

MINUTES

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

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

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

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

C. INITIAL PUBLIC COMMENTS*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. APPROVAL OF AGENDA (for possible action)

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

E. CONSENT CALENDAR (for possible action)

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

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

F. GENERAL BUSINESS (*for possible action*)

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

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

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

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

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

G. FINAL PUBLIC COMMENTS*

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

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

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

H. ADJOURNMENT (for possible action)

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

Respectfully submitted,

Melissa N. Robertson
District Clerk

Attachments*:

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

Submitted by Michael Briggs

Submitted by Elyse Gut

Submitted by Mary Horsley

Submitted by Steven Ross

Submitted by Monica Hill

Submitted by Scott Hill

Submitted by Mick Homan

Submitted by Steve Trevino

Submitted by Amy Trevino

Submitted by Cheryl Evans

Submitted by John Jensen

Submitted by Aaron Katz

Submitted by Margaret Martini

Dear IVGID Trustee,

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

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

Here are the verifiable facts:

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

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

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

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

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

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

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

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

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

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

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

Thank you.

*Michael Briggs
582 Douglas Ct.*

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

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

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

Thank you.

Elyse Gut

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment for IVGID Board Meeting 4/5/23

Name: Monica Hill

Address: 1093 Tiller Drive

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

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

the Resident Beaches and Boat Launch

Diamond Peak ski area,

the Recreation Center,

Racquet facilities,

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

And many great community programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mick Homan

Incline Village resident

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

- I also worked with the pros to plot out the portion of their time dedicated to the clubs. The fact is, about 25% of their time is dedicated to the clubs
 - That's commensurate with the club's tee time percentage
 - I also looked at the supplemental budget forecast for tonight.
 - I believe its overly conservative
 - There's 20% more tee times, a 5-11% increase in rates, and we're eliminating the AYCP passes and forcing that group into higher priced rounds – and yet we're only projecting a 15% increase in golf revenue?
 - Part of that's because Darren is only projecting that 50% of the added tee times will be used.
 - That ~~kind of~~ flies in the face of the narrative that people can't get a tee time.
 - ~~Finally~~ on the second supplement on tee time usage. It looks at club usage as a percentage of projected rounds.
 - If its being used to assess tee times available to the public, It should look at club usage as a percentage of available rounds like my analysis did
 - In any event, please listen to what you're hearing and weigh the merits and credibility of the arguments.
 - ~~In my experience~~ if one side of a debate needs to use false narrative to make their case, ~~their~~ case can't stand on its merit.
-
- Moving away from that model hurts us all, but will disproportionately hurt the working members of the community
 - The community already has huge issue with working families being pushed out of the community due to affordability
 - One of the key benefits that enables some of these families to stay is the range of affordable recreational amenities
 - But this push will chip away at that benefit, which could accelerate the exodus of working families
 - That will worsen an already troubling labor issue for all business in the district and deliver a dramatic blow to the social fiber of the community
 - The current proposals are already making golf unaffordable for many families.

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

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

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

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

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

Dear Board Members:

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

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

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

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

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

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

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

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

Thank you.

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

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

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

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

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

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

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

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

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

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

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

Words: 416

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT "A"

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

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

Budget Highlights

Revenue/Sources

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

Staffing –

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

*Based on budget

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

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

Operations and Maintenance

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

Capital

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

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

Budget Highlights

Revenue/Sources

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

Staffing –

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

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

Operations and Maintenance

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

Capital

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

EXHIBIT "B"

2022 - 2023 Authorized Positions

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

9/20/22 Board Pack et

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Standard Salary Ranges

Effective July 1, 2022

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

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

EXHIBIT "C"

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

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

Chairperson Dent and Other Honorable Members of the Board -

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

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

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

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

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

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

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

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

\$500,701 of losses after the subsidy of \$1,139,074 of RFF's. Total loss = \$1,449,020. And remember, Mr. Howard wants you to think the Mountain Course only lost \$123,128 (see page 21 of the Board packet). It didn't.

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

But wait. There's more.

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

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

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

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

Yield Management: I made this recommendation insofar as pre-booking fees are concerned. It has equal application here. There are certain days and times when the District can command surcharged or tiered pricing based upon yield management fundamentals. I mean more than days of the week or holidays. Early morning hours and special holidays. Whereas private club members with 40 play passes at the Champ Course will be paying \$74.00 or \$44.98 after 2 P.M. on these dates/at these times (see page 13 of the Board packet), can't we get hundreds of dollars more per round at these dates/times from non-PPHs? Staff's waste is unnecessarily costing us thousands if not tens of thousands of dollars on each of these "tiered" days/times.

The fix is to adopt **black out dates/times** for play passes. That way private club members will have to pay the going surcharged rate or let other members of the public pay those rates because play passes are doing something else. And if the PPH core golfers in town who would purchase play passes don't like it, do what Gaily Krolick recommends. MOVE!

Eliminate Play Passes Altogether: This is the better fix. We have a daily PPH rate and non-PPH rate. That's it! No play passes to artificially bring down the price to private club members. After all, aren't we "one division, one team?" So isn't it about time to start acting as such?

Additionally, understand that play passes aren't for all PPHs. They're essentially only for private club members. What good does it do the PPH who is not a member of a private club to buy a play pass if he/she can't get a prime T-time to use his/her pass since all are already pre-booked by these clubs? Since it doesn't, under Mr. Howard's proposal he is in essence giving private club members a discount from the daily PPH rate. Eliminate the play passes, increase revenues, and now make treatment of all PPHs the same. And if the PPH core golfers in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate Guest Fees: Like I said, one division one team means that we have a daily PPH rate and a daily non-PPH rate. That's it! No guest fees to artificially bring down the price to select non-PPHs. This is wrong, and unnecessary. And since discounted "guest" fees are NOT offered at any of our other recreation venues, why golf? Just more preferences to our core golfers which are being subsidized by

recreation venues, why give just more preferences to our core golfers which are being subsidized by the rest of us. And if the PPH core golfers in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate Couples Passes: I understand staff are recommending the elimination of this discriminatory and preferential product to our core golfers. Since I agree, I have nothing more to say about it. Except if the local couples in town don't like it, do what Gaily Krolick recommends. MOVE!

