

1
2 INCLINE VILLAGE
3 GENERAL IMPROVEMENT DISTRICT
4 BOARD OF TRUSTEES
5 SPECIAL MEETING
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10 TRANSCRIPT OF HEARING
11 PUBLIC MEETING
12 Live and Via Zoom
13
14 Held at the Boardroom
15 893 Southwood Boulevard
16 Incline Village, Nevada
17
18 Thursday, May 23, 2024
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22
23
24 Reported by: Brandi Ann Vianney Smith
25 Job Number: IVGID 40

1 APPEARANCES
2
3 **BOARD MEMBERS PRESENT**
4 SARA SCHMITZ, CHAIR (via Zoom)
5 MATTHEW DENT, VICE CHAIR (via Zoom)
6 RAY TULLOCH, TREASURER
7 DAVE NOBLE, MEMBER
8
9
10 **ALSO PRESENT**
11 SERGIO RUDIN, LEGAL COUNSEL
12 HEIDI WHITE, DISTRICT CLERK
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1 Incline Village, Nevada - 5/23/2024 - 5:00 P.M. 4
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5 TRUSTEE TULLOCH: Good afternoon,
6 everyone. Welcome to the special meeting of the
7 Incline Village General Improvement District for May
8 23rd, 2024. I'd like to start with the Pledge of
9 Allegiance.
10 A. PLEDGE OF ALLEGIANCE
11 (Pledge of Allegiance.)
12 B. ROLL CALL OF TRUSTEES
13 TRUSTEE TULLOCH: And we'll do a roll call
14 of the trustees. Chair Schmitz?
15 CHAIR SCHMITZ: Here.
16 TRUSTEE TULLOCH: Vice Chair Dent?
17 TRUSTEE DENT: Here.
18 TRUSTEE TULLOCH: Trustee Noble?
19 Trustee Tonking?
20 CHAIR SCHMITZ: Trustee Tonking let us
21 know that she would not be able to make the meeting
22 this evening.
23 TRUSTEE TULLOCH: Okay. I see Trustee
24 Noble just coming in the door. And myself, Ray
25 Tulloch. We have a quorum. Moving on to initial

5

1 public comments.

2 C. INITIAL PUBLIC COMMENTS

3 TRUSTEE TULLOCH: Do we have public

4 comments in the room?

5 MR. KATZ: Good evening. Aaron Katz,

6 Incline Village. I have several statements to be

7 attached to the minutes of this meeting.

8 For those of you listening who aren't

9 here, you haven't seen that there are all sorts of

10 new packets that talk about a proposed budget.

11 My first complaint is: What was presented

12 yesterday for the board packet, I found absolutely

13 disgusting. The Board instructed staff to come up

14 with justification for overspending or to start

15 eliminating all of these grossly overspending

16 expenses, and staff did nothing, basically thumbed

17 their nose at the Board.

18 Okay. So, you board members, and I'm

19 primarily talking to Mr. Noble because the most --

20 well, he's got the experiences as the attorney, you

21 have to stop thinking that the ends justify the

22 means because that's what your staff is doing.

23 The time has come for you to live within

24 your financial means. And that means when you

25 create a budget for a fund and it's got X amount of

6

1 revenues, you don't budget to spend more than those

2 revenues. And don't come up with these phony

3 central service expenses or these phony rec fee

4 subsidies to try and make it look like you're

5 balanced. No. You come up with a balanced budget

6 exclusive of that.

7 In order to do your jobs, you need to

8 understand why IVGID exists. I'm tiring of hearing

9 we're here for the community. No, you're not here

10 for the community. You're here for the local parcel

11 owners. The county is here for the community. Let

12 the county do community work, you guys do work for

13 the local parcel owners.

14 And I'm tired of hearing that you're here

15 to perpetuate everything that has been going on here

16 in the District, like it's a charging order for you.

17 You're not here for any of that. All of this

18 stuff's been going on in the past that's wrong,

19 you're not required to continue it. And I want you

20 to put your feet down and put an end to it.

21 And you're not empowered to force your

22 neighbor to financially support your recreation or

23 to support those whose flavor-of-the-month interests

24 are special interest in town, nor you're not here to

25 support district employees' outrageous salaries and

7

1 benefits. If you can't afford to run the District,

2 it's time to end the District.

3 And you're not here for the health,

4 safety, and welfare of your community's inhabitants.

5 I've already pointed out to you NRS 318.515 says if

6 you can't do your job and you can't follow the NRS,

7 it's time to end it all. And you can't do either.

8 Thank you.

9 MS. MILLER: Good evening, Trustees.

10 First, I just wanted to echo Trustee

11 Tulloch's sentiments from the last meeting that this

12 zero-based budget doesn't resemble any zero-base

13 budget I've ever seen, and I've seen a number of

14 them in my 15 years of public service.

15 Zero-based budgets typically are very much

16 in depth, and they go through every program and

17 service that a government agency offers to give you

18 a true idea of what the costs are and how they might

19 be reduced, if possible. But I didn't see that

20 happening here. To the contrary, most of the

21 expenses went up and revenues barely remained the

22 same.

23 So, you know, I know that a zero-based

24 budget from my experience was a very labor intensive

25 task, and so it surprised me somewhat to see that

8

1 our Assistant Finance Director was going to do a

2 zero-based budget, but after seeing the result, I

3 guess it didn't really measure up to one's I've seen

4 before.

5 Then I also wanted to comment about a

6 remark made by our -- Chair Schmitz when she said

7 that she had hoped that there would be a some way to

8 look at the services and, perhaps, decide if some of

9 ones needed to be curtailed or at least provided in

10 a different manner.

11 And I don't know if anybody here recalls,

12 but some years ago -- in fact, I think it was the

13 last time we did a strategic plan from scratch -- we

14 had a consultant come in, and one of his

15 recommendations that unfortunately was never

16 followed, was to annually review every program and

17 seek out the ones that were successful and

18 acknowledge that some were not so successful,

19 neither by participation or financially, yet we

20 never seemed to have done that.

