMMUNITY SERVICES AND BEACH FUNDS BEGINNING WITH THE FISCAL YEAR 2021/2022 BUDGET**

**RESOLVED**, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

**WHEREAS**, on December 10, 2014, the Board of Trustees directed Staff to apply for approval of the District's Fiscal Year 2015/2016 budget by the Nevada Department of Taxation utilizing Special Revenue, Capital Projects and Debt Service Fund accounting for Community Services and the Beach Funds; and

**WHEREAS**, the District, upon a determination by the Nevada Department of Taxation that the Fiscal Year 2015/2016 budget was found to be in compliance with NRS 354.598 by the Nevada Department of Taxation; and

**WHEREAS**, the District has continued to utilize Governmental Fund Type Special Revenue funds for its Community Services Funds and Beach Fund, since Fiscal Year 2015/2016 through and including preparation of the District's Fiscal Year 2020/2021 budget; and:

**WHEREAS**, the District has determined that a transition back to use of Proprietary Fund Type Enterprise Funds for its Community Services Funds and Beach Fund is consistent with the desired intent of the business-like operations of the District; and

**WHEREAS**, the Nevada Department of Taxation has provided guidance as to the process required for formally request consideration by the Department of Taxation of the District's request; and

**WHEREAS**, the initial step in the process is for the Board of Trustees to adopt a Resolution of Intent to be submitted to the Nevada Department of Taxation;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. Incline Village General Improvement District expresses its intent to transition to the use of Proprietary Fund Type -Enterprise Funds for



**RESOLUTION NO. 1880**

**A RESOLUTION OF INTENT TO INITIATE PROCESS TO TRANSITION THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FROM USE OF GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS TO USE OF PROPRIETARY TYPE - ENTERPRISE FUNDS FOR FOR THE DISTRICT'S COMMUNITY SERVICES AND BEACH FUNDS BEGINNING WITH THE FISCAL YEAR 2021/2022 BUDGET**

its Community Services Funds and Beach Fund beginning in Fiscal Year 2021/2022.

- 2. Incline Village General Improvement District has determined that use of Proprietary Fund Type Enterprise Funds for its Community Services Funds and Beach Fund is consistent with the desired intent of the business-like operations of the Incline Village General Improvement District.
- 3. Incline Village General Improvement District Board of Trustees, through adoption of this Resolution, directs Staff to initiate the process fo rconsideration of approval of the requested change by the Nevada Department of Taxation.
- 4. Incline Village General Improvement District Board of Trustees further directs Staff to prepare and develop the necessary documents, reports and concurrence letters, as may be required by the Nevada Department of Taxation in support of this request.

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I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 27th day of May, 2020, by the following vote:

AYES, and in favor thereof, Trustees:  
NOES, Trustees:  
ABSENT, Trustees:

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Kendra Wong  
Secretary, IVGID Board of Trustees