Eliminate Discounted Charity Rates: And STOP referring the beneficiaries of these rates as "charities." They're qualified non-profits. Not every non-profit is a charity.

At the proposed \$4,290 non-profit rate to take over the Champ Course (see page 11 of the Board packet), the net cost/golfer assuming all 72 potential spots can be sold, works out to \$59.59 per round. Now how does this compare to our actual costs per round according to staff at \$129.81 (see page 9 of the Board packet)? Or \$108.70 excluding capital? Or \$87.56 excluding everything other than operating costs? In other words, WE LOSE MONEY! And if we compare these numbers to the retail rates we conceivably could be generating, THE LOSSES ARE EVEN GREATER! And for what? And why? We don't exist to be making public facilities available to outsiders for less than our costs so they can make profits at our expense. And we don't exist so local parcel/dwelling unit owners can pay the deficiency. And I thought outsiders' rates would never be lower than the PPH rate. Stupid me. So why is there a charity rate?

Let's look at the proposed \$2,310 non-profit rate to take over the Mountain Course (see page 11 of the Board packet). The net cost/golfer assuming all 72 potential spots can be sold by the non-profit, works out to \$32.08 per round. Now how does this compare to our actual costs per round according to staff at \$75.23 (see page 9 of the Board packet)? Or \$66.40 excluding capital? Or \$52.47 excluding everything other than operating costs? In other words, again WE LOSE MONEY! And if we compare these numbers to the retail rates we conceivably could be generating, THE LOSSES ARE EVEN GREATER! And for what? And why? So why is there a charity rate?

Eliminate these preferential rates and let these non-profits pay the going PPH or non-PPH rate.

I don't want to hear the disingenuous argument that these charities are entitled to rates below our costs because some of our PPHs are members. Well my answer is STEP TO THE PLATE PPH MEMBERS. You pay the difference between the discounted rate you seek for your non-profit and the normal PPH rate. Instead of making your non-golf neighbor subsidize your non-profits' discounted rate. And if the non-profits in town don't like it, do what Gail Krolick recommends. MOVE!

Eliminate the Two Full Time PGA Golf Pros Who Exclusively Coordinate Tournament Administration For Mostly Local Private Clubs: According to Cliff Dobler, Mr. Howard has admitted that the District hires two employees who are PGA members to work exclusively administering essentially 330 tournaments per season, at least 80% represent private golf club tournaments. This is outrageous. If all they perform are administrative functions, and assuming it's appropriate at local parcel/dwelling unit owners' expense, shouldn't we be replacing these administrative persons with lower cost hourly minimum wage employees?

And why are we offering full time benefited positions for these two? The golf season in Incline Village lasts maybe 5 months per year. Why are we paying/benefiting these individuals for an additional 7 months' worth of work?

Eliminate Financial Reporting Which Includes Ancillary Matters: such as Bar Cart sales, club rentals, range ball rentals, food and beverage sales, Grille Restaurant sales, merchandise sales, Chateau sales, etc. Let's view each of these functions on their own so we can determine whether it makes financial sense to continue operating them. Moreover, their salary costs alone exceed \$200K combined. This is an unnecessary and wasteful expense.

Hopefully you will incorporate all or at least some of these recommendations. Respectfully, Aaron Katz

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

From: <s4s@ix.netcom.com>
Sent: Apr 1, 2023 2:00 PM
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: April 5, 2023 IVGID Board Meeting - Agenda Item F(1) - It's Time to Terminate Community Services Director Darren Howard as an IVGID Employee - SECOND REQUEST

Chairperson Dent and Other Honorable Members of the IVGID Board -

On March 20, 2023 I e-mailed to all of you suggesting that our real problem with Golf is Darren Howard. So if you wanted to fix the problem, Mr. Howard needed to go. I have replicated that e-mail below to refresh your recollections.

Now with respect to April 5, 2023's upcoming Board meeting, I have additional evidence to support of my request. And that's the purpose of this e-mail.

Let's take a step backwards for a moment. Just like Susan Herron has been given the disingenuous title of Director of Admin Services with a big pay raise, Mr. Howard has been given the disingenuous title of Director of Community Services to justify a big paycheck. Even though Mr. Howard is nothing more than venue manager for Champ Golf. That's it. Don't believe me? Why don't you ask Mike Bandelin, our venue manager for Diamond Peak, what Mr. Howard does for Ski? Or Sheila Leijon, our Director of Parks and Recreation, what Mr. Howard does for Parks and Recreation. Or Bill Vandenburg, our Director of Food and Beverage, what Mr. Howard does for Food and Beverage? The answers to all of these questions is NOTHING! Why then the title? Because Mr. Howard is nothing more than venue manager for Champ Golf. But in order for us to pay him what he requires, we need to create the allusion Mr. Howard's duties and benefit to the District go way beyond golf even though they don't.

Okay. What are we paying Mr. Howard for his vast experience and qualifications as the Director of Community Services? According to the current fiscal year's budget, he is a salary category "40" full time employee (see page 052 of the 5/26/2022 Board packet). What is the pay range for such an employee? Between \$141,001-\$197,401 (see page 055 of the 5/26/2022 Board packet). What is staff proposing for Mr. Howard's compensation for the new upcoming 2023-24 fiscal year? A 7.8% increase "due to cost-of-living adjustments...to remain competitive within the competitive labor market" (see page 91 of the 4/5/2023 Board packet). This increase could push Mr. Howard's annual salary to as much as a whopping \$212,800 plus benefits!

So what is Mr. Howard being paid Indra? And while you're figuring out what to tell the public, let's see what we're getting for our money, shall we?