21 I hope we can do that now. And some of

22 the things mentioned, like the food and beverage or

23 the catering in particular, have not been successful

24 for years, and, perhaps, it's time to move on and

25 give some other business an opportunity. We have a

9

1 lot of entrepreneurial people in this community, and
 2 hopefully one of them would take on the tasks.
 3 I guess we're out of time. Good luck.
 4 You have a monumental effort ahead.
 5 TRUSTEE TULLOCH: Okay. Do we have any
 6 callers on the phone?
 7 MR. BELOTE: We do not.
 8 TRUSTEE TULLOCH: That's the end of public
 9 comment. Moving on to approval of the agenda.
 10 D. APPROVAL OF AGENDA
 11 TRUSTEE TULLOCH: Any requests for changes
 12 in the agenda? I don't really think we can
 13 reorganize it since we have one item on the agenda.
 14 We'll move to general business.
 15 E. GENERAL BUSINESS
 16 E 1. Fiscal Year '24/'25 Budget Workshop
 17 TRUSTEE TULLOCH: The fiscal year '24/'25
 18 budget. Requesting staff member Assistant Director
 19 of Finance Adam Cripps. This is coming from General
 20 Manager Magee. For those listening in, there's been
 21 various -- there's been multiple supplemental
 22 information sheets, issued mainly between this
 23 morning and this afternoon, so you won't find a lot
 24 of these in the board packet. Hopefully they're all
 25 online by now.

10

1 MR. MAGEE: Tonight, this is a
 2 continuation of the budget workshop that we started
 3 last Monday.
 4 I wanted to start by saying what is being
 5 requested of the Board of Trustees today? What
 6 we're asking the Board to do is to receive the staff
 7 recommendations. We have all of our directors here
 8 in the bullpen. They are prepared to address the
 9 reasons why they've made the recommendations that
 10 they have and to answer Board questions as well.
 11 And then we would like to receive
 12 direction from the Board of Trustees providing us
 13 input with any changes that you may have that may,
 14 in some cases as we go through this presentation,
 15 include increases, acceptance of the recommendation,
 16 or direction to staff to cut in some various areas.
 17 And we're hoping to receive that on a more global
 18 level. For example, if there was a direction to cut
 19 a specific part of a budget, could you give us a
 20 percentage, and we would be happy to go back to the
 21 drawing board and come back with some
 22 recommendations at the next meeting on Tuesday.
 23 A couple of things that I did want to
 24 mention is when we started this process, Mr. Cripps
 25 provided direction to all of the department heads

11

1 that in his mind -- and please correct me if I say
 2 anything wrong here -- the zero-based budgeting
 3 process should be taking a look at every single line
 4 item and really truing it up as to what they
 5 believed was accurate. In some cases we found that
 6 lines were reduced and other ones, they were
 7 increased. And in some places, we found that we
 8 didn't feel things were being budgeted in the
 9 appropriate places, and so we asked everyone to
 10 correct those things.
 11 And so as they went through this process,
 12 I'll say that the budget includes contractually
 13 required labor increases. We have provided some
 14 supplemental information to that affect, and Mr.
 15 Cripps will walk you through that a little bit
 16 later. But that -- those are -- for existing filled
 17 positions, those are contractually required, those
 18 are not something we could have held the line on.
 19 My first day on the job, one of the
 20 priorities that the Board gave me was a directive to
 21 focus on maintaining our existing amenities, and so
 22 this budget does include increases for doing exactly
 23 that. You saw at the last presentation, we took
 24 several pictures of things that we would like to
 25 start working on this year, and in order to do that,

12

1 we need the appropriations and the staff time. And
 2 if we have the appropriations, I will certainly be
 3 providing direction to our various departments that
 4 we want to start focusing on cleaning some of these
 5 items up.
 6 The most important thing that a budget
 7 does is it actually sets appropriations for
 8 the year. As the Board has heard me say a number of
 9 times: Appropriations is my legal authority to
 10 write the check.
 11 The one thing that I would caution the
 12 Board is if a directive is provided to cut too far,
 13 and we find as we start doing budget analytics and
 14 budget monitoring throughout the year, if we're
 15 running out of appropriations and we don't think
 16 that we can come in under the appropriations amount
 17 by the end of year, there's a pretty intense process
 18 that would have to happen in order for us to have
 19 legal authority to continue to write the checks to
 20 provide all the services that we do.
 21 And then, finally, I'll talk a little bit
 22 about steps. After tonight's meeting, any input
 23 that we receive as to changes from the Board, we
 24 will start working on that immediately. Staff will
 25 bring those changes back to the Board at our next

13

1 budget meeting of Tuesday, May 28th.
 2 As I mentioned, district-wide salaries and
 3 benefits, we are seeing a healthy increase in
 4 salaries and benefits, and that is due primarily to
 5 contractually required increases. Those include
 6 items such as merit raises that are in our labor
 7 agreements, step raises, and insurance and a number
 8 of things, costs that do tend to go up every single
 9 year, as well as our workers' comp increased
 10 significant this year, as the Board heard at the
 11 last meeting.
 12 I'll mention that we do have some studies
 13 planned. I've gotten a lot of feedback from
 14 individual board members on why do some of these
 15 things look like this, and it is my intention that
 16 when we hire a new Parks and Recreation director, I
 17 plan to direct that person to start looking at
 18 operations throughout the department and why we do
 19 some of the things that we do, and to come back with
 20 some recommendations on do these make sense? Do
 21 they not make sense? It's really just a high-level
 22 overview of what we do and why.
 23 The food and beverage study has already
 24 started. That is in progress. I'm anticipating
 25 that that probably will not be completed until

14

1 sometime in the first quarter of the next budget,
 2 and we will be returning back to the Board with some
 3 recommendations on tightening up the food and
 4 beverage operations.
 5 We intend to look at fleet services as
 6 well. As we heard at the last meeting, some of the
 7 fleet services costs appear to be a little high, and
 8 we -- I'm not sure that any of us have a strong
 9 understanding of why that is at this time. And so
 10 that has been assigned to one of our staff members.
 11 As soon as we wrap up the budget process, she will
 12 start on that, and we'll be coming back to the Board
 13 with some recommendations there.
 14 The finance department has included funds
 15 in this budget for a cost allocation plan study. It
 16 is a best practice to dust off your cost allocation
 17 plan every two to three years, and it's my
 18 understanding it's been much longer than that since
 19 the last one was done. We would like to conduct a
 20 full, professional review from a firm, a qualified
 21 firm that does this for municipalities and special
 22 districts all over the country.
 23 Public Works has included funding in their
 24 budget for a utility rate study, and the human
 25 resources department is intending on doing a

15

1 comparative wage rate study during this year.
 2 So to start with the general fund,
 3 overall, the general fund budget, budget to budget,
 4 shows a reduction of 3.5 million, which is due
 5 primarily to a reduction in capital costs,
 6 professional services, and services and supplies.
 7 Even though some of these things across the --
 8 services and supplies across the board appear to be
 9 higher in the general fund themselves, they are
 10 lower.
 11 For this year, we are recommending that
 12 the information technology department be included in
 13 the central services cost allocation. It makes
 14 sense to us that each of the using departments pay
 15 their fair share of what services are provided to
 16 them from the information technology department.
 17 One change that has been made since this
 18 PowerPoint presentation was created, we are also
 19 recommending to include the general manager's salary
 20 in the central services costs allocation for the
 21 exact same reasons.
 22 General fund expenses that are currently
 23 borne include the general manager, human resources
 24 department, finance department, IT, risk management,
 25 the trustee's budget -- which we'll talk about a

