

MINUTES

REGULAR MEETING OF MARCH 31, 2021 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Trustee Kendra Wong on Wednesday, March 31, 2021 at 4:06 p.m. This meeting was conducted virtually via Zoom.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees Tim Callicrate, Sara Schmitz, Matthew Dent (absent), Kendra Wong, and Michaela Tonking.

Also present were District Staff Members Director of Finance Paul Navazio, Director of Public Works Brad Underwood, Interim Director of Human Resources Erin Feore, General Manager Diamond Peak Ski Resort Mike Bandelin and Engineering Manager Nathan Chorey.

No members of the public were present in accordance with State of Nevada, Executive Directive 006, 016, 018, 021, 026 and 029.

C. INITIAL PUBLIC COMMENTS*

Mike Abel said he wanted to give a rare compliment to the Staff for the bid on the Diamond Peak ski and snowboard renewal. He has been a long time critic that they don't put these things out to bid but he is pleased to see that they have a bid. His only admonition is that he would like to see the technical specs upon which the bid was based next time we do this. That would be appreciated and he thinks the public and the Trustees are probably smart enough to read the specifications. Next thing he wanted to discuss was the \$10,000 retainer to defend the indefensible. Wong, Guinasso, and Pinkerton got us into this mess with Mr. Smith and IVGID has lost on every aspect of this awful, awful case and it continues to waste the taxpayer funds on concealing what should be open, public records. Why? Because IVGID is always trying to hide things from the public that should rightfully be in the public domain. Even the reference to this action in the packet is concealed from the public with just the notation "retainer ETS". It is just ridiculous. Why doesn't IVGID throw in the towel, admit they were wrong on this thing, and release the public records? His final comments relate to the beach situation where IVGID gives free access to our beaches in violation, blatant violation, of the beach covenant. Aside from the blatant illegality of IVGID's action, the District General Manager

defends this activity like Bernie Madoff telling the SEC investigator that this is the cleanest brokerage business in the US. Besides the beach access, IVGID employees and their families enjoy a rich potpourri of benefits including these examples of employee benefits – discounted food at IVGID venues, health club privileges, discounted ski tickets, free, yes, free driving range balls plus there are other benefits for full time and part time employees and their families including adult children. He thinks it is time that the Trustees put the brakes on some of this giveaways and give the taxpayers some benefits rather than solely the employees. He had a business and he never gave out this kind of rich privileges to his employees and he thinks that IVGID, while we are in a resort area and we should give our employees some of these benefits, the menu is far too broad and should be restricted by the Trustees. Thank you again and good evening.

Margaret Martini said tonight's agenda raises a number of questions that require a response to every IV/CB voter, taxpayer, rate and fee payer. After all, we provide the source of funds for all of the District's expenses and expenditures and we are the community you were elected to serve. Let's begin with the \$120,000 Jacobs contract. Why is it on the Consent Calendar? Why isn't the contract enclosed? When was the imperfection in the SCADA system discovered? And how much did it cost for the GM to patch? Next, after you purchase hundreds of thousands of dollars of new ski rental equipment, how is the old equipment disposed? Is it resold? Donated? Please explain. There are emergency construction contracts for Sewer Pump Station #13. In addition to the \$103,000 for independent contractors there are staff charges of \$44,000. So, first and foremost, if an individual caused this damage, why are we paying for this? Next, the Burt and Burt proposal is illegible. Thirdly, why are there additional charges for staff time? Doesn't staff salaries cover their work performance? Please explain these additional costs. As for the Smith litigation -why isn't there any written information on the status of this lawsuit in the packet? A Trustee and community members have requested all the legal costs to date on this lawsuit. We have not seen the total amount paid to Mr. Beko and Mr. Nelson. Please provide it. In addition, the memo refers to the existing engagement agreement with Mr. Beko, which was never approved by the Board. Where is the agreement? The Court Docket shows that the Special Master's Report and Recommendations were submitted to the Court on March 17th. Where is the report? On March 29th, the Docket shows that the District objected to the Report. When did the Board appropriate funds for this response and make a determination of this course of action in a public meeting. They didn't. You are not a family business and cannot keep the District's actions and records private. You are the Board of a local government and are subject to compliance with all Nevada laws. In short, you have a statutory responsibility to conduct the public's business publicly and a fiduciary responsibility to ensure that our public money is safeguarded and not misappropriated. If you, as a Board, cannot comply with the

law, execute your responsibilities, and oversee management, you should resign. Thank you.

Cliff Dobler said Nevada law, through the statutes, have given Trustees several powers which he would assume should be exercised. After all, if a person is elected as a Trustee then that person should at least be aware of the vested powers and voice their opinion and vote on matters which they have power over. For example, 318.180 states that the Board has the power to hire and retain employees. Also under NRS 318.198 the Board has the power to prescribe duties of the employees and fix their compensation. Since IVGID has so many employees, and if the Board feels they cannot reasonably hire, describe duties and fix compensation then this Board would essentially be abdicating, meaning failure to fulfill or undertake their powers and duties. Should the Board at least ratify their decision and state who is the beneficiary or assigned the power? Reviewing Resolution 1480, adopting a Personnel Management Policy established 35 years ago, the Board abdicated their power to establish employee duties however the resolution did not address compensation. Should each new Board ratify the 35 year old resolution to inform the public their powers continue to be abdicated? So how is compensation of employees addressed? The website has a portal on salary information consisting of 19 pages in two sections – authorized positions and 30 standard salary range grades. The authorized positions are only for fiscal year 2019/2020. There is nothing for fiscal year 2021. Listed there were 137 full time positions with a salary range grade for each position. There were 10 union positions left with a salary range grade. However, there were 475 part time positions with no salary grade range. No one would know how much salary is given for these 475 positions. The salary ranges were effective for only fiscal 2019/2020 but nothing is indicated for fiscal 2021 which ends in three months. Did the Board fail to exercise their required powers to fix compensation? Another example is NRS 318.197 wherein the Board, from time to time any time, sets rates and tolls for services. For the past several years, the Board has only addressed key rates for the golf courses, Diamond Peak, Aspen Grove and the Chateau. Key rates for the use of the Recreation Center, beaches, tennis and an array of programs was never set and apparently not planned to be set. Should the Board let citizens knows they have abdicated their power to set user rates for these venues and to whom? Is the Board actually allowed by law to abdicate their powers to others?

Aaron Katz said he has written statements for this meeting to be included and he also submitted written statements for March 24, 2021 after the meeting minutes were prepared but prior to now; he requests that those minutes be amended to include the written statements prior to approving the minutes. He sent an e-mail to Staff to confirm but Staff hasn't responded so he is asking the Board to do so now. He sent an e-mail earlier to the Board to ask Staff about salvage value, costs

associated with value insofar as replaced items such as Diamond Peak uniforms and the ski and snowboard fleet that we are disposing of – will one of you Trustees please ask those questions so the public can be informed? Mr. Katz then said that he sent an e-mail asking that the SCADA item be moved from the Consent Calendar to the General Business section of the agenda because you can't discuss it unless it is on the General Business section. The public doesn't have a clue about who caused the imperfection, what the cost was, and how the public gets reimbursed so this needs to be disclosed clearly. Chair Callicrate said he is tired of listening to Frank Wright. Well, he is tired of learning of the special benefits that Staff gives to about 250 core golfers and that our non-golfing community is forced to subsidize. Today, he was able to confirm that Staff is suggesting \$122,750 or 5.71% increase just in personnel costs at the two golf courses. But according to the golfers, they are only suggesting a paltry 5% or \$45,000 increase in their unlimited play passes. In other words, even more subsidies on top of the \$2 million plus we do annually. It is time to end these golfers' subsidies and make them pay their fair share like everyone else. He has provided 11 very simple measures which will help; please adopt his suggested measures and reject Staff's proposal on pricing. We have a looming problem on Ski Way which he has brought to the Board's attention. He has requested the District General Manager obtain a title report so we can learn what rights Tyrolian Village has, if any. To date, Staff hasn't confirmed that they are doing that thus it is time for the Board to make that request. Finally, to Mr. Beko, why are you giving him a \$10,000 retainer? It is time for you to make it \$100,000 as you spend whatever it costs to deny your responsibility and \$10,000 more isn't going to do it and it has already been \$100,000 so far.

Judith Miller said when Staff presented their initial rates for golf, it was the first ray of hope that someone had actually looked at costs of running a facility and she does commend Staff for how that but when she saw that last year we had \$3 million in subsidizes for golf, it made her start thinking what else could we do. We have a whole list of items that the public has expressed an interest in. If we had less of a subsidy for golf, imagine we could use that money for some real improvements on things the public has been waiting for decades. So please work on those prices. She wishes that the golfers would finally acknowledge that they have been receiving ridiculously low rates for years at the expense of the rest of the community including many of those that are least able to afford it. They should be embarrassed to ask for these subsidies. They boast that they supported the golf courses when everyone knows that in reality they have blocked the most valuable tee times for their exclusive use and they have been the cause of unsustainable losses and enjoyed just not golf but the food and beverage at way below the cost again subsidized by everyone else. They seem unwilling to come up with a compromise that would lessen the burden on the majority of the rate payers. She supposes that it is just human nature to fight for your own benefit and she

understands that the Board members would like to make everyone happy even though you know by now that is it just not always possible so you need to do what is right and what is in the best interest of the majority, not this vocal minority, as you gave the golfers an opportunity to come up with some kind of compromise but it appears that is not working. Please adopt the rate schedule originally presented by Staff or something very close to that. The Mountain course is a beautiful and challenging venue and it is a great alternative for those who aren't willing or able to pay anywhere near the actual \$130 cost of a round of play at the Championship course. The revenue from the unlimited play pass yields roughly \$50 or even less depending on how many rounds. It is no wonder that the courses consume about 1/3 of the Rec Fee. Last year it was really the entire Rec Fee. You can no longer justify forcing the majority to provide a subsidy of this level especially when the community is providing a lower cost alternative. You might even be surprised how many people would applaud that decision. Thank you.

Frank Wright said that it becomes apparent when you participate in government, especially in Incline, there are classes of people that the Board refuses to identify because they would rather put their heads in the sand as would management and just say hey, we don't really have these problems, you are just imagining it Mr. Wright. The fact that the beach deed is being violated daily with not only employees which a couple of other speakers tonight have talked about but with other things like boat clubs, businesses that are renting boats off of the beaches and these things have come up in the Ordinance 7 committee but it doesn't seem like there is any action to put an end to it. There seems like there is some kind of a complacency to let it continue on to not getting too bad. Boat rentals and storage facilities are abusing these beaches like he cannot believe and not having one person in Crystal Bay/Washoe 1 or on Lakeshore not having access to it, it doesn't really matter to us but he can read a deed and he knows what a deed says and it doesn't say employees. And if you think that your government is taking care and protecting the people in Incline, you are wrong. Do you think that these golfers that are getting this sweetheart deal are protecting the rest of the people who don't play gold and who are funding this? Do you think our Board and management is looking out for the whole community? No, they are looking out for special interest. They are buying into the Kool-Aid that hey we are going to take care of these people, we are going to do what we think is right and we don't really care what the people of this community think. If you listen to the comments tonight, you heard an awful lot about what is and what isn't happening here and what is bad and what is not good. He will tell you what – you are either going to wake up or by the time the Mark Smith case is over with, and we get those public records, you are going to see that this place isn't really well run and that this place has really got some bad apples in it and some of the people elected shouldn't be working on that Board. Sorry but that is just the fact of life. Thank you.

D. APPROVAL OF AGENDA (for possible action)

Chairman Callicrate asked for changes to the agenda; District General Manager Winqest said he would like to remove General Business Item J.3. and the reason is because since the packet came out, our insurance carrier has notified us that there may be some additional information this is required so we would like to bring it back to the Board on April 14. Chairman Callicrate said that item is removed and hearing no further changes, the agenda is approved as revised.

E. DISTRICT STAFF UPDATES (for possible action)

E.1. District General Manager Indra Winqest

District General Manager Winqest gave a brief verbal overview of the submitted report and noted that the General Manager’s Ordinance 7 Committee is forecasting virtual community forums and a community survey for April and May. Also this committee will enter into a Phase 2 after this initial work is completed. District General Manager Winqest said he is also working on a resolution to bring forward to the Board of Trustees regarding the beaches for this summer season and that it is to protect our beaches for the property owners and their guests. Staff has advised him that we are having a significant amount of dog waste at the beaches and he wants to urge the community to continue to have dogs at Ski Beach, during the off season, and at Village Green, it is extremely important to have the dog owners clean up after their own dogs. As to employee privileges, Staff is currently working with an approved set of privileges and we are looking at this matter which will then come to the Board. It is very unfair to go after the employees about these privileges, they have done nothing wrong, and they are offered the privileges that are approved. He would like everyone to understand that the current privileges have been approved by the Board and to please not go after the employees. Trustee Schmitz said, as a frequent user of Ski Beach and the nature trail of Village Green, it is not community members who are not cleaning up after their dogs rather there are a lot of people who come from outside to our venues that use our beaches. These areas are heavily used by people outside the community as well as community members. District General Manager Winqest said that he knows there are people who don’t live in the community that use our venues but he has observed that the ones he talked to are picture pass holders. Staff does have a capital project to look at locking down our beaches and Staff is working on extending staffing at the beaches. As a reminder, the weather is starting to get nice and pretty soon you will hear an

announcement that the gate beaches will be monitored earlier and we really want to encourage our picture pass holders to carry their picture passes with them as we will be checking those identifications.