Mr. Howard has authored an April 5, 2023 staff memo on this agenda item. Notwithstanding "Golf" has been operating at a \$2M> annual loss for the last several years, Mr. Howard continues to REFUSE to do what's necessary to make this venue business cash flow neutral. And his excuse? Although he's come up with some revenue increases, without addressing some of the fundamental structural flaws, he concludes that "the proposed rates, while generating a slightly higher level of cost-recover in comparison to current rates, will remain at a level BELOW THE COST PER ROUND." I and others I know feel this is UNACCEPTABLE!

At the Board's March 22, 2023 meeting as well as the one upcoming on April 5, Mr. Howard told us that "if the board requires that the golf courses cover Operational, Overhead, Debt and Capital (costs) on a yearly basis, this would require AN ENTIRELY DIFFERENT BUSINESS MODEL" (see page 12 of the 4/5/2023 Board packet). On March 22, 2023 I asked the Board to instruct Mr. Howard to go back to the drawing board and come up with an entirely different business model. SO WHERE IS IT MR. HOWARD?

Let's continue.

At page 7 of the 4/5/2022 Board packet Mr. Howard recommends that the Board "eliminate pre-

book fees for all PPHs at both golf courses." And this is because SIX (6) or so of our local private clubs have ALREADY pre-reserved nearly 1/3 of all prime T-times at the Champ Course for the entire 2023 season. And this is notwithstanding the fact the Board hasn't approved such pre-reservations. And what have these clubs paid to IVGID for the privilege of pre-reserving these T-times? Nada. Nothing. Zero!

Now look at page 9 of the 4/5/2023 Board packet. There Mr. Howard tells us that "projected total Green Fee revenue" at the Champ Course when estimated at a 5%, 8% or 11% increase in rates. will total "\$x," "\$y," or "\$z" PLUS a \$82,800 Pre-book fee if approved."

Now look at page 10 of the 4/5/2023 Board packet. There Mr. Howard tells us that "projected total Green Fee revenue" at the Mountain Course when estimated at a 5%, 8% or 11% increase in rates. will total "\$x," "\$y," or "\$z" PLUS a \$16,160 Pre-book fee if approved."

I don't understand. On one hand Mr. Howard is telling us staff is recommending there be no pre-book fee at either course to any PPH. And on the other, there will be \$82,800 of pre-book fees at the Champ Course, and another \$16,160 at the Mountain Course. That's nearly \$100K of additional pre-book fees Mr. Howard wants to leave on the table!

Now we don't understand how Mr. Howard came up with these numbers because he doesn't explain in his memorandum (another example Indra of NON-Transparency). But let's assume our local private golf clubs have pre-reserved 8,280 2023 rounds at the Champ Course (roughly 1/3 of all such possible rounds), and 1,616 2023 rounds at the Mountain Course. That would work out to \$10/round. Which if this were the case, it is NOT enough!

The fact Mr. Howard has "caved in" to what I expect is private club pressure, rather than exercising his impartial recommendation to bridge the financial gap, demonstrates to me he's NOT an employee we need here at IVGID. And the fact he may be garnering an annual salary of \$212,800, IMO is A CRIME. As well as a WASTE.

Two final points. Point 1: I have been informed that Mr. Howard has made the representation to Trustee Tonking and others that his recommendations would include a pre-booking fee of \$10/booking, applied to all pre-bookings. Specifically including those of our private golf clubs. Now if this is true, then Mr. Howard is either an incompetent or a liar. Take your pick because it really makes no difference. And the net result of being either is: "you're fired."

I am certain that our local core golfers will be vehemently opposed to these suggestions. Well let me be the first to recommend that if you don't like it, do what our esteemed Gail Krolick suggested. MOVE! The fact you people are too cheap to pay for your own golf and have no reservations in asking your non-golf playing neighbor to subsidize the cost of YOUR recreation, translates into one word. **TAKER!**

There should be a pre-booking fee for ALL pre-bookings. The amount should be non-refundable, paid up front at the time of the pre-booking, and be based on a sliding scale. Thus the farther out one pre-books, the higher the fee. And exercising yield management, the greater the demand for a pre-booking date (such as 4th of July weekend), the greater the fee. You see, although I'm no golf pro like Mr. Howard, my management recommendations are worth infinitely more than his. This is an example of the old adage, "you don't need to be a baker to know what a good cake tastes like." And I'm not even being paid, let alone over paid!

Point 2: The public's golf facilities are NOT your private country club. So stop demanding that's how they should operate. And to add insult to injury, you won't even pay the type of membership fee you would be expected to pay to any other private country club. Why? Because you're a **TAKER!** Pure and simple.

Respectfully, Aaron Katz

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

From: <4s@ix.netcom.com>

Sent: Mar 20, 2023 4:11 PM

To: Dent Matthew <dent_trustee@ivgid.org>

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

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

Chairperson Dent and Other Honorable Members of the IVGID Board -

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

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

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

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

1. Daily green fee rates to non-picture pass holders ("PPHs"), on average, exceeded our fully loaded (operating, overhead, capital and debt service) cost at both courses;
2. Daily green fee rates to a PPH's guest cover our operating and overhead (but NOT capital nor debt service) costs;
3. Daily and season pass rates to PPHs fall well below the previously suggested cost recovery target for play at both courses;
4. Notwithstanding, a proposed 5% increase to daily rates at the Champ Course will cover operating and overhead costs;
5. But a proposed 5% increase in daily rates at the Mountain Course will remain at a level below the cost per round (i.e., they will NOT cover operating and overhead costs);
6. Although non-profit rates to take over exclusive use of our golf courses so they can make money for their particular flavors of the month will cover operational costs ONLY (thus NOT covering overhead, capital nor debt service costs) they will not increase from last year's rates.