16

1 little bit later -- parks, and also community
 2 relations.
 3 For human resources, we are still
 4 recommending three staff additions -- and we'll walk
 5 through those in just a minute -- the meeting IT
 6 coordinator, the community services ambassador, and
 7 the Public Works maintenance position.
 8 The human resources department starts on
 9 page 122 of the board packet. Pretty standard stuff
 10 here. What human resources will be doing over the
 11 next year, focus on employee engagement
 12 opportunities, retention, recruitments, and
 13 increased internal and external training
 14 opportunities, focus on both district-wide and
 15 individual competencies, and a renewed focus on
 16 district-wide risk management. We think that it's
 17 absolutely appropriate to increase some of the focus
 18 as currently risk management is just a small
 19 function of what human resources is doing. And
 20 Ms. Feore can talk to that, about why those
 21 activities are needed to be increased.
 22 Going into the recommended positions, the
 23 meeting IT coordinator, if this position is approved
 24 there's a lot of things that this person will be
 25 doing. A couple of things that I did want to point

17

1 out specifically is that -- I think it's the third
 2 bullet point from the bottom, it says "maps video
 3 production and timing to specific agenda items."
 4 That's part of the Civic Clerk system, and one of
 5 the really cool features that Civic Clerk has is, as
 6 we move forward, members of the public, if they
 7 wanted to jump to a specific item in the video, they
 8 would be able to literally just click a link and it
 9 would take you right there. That does take some
 10 effort, and that's part of what the new person would
 11 be doing. In addition to running the Board, running
 12 the meetings for not only this particular Board of
 13 Trustees meeting, but for all of the various
 14 subcommittees throughout the District. This person
 15 would also be providing backup and required
 16 assistance to the District Clerk. I can tell you
 17 from my own experience, our that our District Clerk
 18 has been working some exceptionally long hours
 19 lately, and she could really use some assistance
 20 there.

21 We are planning on using this person also
 22 to coordinate the district-wide document
 23 digitization project. We are required, by law, to
 24 maintain a very large number of documents. And
 25 currently we have those in storage, and we recently

18

1 received a public records request for documents as
 2 far back as 1967. We are required by law, as I
 3 said, to keep all those items, and right now, none
 4 of that stuff has been digitized. It's literally
 5 just sitting in storage, and if there is some type
 6 of a catastrophic natural event, all those documents
 7 would be lost. We feel like it's appropriate to
 8 start digitizing those.

9 If this position is not approved, our
 10 senior IT analyst, Mr. Belote, will continue to
 11 provide this service. Currently, we're estimating
 12 it's taking about a the third of his time right now.
 13 And if this is continued, we believe that the Office
 14 365 implementation would ultimately be delayed
 15 because his time is, realistically, shifted so he's
 16 focusing part of his time on some of these meetings,
 17 Golf Committee meetings, etc.

18 District IT infrastructure and server
 19 upgrades would be delayed. Continued reduced
 20 application support, things that he's not getting to
 21 now that he feels like he should and the director of
 22 IT feels like he should.

23 And then if this is not approved, the
 24 document digitization project would be on hold
 25 indefinitely. We wouldn't do it.

19

1 And so moving on to the community services
 2 ambassador, if this position is approved, it'll
 3 focus on district-wide venue safety instead of just
 4 the beaches, because right now we have the beach
 5 ambassadors. This person would be certified in CPR
 6 and AED for safety and emergency needs, liaison with
 7 law enforcement, and helps managing crowd control
 8 efforts.

9 If this is not approved, the beach
 10 ambassador positions would remain tied to the
 11 beaches only. And one of the big reasons that we
 12 felt that this was important district-wide is this
 13 would provide some first-line safety and emergency
 14 needs at district venues all throughout the
 15 District. If this is not approved, the beach
 16 ambassadors would stay exclusively at beach.

17 The Public Works maintenance worker, if
 18 this is approved, it'll allow for additional
 19 capacity under the utility specialist. And it's
 20 required to obtain of some very specific
 21 certificates in order to do the work out there at
 22 the plants. And it'll assist with highly technical,
 23 I would say, it says "more technical" here, there
 24 was a lot of us that worked on this PowerPoint over
 25 the last day or so, but I would say this is highly

20

1 technical repair of water and sewer equipment. Then
 2 they would also be assisting us with district-wide
 3 building maintenance and repair needs. As I think a
 4 lot of us know, it's quite a challenge to find a
 5 firm that can do some very routine, basic
 6 maintenance services up here in the Incline area.

7 If this is position is not approved, water
 8 and sewer repair needs, I would say, are likely to
 9 be deferred, building maintenance and repair items
 10 may be deferred. I don't know that we could get to
 11 them anywhere near the speed that we were hoping to,
 12 as I had mentioned previously, and contracting work
 13 with any consistency has proven to be a challenge.
 14 We can look at some various alternate service
 15 delivery models, but I don't how we find somebody to
 16 do this when we really struggled to find somebody in
 17 the past. Contracted, I should say.

18 Since the Monday meeting, we put or head
 19 together and came up with some recommended unfunded
 20 positions based on the feedback we heard from the
 21 board. Number one that was previously in the budget
 22 and now is recommended to be removed is the
 23 assistant general manager position. The food and
 24 beverage director, there was no intention to fill
 25 that position anyways, but we have removed that --

21

1 or we are recommending we unfund that position. An
 2 admin technician. The internal auditor position
 3 that was previously approved, we think that now that
 4 the finance department is getting close to being
 5 fully staffed that there's some opportunity there to
 6 delay the internal auditor position for a little bit
 7 and let the finance department start working on
 8 cleaning up some of those issues prior to having
 9 somebody come in to look at them. Right now, we
 10 know there's some issues that need to be cleaned up.
 11 The director of finance position, for
 12 six months, it is my intention to hold that position
 13 vacant for a little bit. We're recommending
 14 unfunding it for the first months of the fiscal
 15 year, and then starting the recruitment for the
 16 second half of the fiscal year. The point of sale
 17 product administrator, that position, I think we
 18 found some alternate ways to deal with that.
 19 And so the estimated, fully burdened cost
 20 of -- I should say savings to the budget of
 21 unfunding these positions is approximately
 22 \$1.1 million off of the initial estimates that we
 23 provided on --
 24 TRUSTEE TULLOCH: General Manager Magee,
 25 if you can just stop there. I'll let you continue