F. REVIEW OF THE LONG RANGE CALENDAR (for possible action)

District General Manager Winquest went over the submitted long range calendar. Trustee Schmitz said that the correspondence item has been sitting in the parking lot for a year and she is wondering when that is going to be coming forward? There is also an item about the parcel audit and when do we review that? Trustee Schmitz continued that Director of Finance Navazio said that the central services allocation needed to be revised and he indicated that it would be coming back so can we add that to our parking lot? She also recalls a review of service levels that needs to come forward. Board Chairman Callicrate said he would like to target May 12 to bring the correspondence item forward and confirmed that with District General Counsel Nelson. District General Manager Winquest said, regarding service levels, that it would be really difficult to review all service levels at all venues during one year as it will take a lot of Staff time to put this together and then have a robust discussion with the Board of Trustees. His recommendation would be to start with the golf courses so he will tee up that discussion and present a concept moving forward.

G. DISTRICT GENERAL COUNSEL UPDATE (for possible action)

**G.1. District General Counsel Joshua Nelson – Mark Smith vs IVGID:
Case No. CV18-01564**

District General Counsel Josh Nelson gave a verbal report – highlights are as follows:

- ✓ Case has largely been on hold due to the court appointing a special master.
- ✓ We have been awaiting the review done by the special master.
- ✓ Special masters report was issued on March 18 and that a portion of those e-mails are not confidential and IVGID has filed an objection to that report to protect its rights and continue to defend itself.
- ✓ We are very interested in exploring a way to resolve this case.
- ✓ Additional information will be made available as soon as it is known.

Trustee Schmitz asked about the payment of funds regarding this case. District General Counsel Nelson said that was included the last time that this

item came to the Board but it can be updated and re-circulated. Trustee Schmitz acknowledged that fact.

H. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.

H.1. Treasurers Report *(for possible action)*

H.1.A. Payment of Bills *(for possible action)*

Treasurer Tonking said there is no report tonight as these reports are to be done at the first meeting of the month and that she is working with Staff to have this done just one time per month and that would be at the start of the month.

I. CONSENT CALENDAR *(for possible action)*

I.1. Review, discuss, and possibly approve authority to contract with Jacobs Engineering in the amount of not-to-exceed \$120,000 for the purposes of mitigating an identified imperfection in the District's SCADA system (Requesting Staff Member: Director of Information Technology Mike Gove)

Board Chairman Callicrate asked how the typographical error in the memorandum was handled. District Clerk Herron said that there was a typographical error on the memorandum in the packet however the agenda was correct. The typographical error in the memorandum was corrected and resent to all who requested mailed packets and those who receive electronic packets, which includes the Board of Trustees, and that it was reposted to the District's website.

Trustee Wong made a motion to approve authority to contract with Jacobs Engineering in the amount of not-to-exceed \$120,000 for the purposes of mitigating an identified imperfection in the District's SCADA system. Trustee Schmitz seconded the motion. Chairman Callicrate asked for further comment, receiving none, he called the question and the motion was passed unanimously.

J. GENERAL BUSINESS *(for possible action)*

J.1. Review, discuss and possibly award a Procurement Contract for the Purchase of Replacement Rental Shop Equipment –

2020/2021 Capital Improvement Project: Fund: Community Service; Division: Ski; Project #3468RE0002; Vendor: Salomon in the amount of \$264,840.48 (Requesting Staff Member: Diamond Peak Ski Resort General Manager Mike Bandelin)

Diamond Peak Ski Resort General Manager Mike Bandelin gave an overview of the submitted materials. Trustee Schmitz said that all of the equipment is being replaced however the numbers don't align so there are differentials and could you please clarify those differences? Diamond Peak Ski Resort General Manager Mike Bandelin said that at the April 14, 2020 meeting when the Staff agreed to deferral of this project that Staff conducted a review at that time and did a replacement of those skis in the amount of about \$20,000. He doesn't have that information for the boots but he can provide it. Trustee Schmitz asked him to expand on the disposal and the Nevada Revised Statutes. Diamond Peak Ski Resort General Manager Mike Bandelin said, so the community has a good understanding, Nevada Revised Statutes 332.185 speaks to the disposal of property and Staff is making sure that we are following that statute accordingly. Trustee Schmitz said what he shared with her when she inquired about that is that most of this equipment will be disposed of. Diamond Peak Ski Resort General Manager Mike Bandelin said that most of the equipment is sold for around \$9 or \$10 per unit and he referenced a 2015 contract. Going forward, he is going to further review the applicable statute so as to confirm that we are doing this correctly. The demonstration equipment is rented, used, and then sold. Also to the public comment made by Mr. Abel, Staff did provide the technical specifications and they begin on agenda packet page 21. Trustee Schmitz said thank you for bringing all that information out into the light and that she appreciates all this information. Board Chairman Callicrate said he agrees with Trustee Schmitz.

Trustee Wong made a motion to approve a procurement contract to Salomon totaling \$264,840.48 for the manufacturing and delivery of Replacement Rental Shop Equipment to Diamond Peak Ski Resort (Totaling 1,119 pairs of skis, bindings and 1,400 pairs of ski boots) and authorize Staff to execute all purchase documents based on a review by General Counsel and Staff. Trustee Schmitz seconded the motion. Chairman Callicrate asked for further comment, receiving none, he called the question and the motion was passed unanimously.

J.2. Review, discuss and possibly approve a Procurement Contract for the Manufacturing and Delivery of Diamond Peak Staff Outdoor Uniforms; 2020/2021 Capital Improvement Project:

Fund: Community Services; Program: Ski; Project #3499OE1205; Vendor: Pacific Crest Uniform Company dba Mountain Uniforms in the amount of \$92,460 (Requesting Staff Member: Diamond Peak Ski Resort General Manager Mike Bandelin)

Diamond Peak Ski Resort General Manager Mike Bandelin gave an overview of the submitted materials.

Trustee Wong made a motion to approve a procurement contract to Pacific Crest Uniform Company dba Mountain Uniforms totaling \$92,460 for the manufacturing and delivery of Staff outdoor uniforms to Diamond Peak Ski Resort and authorize Staff to execute all purchase documents based on a review by General Counsel and Staff. Trustee Tonking seconded the motion. Chairman Callicrate asked for further comment, receiving none, he called the question and the motion was passed unanimously.

- J.3. Review, discuss and possibly award Emergency Construction Contracts for Reconstruction of Sewer Pump Station #13 – Fund: Utilities; Vendor: San Joaquin Electric in the amount of \$89,500 and Burt and Burt, Inc. in the amount of \$14,000 (Requesting Staff Member: Engineering Manager Nathan Chorey) – *Removed from the agenda in its entirety***
- J.4. Review, discuss and possibly approve Golf Play Pass rate structure, Daily Green fees and Range fee rates for the Incline Village Golf Courses 2021 (Requesting Staff Member: Director of Community Services/Golf Darren Howard)**

District General Manager Winquest began the overview of the submitted materials. Director of Community Services/Golf Darren Howard continued the overview of the submitted materials. Trustee Tonking said that she knows that the Advisory Committee will help and that for now, does the 5% increase work and perhaps a sliding scale is another thought for some of these passes? Board Chairman Callicrate said that he knows that, in the past, these advisory committees were very helpful and that he thinks that doing it incrementally is the right way to go. Also bringing back the Global Golf study is a good thing to do and that covering our costs is a good path to be on. We understand that we are not where we need to be but having the golfing community working with us, is a great step. Having non-club members involved is also great. Trustee Schmitz said that one of the things that we, as a Board, and please go to meeting minutes' page 264 and 265,

is that there were four items to be done. Unfortunately, a 5% increase doesn't help us moving forward to address this issue and that a certain percentage of prime tee times need to be set aside for prime rate payers. We need to come up with ideas to work in a direction such to get to a point where the cost of operations is being recovered and that she would like to do more than 5%. We also have to look at cost reductions as there are may be some things there. Board Chairman Tim Callicrate recapped what was proposed by Staff for Trustee Schmitz who missed the verbal part of the presentation. District General Manager Winquest said that he wanted to acknowledge that Board direction identified by Trustee Schmitz and that there was somewhat of a misunderstanding. Staff knew that they needed to review the Global Golf report and it is understood that this was something that would be done over several months; he does apologize for the misunderstanding. Board Chairman Callicrate said that he agreed with that understanding and that he knew that it couldn't happen in 10 days but that being said he does appreciate Trustee Schmitz' comments. He agrees with incremental increases and thinks that the golfers will understand. To soften that blow, we could do so within one to two seasons because expenses are not decreasing. If the Board wants to go with a different number, he would feel uncomfortable with more than a 5%. Board Chairman Callicrate then turned to District General Counsel to get some guidance on what the Board can and cannot do tonight. District General Counsel Nelson said that the Board can go off the 5% and pick a number that they are comfortable with. Trustee Schmitz said that Staff's recommendation, at the last meeting, was between 15 to 20% and that 5% is too low and we are just going to continue to have the problem linger with this 5% increase. Board Chairman Callicrate said what about a 10% increase for the play pass? Trustee Schmitz said that the other thing is that in Staff's last presentation, Staff wanted to eliminate the unlimited passes and they are now back in and she wants to know how we get to the middle as this is so incredibly different from the last presentation? Director of Community Services/Golf Howard said that he was trying to be sensitive and go somewhere in the middle. We will get into the Global Golf report in more detail and they say consistently that our discounts on the play passes are too deep. As a reminder, we did raise all fees across the board 10%. Trustee Schmitz asked if Staff removed the other different play passes because you put back in the unlimited play passes? Director of Community Services/Golf Howard said yes, and that was based on Board of Trustees input. Trustee Schmitz said from what she gleaned from the last meeting is that the unlimited play passes caused a loss, this seems so dramatically different, and we need to find some place in the middle. Director of Community Services/Golf Howard said that this was from meeting with all the clubs, etc. and that the feedback from the Board was that we had gone

too far last time. Board Chairman Callicrate said that a 5% increase was not that big. Trustee Schmitz asked what was the average number of rounds where you start to go down? Director of Community Services/Golf Howard said, for an individual, it has been based on 40 rounds and, for couples, it would be based on 80 rounds. Historically, what he found and presented at the last meeting, is it is more like 50 rounds and 100 rounds for couples. Trustee Schmitz said so for an individual who plays over 30 rounds, we are not covering costs? Director of Community Services/Golf Howard said it is anything over 40 rounds. Trustee Schmitz said, when she did the math, it is 30 rounds and 50 rounds and asked if Staff included the overhead because she did? Director of Community Services/Golf Howard said he didn't include the overhead, used historical information, and that was 40 rounds. Trustee Schmitz said, on agenda packet page 197, the cost is \$92.46 and anyway it is not covering costs so maybe we need to move a little bit closer. Board Chairman Callicrate said perhaps 10% is the place to be. Trustee Tonking asked Trustee Schmitz if she wanted to make the unlimited passes a little higher and not a straight 10% across the board? Trustee Schmitz said that she wonders how we get from where we were and where we are and is there a possibility to cut some costs? Director of Community Services/Golf Howard said that if we were to go 10%, the issue is still with the all the you can play passes. Board Chairman Callicrate said if we were to go with 10% for the all you can play, which is only a couple of hundred bucks and in the big scheme of things, it is pretty minimal in comparison to the bigger picture. We are still quite a bit away from our goal and he is just trying to offer a compromise. Does that sound like a reasonable compromise? Director of Community Services/Golf Howard said that yes, this would be a great compromise. Board Chairman Callicrate said that he understands that 20% was the recommendation last time, acknowledges that this is a transition year, and that 5% is on the low side. Trustee Schmitz said we need to have a strategy for 3 years or 5 years, what do we think the revenue streams are going to be, and what are going to be the costs? If that group can form a strategy, she agrees that is what is needed next. Director of Community Services/Golf Howard said he agrees. Board Chairman Callicrate said that is what Global Golf did and it is unfortunate that it wasn't completely adopted. He understands that this is a very touchy subject but he is trying to find a way to be a little more aggressive. Director of Community Services/Golf Howard said that it is his understanding that the Board wants a 10% increase for play passes other than the 10 and 20 play passes and stick with the 5% increase on the guest fees and not touch the others. Board Chairman Callicrate asked about a 10% increase on the guest fees. Director of Community Services/Golf Howard said it would be double. Board Chairman Callicrate asked how that would go over with the golfing community?

Director of Community Services/Golf Howard said that the 5% increase went over well and that if you look at our guest fees, they are very deeply discounted; we don't need to be subsidizing guests. District General Manager Winquest said that he has thought the guest rate was too discounted and 5% shouldn't be a stretch at all and that the guest rate needs to be between the resident and nonresident rates. He is comfortable with the 10% and moving forward that is where it needs to be. Board Chairman Callicrate said he agrees and getting halfway between resident and full rack rate is still a tremendous savings. Director of Finance Navazio said to clarify on the discussion beyond the play passes, he would note as contained in this packet, Exhibit A shows 5% across the board, guest passes averaged about 5% and asked that the Board be careful on that direction as there are different percentages for different time slots. Everyone on Staff is agreeable to increases. Director of Community Services/Golf Howard said that we have to be careful with the shoulder season rates and he asked for caution in that area. Board Chairman Callicrate said that the Board is trying to give you clearer direction tonight and that there would be that flexibility there. For the residents, we want to make it as painless as possible and that in doing so we could a little closer and doubling these (at 10%) and then getting the guest rate up to 10%. At the Mountain golf course, we have to understand about the shoulder season. This gets us back to a saner approach to golf and that last year was the anomaly. We do want this to be equitable to all our residents who are paying the bills. District General Manager Winquest asked about the Hyatt rates and noted that he did give direction to decrease that discount. Board Chairman Callicrate said yes that is fine to do that increase there as well and yes, we want to maintain our good working relationship with the Hyatt.