EXHIBIT "D"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
CHAMPIONSHIP GOLF**

Exhibit 7

GOLF SEASON ACTUAL TO BUDGET COMPARISON

November 2021 - October 2022

	Adopted Budget	Actual	Remaining Budget
SOURCES			
Charges for Services	3,663,085	3,749,017	85,932
Facility Fees	204,220	51,055	(153,165)
Investment Earnings	(916)	625	1,541
Proceeds from Capital Asset Dispositions		21,446	21,446
Transfers In	185,393	181,455	(3,938)
TOTAL SOURCES	<u>4,051,782</u>	<u>4,003,599</u>	<u>(48,183)</u>
USES			
Salaries and Wages	1,454,969	1,385,919	69,050
Employee Fringe	419,316	378,475	40,841
Total Personnel Cost	<u>1,874,285</u>	<u>1,764,394</u>	<u>109,892</u>
Professional Services	3,300	7,314	(4,014)
Services and Supplies	1,032,730	1,068,004	(35,274)
Insurance	80,469	70,020	10,449
Utilities	250,896	269,084	(18,187)
Cost of Goods Sold	599,989	496,541	103,448
Central Services Cost	215,026	195,900	19,126
Capital Improvements	479,080	148,249	330,831
Debt Service	4,119	790	3,329
TOTAL USES	<u>4,539,895</u>	<u>4,020,296</u>	<u>519,599</u>
SOURCES(USES)	<u>(488,113)</u>	<u>(16,697)</u>	<u>471,416</u>
Less Facility Fee	<u>(692,333)</u>	<u>(67,752)</u>	
Less Facility Fee and CIP	<u>(213,253)</u>	<u>80,498</u>	

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
MOUNTAIN GOLF**

GOLF SEASON ACTUAL TO BUDGET COMPARISON

November 2021 - October 2022

	Adopted Budget	Actual	Remaining Budget
SOURCES			
Charges for Services	982,689	888,216	(94,473)
Facility Fees	447,447	111,861	(335,586)
Non Operating Income/Leases	42,822	13,938	(28,884)
Investment Earnings	(916)	13,077	13,993
Proceeds from Capital Asset Dispositions		17,029	17,029
TOTAL SOURCES	<u>1,472,042</u>	<u>1,044,121</u>	<u>(427,921)</u>
USES			
Salaries and Wages	485,498	382,677	102,821
Employee Fringe	145,495	122,449	23,047
Total Personnel Cost	<u>630,993</u>	<u>505,126</u>	<u>125,867</u>
Professional Services	3,000	3,559	(559)
Services and Supplies	370,216	346,717	23,499
Insurance	18,501	5,977	12,524
Utilities	98,084	96,593	1,491
Cost of Goods Sold	109,849	63,230	46,619
Central Services Cost	74,004	32,962	41,042
Capital Improvements	1,138,000	508,440	629,560
Debt Service	1,874	1,225	649
TOTAL USES	<u>2,444,522</u>	<u>1,563,828</u>	<u>880,694</u>
SOURCES(USES)	<u>(972,480)</u>	<u>(519,707)</u>	<u>452,773</u>
Less Facility Fee	<u>(1,419,927)</u>	<u>(631,568)</u>	
Less Facility Fee and CIP	<u>(281,927)</u>	<u>(123,128)</u>	

EXHIBIT "E"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
CHAMPIONSHIP GOLF**

Prior Fiscal Year - Current Fiscal Year - Preliminary

	Actuals FY2019-20	Actuals FY2020-21	Actuals FY2021-22	Adopted Budget FY2022-23	Baseline Budget FY2023-24	Preliminary Budget FY2023-24	Tentative Budget FY2023-24	Final Budget FY2023-24
SOURCES								
Charges for Services	4,037,096	3,214,950	3,062,626	3,778,822	3,967,900	4,466,948		
Facility Fees	171,994	33,019	-	520,251	449,900	-		
Investment Earnings	-	-	248	(2,748)	(2,748)	(2,748)		
Proceeds from Capital Asset Dispositions	10,330	14,176	21,446	-	-	-		
Transfers In	-	-	181,455	-	-	-		
TOTAL SOURCES	4,219,420	3,262,146	3,265,775	4,296,325	4,415,052	4,464,200		
USES								
Salaries and Wages	1,511,829	1,170,676	1,256,237	1,535,541	1,696,508	1,685,996		
Employee Fringe	421,675	349,938	360,061	457,288	499,113	508,115		
Total Personnel Cost	1,933,504	1,520,615	1,616,298	1,992,829	2,195,621	2,194,111		
Professional Services	6,010	6,403	5,234	6,380	6,380	6,380		
Services and Supplies	1,119,686	797,277	885,825	1,061,193	1,110,500	1,029,864		
Insurance	68,363	72,765	77,941	81,800	96,300	96,300		
Utilities	244,614	227,960	223,990	252,595	268,100	268,100		
Cost of Goods Sold	913,275	491,861	437,588	615,505	646,300	598,955		
Central Services Cost	236,800	225,626	179,012	231,348	256,443	366,628		
Capital Improvements	-	-	96,520	334,700	449,900	329,500		
Debt Service	-	(1,213)	182,305	185,551	-	-		
Transfers Out	623,201	-	-	-	-	-		
TOTAL USES	5,145,453	3,341,294	3,704,713	4,761,901	5,029,544	4,889,838		
SOURCES(USES)	(926,034)	(79,148)	(438,937)	(465,576)	(614,492)	(425,638)		