22

1 the rest of your presentations. There's lots of
 2 questions, obviously, but just to clarify this one,
 3 is this 1.1 million reduction, has that been taken
 4 out of the numbers we've been provided with tonight?
 5 MR. MAGEE: Yes. I see Mr. Cripps nodding
 6 at me. The answer's yes, staff has removed all
 7 these.
 8 TRUSTEE TULLOCH: The reason I ask is
 9 because the sheet you sent through earlier this
 10 afternoon showing the changes, only showed about
 11 120,000 changes there, not 1.1 million. Which
 12 number is correct?
 13 I mean, this is kind of a fundamental
 14 question, that's the only reason I stopped your
 15 presentation there.
 16 MR. CRIPPS: And some of the positions
 17 that are being now allocated out is why you see the
 18 difference. Instead of IT being --
 19 TRUSTEE TULLOCH: No. I'm not looking at
 20 one fund; I'm looking at the district-wide position.
 21 This should reflect the 1.1 million reduction in
 22 district-wide.
 23 MR. CRIPPS: The removal of the funds, it
 24 was removed. I do believe it reflects in there.
 25 TRUSTEE TULLOCH: Okay. Well, the numbers

23

1 here look almost exactly the same as Monday.
 2 MR. MAGEE: We can certainly take a look
 3 at that.
 4 TRUSTEE TULLOCH: Yes, please.
 5 MR. MAGEE: Are you referring to the
 6 roll-up sheet that was sent out at the very
 7 last minute? Is that the one you're referring to?
 8 TRUSTEE TULLOCH: The one you sent earlier
 9 this afternoon.
 10 MR. MAGEE: Okay. We'll certainly verify
 11 that. And I've asked the -- the finance team has
 12 been working extremely long hours, as --
 13 TRUSTEE TULLOCH: Understood. But, again,
 14 just for clarity because if I look at the roll-up
 15 sheet, we're still showing the 20 percent increase
 16 in salaries from last year.
 17 MR. MAGEE: Okay. Understood.
 18 TRUSTEE TULLOCH: It's not showing that
 19 1.1 million reduction anywhere.
 20 MR. MAGEE: We'll absolutely have that
 21 verified by the Tuesday meeting.
 22 TRUSTEE TULLOCH: Well, hopefully we'll
 23 get it clarified tonight. Thank you.
 24 MR. MAGEE: Moving on to the information
 25 technology budget, the increases that you see in the

24

1 information technology budget are primarily due to
 2 contractual obligations, as we talked about earlier.
 3 There are some, obviously, IT contracts that have
 4 automatic escalators that are typically built into
 5 them. Those are part of what you see in there, as
 6 well as a recommendation the move the IT department
 7 into the central services cost allocation so that it
 8 is not completely borne by the general fund, so that
 9 each user department is fairly paying its fair share
 10 of services that it receives from information
 11 technology.
 12 The finance department starts on page 87
 13 of the board packet. It is recommended that the
 14 Board approve the funding for the professional cost
 15 allocation plan, which I touched on earlier. Most
 16 of the increases are primarily due to contractual
 17 obligations as well, and then there is a budget
 18 reduction in there due to a decrease in professional
 19 services. We anticipate completing the work that is
 20 on the current Baker Tilly contract. We do not
 21 anticipate asking the Board for any additional
 22 funding for that, and so that has not been included
 23 in next year's budget.
 24 One of questions we were asked on Monday
 25 was about the trustees account and the \$100,000 that

25

1 was sitting in there. We went back and researched
 2 that a little bit further. What that is that is
 3 a contingency amount that has been historically
 4 budgeted year over year, and essentially that's not
 5 really earmarked for anything. It is earmarked
 6 primarily as a contingency amount that if something
 7 were to come up during the year, we would have the
 8 appropriations to deal with it.

9 The community relations, which is
 10 essentially the marketing department, starts on page
 11 48 of the board packet. The marketing department,
 12 in working with the various venue managers, felt
 13 that it was important to increase some of their
 14 marketing efforts in order to increase public
 15 awareness, non-resident awareness at ski, at golf,
 16 wherever. And so the initial recommendation was for
 17 \$516,000, but after we listened to the Board
 18 discussion on Monday, staff went back, and we're
 19 recommending that we reduce that back to -- reduce
 20 that budgeting amount to last year's amount of
 21 \$287,700, which was approved last year.

22 The parks department, starting on page 158
 23 of the board packet, and one thing I will mention as
 24 I hit this slide is that, as the Board is aware, the
 25 Parks and Rec director recently left. There's a --

26

1 several of us that are here tonight that will do our
 2 best to answer any questions the Board may have on
 3 the Parks and Rec budget. However, I'm going to say
 4 we're going to do our best trying to understand what
 5 the former director was thinking as she put some of
 6 these recommendations together. The increase
 7 in hours recommended by staff is maintain current
 8 community amenities. There are some additional
 9 part-time hours that I was told have been included
 10 in there, that's specifically to maintaining the
 11 current amenities.

12 The Board did ask us to look at that skate
 13 park budget project. We did discover that it had
 14 been actually double counted in the budget, and so
 15 we got that corrected.

16 And then I did a want to highlight that
 17 there was no identified funding for the dog park
 18 project included in this budget.

19 The community services fund, even though
 20 we typically think of this at the fund level, we did
 21 want to break this apart for the Board after the
 22 discussion on Monday and explain this as individual
 23 budgets.

24 I'll start with ski, which starts on
 25 page 232 of your board packet. I'll just say that

27

1 ski rates have already been set, and the most
 2 important thing that I think to highlight here is
 3 that the ski director -- the General Manager of ski
 4 has taken a consistent approach to estimated
 5 revenues that he's used in year's past, and we do
 6 understand that there can be some significant
 7 fluctuations depending on a number of factors that
 8 are out of his control. If the Board were to direct
 9 tonight that he change the approach, we could
 10 certainly do that, and he's prepared to make some
 11 alternate recommendations, should the Board direct a
 12 different approach.

13 The golf budget starts on page 424 of the
 14 board packet. I wanted to highlight that golf rates
 15 have been set. And the General Manager of Golf
 16 intends to work with customers to establish a
 17 service model for all golf operations in the
 18 upcoming year and modify capital expenditure to
 19 maintain the existing amenities. We've got a lot of
 20 things that we would like to be working on on
 21 general maintenance items out at the golf course,
 22 and we're hoping to get to those this year.

23 Facilities and events starts on page 194
 24 of your board packet. Their primary goal this year
 25 is to continue to maintain the community amenity

28

1 that is known as the "community's living room," The
 2 Chateau, while seeking revenue-generating
 3 opportunities. And I know that our General Manager
 4 of Golf is prepared to speak to this budget as well
 5 tonight.

6 Food and beverage starts on page 4 of the
 7 board packet. I did want to highlight this a second
 8 time: A study is currently underway.