Trustee Wong made a motion to approve to approve Golf Play Pass rate structure, Daily Green fees and Range fee rates for the Incline Village Golf Courses for the 2021 season as summarized by Director of Community Services/Golf Howard including the changes in the all you can play passes, guest rates and the Hyatt rates. This motion failed for the lack of a second.

Trustee Schmitz asked, for the guest rates, is it to be between the resident rate and the rack rate? Director of Community Services/Golf Howard said it is a straight 10% increase across the board and noted that on the shoulder season, we have to be careful. Director of Finance Navazio suggested, for the guest rates, that it might be helpful if the increases are as proposed but for the peak season period but that those be increased to the 10% with the rounding factor.

Trustee Wong made a motion to approve to approve Golf Play Pass rate structure, Daily Green fees and Range fee rates for the Incline Village Golf Courses for the 2021 season as presented in our Board packet except for the all you can play passes which will increase by 10%, the Hyatt rates which will increase by 10% and the guest rates which will increase by up to 10% such that those rates don't exceed nonresident rates and that the Board of Trustees gives our Staff the authorization to adjust guest rates appropriately during the shoulder season. District General Counsel Nelson offered two friendly amendments based on discussion – 10% rounded to the nearest dollar and closest to 10%. Trustee Wong accepted these friendly amendments. Trustee Tonking seconded the motion.

Trustee Wong said thank you to our staff for putting this together as Board direction hasn't been as clear as it could have been. Board Chairman Callicrate agreed and said that he is looking forward to having this advisory committee.

Hearing no further comments, Chairman Callicrate called the question – the motion was passed unanimously.

Chairman Callicrate, at 6:04 p.m., called for a 10-minute break; the Board reconvened at 6:15 p.m.

District General Manager Winqwest said that based on the confusion on that last item, Staff will create a new golf rate sheet and then at the meeting of April 14, we will put it up on the Consent Calendar so there is full transparency to the community on what the golf rates will be. The Board of Trustees agreed to that suggestion.

J.5. Review, discuss and possibly approve facility rates for the Chateau and Aspen Grove, effective immediately for all future bookings (Requesting Staff Member: Director of Community Services/Golf Darren Howard)

Director of Community Services/Golf Darren Howard gave an overview of the submitted materials. Trustee Schmitz said that she went and looked at the financial reports, specifically the report for fiscal year 2018, and asked about the subsidy that is being provided to facilities? Director of Community Services/Golf Howard said that if you looked at the last fiscal year, where we lost March – July, that typically Facilities throws off money and so it does

cover their costs. The 15% increase this year is not to hit everyone real hard and then there will be 15% increase the following year. Trustee Schmitz said something that we have to start to look at is all the subsidies and come up with a strategy. This is a step in the right direction and that this shows again that we have to take a look at what we are subsidizing with our facility fees. Board Chairman Callicrate said we do need to do a deeper dive into all our venues and it is a step in the right direction. We do need to be competitive and we do need to maintain our facilities for our community users. Trustee Schmitz asked if there were other rates - other than what is being presented to us here? District General Manager Winquest said he did get Trustee Schmitz' e-mail and apologized for not responding. Director of Community Services/Golf Howard said that Trustee Schmitz should have that information by now as he sent it. Historically, the only key rates that were brought to the Board were the ones for the Chateau and Aspen Grove. Trustee Schmitz asked is there a non-profit rate or do they use it at no charge or are there some other rates? Director of Community Services/Golf Howard said that there are some non-profit rates. Trustee Schmitz said she was hoping for a comprehensive list. Director of Community Services/Golf Howard said that none of those rates were brought forward before and that it is why they aren't included. Our non-profits pay a \$200 room fee and some have a food and beverage minimum. District General Manager Winquest said that we don't have set non-profit rates and that they are handled in a variety of ways thus we should create a standard non-profit rate that has some logic behind it so we don't have arbitrary agreements with these groups. Staff does want to work with these entities on those rates as it would be worthwhile to develop those rates and that will be his direction moving forward. Trustee Schmitz said that the transparency is important moving forward.

Trustee Wong made a motion to approve the provided Facilities rate structure, for the Chateau and Aspen Grove for 2021, as presented. Trustee Schmitz seconded the motion. Chairman Callicrate asked for comments, hearing none, he called the question – the motion was passed unanimously.

D.6. Review, discuss and possibly approve a retainer of \$10,000 to Erickson, Thorpe & Swainston, LTD. for legal services in Mark Smith v. IVGID Case No. CV18-01564 under the rates and other terms and conditions set forth in the parties' existing engagement agreement (Requesting Staff Member: District General Manager Indra Winquest)

District General Manager Winquest gave a brief overview of the submitted material. District General Counsel Nelson said we will make sure to provide a spent to date compilation and Staff is already working on that. Trustee Wong said that she was originally named in this lawsuit but has been dismissed therefore there is no conflict in her voting on this item.

Trustee Wong made a motion to authorize a \$10,000 retainer to Erickson, Thorpe & Swainston, Ltd. for legal services in Mark E. Smith v. IVGID, Case No. CV18-01564, under the rates and other terms and conditions set forth in the parties' existing engagement agreement. Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question and the motion was passed unanimously.

K. APPROVAL OF MINUTES (for possible action)

K.1. Meeting Minutes of February 24, 2021

Chairman Callicrate asked for changes, none were received so the minutes were approved as submitted.

K.2. Meeting Minutes of March 10, 2021

Chairman Callicrate asked for changes, Trustee Schmitz said that on agenda packet page 260, Diamond Peak Ski Resort General Manager Mike Bandelin provided some financial information that she has asked be included. District Clerk Herron said that the minutes have been updated to reflect this inclusion and that this information was sent to the Board of Trustees. Chairman Callicrate, hearing no further comments, approved the meeting minutes as revised.

K.3. Meeting Minutes of March 24, 2021

Chairman Callicrate asked for changes, Trustee Schmitz asked about Mr. Katz' attachments that he mentioned during public comments. District Clerk Herron said that the attachments were not received prior to the minutes being produced/included in the packet. They will be attached to these meeting minutes along with the ones that Mr. Katz submitted for this meeting. Chairman Callicrate, hearing no further comments, approved the meeting minutes as submitted.

L. REPORTS* (Reports are intended to inform the Board and/or public)

There were no reports for this agenda.

M. FINAL PUBLIC COMMENTS*

Scott Hill said first, he just wants to thank all of the Board members for their good work this year – he has been watching this Board and have to say that you all are, and have been, attentive to the important issues facing our community. And you clearly recognize that IV/CB is a great community with good property values because we have so many quality, well managed recreation venues. He would like to specifically comment tonight on GM Winqest’s request to have a Board level operating cost recovery goal for the venues communicated to staff, and on Trustee Schmitz’s comments that seem to indicate a goal to maximize the prices that residents pay at Golf and Facilities venues. He would like to ask the Board to reflect on cost recovery goals for each venue, *separately*. . . and to ask you to come up with a goal for each venue that is clearly communicated to the community and staff. We clearly don’t recover operating costs at the Rec. Center and Community programs, (and that operating loss by the way is significantly greater than that of Golf), we clearly don’t recover costs at Tennis or even the Beaches. Residents get discounts for Golf, Tennis, Rec Center, DP and the Beaches, and should. That is what we pay our Rec Fee for. How much of a discount should be decided based on a clearly communicated goal for cost recovery for each venue? In that context, He also wants to suggest that the Mountain Course should be viewed more like a community amenity, with little ability to recover full costs. On the other hand, the Championship course can probably recover costs, but the question for the Board is whether it should? In summary, he would ask you to please look at developing specific cost recovery goals for each venue, and in that context to also address and communicate to all how the excess profits from Diamond Peak are used within the Community Services Fund, if they are not used to offset Rec Center, Community Programs, Golf, Tennis and Parks operating cost deficits? Thank you again for your commitment and hard work, and for the opportunity to comment tonight.

Aaron Katz said by the way he didn’t understand what happened with his request for the written statements attached to the minutes of March 24 so if somebody could clarify. You know Chair Callicrate you said there are many misconceptions that Incline Village/Crystal Bay which we know, you are right. Let him tell you the number 1, that we make money at anything we do anywhere. That is a complete misconception. Everything loses money. Guess what? Diamond Peak loses money. Once you factor in the cost of the masses of capital costs, there is no money left over and you are seeing this again with Ski Way just as a simple example. So, if we did make money someplace, there wouldn’t be a Rec Fee, it is

that simple. The factor that there is tells you everything you need to know. So in this talk from Mr. Hill about let's come up with cost recovery goals, it is an impossibility. You have been doing it for 50 years, you haven't been able to do it. What makes you think you are going to be able to do it next year or five years from now or ten years from now? It is an impossibility. The question you need to really address is why are we doing all of this? And don't tell him we are doing it to prop up our property values. Government does not exist to prop up private property values. It is that simple. And furthermore, the Rec Fee is not here to give you, the golfer, a discount at the golf courses. If the Rec Fee were to merely get discounts, and he didn't care about the discounts, why are you charging him the Rec Fee? It should be a voluntary thing. You need to get to the basic problem and that is either operate all this stuff at a breakeven, which he says is impossible or it is time to get rid of it. You may not like to get rid of it, well, he is sorry but he doesn't want to lose \$7 million a year for the rest of his life because really that is the merry go round you have put us on and you never do anything to address this, never, never, never. Prove him wrong and do something. Thank you.

Cliff Dobler said Global Golf is a worldwide organization engaged by IVGID in 2012 to assess the golf operations and establish annual targets for revenues and expenses for the 5-year period from 2014 to 2018. Regarding the Championship Golf Course, the plan was to reduce the Head Golf Professional and Merchandiser positions to seasonal positions and reduce staffing levels across all areas of golf operations. He believes that both positions remain full time but he has no information on the remaining staffing levels. If the Global Golf recommendations were instituted, then by 2018, the golf courses would have had an operating surplus just shy of \$300,000 per year rather than \$260,000 in average losses. The Director of Finance provided a presentation on February 24 of the expenses in detail from the preliminary fiscal 2021 budgets so a reasonable comparison with Global Golf can be made. Comparing 2018 Global Golf projections with the IVGID budget, please note the following – golf rounds, Global projected 22,866 rounds, IVGID in 2019/2020 averaged 22,985 – on target; golf and driving range revenues Global projected \$2.2 million, IVGID \$2.3 million – on target; course maintenance Global projected \$1.007 million, IVGID \$1.042 million – on target; merchandise, food and beverage, and Hyatt shop revenues Global projected \$937,000 annually, IVGID budgeted \$1.340 million in both cases only nominal contributions went to the bottom line. So here is the problem – golf operations Global projected \$463,000, IVGID \$747,000 – missed by 61% or \$284,000; administration and overhead Global projected \$536,000 IVGID spent \$696,000 – missed by 30% or a \$160,000. These two departments account for almost \$450,000 annually above what Global projected. Capital costs have major differences. Over the past 5 years, IVGID capital costs have averaged almost \$600,000, Global projected less than \$300,000. IVGID purchasing of high end equipment and capitalization of expenses

for maintaining tees, greens, bunkers and cart paths contributed to the high capital costs causing overall total losses of \$800,000 averaged over the past five years. So Global Golf set out a plan and was it ever followed? Apparently not. So why the failure? Was it rounds, no. Was it revenues, no. Was it course maintenance, no. Was it operating and administering the golf course, well, yes. IVGID can never breakeven unless these operations and overhead expenses are reduced. The Mountain course is far worse but unfortunately his 3 minutes are up. Thank you very much for your time.

Frank Wright said you know, listening to your new golf club representation or your advisory board made up of all the golf clubs and a couple of other people, do you find anything wrong with that? We are talking 600 golfers and we are talking 8,000 residents. The 8,000 residents get an apportionment of 2 representatives and the golf clubs get 6 so he can see the votes in that place and he can see them coming to the Board and saying this is our recommendation from the golf clubs. You stacked it and he is sure the other 2 people will be the District General Manager's handpicked people that are going to mimic everything he says. Is it really a worthwhile endeavor? Is it another effort to keep the golf rates down? Yes, yes and yes. Now, how did we come up with a 5% increase? After the recommendation was to try and meet costs? Well, we came up with 5% and then we will have Chairman Callicrate go on for 25 minutes and explain how a 10% would be a compromise so 10% is still a good thing compared to the 20% Staff was asking for or that the Board was asking for. So after listening to Chairman Callicrate for a half hour go around and around and around, he finally came to a conclusion that the Board is going to vote on his 10%. There is a lot of open meeting laws going on here that are being broken left and right. A Board Chairman is not to be gearing and steering the other Board members into voting for things that he wants. Changing an agenda item? You should have just told Staff to come back with a reasonable projection because this isn't going to get it. No, you compromise and come up with 10% - unbelievable, unbelievable. Who is running this town? Thank you.