4/5/2023 Board packet

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
MOUNTAIN GOLF**

Prior Fiscal Year - Current Fiscal Year - Preliminary

	Actuals FY2019-20	Actuals FY2020-21	Actuals FY2021-22	Adopted Budget FY2022-23	Baseline Budget FY2023-24	Preliminary Budget FY2023-24	Tentative Budget FY2023-24	Final Budget FY2023-24
SOURCES								
Charges for Services	724,464	809,745	717,965	1,004,338	1,054,500	1,070,810		
Facility Fees	327,607	222,882	-	1,139,874	232,000	-		
Non Operating Leases	40,256	41,464	54,791	43,989	45,300	44,383		
Investment Earnings	-	-	248	(2,748)	(2,748)	(2,748)		
Proceeds from Capital Asset Dispositions	244,352	(8,002)	17,029	-	-	-		
TOTAL SOURCES	1,336,679	1,066,090	790,033	2,185,453	1,329,052	1,112,445		
USES								
Salaries and Wages	320,393	346,777	356,823	500,207	558,748	521,258		
Employee Fringe	96,581	112,455	115,737	162,915	176,343	176,253		
Total Personnel Cost	416,974	459,232	472,560	663,122	735,091	697,511		
Professional Services	7,025	2,296	1,759	2,570	2,570	2,570		
Services and Supplies	483,269	333,305	345,354	381,890	404,900	417,165		
Insurance	15,687	16,725	17,932	18,800	22,100	22,100		
Utilities	83,695	84,117	88,192	98,346	108,300	108,300		
Cost of Goods Sold	64,580	61,792	47,980	113,366	119,000	108,100		
Central Services Cost	54,800	56,533	61,381	77,236	84,629	126,031		
Capital Improvements	-	-	556,500	1,138,000	723,200	626,200		
Debt Service	-	-	1,225	1,874	-	-		
Transfers Out	1,592,962	-	-	-	-	-		
TOTAL USES	2,718,191	1,013,999	1,592,883	2,495,204	2,199,790	2,107,977		
SOURCES(USES)	(1,381,513)	52,090	(802,849)	(309,751)	(870,738)	(995,532)		

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL APRIL 5, 2023 MEETING – AGENDA
ITEM F(1) – PUBLIC COMMENT – RESPONDING TO RESIDENT MICK
HOMAN'S MISREPRESENTATION OF FACT THAT GOLF'S CURRENT
FISCAL YEAR'S LOSSES OF \$2+ MILLION OR GREATER HAVE
NO BASES IN REALITY**

Introduction: At this meeting fellow resident and local core golfer Mick Homan gave public comment in opposition to proposed modifications to fiscal year 2023-24 golf rates. Mr. Homan made reference to a letter he had sent to the Board on this subject¹, and stated his oral comments were based thereupon. Mr. Homan asked we grant concurrence to his conclusions "as an auditor, finance professional and controller/chief account officer for almost 40 years," and as one of the newest members to our Audit Committee. And what conclusions was he talking about? That members of the Board's and staff's representations concerning the extent of losses at both of our golf courses, and the comparable financial subsidy local parcel/dwelling unit owners have been forced to make for decades, has no "basis in reality." And that these Board members "either did not understand how all of the published numbers fit together, or (a)re taking portions of (the) published numbers out of context to paint a mis-leading picture.

The District's Summary of Sources and Uses Assigned to Championship and Mountain Golf For The Last Four (4) Years: Not that I believe staffs' financial reporting of District operations, however, if one takes an opposite view, staff has reported massive financial losses at the District's two golf courses for at least the last four (4) years. These losses are reported at pages 135 and 139 of the packet of materials prepared by staff in anticipation of the Board's March 26, 2023 meeting² ("the 3/26/2023 Board packet"). For the Champ Course, actual losses of more than \$1,098,028³ for FY2019-20 [after adding \$171,994 of Recreation Facility Fee ("RFF") subsidies], more than \$112,167⁴ for FY2020-21 (after adding \$33,019 of RFF subsidies), more than \$1,782,938⁵ for FY2021-22 [after adding

¹ That letter is attached as Exhibit "A" to this written statement.

² These pages are attached as Exhibit "B" to this written statement. The summary for Champ Golf appears at the first page of the exhibit, and the one for Mountain Golf appears at the second page of the exhibit.

³ I say "more" because there are no "Use" entries for capital or debt service notwithstanding they were actually incurred. That is unless the \$623,201 "Transfers Out" entry represents payment of these expenses to other funds/sub-funds and the "Transfers Out" entry represents the funds necessary to have accomplished the same.

⁴ I say "more" because there are no "Use" entries whatsoever for capital nor debt service notwithstanding they were actually incurred.

⁵ I say "more" because there are no "Facility Fee" subsidies reported notwithstanding they had to have been actually provided.

\$185,393 of excess funds transfers (“Transfers In”) subsidies], and estimated losses of more than \$985,827⁶ for FY2022-23 [after adding \$520,251 of RFF subsidies]. And For the Mountain Course, actual losses of more than \$1,709,120⁷ for FY2019-20 (after adding \$327,607 of RFF subsidies), more than \$170,792⁸ for FY2020-21 (after adding \$222,882 of RFF subsidies), more than \$963,795⁹ for FY2021-22, and estimated losses of more than \$1,449,625¹⁰ for FY2022-23 [after adding \$1,139,874 of RFF subsidies].

My Spreadsheet Which Details 2022-23 Budgeted Champ and Mountain Golf Losses of Nearly \$2.5 Million Combined! Given members of the Board were using 2022-23 golf numbers to conclude “the annual subsidy golf was receiving,” I felt it appropriate to prepare a spreadsheet which clearly set forth both of these subsidies on a single page. And this spreadsheet is attached as Exhibit “C” to this written statement.

My E-Mails to Mr. Homan Insofar as His Findings Were Concerned: Armed with this information, On April 6, 2023 I sent Mr. Homan an e-mail pointing him to exactly where staff had set forth an annual 2022-23 subsidy of nearly \$2.5 Million¹¹. On April 7, 2023 Mr. Homan responded basically telling me my numbers and IVGID staff’s numbers were wrong, and that golf operations were basically financially break even¹¹. And on April 7, 2023 I took another look at Mr. Homan’s numbers just to make sure my conclusions were valid and matched the Board’s and staff’s¹¹. They were and did.

Mr. Homan And His Clan Care More About \$2.5 Million of Subsidies Coming From the Overwhelming Majority of Local Parcel/Dwelling Unit Owners, Than The Ones Who Are Too Old and Infirm to Play Golf: I would never, ever ask my neighbor to financially subsidize the cost of anything purchased on my personal behalf. But apparently Mr. Homan doesn’t feel likewise. In my book that makes him a “taker.” And it gives insight to the type of person he really is. Which in IVGIDville translates into the same wrongs as those who are the product of the IVGID culture.

⁶ I say “more” because there are no “Source” entries to make up for the reported deficiency.

⁷ I say “more” because there are no “Use” entries for capital or debt service notwithstanding they were actually incurred. That is unless the \$1,592,962 “Transfers Out” entry represents payment of these expenses to other funds/sub-funds and the “Transfers Out” entry represents the funds necessary to have accomplished the same.