9 We do understand some of the numbers that
 10 have been provided to the Board in the past. We
 11 will be completing this study sometime, we
 12 anticipate early in the upcoming fiscal year, and we
 13 will be returning back to the Board with some
 14 recommendations on tightening up the food and
 15 beverage operation. The previous food and beverage
 16 director position, which is vacant, is unfunded. As
 17 I mentioned as well, we have no intention of filling
 18 that position.

19 The recreation department, starting on
 20 page 277 of your board packet, one of the current
 21 challenges that we're having is meeting community
 22 demand. They've really struggled to find people
 23 that are able to provide the classes and services
 24 that the community is demanding. The current
 25 building layout is operating at capacity, and it's

29

1 been a little bit of a challenge for the staff out
 2 there.

3 The beach fund, which starts on page 312
 4 of the board packet, we recently received some Board
 5 direction on this to combine the projects, which
 6 would include the Beach House project, the access
 7 project, inclusive of Ski Beach. We received that
 8 direction in May, 2024, and the construction of that
 9 was to begin in May, 2025.

10 However, once the Board directed those
 11 items, the engineering department went to work on
 12 getting an estimate, and their current engineering
 13 estimate for that entire project is projected to be
 14 at \$16 million. The fund balance certainly does not
 15 support the current engineering estimates for that
 16 project. And so we would like to receive some
 17 direction from the Board during this process, during
 18 the public hearing. We would like the Board to
 19 provide its final adoption of the budget with some
 20 direction on what to do with this.

21 If the Board wishes to have this project
 22 start in May, 2025, there are couple of
 23 opportunities that the Board could chose to explore.
 24 One being to increase the beach fee, that would help
 25 to pay for the cash portion of it, or the Board

30

1 could choose to direct staff to look at bonding
 2 opportunities, if the Board wants this construction
 3 to start in May, 2025.

4 The tennis budget, which starts on page
 5 349 of your board packet, just wanted to highlight
 6 that staff made a recommendation earlier in this
 7 fiscal year to replace tennis courts 5, 6, and 7 as
 8 those courts are beginning to fail. Based on
 9 previous Board direction, funding has not been
 10 included in this fiscal year '24/'25 budget.

11 I would suggest that the Board may wish to
 12 consider directing staff what to do with this. At
 13 some point, we would have to close those courts down
 14 if they are not replaced. And if the Board wished
 15 for us to move forward, there is fund balance
 16 available to cover this in the community services
 17 fund. That's where we had recommended that it come
 18 from previously, and the Board could chose to
 19 provide direction to us on that project.

20 Utilities fund as well, we wanted to
 21 explain as individual budgets, just like the
 22 community services fund. The water budget starts on
 23 page 467 of your board packet. The budget itself,
 24 essentially, is very similar to a status quo budget,
 25 but the increases that you see are due primarily to

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1 contractual obligations and routine inflation.

2 The sewer budget, which starts on page 474
 3 of your board packet, same thing. It's,
 4 essentially, the increases you see are due primarily
 5 to required contractual obligations and inflationary
 6 costs.

7 Solid waste, which starts on page 478 of
 8 your board packet, same thing. Increases due
 9 primarily to required contractual obligations and
 10 inflation.

11 The Tahoe Water Suppliers Association
 12 starts on page 479 of your board packet. We did
 13 want to highlight that this is an absolutely
 14 necessary expense for continued participation to
 15 protect the District's surface water exemption
 16 through the EPA.

17 The internal services fund, starting on
 18 page 479 of your board packet, increases due
 19 primarily to required contractual obligations and
 20 inflation.

21 And so that is the end of my presentation
 22 related to the PowerPoint and what we were asking
 23 the Board to do and a few things that we wanted to
 24 highlight during our items tonight. Staff is
 25 prepared -- and I did -- staff is prepared to give

32

1 presentations on their budgets, talk about their
 2 executive summaries, and answer any question the
 3 Board has.

4 One of the questions that I did receive is
 5 there was a very large number of supplemental
 6 material that was included in this budget, and
 7 there's a very large packet that was sent out
 8 initially. This materials and this information
 9 reflects what staff's understanding of what the
 10 Board was asking us to provide in the Monday
 11 meeting.

12 I know a lot of this may not make sense to
 13 members of the public and, potentially, even some of
 14 our directors. This is the way the budgets go
 15 together in our financial system. And these
 16 numbers, while they look a little confusing on the
 17 reports that are spit out, these are very common and
 18 understood well by the finance team.

19 I've asked Mr. Cripps to walk the Board
 20 through an example of one the spreadsheets that was
 21 created by the directors. One of the requests that
 22 we received was to explain any increase that were
 23 plus or minus five percent in these budgets, and
 24 that's part of what the supplemental material is.

25 The information contained in the initial

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1 packet is the line item detail behind every single
 2 budget unit that was there. And then we asked our
 3 department heads to go through the exercise of
 4 explaining any of these increases or decreases.
 5 And so with that, I'd like to turn it over
 6 to Mr. Cripps and have him explain what this is.
 7 TRUSTEE TULLOCH: Thank you, General
 8 Manager Magee. I think you've raised an awful lot
 9 of points in your presentation. I think before we
 10 get lost just diving into detail, I see hands up
 11 from board members, I think I'll open it up to my
 12 fellow trustees for questions on your presentation.
 13 I've written down a lot here as well.
 14 CHAIR SCHMITZ: I just have a couple of
 15 questions. One of the things that was really
 16 driving up some costs were the workman's comp, and I
 17 had reached out to the Director of HR. Do we, at
 18 this point, have any more information of whether
 19 those rates that we were charged for this past
 20 fiscal year will be continuing, or will they
 21 actually have the opportunity to be reduced?
 22 Do we have any information on that at all?
 23 MS. FEORE: I did reach out to our
 24 Pool/Pact. I'm awaiting information. As I
 25 understand it, our experience rating is typically a

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1 three-year cycle. And so the rating would be
 2 determined and then continue for approximately
 3 36 months, I want to say, and then it's reevaluated
 4 which is typical of insurance rating for most
 5 insurances.
 6 And also with the other questions that
 7 were asked, again, that's what I'm waiting to hear
 8 back from on Pool/Pact. As soon as I have that
 9 information available, I'll make sure that General
 10 Manager Magee and the trustees have the same
 11 information.
 12 CHAIR SCHMITZ: Okay. Thank you.
 13 And, again, you mentioned the digitization
 14 project. I didn't recall that we -- I mean, I've
 15 been one who's been advocating for getting things
 16 digitized, but I don't recall that we ever had a
 17 digitization project being budgeted. And is that
 18 overall project currently now, then, in the budget?
 19 MR. MAGEE: No, that is not in the budget.
 20 The digitization project has never been brought
 21 forward to the Board of Trustees. Just to be clear,
 22 I'm calling it a project, it's really kind of my
 23 personal initiative that if we had the capacity with
 24 existing staff, I would like to start making sure
 25 that some of that stuff gets digitized. And that's