N. ADJOURNMENT (for possible action)

The meeting was adjourned at 6:48 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Aaron Katz – Written statement to be included in the written minutes of this March 31, 2021 regular IVGID Board meeting – Agenda item C – Public comments – EXL Media spends – a report card

Submitted by Aaron Katz – Written statement to be included in the written minutes of this March 31, 2021 regular IVGID Board meeting – March 24, 2021 Board Meeting agenda item E(3) – Public comments – Proposed 2021-22 capital improvement plan (“CIP”) expenditures which cannot be supported by standby service charges

Submitted by Aaron Katz – Written statement to be included in the written minutes of this March 31, 2021 regular IVGID Board meeting – Agenda item J(4) – Approval of Staff’s proposed fiscal year 2021-22 key rate structure for golf – a second look

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF
THIS MARCH 31, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM
C – PUBLIC COMMENTS – EXL MEDIA SPENDS – A REPORT CARD**

Introduction: At the Board’s September 30, 2020 meeting the subject of whether to approve a media spending contract with EXL Media, and if so for what reason and in what amount, was again brought to the Board for possible action¹. In the staff memorandum submitted in support of this agenda item, staff made it very clear what its proposed spending would entail:

“Given...the Board's desire to spend less on paid advertising during the 2020/21 Fiscal Year than (in) previous years due to the COVID-19 pandemic ...the uncertainty around this season due to the pandemic, and the limitations of Diamond Peak's organic communications channels, Staff recommend(ed) the Board approve...a *limited contract* for paid advertising services to *convey vital messaging around*:

- Status of the ski resort (i.e. when resort is open);
- Product availability and any capacity restrictions in place;
- Pre-arrival information and expectations;
- Updated conditions information; (and,)
- 2021-22 season pass sale information...

(According to staff) having the flexibility to utilize a portion of the approved marketing budget on paid advertising channels *to communicate vital resort information* (wa)s advisable to ensure the health and safety of our employees, customers, and local community. Staff (represented it would)... continue to be diligent in adjusting spending levels to be in line with District goals and changing market conditions.”²

In marketing manager Paul Raymore’s oral comments to the Board and the public he reiterated and affirmed these goals:

¹ See agenda item G(2), at pages 114-124 of the packet of materials prepared by staff in support of the Board’s September 30, 2020 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0930_-_Regular_-_Searchable.pdf (“the 9/30/2020 Board packet”).]

² See page 117 of the 9/30/2020 Board packet.

“Given the impacts COVID-19 will have on the ski resort’s communication plans, this year’s paid advertising campaigns will be focused on *informative guest communications* including messaging that Diamond Peak Ski Resort is open, customer pre-arrival expectations, product availability and capacity restrictions, and updated conditions information. The primary goals of our communications through (our) paid advertising channels will be to: 1) assure the health and safety of our community, our customers and staff; 2)...convey pre-arrival expectations for customers, assuring they’re prepared for modified operations they w(ill) encounter at the resort this season; (and, 3)...provide updates on product availability, real time capacity restrictions, and updated conditions information through multiple channels...Staff ask(ed the Board)...trust (them) to act physically prudent in managing this limited budget.”³

According to Mr. Raymore, staff’s alternative if the Board were not to approve his proposed marketing plan “w(ould) leave Diamond Peak’s communications and marketing plan for this winter vulnerable as the Media Buying Contract is a key component to the overall annual marketing and communications plan.”²

EXL Media Written Contract Scope of Work: *Contrary* to the above, listen to the proposed contract’s scope of work:

“EXL will provide (the) District with a selection of media services for use by District recreational facilities for the July 1, 2020 – June 30, 2021 fiscal year (to)...include...the following: 1) Radio; 2) Outdoor; 3) Television/Cable; 4) Digital/Internet/Mobile; 5) Print; 6) Promotions; 7) Specialty Media; 8) Advertising Performance Analytics & Tracking.”⁴

Given the foregoing representations, listen to Trustee Schmitz’s concerns about the content of the scope of work set forth in the contract presented to the Board for approval at its September 30, 2020 meeting:

³ The District livestreams its meetings (go to <https://livestream.com/accounts/3411104>). The livestream of the Board’s September 30, 2020 meeting (“the 9/30/3030 livestream”) appears at <https://livestream.com/ivgid/events/9329565/videos/211552374>. The portion of the 9/30/3030 livestream where the quoted testimony appears is 2:20:22- 2:21:55.

⁴ See Section 2(a) of the proposed EXL Media contract at pages 119-121 of the 9/30/2020 Board packet. Those pages are attached as Exhibit “A” to this written statement.

“We have a contract here *which is not very...accurate*...There’s some cleanup work yet to be done...I’m really hoping we can bring this back with a scope of work tidied up a bit to be more reflective of what EXL Media is actually being asked to do.”⁵ Therefore, “the statement of work should be modified...We’re bringing forward statements of work that are not...reflective of what the staff memo is indicating the scope is. And I feel it’s one of our duties to make sure we are producing clear and comprehensive statements of work. And I cannot support statements of work (that are)...not correct...My feeling is that we need to start making sure that our scopes of work are properly stated...We shouldn’t be signing statements of work as contracts where the language doesn’t accurately reflect exactly what our intentions are.”⁶

In response the Board chair instructed staff that

“The board could approve th(e proposed contract)...with required revisions. I trust you guys. I think you’re going to do the right thing. But I would like to have the...concerns that Sara has brought up...incorporated ...into the (final) document.”⁷

Based upon this instruction, the contract was approved by a majority of the Board.

So how did staff comply with the Board’s instruction insofar as the scope of work were concerned? To find out, I made a records request to examine the final executed contract. Although I am not going to attach the entire contract to this written statement, I am attaching the scope of work provisions⁸. Let me quote:

The “District hereby hires EXL to provide...Media Services described herein in support of the Diamond Peak Ski Resort...for the fiscal year of July 1, 2020 – June 30, 2021 (to)...include...the following: 1) Radio; 2) Outdoor; 3) Television/Cable; 4) Digital/Internet/Mobile; 5) Print; 6) Promotions; 7) Specialty Media; 8) Advertising Performance Analytics & Tracking.”

In other words, essentially ***NO DIFFERENCE***⁹!

⁵ See 2:29:05-2:30:30 of the 9/30/2020 livestream.

⁶ See 2:35:18-2:37:18 of the 9/30/2020 livestream.

⁷ See 2:38:39-2:40:22 of the 9/30/2020 livestream.

⁸ See Sections 1(a) and 2(a) of the final EXL Media contract. Those sections are attached as Exhibit “B” to this written statement.

⁹ This observation is reminiscent of the old Blue Bonnet margarine commercial in which a French chef with a heavy French accent declares the paradox “no difference” when comparing the taste of

And now that the ski season is essentially over, let's see what staff have done with the limited budget made available for the purposes they have represented.

Diamond Peak's Banner Advertisements: I don't know about any other reader, but since the first of the year I have been absolutely bombarded with Diamond Peak banner ads; HUNDREDS a day. And since this kind of advertising seems to be the primary focus of EXL Media's media advertising (see discussion below), I find the message to be telling. In other words, do these banner ads tell me the:

- Status of the ski resort (i.e. when resort is open);
- Product availability and any capacity restrictions in place;
- Pre-arrival information and expectations;
- Updated conditions information; (and,)
- 2021-22 season pass sale information?

Do they "*convey vital messaging?*"

Of course not! Instead, it's EXL Media's standard business as usual internet advertising program intended to attract more sales: "kids 6 & under ski free," "interchangeable parent('s ski pass(es)," come to Diamond Peak because "if you're going to ski Tahoe, you should really see Tahoe," "Save with Multi-Day Lift Tickets," come to Diamond Peak because of "uncrowded Tahoe skiing,"²⁴ "Ride Tahoe for less,"²⁴ "Diamond Peak misses you,"²⁴ "Tahoe's Best Ski Value,"²⁴ "Tahoe's Best Terrain Park,"²⁴ etc. Not that I should have to prove any of this but those deniers in our community, I have attached copies of many of these banner adds as Exhibit "C" to this written statement.

And What's Worse, it's Really Not EXL Media's Fault. It's Our Marketing Department's Fault: Let's return to the written agreement actually entered into by our GM (Exhibit "B"). Section 2(b) states that the "District's General Manager or (his) designee shall approve all Media Services, including media buy(s)...*before* any placements are made on (the) District's behalf." In other words, all of these social media banner advertisements were approved by Mr. Raymore and Indra before they were placed? Didn't they know that the ads did not send the message originally represented to the Board? Therefore in the public's opinion, the blame *falls squarely on staff!*

Reporting Provided by EXL Media: Moreover and independently, in Mr. Raymore's effort to substantiate this season's media spend with EXL Media, he admits the subject spend ***has been for purposes other than what was represented to the Board and the public on September 30, 2020!*** Mr.

industrial vegetable margarine goo to real butter (go to <https://www.fathead-movie.com/index.php/2009/09/24/the-french-paradox/>).

Raymore has attached a December 2020-January 2021 report¹⁰ of internet (Google, Yahoo)/social media (Facebook, Yelp, You-Tube) “clicks,”¹¹ “click through rates”¹² aka CTRs, “impressions,”¹³ “Revenue,” and “ROAS Buys”¹⁴ associated with Diamond Peak. This report was included in the General Manager’s “Status Report Prepared For the (Board’s) Meeting of March 10, 2021”¹⁵. This is where are marketing dollars have gone.

And not that we should be discussing the accuracy of Mr. Raymore’s ROAS representations, but what do his fancy advertising terms mean, how do they measure an actual sale as a result of a specific advertisement, how do they measure actual sales as a result of media buys during the relevant period, if at all, and most importantly, what do they have to do with the kinds of media buys Mr. Raymore asked the Board and the public to “trust” he would make if the contract he were proposing were approved? Although I answered the first set of questions in a written statement I submitted for inclusion in the minutes of the Board’s July 29, 2020 meeting¹⁶, I repeat the answers here to

¹⁰ See pages 49-61 of the packet of materials prepared by staff in support of the Board’s March 10, 2021 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0310_-_Regular_-_Searchable_Part1.pdf (“the 3/10/2021 Board packet”)].

¹¹ In online advertising a “click” is a click on a specific advertisement that appears on a web page (see <https://www.investopedia.com/terms/c/clickthroughrates.asp#:~:text=In%20online%20advertising%2C%20the%20click-through%20rate%20%28CTR%29%20is,successful%20the%20ad%20has%20been%20in%20generating%20interest>).

¹² “In online advertising, the CTR (“click through rate”) is the percentage of individuals viewing a web page who click on a specific advertisement that appears on the page. Click-through rate measures how successful an ad has been in capturing users’ interest. The higher the click-through rate, the more successful the ad has been in generating interest” (see <https://www.investopedia.com/terms/c/clickthroughrates.asp#:~:text=In%20online%20advertising%2C%20the%20click-through%20rate%20%28CTR%29%20is,successful%20the%20ad%20has%20been%20in%20generating%20interest>).

¹³ “An impression is a metric used to quantify the display of an advertisement on a web page...Impressions are not a measure of whether an advertisement has been clicked on, only that it was displayed” (<https://www.investopedia.com/terms/i/impression.asp>).

¹⁴ “ROAS is short for ‘return on ad spend.’ It is a measurement of how many dollars you will receive for every dollar you spend on advertising” (<https://www.disruptiveadvertising.com/marketing/roas-return-on-ad-spend/>).

¹⁵ See pages 35-61 of the 3/10/2021 Board packet.

¹⁶ See pages 157-171 of the packet of materials prepared by staff in anticipation of the Board’s August 26, 2020 Meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0826_-_Regular_-_Searchable.pdf (“the 8/26/2020 Board packet”)].

demonstrate that the report does not prove that Diamond Peak realized any increased revenue specifically because of EXL Media's internet buys. These are the terms included in EXL Media's report:

Click Through Rate¹⁷: Although a high CTR "can...be used to measure the effectiveness of advertising copy, titles, and descriptions that make up the metadata of online content," and as a result can "help a website owner support the site through advertising dollars," what does it accomplish insofar as demonstrating an actual sale as a result of a specific advertisement? Given "click-through rate measures (nothing more than) how successful an ad has been in capturing users' interest,"¹² and nothing more, absolutely **NOTHING!**

Impressions¹⁷: "are used in online advertising, which often pays on a per-impression basis¹⁸. Counting impressions is essential to how web advertising is accounted and paid for in search engine marketing."¹⁹ However, since impressions "are not a measure of whether an advertisement has been clicked on, only that it was displayed...exactly how that figure is interpreted is up for debate. Some online advertising experts believe that there is no exact way to count impressions since a count can be skewed by a single person registering the same ad in several page views...(Moreover,) there are several more ways for total impression numbers to be skewed...(For these reasons many) advertisers...view any impression figure with...skepticism."⁷ Therefore given "Impressions are not a measure of whether an advertisement has been clicked on, only that it was displayed,"⁷ and nothing more, how do impressions demonstrate that an actual sale has been made as a result of a specific advertisement? Absolutely **NOTHING!**

Total Revenue¹⁷: Although there does not appear to be a standard definition for the term "total revenue," it appears to be revenue derived from new media, online, internet, electronic delivery or interactive sources²⁰. But "revenue doesn't necessarily refer to *all* online commerce. When customers purchase physical goods online²¹ and have them shipped to their home (or their computer via e-mail), they are buying from online retailers and simply using the internet in place of a (purchase at a) tangible retail location. This is precisely the case here. Because of COVID-19 most ski areas are making their customers purchase product in advance²² over the internet.

Cost¹⁷: According to the EXL summary, this term represents the cost of internet/social media "clicks," whether/not they have resulted in actual revenue or digital sales.

¹⁷ See page 51 of the 3/10/2021 Board packet.

¹⁸ Note EXL Media's report of December 2020-January 2021 Diamond Peak revenues and ROAS ("return on ad spend). The cost of the revenues reported is reported in "cost per click."

¹⁹ See <https://www.investopedia.com/terms/i/impression.asp>.

²⁰ Go to <https://go.greaterpublic.org/blog/2016/02/defining-digital-revenue-current-public-media-trends/>.

²¹ Or here lift tickets, lessons or equipment rentals.

²² In fact this is exactly what *all* of Diamond Peak's banner advertisements represent: "Advance Purchase Required."