⁸ I say “more” because there are no “Use” entries whatsoever for capital nor debt service notwithstanding they were actually incurred.

⁹ I say “more” because there are no “Facility Fee” subsidies reported notwithstanding they had to have been actually provided.

¹⁰ I say “more” because there are no “Source” entries to make up for the reported deficiency.

¹¹ This e-mail is part of the string of e-mails between Mr. Homan and me concerning this subject matter. That string of e-mails is attached as Exhibit “D” to this written statement.

Conclusion: A friend of mine once told me that in this world, there are givers and takers. And it's obvious Mr. Homan and his band of 550 or so minions are not givers. That wouldn't matter to me but for the fact over 8,200 local parcel/dwelling unit owners are forced to involuntarily subsidize the cost of these core golfers.

Mr. Homan and his colleagues apparently aren't embarrassed about their behavior because they think it's acceptable to demand financial subsidies from their neighbors because they're willing to provide comparable financial subsidies to their neighbors insofar as their recreation is concerned. Well that's fine insofar as Mr. Homan's neighbors are concerned. But it's not insofar as Judy and me are concerned. So how do they respond? They chastise the messenger.

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

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

EXHIBIT "A"

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

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

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

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

1. Fiscal 2021 – Champ course uses exceeded sources by \$84,406, while Mountain course sources exceeded uses by \$51,694, for a net use of \$32,712. Facility fees for the venues (combined) were \$255,901, resulting in a net "subsidy" of \$288,613.
2. Fiscal 2022 – Champ course uses exceeded sources by \$627,565, while Mountain course uses exceeded sources by \$817,550, for a net use (subsidy) of \$1,445,115. This included \$556,000 of capital improvements at the Mountain course, primarily for the cart path project. Excluding that project, the net use (subsidy) was closer to \$900,000. No facility fees were allocated to golf in fiscal 2022, so there was no additional "subsidy" for that.
3. For fiscal YTD 2023 (through January) – Champ course uses exceeded sources by \$59,554, while Mountain course sources exceeded uses by \$669,967, for a net source of \$610,413. Facility fees for the venues (combined) were \$1,005,436 (most to fund the Mountain course, again primarily for the cart path project), resulting in a net "subsidy" of \$395,023. This subsidy turns into an excess source of \$113,417 if you exclude the mountain course cart-path driven capital improvements of \$508,440.
4. As it relates to the "Golf Season Actual to Budget Comparison" for the 2022 golf season, this may be the best representation of golf operations since it looks at a 12-month period

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT "B"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
CHAMPIONSHIP GOLF**

Prior Fiscal Year - Current Fiscal Year - Proposed
For fiscal year 2023, 07/01/2022 - 06/30/2023

	Actuals FY2019-20	Actuals FY2020-21	Current Budget FY2021-22	Baseline FY2022-23	Tentative FY2022-23	Final FY2022-23
SOURCES						
Charges for Services	4,037,096	3,214,950	3,334,825	3,501,560	3,778,822	3,778,822
Facility Fees	171,994	33,019	-	-	520,251	520,251
Investment Earnings	-	-	-	(2,748)	(2,748)	(2,748)
Proceeds from Capital Asset Dispositions	10,330	14,176	-	-	-	-
Transfers In	-	-	185,393	-	-	-
TOTAL SOURCES	4,219,420	3,262,146	3,520,218	3,498,812	4,296,325	4,296,325
USES						
Salaries and Wages	1,511,829	1,170,676	1,332,115	1,517,923	1,528,829	1,535,541
Employee Fringe	421,675	349,938	392,310	427,536	445,016	457,288
Total Personnel Cost	1,933,504	1,520,615	1,724,425	1,945,459	1,973,845	1,992,829
Professional Services	6,010	6,403	7,980	6,380	6,380	6,380
Services and Supplies	1,119,686	797,277	978,452	1,050,235	1,007,515	1,061,193
Insurance	68,363	72,765	77,800	81,800	81,800	81,800
Utilities	244,614	227,960	231,740	254,680	252,595	252,595
Cost of Goods Sold	913,275	491,861	563,440	591,625	615,505	615,505
Central Services Cost	236,800	225,626	206,865	225,776	231,806	231,348
Capital Improvements	-	-	1,143,542	206,700	334,700	334,700
Debt Service	-	(1,213)	183,519	185,551	185,551	185,551
Transfers Out	623,201	-	-	-	-	-
TOTAL USES	5,145,453	3,341,294	5,117,763	4,548,206	4,689,697	4,761,901
SOURCES(USES)	(926,034)	(79,148)	(1,597,545)	(1,049,394)	(393,372)	(465,576)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF SOURCES AND USES
BY CLASS
MOUNTAIN GOLF

Prior Fiscal Year - Current Fiscal Year - Proposed
For fiscal year 2023, 07/01/2022 - 06/30/2023

	Actuals FY2019-20	Actuals FY2020-21	Current Budget FY2021-22	Baseline FY2022-23	Tentative FY2022-23	Final FY2022-23
SOURCES						
Charges for Services	724,464	809,745	942,821	989,975	1,004,338	1,004,338
Facility Fees	327,607	222,882	-	-	1,139,874	1,139,874
Non Operating Leases	40,256	41,464	40,890	40,890	40,890	43,989
Investment Earnings	-	-	-	(2,748)	(2,748)	(2,748)
Proceeds from Capital Asset Dispositions	244,352	(8,002)	-	-	-	-
TOTAL SOURCES	1,336,679	1,066,090	983,711	1,028,117	2,182,354	2,185,453
USES						
Salaries and Wages	320,393	346,777	454,601	518,165	502,837	500,207
Employee Fringe	96,581	112,455	132,328	143,561	161,177	162,915
Total Personnel Cost	416,974	459,232	586,929	661,726	664,014	663,122
Professional Services	7,025	2,296	4,170	2,570	2,570	2,570
Services and Supplies	483,269	333,305	373,994	375,045	380,666	381,890
Insurance	15,687	16,725	17,900	18,800	18,800	18,800
Utilities	83,695	84,117	89,300	99,340	98,346	98,346
Cost of Goods Sold	64,580	61,792	105,100	110,355	113,366	113,366
Central Services Cost	54,000	56,533	72,390	74,191	76,863	77,236
Capital Improvements	-	-	695,849	600,000	1,138,000	1,138,000
Debt Service	-	-	1,874	1,874	1,874	1,874
Transfers Out	1,592,962	-	-	-	-	-
TOTAL USES	2,718,191	1,013,999	1,947,506	1,943,901	2,494,499	2,495,204
SOURCES(USES)	(1,381,513)	52,090	(963,795)	(915,784)	(312,145)	(309,751)