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1 really why I'm calling it a digitization project.
 2 There is no funding identified in the
 3 budget for this.
 4 CHAIR SCHMITZ: Okay. And then my last
 5 question is something that I might not have heard
 6 you correctly, but my understanding is we were going
 7 to have report on food and beverage by the end of
 8 May. And I heard you say -- I thought I heard you
 9 say the end of year. We really need to make sure
 10 that we've got our food and beverage operations
 11 shored up because we don't need another summer of
 12 losing \$2,000 a day.
 13 Could you just clarify that?
 14 MR. MAGEE: Sure. Happy to.
 15 We do have a food and beverage consultant
 16 currently under contract, and he started going in
 17 and doing a lot of initial assessments. He reached
 18 out to us and made a recommendation -- to the
 19 General Manager of Golf, to the Assistant Director
 20 of Finance, and to myself -- that his contract be
 21 extended for a couple of months at no additional
 22 cost to the District. He wanted the opportunity to
 23 see some additional inventory items and there was a
 24 couple of other items that I can't recall off the
 25 top of my head exactly what he had requested, but it

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1 wasn't something that he could get to based on his
 2 schedule and the opening of the various food and
 3 beverage operations until after that had happened.
 4 And so he is intending to come back
 5 sometime in June, and he's indicated that he thought
 6 he could realistically wrap up his report sometime
 7 in July.
 8 CHAIR SCHMITZ: Do we have any corrective
 9 actions that we've learned? Because we can't afford
 10 another summer of losing money like that at the
 11 Championship Course on food and beverage.
 12 MR. MAGEE: Yes. He has kind of walked us
 13 through what some of his initial thoughts are, and I
 14 would have to defer to Mr. Sands on that one on what
 15 is being implemented. But, yes, I know that
 16 Mr. Sands is actively looking at this at the moment,
 17 even in advance of receiving this final report.
 18 CHAIR SCHMITZ: Then do we have any
 19 information as far as how much funds the Incline
 20 Tahoe Foundation has collected for the tennis center
 21 project? I know that's one of their projects on
 22 their website. Do we have any idea how much funding
 23 they have available for the tennis center projects?
 24 MR. MAGEE: I have not reached out to the
 25 ITF to ask them that question, but I certainly can.

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1 TRUSTEE DENT: The \$16 million proposed
 2 new budget, that was kind of news to me. I hadn't
 3 seen anything on that. If I recall correctly, we
 4 were at \$10 million budget when we met just a few
 5 weeks ago, and so talking about access and redoing
 6 the gates and the gate house at Ski Beach, that
 7 increased the budget by \$6 million. Am I
 8 understanding that correctly?
 9 MR. MAGEE: My understanding is is that
 10 the combined projects, inclusive of Ski Beach,
 11 current engineer's estimate is roughly \$16 million
 12 dollars, that's correct.
 13 TRUSTEE TULLOCH: If I could step in
 14 there. The last numbers that were given to the
 15 Board, it was 10.2 million for the Beach House and
 16 the access improvements.
 17 There's a 6 million for Ski Beach now?
 18 MS. NELSON: So that includes adding Ski
 19 Beach as well as changing the architectural style to
 20 match closer to what's existing at Burnt Cedar.
 21 TRUSTEE TULLOCH: Thank you. That
 22 confirms some of my comments about the original
 23 selection of the contractor.
 24 TRUSTEE DENT: We're talking changing the
 25 architectural style of the concrete bathroom?

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1 not going to be the case in this instance?
 2 MR. MAGEE: Sure. So the intention with
 3 the internal auditor was that was not going to be a
 4 finance position; that would report directly to the
 5 general manager. We certainly didn't feel it
 6 appropriate to have an internal auditor reporting
 7 directly to his boss on the things -- the nature of
 8 the things that that person would be looking at.
 9 And so with so many different items coming
 10 in that we're currently working on, we're
 11 recommending delaying the hire of that position
 12 right now because we know we have a lot things that
 13 Mr. Cripps and his team is continuing to clean up.
 14 The reason that I feel confident that we
 15 can hold the director of finance position vacant for
 16 a little bit is, number one, I do believe in
 17 Mr. Cripps' abilities, and number two is we have
 18 been able to fill a number of these vacancies that
 19 we were really struggling with. We recently were
 20 able to hire a -- we filled our controller position
 21 again, a senior accountant again, and the Baker
 22 Tilly contract has allowed us to get caught up on a
 23 number of things that were significantly behind. I
 24 think we're dangerously close to being completely
 25 back on track.

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1 That's what you're talking about? Because there's
 2 no other structures there other than the little
 3 beach structure that's like a 5 by 5. I don't think
 4 anybody would want that.
 5 MS. NELSON: So that is to the Beach
 6 House. The change in the architectural style to the
 7 Beach House as well.
 8 TRUSTEE DENT: Okay. So we do have a cost
 9 now to change architectural style? Because the last
 10 meeting, we didn't have a cost for that.
 11 MS. NELSON: And it is a rushed
 12 preliminary estimate.
 13 TRUSTEE NOBLE: Mr. Magee, looking at
 14 page 14 of your slide presentation, and two of the
 15 recommended unfunded positions are the internal
 16 auditor and the director of finance for six months;
 17 correct?
 18 MR. MAGEE: That is correct.
 19 TRUSTEE NOBLE: Given the problems that
 20 the finance department has had over the last year
 21 with turnover, increased work load, and everything
 22 else been that's piled on, by unfunding these
 23 positions are you setting up the -- my concern is
 24 that you're setting up the finance department for
 25 potential relapse, and why do you think that that's

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1 Would I like to have both a director of
 2 finance and an assistant director of finance?
 3 Absolutely. I think that the assistant director of
 4 finance should really be focused next year on these
 5 budget processes, and that's why I made the
 6 recommendations initially was to have an increased
 7 focus in the future on the budget and the budget
 8 process including analytics and budget performance.
 9 And so right now, I think that,
 10 realistically, we could hold that position vacant
 11 for a few months. It would be just fine.
 12 TRUSTEE DENT: And the six months for the
 13 director of finance, is that six months wait and
 14 then start looking or hope to get that filled
 15 six months?
 16 MR. MAGEE: My intention would be to have
 17 that filled in six months.
 18 And so we would start the recruitment in
 19 advance of the six months, and then at some point --
 20 realistically, we'd probably start that recruitment
 21 in about four to six months from now, and then that
 22 position would not start until January 1st, in
 23 theory. Sometime after January.
 24 TRUSTEE DENT: Then turning to page 18 of
 25 the slide presentation with regards to marketing and

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1 reviewing the executive summary for the marketing
 2 department paid advertising that was, I believe,
 3 circulated late yesterday afternoon. There was a
 4 lot of discussion about facilities, Diamond Peak,
 5 tennis and pickleball, how the lack of or reduced
 6 amount of marketing has markedly impacted the bottom
 7 line, at least that is the thought of the Director
 8 of Golf and marketing and what not.