ROAS¹⁷: Although “ROAS...is typically used to evaluate the effectiveness of a specific campaign, ad group, ad or even keyword,” its usefulness in this particular inquiry is questionable. “Unlike some marketing calculations, it’s fairly easy to figure out your ROAS...(You) simply divide the revenue you made from your ad campaign by how much you spent on the campaign²³...(However,) the limitation of th(is method)...is that it...is only as good as the cost and revenue numbers...you put into [the equation (in other words, garbage-in-garbage-out)]. Now...if you’re an ecommerce company, this should be fairly easy, since you can directly track which clicks le(a)d to which purchases.” However, if you’re a physical presence retailer like the District, “it’s...harder to track.”

So is Anyone Other Than Me Actually Reading Mr. Raymore’s/EXL’s “Foot-in-Your-Mouth” Justifications?

Mr. Raymore/EXL Media Want the Board to Conclude the District Generated Hundreds of Thousands of Dollars on its EXL Media Buys it Would Not Have Generated Were it Not For the Subject Media Buys: Take a look at the alleged revenues under the “revenue” column for each of the District’s “Campaigns:” \$64,363.00 of alleged Google and Bing sales¹⁷, \$115,530.00 of alleged Facebook sales²⁴, and \$254,046.80 of alleged Quantcast sales²⁵. All of this because of EXL Media’s social media buys allegedly to share the:

- Status of the ski resort (i.e. when resort is open);
- Product availability and any capacity restrictions in place;
- Pre-arrival information and expectations²⁶;
- Updated conditions information;
- 2021-22 season pass sale information;” and,
- *conveying vital messaging.*

I don’t think so!

Conclusion: So what have we learned? When our staff come to the Board and ask to be trusted to spend public dollars for express purposes represented, ***they can’t be trusted!*** When the Board instructs staff to make modifications to a proposed written contract prior to executing it, ***they can’t be trusted!*** This unwavering “trust” trustees like Wong, Morris and Callicrate have in our staff is absolutely unwarranted! When are we going to learn? Here we have nothing more than staff parsing

²³ Which is exactly what EXL Media has done on insofar as its report summary is concerned¹¹.

²⁴ See page 53 of the 3/10/2021 Board packet.

²⁵ See page 55 of the 3/10/2021 Board packet.

²⁶ Take a look at the whopping \$492.21 spent with Google on “locals messaging” (see page 52 of the 3/10/2021 Board packet). Or the \$500 spent with Facebook for the same types of “locals campaign.”¹⁸

out public assets to another one of its favored collaborators so the collaborator can make money at the public's expense. *I again call on the Board to eliminate all budgeting for marketing.*

And to those asking why our Recreation ("RF") and Beach ("BFF") Facility Fees are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

EXHIBIT "A"

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

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

WITNESSETH

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

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

SECTION 1 - Agreement.

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

Total contract not-to-exceed: \$100,000

- Cash Media: \$75,000
 - Diamond Peak: \$75,000
 - Golf: \$0
 - Facilities: \$0
 - Recreation Center: \$0

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

- Tennis Center: \$0
- Trade Media: \$0
 - Diamond Peak: \$0
 - Golf: \$0
- Agency Fees: billed at \$125 per hour, not to exceed \$25,000

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

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

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

SECTION 2 - EXL's Obligations.

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

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

9) Advertising Performance Analytics & Tracking

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

EXHIBIT "B"

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

In case additional needs arise, District may pay EXL an additional fee as agreed by both parties in a written change order to this Agreement and prior to executing the additional project.

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

SECTION 2 - EXL's Obligations.

- (a) EXL shall provide District with a selection of Media Services for use by the Diamond Peak Ski Resort for the July 1, 2020 - June 30, 2021 fiscal year. The Media Services may include, but are not limited to, the following:
- 1) Radio
 - 2) Outdoor
 - 3) Television/Cable
 - 4) Digital/Internet/Mobile
 - 5) Print
 - 6) Promotions
 - 7) Specialty Media
 - 8) Advertising Performance Analytics & Tracking
- (b) EXL shall consult with District to provide District the opportunity for input on the selected Media Services. District's General Manager or designee shall approve all Media Services, including media buying budgets and plans before any placements are made on District's behalf. Media buying budgets and plans shall be evaluated and potentially adjusted at least quarterly, with the General Manager's or designee's written approval.
- (c) EXL shall not exceed the total amount budgeted for Media Services described above and will not incur any costs above and beyond set budget unless additional costs are authorized as set forth in Section 1(b).
- (d) EXL shall not include any non-cancellable third party contracts or media placements in any Media Services.
- (e) EXL shall provide copies of original invoices from third party vendors attached to EXL invoices. EXL shall invoice District monthly for all Media

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

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

WITNESSETH

- a) District is the owner and operator under Special Use Permit of Diamond Peak Ski Resort ("Diamond Peak Ski Resort").
- b) EXL is a media buying and placement agency, located in Incline Village, Nevada, with experience in media services.
- c) District desires to retain the services of EXL to provide media services in support of the Diamond Peak Ski Resort.

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

SECTION 1 - Agreement.

- (a) District hereby hires EXL to provide media services described herein in support of the Diamond Peak Ski Resort (the "Media Services"), and EXL agrees to provide the Media Services to District. EXL will provide the Media Services to District within the timeline set between the District and EXL.
- (b) District shall pay EXL a separate amount for each Media Service. The breakdown and total amount for the fiscal year of July 1, 2020 – June 30, 2021 is as follows:

Total contract not-to-exceed: \$100,000

- Cash Media: \$75,000
 - Diamond Peak Ski Resort
- Agency Fees: billed at \$125 per hour, not to exceed \$25,000

As set forth in Section 2(a), cash media involves the placement of advertisements through third party media channels by EXL on behalf of District. Agency fees are fees charged by EXL to District for such services or other related services such as advertising performance analytics & tracking.

EXHIBIT "C"



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Search bar



Web Mail | Check Mail | Write | Search Mail | Address Book

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Inbox

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Checked items: Delete Spam Move to...

| <input type="checkbox"/> | Sender | Subject | Date | Size |
|--------------------------|-----------------------|---|----------|--------|
| <input type="checkbox"/> | Carole & Jenna Rose | Incline Village Market Update - March 2021 | 10:02 AM | 34 KB |
| <input type="checkbox"/> | Wagner, Jamie | RE: 1280234076//15495 Bohlman Road, CA | 09:39 AM | 60 KB |
| <input type="checkbox"/> | The Home Depot | Thanks! You Made a Great Choice. | 09:07 AM | 93 KB |
| <input type="checkbox"/> | Linda Offerdahl | IVCBA | 09:23 AM | 64 KB |
| <input type="checkbox"/> | Wagner, Jamie | RE: 1280234076//15495 Bohlman Road, CA | 08:48 AM | 43 KB |
| <input type="checkbox"/> | Staples | Better-than-ever benefits are here. | 09:00 AM | 155 KB |
| <input type="checkbox"/> | spamBlocker@earthlink | Allowed Sender Request from "Jamie Wagner" | 08:56 AM | 7 KB |
| <input type="checkbox"/> | Connelly, Lisa | RE: 1280234076//15495 Bohlman Road, CA | 08:37 AM | 126 KB |
| <input type="checkbox"/> | Citi® / AAdvantage® C | Last Chance: Aaron, we=?utf-8?Q?=?-re messaging you to activate a limited-time promo offer on all new purchas | 04:10 AM | 97 KB |
| <input type="checkbox"/> | Michael Abel | Skiing for health and a goal | 09:22 PM | 463 KB |
| <input type="checkbox"/> | Dick Warren | Re: General Business Item E.1 - Davis Farr LLP Contract | Mar 21 | 5 KB |
| <input type="checkbox"/> | Dick Warren | Re: General Business Item E.1 - Davis Farr LLP Contract | Mar 21 | 5 KB |
| <input type="checkbox"/> | Margaret Martini | RE: Fwd: IVCBA Fwd | Mar 21 | 12 KB |
| <input type="checkbox"/> | Dick Warren | General Business Item E.1 - Davis Farr LLP Contract | Mar 21 | 4 KB |
| <input type="checkbox"/> | American Airlines AA | Save 40% when you buy miles | Mar 21 | 55 KB |
| <input type="checkbox"/> | Travelzoo | Oregon Riverfront Cabin: 2 Nights w/\$200 in Perks, \$249 | Mar 21 | 32 KB |
| <input type="checkbox"/> | Staples | 40% back in rewards when you buy 2. | Mar 21 | 159 KB |

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Affordable & Luxurious Overwater Bungalow Resorts, Explore The Top Searches Now
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Anonymous Email [redacted]
ants53576@my...
belays26994@...
dnt80696@my...
toea65636@my... [1]
yearn36541@m...



Web Mail navigation bar with 'Check Mail', 'Write', 'Search Mail', and 'Address Book' buttons

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Inbox

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- Email Folders: Inbox [283], Drafts [105], Sent [690], Trash [4] (Empty), alreadymoved, important [1], sherron, Undeliverabl...

- spamBlocker [Edit], Suspect Email [7], Known Spam [3], Virus Blocker, Anonymous Email [redacted]

Table with columns: Sender, Subject, Date, Size. Includes entries from Citi, Michael Abel, Dick Warren, Margaret Martini, American Airlines, Travelzoo, Staples, Judith Miller, Frank Wright, Chase, The Home Depot, American Airlines, Michael Abel, and Vanguard.

New 2021 BMW SUVs Astonish. Discover the incredible new 2021 BMW SUVs and what they offer with these top searches. Auto Today OPEN

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Inbox

Page 1 of 16 [Next] [Previous]

- Email Folders [Edit]
 - Inbox [309]
 - Drafts [105]
 - Sent [701]
 - Trash [12] (Empty)
 - alreadymoved
 - important [1]
 - sherron
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- spamBlocker [Edit]
 - Suspect Email [5]
 - Known Spam [3]
 - Virus Blocker

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 belays26994@my...
 dnt80696@my...
 toea65635@my...
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| Sender | Subject | Date | Size |
|------------------------|---|----------|--------|
| Staples | RE: 40% back in rewards when you buy 2. | 09:00 AM | 160 KB |
| Southwest Click 'N Sa | \$49 sale to the June getaway you've been dreaming of. | 08:16 AM | 79 KB |
| PowerShift by NV Ene | How your energy use compares with similar households? | 08:10 AM | 72 KB |
| Vanguard | Your brokerage transaction confirmation is ready | 05:47 AM | 17 KB |
| VANGUARD BROKER | REMINDER--VOTE YOUR SHARES! AT&T INC. Annual Meeting | 03:02 AM | 32 KB |
| CHOICE Warranty | Your Choice Home Warranty is Expiring Soon. Renew | 09:13 PM | 4 KB |
| Frank Wright | Fwd: ARC4 | 10:32 PM | 50 KB |
| Lori Berry | Re: Reference #20281969 | 09:08 PM | 21 KB |
| Lori Berry | Re: Reference #20281969 | Mar 22 | 19 KB |
| American Property Inve | Re: Reference #20281969 | Mar 22 | 10 KB |
| Herron, Susan | RE: Records Request - Allocated General Fund Expenditures | Mar 22 | 12 KB |
| Margaret Martini | FW: FW: ACR 4- (Formerly BDR 199) | Mar 22 | 114 KB |
| postmaster@OldRepub | Undeliverable: [EXTERNAL] From Aaron Katz | Mar 22 | 39 KB |
| Stephanie Gentle | Re: Judy Miller Loan #1671061483 - Follow Up | Mar 22 | 52 KB |
| David Silcott | RE: Possible New Escrow/Title | Mar 22 | 44 KB |
| David Silcott | RE: Possible New Escrow/Title | Mar 22 | 28 KB |
| Wagner, Jamie | RE: 1280234076//15495 Bohlman Road, CA | Mar 22 | 75 KB |
| Vanguard | Important information about your brokerage account | Mar 22 | 26 KB |
| Carole & Jenna Rose M | Incline Village Market Update - March 2021 | Mar 22 | 34 KB |
| Wagner, Jamie | RE: 1280234076//15495 Bohlman Road, CA | Mar 22 | 60 KB |

Check All - Clear All

Checked items: [Delete] [Spam] [Move to...] [Show Preview]

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Diamond Peak

ADVANCE PURCHASE
 REQUIRED

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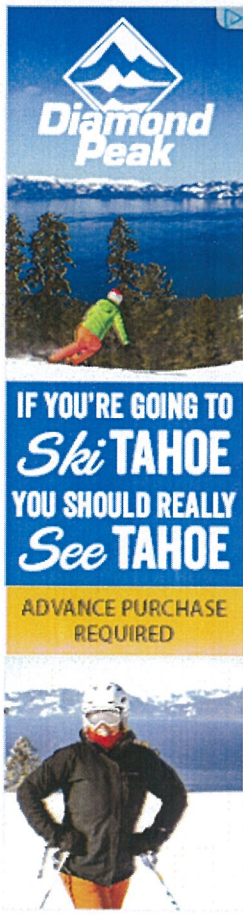
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Diamond Peak

IF YOU'RE GOING TO **Ski TAHOE**
YOU SHOULD REALLY **See TAHOE**

ADVANCE PURCHASE
REQUIRED

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| <input type="checkbox"/> | mcmyre, brenda | FVV Estimated Closing Statement for a Refinance | Mar 24 | 1.51 KB |
| <input type="checkbox"/> | Admin1 @ RB | Re: 490 Manciano - WO #10548 | Mar 24 | 42 KB |
| <input type="checkbox"/> | Herron, Susan | RE: Records Request EXL Media Post Dating July 8, 2020 | Mar 24 | 1 MB |
| <input type="checkbox"/> | linda@marknewman.ne | Request for a Hearing on ACR4 (formerly BDR-199): Interim Study of General Improvement Districts | Mar 24 | 8 KB |

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WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MARCH 31, 2021 REGULAR IVGID BOARD MEETING – MARCH 24, 2021 BOARD MEETING GENDA ITEM E(3) – PUBLIC COMMENTS – PROPOSED 2021-22 CAPITAL IMPROVEMENT PLAN (“CIP”) EXPENDITURES WHICH CANNOT BE SUPPORTED BY STANDBY SERVICE CHARGES

Introduction: On February 24, 2021 staff presented its second 2021-22 budget workshop (the first on January 20, 2021¹ was a complete waste of everyone’s time) wherein it presented its already *unacceptable* baseline budget². Staff’s proposed baseline budget included \$4,133,080 of proposed CIPs assigned to the District’s Community Services Fund [augmented by use of \$530,996 on (fund) deposit (for a total of \$4,664,076)], and \$2,825,060 assigned to the District’s Beach Fund [augmented by use of \$2,522,888 on (fund) deposit (for a total of \$5,347,948)].