EXHIBIT “C”

Final 2022-23 Budgeted Sources/Uses For Golf
 May 26, 2022 Board Packet

Page	Champ Golf Revenues	Champ Golf Interest		Champ Golf Expenses	Champ Golf Capital	Champ Golf Debt	Champ Golf RFF Subsidy	Champ Golf Sub-Totals
135	\$ 3,778,822							\$ 3,778,822
135		\$ (2,748)						\$ -
135				\$ 4,241,650				\$ (4,241,650)
135					\$ 334,700			\$ (334,700)
135						\$ 185,551		\$ (185,551)
							\$ 520,251	\$ -
135	Sub-Totals							\$ (983,079)
Page	Mountain Golf Revenues	Mountain Golf Interest	Mountain Golf Leases	Mountain Golf Expenses	Mountain Golf Capital	Mountain Golf Debt	Golf BFF Subsidy	Mountain Golf Sub-Totals
139	\$ 1,004,338							\$ 1,004,338
139		\$ (2,748)						\$ -
			\$ 43,989					\$ -
139				\$ 1,355,330				\$ (1,355,330)
139					\$ 1,138,000			\$ (1,138,000)
139						\$ 1,874		\$ (1,874)
							\$ 1,139,874	\$ -
139	Sub-Totals							\$ (1,490,866)
	Total Budgeted Losses							\$ (2,473,945)

EXHIBIT "D"

Re: Final 2022-23 Budgeted Sources/Uses For Golf - P.S.

From: <s4s@ix.netcom.com>
To: "Mick Homan" <homan_audit@ivgid.org>
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf - P.S.
Date: Apr 7, 2023 2:40 PM

Mr. Homan -

I went back to your letter to look at your numbers.

First of all, I don't know where you got them so it's hard for me to evaluate.

On the other hand I shared with you where my numbers came from. Pages 135 (for the Champ course) and 139 (for the Mountain course) of the 4/5/2023 Board packet. And these pages reference financials for fiscal years 2021-22) and YTD.

But since you were questioning where Trustee Schmitz's numbers came from for the current fiscal year (2022-23), that's why I responded. And my numbers were staff's for the current fiscal year.

So let's go to your numbers for fiscal year 2023 YTD - You state uses exceeded sources by \$59,544 at the Champ course, and sources exceeded uses by \$669,967 at the Mountain Course for a net loss of \$610,413 excluding facility fee subsidies totaling \$1,005,436. Net subsidy = \$395,023.

Let's compare these numbers to pages 135/139 of the 4/5/2023 Board packet. Now understand that these pages refer to baseline budgeted FY2022-23 which is different than your actuals YTD.

However with that said, uses exceed sources by \$465,576 at the Champ course, and uses exceed sources by \$309,751 at the Mountain Course for a net loss of \$775,327 excluding facility fee subsidies totaling \$1,660,395. Net subsidy = \$2,435,722. Although our numbers are worlds apart, that doesn't mean that the numbers being bantered about by Trustees Schmitz and Tulloch were unsubstantiated (although I agree they were excessive, what difference does it make if the subsidy is \$4M or \$2.5M? Both numbers are horrendous).

My purpose was not to debate with you whether we can simply ignore the negative cash flow because most can be assigned to CIPs for one year at the Mountain Course (although we're about to have our second year in a row of such CIPs at the Mountain Course). Nor whether it's more accurate to do a "Golf Season Actual to Budget Comparison" for the 2022 golf season even though for decades the comparisons have always been on a fiscal year basis. Rather, it was merely to show you where the numbers actually appeared.

Which is what I believe I have done.

Thank you for the opportunity to clarify. Aaron Katz

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

From: <s4s@ix.netcom.com>
Sent: Apr 7, 2023 1:03 PM
To: Mick Homan <homan_audit@ivgid.org>
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf

Thank you Mr. Homan.

You don't need to be a baker to know what a good cake tastes like.

And one does not need to be a financial professional for over 40 years (like Mr. Navazio allegedly is) to know that your numbers are wrong. Sorry.

I am less concerned with the precise amount of the subsidy, but combined for 2022-23, staff tells us it was budgeted at nearly \$2.5M! And NO ONE should be subsidizing your golf. NO ONE. And certainly not to the tune of \$2.5M annually! I would never, never, never demand that my disabled neighbor who is not capable of playing golf subsidize your 40 or greater rounds in a season. So the fact you would sends a distressing message.

Oh. The subsidy is even greater than \$2.5M/annually. Single family residential water customers pay huge surcharges once their monthly use exceeds 20K gallons. The reason is disingenuously to encourage conservation. However, your golf courses pay NO SUCH SURCHARGES even though they use many millions of gallons of water in a golf season. They get a disingenuous exemption. Millions of gallons versus my 20K. Who is being encouraged to waste water and who is not? Who is underpaying for capital given its use, and who is not? That's another subsidy.

In any event, my recollection of the subsidy all District water customers are paying for golf courses' irrigation usage is \$1M annually! It might be a bit more or less but there is no question it is additional preferential treatment the golfers benefit from. So now that puts us up to \$3.5M in annual subsidies. These are the facts and I've pointed you to where in staff's disclosures that number comes from. If you want to ignore them, that's your choice.