9 So the 287 700 that's in the slide
 10 presentation, is that tied to the recommendations or
 11 the executive summary here? Because when I look at
 12 the Diamond Peak portion, the media buying agency
 13 recommended an advertising budget of between 285 and
 14 431,000, and I believe they were going to go with
 15 the lower end of that. If that's 285, is that part
 16 of this 287 -- I'm just concerned that by slashing
 17 the marketing budget, we're actually hurting all of
 18 our venues when we're seeing this steady decrease in
 19 usage. It seems to be, at least according to the
 20 marketing department, attributed to the lack of
 21 marketing getting the word out to folks.

22 MR. MAGEE: Yes. That is why the initial
 23 recommendation was made. I have talked to
 24 Mr. Raymore and he's been in contact with the
 25 various venue directors, and the staff

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1 recommendation initially was to increase that
 2 marketing budget and those marketing efforts.

3 One of the things -- this has obviously
 4 been very fluid since Monday afternoon -- that we
 5 discussed is we heard the Board loud and clear that
 6 you would like to see some cuts, and so this is one
 7 of the areas that is very difficult to demonstrate a
 8 return on investment. That's why the recommendation
 9 was ultimately made to return it to last year's
 10 levels.

11 TRUSTEE NOBLE: Okay. Just my two cents,
 12 I would rather see the 516 than the 287 7, given the
 13 downward trajectory that the marketing department is
 14 laid out with regards to their executive summary.

15 The last -- with the tennis, page 27, and
 16 the tennis court replacements, 5, 6 and 7, you had
 17 indicated that the funding is not included in fiscal
 18 year '24/'25, what would we need to do to include
 19 that? You mentioned that there is funds available,
 20 they just haven't been earmarked for those; is that
 21 correct?

22 MR. MAGEE: That is correct.

23 Several months ago, I made a
 24 recommendation to the Board that the funding be
 25 included so that we could start addressing these

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1 tennis courts, these three tennis courts,
 2 immediately, and the intention -- the recommendation
 3 at that time, working with the previous Parks and
 4 Rec director was to pull that money from the
 5 community services reserves. There is plenty of
 6 reserves available that is, I would say,
 7 unencumbered, and so it's not technically associated
 8 with any particular project yet; although, there are
 9 a number of unfunded projects that the Board could
 10 choose to fund at any time and direct staff to move
 11 forward with those.

12 And so that's what we were recommending at
 13 that time that the Board do, and the Board indicated
 14 that it would like to get some addition information.
 15 I know that the Public Works department has come
 16 back a couple of times talking about these tennis
 17 courts.

18 The engineer's estimate on this, my
 19 understanding is, has not changed at this point.
 20 It's roughly \$3 million is to estimated to replace
 21 those three courts.

22 TRUSTEE NOBLE: I will just it put out
 23 there, I'd like to see funding included in fiscal
 24 year '24/'25 to start addressing tennis courts 5, 6,
 25 and 7.

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1 TRUSTEE TULLOCH: My questions are not
 2 necessarily in any particular order.

3 In terms of -- I'll echo Trustee Schmitz'
 4 concern about food and beverage. We've known for 12
 5 months now, we've been losing at least 2,000 bucks a
 6 day. I'm concerned the study is still taking so
 7 long that we're just still hemorrhaging money.
 8 Having looked through the budget proposals for
 9 next year, there's projecting significant decreases
 10 in the food sales and liquor sales, but also along
 11 with that which seems incompatible, significant
 12 increases in the cost of food and supplies. It
 13 sounds like we haven't addressed anything.

14 I also saw that the salary reduction
 15 because of the unfunding of the food and beverage
 16 director was shown as 5 percent, almost negligible.
 17 I'm not quite sure I can understand that when the
 18 fully burdened position was about \$200,000 last
 19 year, as I recall, so it seems strange that there's
 20 such a little reduction of it, but we can cover that
 21 in food and beverage.

22 In terms of comparative wage rate study,
 23 I've got comparative wage rate study. If we look at
 24 the actuals for '21/'22, and then we look at the
 25 proposed budget for '24/'25, it's a 50 percent

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1 increase in three years for wages and benefits. To
 2 me, that's the most comparative one. I think that's
 3 what most people in the community would recognize as
 4 well. I don't think there are many people here, if
 5 I had a 50 percent increase and over three years.
 6 In terms of the -- you state the general
 7 fund expenditure's lower, yes, because you're moving
 8 a lot of costs out of the general fund. That's not
 9 really a savings; that's just throwing the ball over
 10 the fence to somewhere else.
 11 When I look at proposed positions, it's
 12 all of a sudden, well, if we don't fill these, the
 13 sky is falling. I'm not quite sure why we would
 14 have a community services ambassador that's going to
 15 be basically on call to be our roving EMT or medic
 16 or something. I struggle with that. I'm not sure
 17 how we're going to help safety at all the venues by
 18 having one person that's at the beaches. I'm a
 19 strong no on that position.
 20 I would also question the meeting
 21 coordinator. I would have thought meeting
 22 coordination was really a function of administrative
 23 services. I'm not sure why it suddenly becomes a
 24 highly paid IT position, particularly for
 25 something -- I mean, we've got, in a normal

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1 schedule, two to three board meetings a month. We
 2 wouldn't normally expect to have golf committees
 3 meetings every other week in terms of that. I
 4 question why this is a full-time, required position.
 5 Yes, I see there's extra duties, we can always find
 6 extra work to fill positions, but if we're looking
 7 at a 20 percent increase in salaries and benefits,
 8 and to put it in perspective, that's over 5 million
 9 bucks which is almost the full amount of the rec fee
 10 and beach fee that's being recommended, I think if
 11 we were in a situation like that, we should be
 12 looking very carefully at any addition staff in
 13 terms of that and make sure it is justified and it
 14 does reduce costs somewhere else.
 15 Has the reduction in marketing that's
 16 shown here down to the 287 level, it's not
 17 slashing -- it's a slashing of the budget, it's just
 18 not to put people's minds at rest in the community.
 19 While Trustee Noble referred to this as a slashing,
 20 it's a slashing of a proposed increase in the
 21 budget, it's just back to the same level as
 22 this year.
 23 Has that reduction been shown in these
 24 numbers here?
 25 MR. CRIPPS: I do believe the reduction is