Now staff propose a \$3,749,630 CIP budget assigned to the District’s Community Services Fund³, and a \$4,520,060 CIP budget assigned to the District’s Beach Fund⁴. Going back to staff’s proposed baseline budget², \$3,609,321 of the Recreation Facility Fee (“RFF”) is proposed to be budgeted expressly for Community Services CIPs. And \$302,171 of the Beach Facility Fee (“BFF”) is proposed to be budgeted expressly for Beach CIPs. But for the Burnt Cedar Beach pool project, it seems clear that the RFF is expressly budgeted to pay for *all* proposed CIPs assigned to the District’s Community Services Fund, and the BFF is expressly budgeted to pay for *all* proposed CIPs assigned to the District’s Beach Fund but for the Burnt Cedar Pool project.

Given staff do nothing to reduce spending and reliance upon the RFF/BFF, here we see the projects staff propose paying for with the RFF/BFF. And given staff represent that the RFF/BFF pay for the mere availability to use the District’s public recreation and beach facilities⁵, we have the opportunity to examine staff’s proposed CIPs to determine if in fact they represent the availability to

¹ See pages 3-4 of the packet of materials prepared by staff in anticipation of the Board’s January 20, 2021 meeting [“the 1/20/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/0120_-_Regular_-_Searchable.pdf)].

² See page 8 of the packet of materials prepared by staff in anticipation of the Board’s February 24, 2021 meeting [“the 2/24/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/F.2.2_-_Budget_Workshop_Presentation_022421.pdf)]. That page is attached as Exhibit “A” to this written statement.

³ See page 130 of the packet of materials prepared by staff in anticipation of the Board’s March 24, 2021 meeting [“the 3/24/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/E.3_-_Budget_Workshop_3.pdf)].

⁴ See page 131 of the 3/24/2021 Board packet.

⁵ See ¶¶ at page 113 of the packet of materials prepared by staff in anticipation of the Board’s May 27, 2020 meeting [“the 5/27/2020 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-27-2020.pdf)].

use the District’s public recreation and beach facilities. Since here they do not, this written statement is submitted in the hope the proposed CIPs which follow are *deleted*.

Before the Board Determines What CIPs Should be Paid With the RFF/BFF, Let’s Recall What the Board Has Told Residents/Local Property Owners the RFF/BFF Actually Pay For: Mr. Navazio represents that “each year, the District establishes an annual Recreation Facility Fee and Beach Facility Fee to be collected from property owners within the District through a levy placed on the property tax bill and collected on behalf of the District by the Washoe County Treasurer's Office. These fees are established based on the revenues required to support debt, capital expenditure and operations for the District's various recreation and beach facilities. These revenues, combined with service charges collected by the District for facility use and program activities serve to (financially) support the operations of the District funded by the Community Services Fund and Beach Fund, respectively. As part of the annual budget process, the Board traditionally approves a resolution which outlines the billing and collection process set forth in Nevada Revised Statutes 318.197 (establishing standby service charges for services and facilities furnished by the District).”⁶

The resolution traditionally approved is nearly identical to Resolution 1879 adopted at the Board’s May 27, 2020 meeting⁷. Since ¶4(b) of Resolution 1879 recites “that the (mere) availability of the use of IVGID's beaches; boat launch ramp; Championship golf course; Mountain golf course; tennis facilities; the Chateau and Aspen Grove; Diamond Peak Ski Resort, and Recreation Center, including reduced rates for season passes and reduced daily rates, are all benefits which inure to the owners of properties assessed” the RFF/BFF⁸, rather than each and every cost staff incur in operating the above-recreation facilities, the “availability” to access and use these facilities are *the* benefits to be received in consideration of payment of the RFF/BFF.

Since the District Separately States the Portion of the RFF/BFF Which Allegedly Pay For Budgeted CIPs, Understand That Rather Than the Mere “Availability” to Use the Public’s Recreation and Beach Facilities, Portions of the RFF/BFF Targeted to CIPs Pay For Staff’s Proposed CIPs: Go back to staff’s February 24, 2021 proposed baseline budget². There the reader will see where staff have proposed: a RFF where \$3,609,321 is dedicated to CIP expenditures; and, a BFF where \$302,172 is dedicated to CIP expenditures. Consequently, these expenditures are *not* being proposed for the mere availability to use the public’s recreation and beach facilities, respectively. Rather, they are being proposed to spend on the items specified on staff’s proposed CIP list⁹. So let’s examine what objectionable CIPs will be involuntarily paid for with the RFF/BFF.

Proposed CIPs Having Nothing to Do With Making the District’s Championship Golf Facilities Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I’ve gone

⁶ See pages 102-103 of the 5/27/2020 Board packet.

⁷ See pages 107-110 of the 5/27/2020 Board packet.

⁸ See page 109 of the 5/27/2020 Board packet.

⁹ See pages 126-131 of the 3/24/2021 Board packet.

through the list of CIPs staff assert are required to make the Champ Golf Course available for the access and use of those properties which are assessed¹⁰. I find that the following CIPs are *not*: \$233,650 of mowers and spreaders, a \$51,000 dump truck, and a \$11,000 ice machine. If the Board believes these items are necessary or convenient insofar as operating a commercial Champ Golf Course business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making the District's Mountain Golf Facilities Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make the Mountain Golf Course available for the access and use of those properties which are assessed¹¹. I find that the following CIPs are *not*: A \$68,400 mower, and \$50,000 of electrical upgrades to the golf cart storage building to accommodate a fleet of future possible electric golf carts. If the Board believes these items are necessary or convenient insofar as operating a commercial Mountain Golf Course business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making Aspen Grove Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make Aspen Grove available for the access and use of those properties which are assessed¹². I find that the following CIPs are *not*: \$41,000 for a dumpster enclosure, and \$11,000 for new carpet. If the Board believes these items are necessary or convenient insofar as operating a commercial Facilities rental business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making the Chateau Grill Restaurant Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make the Chateau Grill Restaurant available for the access and use of those properties which are assessed¹². I find that the following CIPs are *not*: \$23,000 for new carpet. If the Board believes this item is necessary or convenient insofar as operating a commercial restaurant business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making Diamond Peak Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make Diamond Peak available for the access and use of those properties which are assessed¹³. I find that the following CIPs are *not*: \$115,000 of unidentified administrative office equipment, \$10,000 for an administrative office printer/copier, and \$36,000 for administrative office flooring. If the Board believes these items are necessary or convenient insofar as operating a commercial ski resort business, I say find a source for funding other than my RFF or close down the business.

¹⁰ See page 126 of the 3/24/2021 Board packet.

¹¹ See pages 126-127 of the 3/24/2021 Board packet.

¹² See page 128 of the 3/24/2021 Board packet.

¹³ See pages 128-129 of the 3/24/2021 Board packet.

Proposed CIPs Having Nothing to Do With Making the Recreation Center Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make the Recreation Center available for the access and use of those properties which are assessed¹⁴. I find that the following CIPs are *not*: \$53,000 for new fitness equipment, \$720,000 for locker room improvements, and \$32,000 to replace a 2017 Chevrolet SUV. If the Board believes these items are necessary or convenient insofar as operating a commercial Recreation Center business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making Preston Field Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make Preston Field available for the access and use of those properties which are assessed¹⁴. I find that the following CIPs are *not*: \$45,000 for a dumpster enclosure, \$53,000 for new flooring, and \$7,500 for playground equipment. If the Board believes these items are necessary or convenient insofar as operating a public park business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making the Public's Parks Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make the District's public parks available for the access and use of those properties which are assessed¹⁴. I find that the following CIPs are *not*: \$45,000 for a new pick-up truck. Moreover, I thought that the cost of facilities made available for free that are available to the general public as a whole, were going to be assigned to the General Fund and not subsidized by the RFF. Why then subsidized by the RFF? If the Board believes these items are necessary or convenient insofar as operating a public park business, I say find a source for funding other than my RFF or close down the business.

Proposed CIPs Having Nothing to Do With Making the Beaches Available to be Used by Those Whose Properties Are Involuntarily Assessed the RFF: I've gone through the list of CIPs staff assert are required to make the Beaches available for the access and use of those properties which are assessed¹⁵. I find that the following CIPs are *not*: \$7,500 for new playground equipment, \$6,800 for a new Burnt Cedar kitchen, and \$7,260 for a new Incline Beach kitchen. If the Board believes these items are necessary or convenient insofar as operating commercial kitchen businesses, I say find a source for funding other than my BFF or close down the businesses.

Conclusion: All told we're looking at \$1,613,050 of Community Services CIP reductions (nearly \$197/RFF payor) and \$14,060 of Beach CIP reductions (nearly \$2/BFF payor). Since staff refuse to propose any meaningful reductions in their overspending, the Board needs to make those reductions on staff's behalf. And here's a relatively simple and effective means of doing so.

¹⁴ See page 130 of the 3/24/2021 Board packet.

¹⁵ See page 131 of the 3/24/2021 Board packet.

And to those asking why our RFF and BFF are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

EXHIBIT "A"

Status of Development of FY2021/22 Budget

| | General Fund | Utility Fund | Golf Champ | Golf Mountain | Diamond Facilities | Diamond Peak | Recreation | Community Services Admin | Parks | Tennis | Community Services Fund(s) | Beach Fund | Internal Services Fund |
|--------------------------------------|------------------|-------------------|------------------|------------------|--------------------|-------------------|------------------|--------------------------|------------------|----------------|----------------------------|------------------|------------------------|
| Sources: | | | | | | | | | | | | | |
| Ad Valorem | 1,770,000 | | | | | | | | | | | | |
| Consolidated Tax | 1,755,000 | | | | | | | | | | | | |
| Charges for Services | 2,400 | 12,402,440 | 3,767,485 | 922,166 | 1,833,022 | 10,148,735 | 1,364,897 | (738,000) | 60,615 | 158,100 | 17,517,019 | 1,611,800 | |
| Facility Fee - Operations | | | 32,808 | 221,454 | 41,010 | (1,640,400) | 1,222,098 | 1,041,164 | 729,978 | 114,828 | 1,762,940 | 658,455 | |
| Facility Fee - Capital | | | 524,992 | 697,255 | 172,263 | 967,954 | 918,736 | 53,320 | 266,598 | 8,203 | 3,609,321 | 302,172 | |
| Facility Fee - Debt | | | 188,669 | | 180,466 | 24,609 | 8,203 | | 6,152 | 2,051 | 410,150 | 7,748 | |
| Invest Inc. | 131,400 | 148,500 | | | | 22,500 | | 30,000 | | | 52,500 | 11,250 | |
| Misc. Rev. | | | | 40,890 | | 77,240 | | | 12,100 | | 130,230 | | |
| Intergovernmental - Operating Grants | | 31,000 | | | | | 17,000 | | 17,800 | | 34,800 | | |
| Interfund | | 241,400 | | | | 14,985 | | | 84,926 | | 99,911 | | 3,333,181 |
| Central Services Revenue | 1,471,440 | | | | | | | | | | | | |
| Use of Fund Balance | | 1,278,551 | | | | 530,996 | | | | | 530,996 | 2,522,888 | |
| Total Sources | 5,130,240 | 14,101,891 | 4,513,954 | 1,881,765 | 2,226,761 | 10,146,619 | 3,530,934 | 386,484 | 1,178,169 | 283,182 | 24,147,867 | 5,114,313 | 3,333,181 |
| Uses: | | | | | | | | | | | | | |
| Salaries & Wages | 2,222,907 | 3,106,239 | 1,309,128 | 449,026 | 490,303 | 3,129,501 | 1,159,077 | 154,058 | 336,304 | 107,993 | 7,135,390 | 893,972 | 1,531,893 |
| Employee Benefits | 1,130,916 | 1,604,628 | 387,233 | 127,343 | 196,870 | 1,092,840 | 354,382 | 60,409 | 86,333 | 18,219 | 2,323,628 | 237,063 | 810,947 |
| Total Personnel | 3,353,823 | 4,710,867 | 1,696,361 | 576,369 | 687,173 | 4,222,341 | 1,513,459 | 214,467 | 422,637 | 126,212 | 9,459,018 | 1,131,035 | 2,342,840 |
| Professional Services | 347,975 | 132,050 | 7,980 | 4,170 | 1,170 | 23,700 | 5,850 | | 1,170 | 585 | 44,625 | 17,850 | 9,000 |
| Services & Supplies | 774,629 | 2,058,091 | 976,232 | 355,319 | 451,107 | 2,061,292 | 587,168 | 79,068 | 313,235 | 64,895 | 4,888,306 | 563,926 | 893,921 |
| Insurance | 53,100 | 203,880 | 75,180 | 17,280 | 11,820 | 212,700 | 55,920 | | 13,320 | 3,540 | 389,760 | 37,980 | 11,100 |
| Utilities | 106,685 | 932,594 | 212,630 | 91,760 | 55,930 | 627,070 | 144,640 | 8,604 | 96,485 | 8,135 | 1,245,254 | 139,144 | 11,520 |
| Cost of Goods Sold | | | 722,975 | 105,100 | 429,400 | 529,100 | 44,559 | | 15,500 | | 1,846,634 | 100,500 | |
| Central Services Cost | \$\$\$\$\$\$ | 380,580 | 254,820 | 58,140 | 27,420 | 417,600 | 133,440 | 21,300 | 45,540 | 13,680 | 971,940 | 118,920 | |
| Defensible Space | | 100,000 | | | | | | 100,000 | | | 100,000 | | |
| Total Services & Supplies | 1,282,389 | 3,807,195 | 2,249,817 | 631,769 | 976,847 | 3,871,462 | 971,577 | 208,972 | 469,750 | 106,325 | 9,486,519 | 978,320 | 925,541 |
| Total Operating Uses | 4,636,212 | 8,518,062 | 3,946,178 | 1,208,138 | 1,664,020 | 8,093,803 | 2,485,036 | 423,439 | 892,387 | 232,537 | 18,945,537 | 2,109,355 | 3,268,381 |
| General Fund Cap. Exp. | 390,100 | | | | | | | | | | | | |
| Utility Fund Cap. Exp. | | 4,940,700 | | | | | | | | | | | |
| Comm. Services Cap. Exp. | | | 522,980 | 694,500 | 174,400 | 1,498,950 | 917,050 | 53,000 | 267,200 | 5,000 | 4,133,080 | | |
| Beach Cap. Exp. | | | | | | | | | | | | 2,825,060 | |
| Internal Services Cap. Exp. | | | | | | | | | | | | | 64,800 |
| Total Capital Expenditures | 390,100 | 4,940,700 | 522,980 | 694,500 | 174,400 | 1,498,950 | 917,050 | 53,000 | 267,200 | 5,000 | 4,133,080 | 2,825,060 | 64,800 |
| Utility Debt Service | | 643,129 | | | | | | | | | | | |
| Comm. Serv. Debt Service | | | 183,519 | | 175,191 | 19,553 | 2,229 | | 2,972 | 1,291 | 384,755 | | |
| Beach Debt Service | | | | | | | | | | | | 6,296 | |
| Total Debt Service | - | 643,129 | 183,519 | - | 175,191 | 19,553 | 2,229 | - | 2,972 | 1,291 | 384,755 | 6,296 | - |
| Total Uses | 5,026,312 | 14,101,891 | 4,652,677 | 1,902,638 | 2,013,611 | 9,612,306 | 3,404,315 | 476,439 | 1,162,559 | 238,828 | 23,463,372 | 4,940,711 | 3,333,181 |
| Net Sources (Uses) | 103,928 | 0 | (138,724) | (20,873) | 213,150 | 534,313 | 126,619 | (89,955) | 15,610 | 44,354 | 684,494 | 173,602 | 0 |