And BTW, the District has ALWAYS reported its finances via a fiscal year format. So for Darren Howard and Mr. Navazio to change it to a combination of two fiscal years, to alter the net loss, is totally inappropriate. And you as a financial professional should know that. Of course if you or Mr. Howard has an agenda, then I understand.

.....

Finally, let me share with you why it's relevant where you moved from.

Your letter goes through quite a litany of reasons why you and your family made IV your permanent home. With all due respect, I don't believe them. I believe what Joe Wolf told us all some years ago insofar as all core golfers are concerned. You moved here because there's no state income tax and you would be paying one of the largest if you were a resident of California. Which I suspect you were, although I'm not going to take the time to research.

Again, these are the facts.

Anytime you want to discuss all that's wrong here in IVGIDville, and believe me it's essentially everything, I'm happy to engage with you civilly (if that's possible). But the reason why I reached out to you is because you complained that the numbers being bantered about were fantasy because they were not documented anywhere. You were wrong. If you were right, then explain to me why we have a Rec Fee? According to you there is no financial deficiency that needs to be plugged with the subsidy of the RFF at the golf courses but for a year here or there attributable to one time CIPs. But if you look at the Report for collection of the RFF/BFF the Board adopts each year, a finding is made that \$X.00 is required to plug that deficiency. So there must be a deficiency and for you to state it only comes from Parks, Tennis and the Rec Center, when DP is spinning off a couple of million dollars/annually to cover those losses (what your colleagues refer to as "one division, one team," is disingenuous.

Respectfully, Aaron

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

From: Mick Homan
Sent: Apr 7, 2023 11:57 AM
To: s4s@ix.netcom.com
Subject: Re: Final 2022-23 Budgeted Sources/Uses For Golf

Mr. Katz,

With all due respect, I stand by my numbers and analysis. If you take the time to read the letter I sent to the Board of Trustees in advance of the March 22 meeting, you will see those number and a reference to the IVGID financial records they were obtained from.

As a side, I fail to see any relevance in where I moved here from.

Mick Homan

Get Outlook for iOS

From: s4s@ix.netcom.com
Sent: Thursday, April 6, 2023 12:42 PM
To: homan_audit@ivgid.org
Subject: Final 2022-23 Budgeted Sources/Uses For Golf

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

Hello Mr. Homan -

Since we're both neighbors and property owners who are assessed the RFF/BFF, with your permission I'd like to correct some of your statements last night.

In your written statement you comment that "neither the \$2 million or the \$4 million annual subsidy (for golf) has any basis in reality."

With due respect, it has real reality. Maybe not the \$4 million annually bantered about by some, but at least nearly \$2.5 million. The current 2022-23 fiscal year budgeted numbers show a \$2,473,945 annual subsidy for golf. And the numbers come from staff. I am not saying I agree with any of staff's numbers. However, if you accept them as being true, then this is the result. In reality.

I have attached a spreadsheet which will show you how I have come up with this number.

And where do these numbers come from? Pages 135 and 139 from the Board packet for its May 26, 2022 meeting (this packet is online under 2022 archived packets). This was the meeting where the final budget for fiscal year 2022-23 was adopted. So these are the numbers.

If you had attended Board meetings the way I do, you would understand that the numbers and the format within which the District reports its budgets to the State, differs from pages 135 and 139. But staff claim they want the public to be able to understand their numbers. And for this reason they have created these spreadsheet summaries for each of our funds/sub-funds. I agree they make a lot more sense than what is sent to the State.

You and I would probably get into a major disagreement on what these numbers really mean, the benefit to the community, the value of the RFF/BFF, and probably most other things IVGID related. But that's not my purpose here. The numbers are the numbers and at the end of the day, budgeted expenses assigned to golf exceed revenues by nearly \$2.5M. And that means the subsidy has to come from somewhere. It is my hope you see that my conclusions are accurate and they come from real numbers.

One final question if you don't mind. You state you are a recent migrant to our community. From where did you come? Would it have been California?

Thank you. Aaron Katz

Public Comment - IVGID Board Meeting 4-5-2023 by Margaret Martini

The definition of Fairness is the impartial treatment or behavior without favoritism or discrimination

So the Trustees tonight are tasked with trying to find fairness in providing a golf experience for the parcel owners, the six golf clubs and the general public

It becomes difficult to find fairness when about 600 residents belonging to golf clubs want substantial preferences... and have the privilege of pre-registering in February ... over residents that do not belong to golf clubs.

So I ask the question why would this Board provide preferences without a reasonable fee paid for the preferences. Based on my knowledge the list of preferences are as followed:

- 1) Golf Clubs have obtained reservations on over 8,200 round of golf for the entire upcoming season. Non Club members get NO advanced reservations unless they pay \$10 two weeks in advance.
- 2) Prime morning tee times are reserved mostly to the Golf clubs and ,I assume, to non residents thus leaving Non Club residents searching for tee times in the late afternoon.
- 3) Golf Club members predominately purchase play passes which lock in a fixed cost per round for both the shoulder season and the high season. Most non club members probably do not buy play passes and must pay higher rates during the high season.
- 4) The Golf Clubs pay nothing for the proportion share of costs for two concierges at \$200,000 per year which organize the Golf Clubs tournaments and weekly shotgun events.
- 5) The Golf clubs pay nothing for the Golf Genies reservation system. Non Golf Club Members have no reservation system.
- 6) Golf Club members claim they enhance the Facilities food and beverage operations when based on the 2023-2024 preliminary budget the Facilities fund loses money. So IVGID is actually providing an accommodation.
- 7) IVGID Staff never provides a comparison study of golf rates at other Golf Courses in the Tahoe Basin.
- 8) State Statute and Board Policy requires that an enterprise fund set rates and charges for services to recovers the cost including depreciation and debt service. According to Mr. Howards presentation the current rates do not satisfy the requirements.

The facts are simple. Over the past 7 years the Championship and Mountain Golf Courses have lost \$1,618,000 per year for operations and capital improvements. These are audited numbers not hearsay. Why do all residents have to chip in for preferences provided to a group of people.

Preferences and Fairness cannot be equal. Trustees must find a way to fairness.