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MARCH 31, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM J(4) – APPROVAL OF STAFF’S PROPOSED FISCAL YEAR 2021-22 KEY RATE STRUCTURE FOR GOLF

Introduction: At the Board's March 10, 2021 meeting it gave direction to staff that they come back with a revised series of key rates for golf which addressed the current \$2 million in annual losses generated at the two golf courses¹, and developed an incremental plan for eliminating those losses in 3-5 years². Specifically the Board directed staff to return with:

1. Proposals for incremental increases (over the next 3-5 years) in play pass rates which are currently priced below our costs with the intent of recovering our costs;
2. Proposals for reductions in costs (none of which were proffered on March 10, 2021); and,
3. Proposals for implementation of aspects of the previous Global Golf study that we haven't implemented intended to increase revenues/decrease costs.

So now how has staff responded³?

1. They propose continuing to offer money losing *unlimited* play passes⁴;
2. They propose continuing to offer NON-RESIDENT Hyatt guests preferred pricing at less than our operational costs;
3. They propose continuing to offer NON-RESIDENT guests of parcel owners preferred pricing at less than our operational costs;
4. They propose continuing to offer *unlimited* junior play passes at preferred pricing, way, way below our operational costs, and lower than our preferred resident rates;

¹ The District livestreams its Board meetings (go to <https://livestream.com/accounts/3411104>). The livestream of the Board’s March 10, 2021 meeting (“the 3/10/2021 livestream”) appears at: <https://livestream.com/ivgid/events/9569382/videos/218606657>. The portion of that livestream where Trustee Dent alluded to this fact appears at 3:05:00 of the 3/10/2021 livestream.

² The portion of the livestream where the Board instructed staff as aforesaid, appears at 3:04:06-3:17:33 of the 3/10/2021 livestream.

³ See pages 194-203 of the packet of materials prepared by staff in anticipation of this March 31, 2021 meeting [“the 3/31/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/0331_-_Regular_-_Searchable.pdf)].

⁴ See page 195 of the 3/31/2021 Board packet where staff’s “revised recommendation related to Golf Play Pass rates for the 2021 golf season is (to)...1) Maintain the existing rate structure to include Unlimited All-You-Can-Play passes for the 2021 season.”

5. They propose continuing to offer *unlimited* college play passes at preferred pricing, way, way below our operational costs, and lower than our preferred resident;

6. They propose continuing to allow private golf clubs to reserve preferred morning tee times well in advance of use without paying for the privilege (something we charge everyone else);

7. They propose a PALTRY 5% increase in rates intended to *maybe* raise \$35K-\$45K of additional revenue⁵ while continuing to rack up over \$2 million of annual losses/overspending;

8. They offer no concrete proposals insofar as future incremental increases in play pass rates, or others are concerned⁶, to address the over \$2 million of annual losses/overspending; and,

9. They offer no proposals whatsoever insofar as reducing costs are concerned.

If I were grading staff's performance given the Board's March 10, 2021 instruction, I would give them a D grade. And that's the purpose of this written statement.

Again Staff Have Demonstrated That They Are More Committed to Our Community's Core Golfers Than the Overwhelming Majority of the Public Who Are Compelled to Involuntarily Subsidize the Costs of Their "Taker" Neighbors: Remember, according to the golf clubs, they consist of roughly 600 members residing in 400 or so local dwelling units out of over 8,200 total local parcels. I don't know where you come from but where I come from, this is a very small VOCAL MINORITY!

As I Stated on March 10, 2021⁷, if Staff Really Wanted to be Fair (Which They Don't), Why Wouldn't They Suggest Elimination of Championship⁸ and Mountain⁹ Golf Preferred 18-23 Non-Resident "Youth" Rounds of Golf or Unlimited Play Pass Rates? So year after year staff intentionally budget to overspend at least \$7 million annually¹⁰. Why then wouldn't staff propose pricing which

⁵ See page 197 of the 3/31/2021 Board packet: "the proposed rates...for the 2021 golf season as recommended...are expected to increase revenues by an estimated \$45,000."

⁶ Although at page 195 of the 3/31/2021 Board packet staff makes the generic recommendation the Board "consider additional increases in following years to achieve increased level of cost-recovery from Golf Play Passes," it offers no specific recommendations.

⁷ See pages 273-274 of the 3/31/2021 Board packet.

⁸ See page 381 of the packet of materials prepared by staff in anticipation of the Board's March 10, 2021 meeting ["3/10/2021 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/0310_-_Regular_-_Searchable_Part1.pdf)].

⁹ See page 382 of the 3/10/2021 Board packet.

¹⁰ On February 28, 2021 I sent staff and the Board a summary of proposed 2021-22 recreation and beach overspending after the Board's February 24, 2021 budget workshop on this subject. Note that unbelievably, the overspending totaled nearly \$14.5 million (see pages 277-279 of the 3/10/2021 Board packet).

reduced this shortfall? Instead, they propose pricing which extends unnecessary golf round discounts to NON-RESIDENT 18-23 year olds¹¹. I can understand why staff might want to do this for RESIDENT 18-23 year olds. But why NON-RESIDENTS? Staff is not here to drum up business from the future of this sport which is involuntarily subsidized by local parcel owners. Therefore the only answer for this gratuitous discount seems to be meting out preferred pricing to another favored collaborator. This cost which contributes to staff's bottom line is very, very easy to fix.

As I Stated on March 10, 2021¹², If Staff Really Wanted to be Fair (Which They Don't), Why Wouldn't They Suggest Elimination of Championship⁶ and Mountain¹³ Golf Preferred "Guest" Round of Golf Rates? Similarly, staff propose pricing which extends unnecessary golf round discounts to the guests of picture pass holders¹¹. Yet if one studies the user fees at the District's other recreational venues, one will learn there is no such thing as a preferred guest fee. So why just golf? Staff is not here to parse out discounts to a select few and not all of our community which is involuntarily subsidized by local parcel owners. This unnecessary cost which contributes to staff's bottom line is very, very easy to fix.

If Staff Really Want to be Fair (Which They Don't), Why Wouldn't They Suggest Elimination of Hyatt Hotel Preferred¹⁴ Golf Rates? Similarly, staff propose pricing which extends unnecessary golf discounts to Hyatt Hotel guests¹¹. Yet if one studies user fees at the District's other recreational venues, one will learn there is no such thing as a preferred Hyatt Hotel guest fee. So why just golf? Again, staff is not here to parse out discounts to a select few and not all of our community which is involuntarily subsidized by local parcel owners. This unnecessary cost which contributes to staff's bottom line is very, very easy to fix.

Since Staff Continue to Refuse to Propose Recommendations to Reduce Costs, Increase Revenues, and Bridge the \$2 Million Annual Shortfall Caused by Their Overspending Assigned to Golf, I Will: How about,

1. Eliminate altogether money losing *unlimited* play passes. Return to the multiple of 10s play passes proposed at the Board's March 10, 2021 meeting;
2. Eliminate altogether preferred pricing for Hyatt guests;
3. Eliminate altogether preferred pricing for parcel owner's "guests;"
4. Eliminate altogether preferred pricing for *unlimited* junior play passes;

¹¹ On March 6, 2021 I sent staff and the Board an e-mail wherein I asked they eliminate this unnecessary, discriminatory and wasteful user fee which forces local property owners to subsidize the golf played by this element of our community (see pages 281-282 of the 3/10/2021 Board packet).

¹² See page 274 of the 3/31/2021 Board packet.

¹³ See page 382 of the 3/10/2021 Board packet.

¹⁴ See page 196 of the 3/31/2021 Board packet.

5. Eliminate altogether preferred pricing for *unlimited* college play passes;

6. Require golf clubs to pay like everyone else for advance reserved preferred tee times. If they refuse to pay, only allow them to reserve in advance after let's say 11 o'clock A.M;

7. Increase the cost of 10 play passes by more than the PALTRY recommended 5% increase. 20% seems far more reasonable (remember, we're supposed to be on a path to get to break even pricing in 3-5 years);

8. Implement a REAL yield management program where the cost of a round of golf is slashed the closer it gets to a tee time with the idea of filling every possible tee time within an operational day (just like the airline industry does); and,

9. Eliminate all the freebies. This would include school and university golf clubs and their tournaments.

Conclusion: It's business as usual. Budget to overspend. Rarely if ever reduce expenses. And continue to give away the store to staff's preferred collaborators under the disingenuous guise of "it's promotion stupid" or we're creating a generation of our next customers, to local property owners' detriment. Given staff' massive overspending and over \$2 million of annual losses, I ask that the Board make the radical modifications I have suggested. In my opinion this is the only way the District's financial shortfall can be reduced.

And to those asking why our Recreation ("RFF") and Beach ("BFF") Facility Fees are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS MARCH 31, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM J(4) – APPROVAL OF STAFF’S PROPOSED FISCAL YEAR 2021-22 KEY RATE STRUCTURE FOR GOLF – A SECOND LOOK

Introduction: At the Board's March 10, 2021 meeting it gave direction to staff they come back with a revised series of key rates for golf which addressed the current \$2 million plus in annual losses generated at the two golf courses¹. In response staff now propose a PALTRY 5% increase in rates intended to *maybe* raise \$35K-\$45K of additional revenue² while continuing to rack up well over \$2 million of annual losses/overspending. I wanted to compare this proposed increase in revenues compared to staff's increase in personnel costs. And that's the purpose of this updated written statement.

The District's 2020-21 Budgeted Personnel Costs at the Champ and Mountain Golf Courses: The District's approved 2020-21 budget is on line³. Budgeted expenditures at both the Championship and Mountain Golf courses appear at Schedule B-13, page 12. I have attached this page as Exhibit "A" to this written statement, and placed asterisks next to the budgeted personnel costs at both golf courses. \$1,622,844 at the Champ course, and \$527,137 at the Mountain course.

The District's Proposed 2021-22 Budgeted Personnel Costs at the Champ and Mountain Golf Courses: Most people don't even think we have a proposed 2021-22 budget, let alone for the Champ and Mountain Golf courses. To those I say you're naïve. At the Board's February 24, 2021 Budget Workshop meeting Finance Director Navazio snuck in that proposed budget the day of the meeting⁴. And what does this proposed budget state for Champ and Mountain Golf course personnel costs? \$1,696,361 for the Champ course, and \$576,369 for the Mountain Golf courses.

The District's Proposed 2021-22 Budgeted Personnel Costs at the Champ and Mountain Golf Courses Combined Are *More* Than 5% Greater Than 2020-21's Budgeted Personnel Costs: 4.53% greater at the Champ Golf course, 9.34% greater at the Mountain Golf course, and a combined 5.71% greater at both courses!

¹ The District livestreams its Board meetings (go to <https://livestream.com/accounts/3411104>). The livestream of the Board's March 10, 2021 meeting ("the 3/10/2021 livestream") appears at: <https://livestream.com/ivgid/events/9569382/videos/218606657>. The portion of that livestream where Trustee Dent alluded to this fact appears at 3:05:00 of the 3/10/2021 livestream.

² See page 197 of the 3/31/2021 Board packet: "the proposed rates...for the 2021 golf season as recommended...are expected to increase revenues by an estimated \$45,000."

³ Go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/FINAL_IVGID_2020.2021_APPROVED_BUDGET_FORM_4404LGF.pdf.

⁴ See page 8 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/F.2.2_-_Budget_Workshop_Presentation_022421.pdf. This page is attached as Exhibit "B" of this written statement, and I have placed an asterisk next to proposed personnel expenditures.

Which Means Staff's Proposed Paltry 5% Rate Increase Won't Even Cover the One Year Increase in Personnel Costs: \$73,517 greater at the Champ Golf course, \$49,232 greater at the Mountain Golf course, and a combined \$122,749 greater at both courses! Compare this to the proposed \$35,000-\$45,000 in increased revenues as a result of staff's proposed paltry 5% in increased rates².

Conclusion: I've said this before and I will repeat it again. The deeper one digs into IVGID's inner workings, the more layers one peels off the IVGID onion, the uglier it gets. And this discussion proves my point...again. So Board members. You're either with the overwhelming majority of the community that doesn't golf, or you're with the 600 or less vocal minority who do. Which is it? And if we can't operate the golf courses at a break even or on a positive cash flow basis, AND WE CAN'T, maybe it's time to investigate either selling or redeveloping them? Or does the non-golfing community get shackled with these unwarranted subsidies for a vocal few for the rest of our lives?

And to those asking why our Recreation ("RFF") and Beach ("BFF") Facility Fees are as high as they are, and never seem to go down, now you have another example of the reasons why.

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

EXHIBIT "A"

| EXPENDITURES | (1) | (2) | (3) BUDGET YEAR ENDING 06/30/21 | |
|---|--|--|---------------------------------|-------------------|
| | ACTUAL PRIOR YEAR ENDING 6/30/2019 | ESTIMATED CURRENT YEAR ENDING 6/30/2020 | TENTATIVE APPROVED | FINAL APPROVED |
| Championship Golf Course | | | | |
| Salaries and Wages | 1,509,876 | 1,635,000 | 1,739,948 | 1,258,610 |
| Employee Benefits | 383,157 | 470,000 | 524,010 | 364,034 |
| Services and Supplies | 2,392,390 | 2,591,800 | 2,835,820 | 2,094,835 |
| Capital Outlay | - | 568,200 | 1,637,000 | - |
| Subtotal Championship Golf Course | 4,285,423 | 5,265,000 | 6,736,778 | 3,717,479 |
| Mountain Golf Course | | | | |
| Salaries and Wages | 340,012 | 355,000 | 432,056 | 409,731 |
| Employee Benefits | 93,523 | 103,000 | 119,791 | 117,206 |
| Services and Supplies | 526,907 | 562,000 | 629,239 | 614,272 |
| Capital Outlay | - | 2,188,200 | 395,791 | - |
| Subtotal Mountain Golf Course | 960,442 | 3,208,200 | 1,576,877 | 1,141,209 |
| Facilities (Chateau and Aspen Grove) | | | | |
| Salaries and Wages | 76,190 | 85,000 | 88,583 | 446,134 |
| Employee Benefits | 37,739 | 41,000 | 47,500 | 193,412 |
| Services and Supplies | 368,598 | 412,840 | 429,908 | 865,037 |
| Capital Outlay | - | 180,400 | 100,000 | - |
| Subtotal Facilities | 482,527 | 719,240 | 665,991 | 1,504,583 |
| Ski | | | | |
| Salaries and Wages | 3,072,710 | 2,970,000 | 3,135,849 | 3,135,849 |
| Employee Benefits | 925,074 | 980,000 | 1,050,665 | 1,050,665 |
| Services and Supplies | 3,833,164 | 3,600,100 | 3,868,386 | 3,888,829 |
| Capital Outlay | - | 1,640,850 | 1,614,000 | - |
| Subtotal Ski | 7,830,948 | 9,190,950 | 9,668,900 | 8,075,343 |
| Community Programming (including Rec Center) | | | | |
| Salaries and Wages | 1,156,579 | 1,210,000 | 1,260,756 | 1,037,021 |
| Employee Benefits | 321,005 | 355,000 | 394,888 | 327,605 |
| Services and Supplies | 819,388 | 932,300 | 948,388 | 847,529 |
| Capital Outlay | - | 344,650 | 489,000 | - |
| Subtotal Community Programming | 2,296,972 | 2,841,950 | 3,093,032 | 2,212,155 |
| Parks | | | | |
| Salaries and Wages | 337,927 | 338,000 | 342,681 | 313,796 |
| Employee Benefits | 75,544 | 75,000 | 86,061 | 82,979 |
| Services and Supplies | 401,968 | 354,800 | 459,377 | 459,760 |
| Capital Outlay | - | 2,158,752 | 172,440 | - |
| Subtotal Parks | 815,439 | 2,926,552 | 1,060,559 | 856,535 |
| Tennis | | | | |
| Salaries and Wages | 136,149 | 135,000 | 128,372 | 108,530 |
| Employee Benefits | 26,172 | 26,000 | 29,635 | 28,038 |
| Services and Supplies | 91,223 | 101,490 | 105,270 | 90,213 |
| Capital Outlay | - | 201,950 | 1,210,600 | - |
| Subtotal Tennis | 253,544 | 464,440 | 1,473,877 | 226,781 |
| Community Services Administration | | | | |
| Salaries and Wages | 153,065 | 170,000 | 181,948 | 147,970 |
| Employee Benefits | 43,445 | 55,000 | 70,030 | 61,384 |
| Services and Supplies | 166,775 | 177,400 | 208,972 | 206,432 |
| Capital Outlay | - | - | 90,000 | - |
| Subtotal Comm. Serv. Administration | 363,285 | 402,400 | 550,950 | 415,786 |
| Debt Service - G.O. Revenue Supported Bond | | | | |
| Principal | - | 355,188 | 362,075 | - |
| Interest | - | 29,166 | 21,097 | - |
| Subtotal Debt Service | - | 384,354 | 383,172 | - |
| Subtotal - Comm. Services Expenditures | 17,288,580 | 25,403,086 | 25,210,136 | 18,149,871 |
| Transfers Out | 3,678,473 | | | 5,594,546 |
| Transfers Out | 329,848 | | | |
| ENDING FUND BALANCE | 13,333,953 | 12,360,444 | 10,764,163 | 7,316,179 |
| TOTAL COMMITMENTS & FUND BALANCE | 34,630,854 | 37,763,530 | 35,974,299 | 31,060,596 |

Incline Village General Improvement District

Community Services Special Revenue Func

EXHIBIT "B"

Status of Development of FY2021/22 Budget

| | General Fund | Utility Fund | Golf Champ | Golf Mountain | Facilities | Diamond Peak | Recreation | Community Services Admin | Parks | Tennis | Community Services Fund(s) | Beach Fund | Internal Services Fund |
|--------------------------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|--------------------------|------------------|----------------|----------------------------|------------------|------------------------|
| Sources: | | | | | | | | | | | | | |
| Ad Valorem | 1,770,000 | | | | | | | | | | | | |
| Consolidated Tax | 1,755,000 | | | | | | | | | | | | |
| Charges for Services | 2,400 | 12,402,440 | 3,767,485 | 922,166 | 1,833,022 | 10,148,735 | 1,364,897 | (738,000) | 60,615 | 158,100 | 17,517,019 | 1,611,800 | |
| Facility Fee - Operations | | | 32,808 | 221,454 | 41,010 | (1,640,400) | 1,222,098 | 1,041,164 | 729,978 | 114,828 | 1,762,940 | 658,455 | |
| Facility Fee - Capital | | | 524,892 | 697,235 | 172,263 | 567,954 | 918,736 | 53,320 | 266,598 | 8,203 | 3,605,321 | 302,172 | |
| Facility Fee - Debt | | | 189,649 | | 180,466 | 24,619 | 8,203 | | 5,152 | 2,051 | 410,150 | 7,748 | |
| Invest Inc. | 131,400 | 148,500 | | | | 22,500 | | 30,000 | | | 52,500 | 11,250 | |
| Misc. Rev. | | | | 40,690 | | 77,240 | | | | 12,100 | 130,230 | | |
| Intergovernmental - Operating Grants | | 31,000 | | | | | 17,000 | | 17,800 | | 34,800 | | |
| Interfund | | 241,400 | | | | 14,985 | | | 84,926 | | 99,911 | | 3,333,181 |
| Central Services Revenue | 1,471,440 | | | | | | | | | | | | |
| Use of Fund Balance | | 1,278,551 | | | | 530,996 | | | | | 530,996 | 2,522,888 | |
| Total Sources | 5,130,240 | 14,101,891 | 4,513,954 | 1,881,765 | 2,226,761 | 10,146,619 | 3,530,934 | 386,484 | 1,178,169 | 283,182 | 24,147,867 | 5,114,313 | 3,333,181 |
| Uses: | | | | | | | | | | | | | |
| Salaries & Wages | 2,222,907 | 3,106,239 | 1,309,128 | 449,026 | 490,303 | 3,129,501 | 1,159,077 | 154,058 | 336,304 | 107,993 | 7,135,390 | 893,972 | 1,531,893 |
| Employee Benefits | 1,130,916 | 1,604,628 | 387,233 | 127,343 | 196,870 | 1,092,840 | 354,382 | 60,409 | 86,333 | 18,219 | 2,323,628 | 237,063 | 810,947 |
| Total Personnel | 3,353,823 | 4,710,867 | 1,696,361 | 576,369 | 687,173 | 4,222,341 | 1,513,459 | 214,467 | 422,637 | 126,212 | 9,459,018 | 1,131,035 | 2,342,840 |
| Professional Services | 347,975 | 132,050 | 7,980 | 4,170 | 1,170 | 23,700 | 5,850 | | 1,170 | 585 | 44,625 | 17,850 | 9,000 |
| Services & Supplies | 774,629 | 2,058,091 | 976,232 | 355,319 | 451,107 | 2,061,292 | 587,168 | 79,068 | 313,235 | 64,885 | 4,888,306 | 563,926 | 893,921 |
| Insurance | 53,100 | 203,880 | 75,180 | 17,280 | 11,820 | 212,700 | 55,920 | | 13,320 | 3,540 | 389,760 | 37,980 | 11,100 |
| Utilities | 106,685 | 932,594 | 212,630 | 91,760 | 55,990 | 627,070 | 144,640 | 8,604 | 96,485 | 8,135 | 1,245,254 | 139,144 | 11,520 |
| Cost of Goods Sold | | | 722,975 | 105,100 | 429,400 | 529,100 | 44,559 | | | 15,500 | 1,846,634 | 100,500 | |
| Central Services Cost | | 380,580 | 254,820 | 58,140 | 27,420 | 417,600 | 133,440 | 21,300 | 45,540 | 13,680 | 971,940 | 118,820 | |
| Defensible Space | | 100,000 | | | | 100,000 | | | | | 100,000 | | |
| Total Services & Supplies | 1,282,389 | 3,807,195 | 2,249,817 | 631,769 | 976,847 | 3,871,462 | 971,577 | 208,972 | 469,750 | 106,325 | 9,486,519 | 978,320 | 925,541 |
| Total Operating Uses | 4,636,212 | 8,518,062 | 3,946,178 | 1,208,138 | 1,664,020 | 8,093,803 | 2,485,036 | 423,439 | 892,387 | 232,537 | 18,945,537 | 2,109,355 | 3,268,381 |
| General Fund Cap. Exp. | 390,100 | | | | | | | | | | | | |
| Utility Fund Cap. Exp. | | 4,940,700 | | | | | | | | | | | |
| Comm. Services Cap. Exp. | | | 522,980 | 694,500 | 174,400 | 1,498,950 | 917,050 | 53,000 | 267,200 | 5,000 | 4,133,080 | | |
| Beach Cap. Exp. | | | | | | | | | | | | 2,825,060 | |
| Internal Services Cap. Exp. | | | | | | | | | | | | | 64,800 |
| Total Capital Expenditures | 390,100 | 4,940,700 | 522,980 | 694,500 | 174,400 | 1,498,950 | 917,050 | 53,000 | 267,200 | 5,000 | 4,133,080 | 2,825,060 | 64,800 |
| Utility Debt Service | | 643,129 | | | | | | | | | | | |
| Comm. Serv. Debt Service | | | 183,519 | | 175,191 | 19,553 | 2,229 | | 2,972 | 1,291 | 384,755 | | |
| Beach Debt Service | | | | | | | | | | | | 6,296 | |
| Total Debt Service | | 643,129 | 183,519 | | 175,191 | 19,553 | 2,229 | | 2,972 | 1,291 | 384,755 | 6,296 | |
| Total Uses | 5,026,312 | 14,101,891 | 4,652,677 | 1,902,638 | 2,013,611 | 9,612,306 | 3,404,315 | 476,439 | 1,162,559 | 238,828 | 23,463,372 | 4,940,711 | 3,333,181 |
| Net Sources (Uses) | 103,928 | 0 | (138,724) | (20,873) | 213,150 | 534,313 | 126,619 | (89,955) | 15,610 | 44,354 | 684,494 | 173,602 | 0 |