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1 reflected in there.
 2 TRUSTEE TULLOCH: Okay. Again, it's back
 3 to the 1.1 million. It doesn't seem to reflect
 4 through to the numbers. Perhaps we can clarify that
 5 as well.
 6 Again, we've had discussions in the past
 7 about food and beverage. It's weird that we're
 8 still showing it as a function. I mean, know I've
 9 spoken with General Manager Bandelin in the past and
 10 knowing how the ski industry works, food and
 11 beverage is an essential part of ski operations. I
 12 would have thought that food and beverage for ski
 13 should really become just part of his -- I go
 14 through the ski numbers and everything's -- food and
 15 beverage is stripped out.
 16 I think are we trying to create a
 17 department or a business here that doesn't really
 18 exist? I'm sure General Manager Sands would confirm
 19 similar thoughts from golf. We heard that strongly
 20 from the golf community last year that they wanted
 21 food and beverage in facilities and rentals, to all
 22 be part of theirs. I'm surprised that we're still
 23 trying to pull out food and beverage as a separate
 24 item here.
 25 We're talking about, on the Rec Center,

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1 that we can't meet community demand, yet when I look
 2 at the Rec Center numbers, I see programs being
 3 reduced significantly across a lot of it. It we
 4 don't have the space, I'm not sure how we actually
 5 fulfill demand. Just bringing in additional
 6 staffing does not necessarily help that.
 7 To Trustee Dent's point, which I echoed
 8 earlier, when we interviewed consultants and
 9 contractors for the beach house, every single one of
 10 them that responded said that they would deliver
 11 something for 4 million. I expressed concern a
 12 couple of board meetings ago that suddenly this is
 13 being up to now suddenly 10 million, and now we
 14 suddenly see this is at 16 million. That's
 15 basically quadrupled from the original board.
 16 I see in Assistant Finance Director
 17 Cripps' presentation that the Board removed the cap
 18 on the beach house. I think, as I recall, the Board
 19 said that we were not adverse to increasing the
 20 budget if it was absolutely necessary, but I don't
 21 think the Board ever, ever consented to just taking
 22 any restraint off and the letting the budget go to
 23 suddenly 16 when the last number we saw was 10.2,
 24 and we all questioned that.
 25 Again, just coming back to my comments at

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1 that time, looking at the food and beverage and the
2 situation there, I again question why we need a 2
3 million industrial kitchen at this beach house.
4 Perhaps that's now gone up to 4 million as part of
5 this increase to 16 million. I'm deeply concerned.
6 Tahoe Water Suppliers Association, have we
7 removed the expenditures that we saw last year? We
8 heard a lot of complaints in the community that we
9 were sponsoring film festivals in Tahoe City and all
10 sorts of other things. Has all that sponsorship and
11 things been removed now?
12 MS. NELSON: Tahoe Water Suppliers
13 Association is a coalition of multiple jurisdictions
14 around the lake that utilize Lake Tahoe as their
15 water source.
16 They believe that they have certain things
17 that they provide as -- whether it's advertising or
18 what have you, so that budget is relatively the
19 same. Nothing has changed. The increases in fees
20 have gone up, and they've gone up across the board
21 to each member of the association.
22 TRUSTEE TULLOCH: I recall from
23 last year's budget, it showed the breakdown of how
24 much we were contributing to TWSA compared to other
25 operations. I didn't see that in this year's

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1 oversees the beach operations. I hope I do her
2 proud by presenting this information.
3 She gave me a list of the expected duties
4 of this new position, and overall, this going to be
5 providing building security to each of the venues to
6 include Public Works and the admin building during
7 off hours, continue to manage crowd control,
8 deescalation, emergency action control, district
9 safety and basic risk management, customer service.
10 This is something that we have been proposing for a
11 couple of years now because we see a tremendous need
12 for this position.
13 And so, you know, one of the things that
14 is missing from having this position as a
15 full-time, year round is the lack of emergency
16 availability of staff to, for example like we had at
17 the beginning of this year when a dock broke lose
18 and we had some risk to the lake with these spilled
19 styrofoam things. Basic first aid emergencies, we
20 had someone set a fire at the beach one time. We've
21 had other crises that occurred at the beaches and
22 also at some of the other venues.
23 And having somebody who can provide that
24 kind of patrol-type services can look out for those
25 risks to provide back to other staff. I think it's

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1 budget, and I seem to recall last year, we took on
2 an extra burden of a good share of TWSA.
3 Perhaps you can follow up on that?
4 MS. NELSON: Yeah, I will.
5 TRUSTEE TULLOCH: Please follow up on
6 whether we're still -- expenditures, because the
7 issue was raised by the community last year when we
8 suddenly found out we were sponsoring film festivals
9 in Tahoe City, which seemed to make little sense.
10 CHAIR SCHMITZ: I just have a couple of
11 follow-up questions if I could, based on some of the
12 discussion we've had.
13 As it relates to this community services
14 and ambassador, I'd like to know what problem we're
15 trying to solve, because I know why we have them at
16 the beach, I understand. And just to clarify, they
17 were brought in as an alternative to using High
18 Sierra Patrol, and do great job.
19 But at the other venues, I don't know. Is
20 it something that, as trustees, we're completely
21 unaware of? Because I don't really know that we
22 have problems at the other venues that need this as
23 a solution.
24 MS. FEORE: I prepared some notes after
25 speaking with one of our recreation supervisors who

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1 an important -- I'm probably -- I apologize, I'm
2 probably botching the messaging, but it was, I
3 thought, very well presented when it was first
4 mentioned to both me and the director and the
5 general manager.
6 CHAIR SCHMITZ: What I was asking is: Is
7 there other things going on at golf that we need
8 crowd control and emergency services?
9 I just -- I know we need them at the
10 beach, they're really critical at the beach, they're
11 very important at the beach. I just am not
12 understanding, I guess, at the other venues what
13 problem we're solving.
14 MS. FEORE: Yeah, and during the height of
15 -- I'm sorry. Go ahead.
16 MR. MAGEE: Yes. In talking to the staff,
17 we've run -- encountered some issues that would
18 warrant having a position like this at both the
19 pickleball courts and the tennis courts, for
20 example. Some things have been brought to my
21 attention, yes, and I think that it would warrant
22 having a person like this being able to go out there
23 and deal with those types of situations.
24 CHAIR SCHMITZ: Then my other question
25 that I have is as it relates to this Public Works

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1 maintenance, I saw in your presentation, I can't
 2 tell you what page, that this Public Works
 3 maintenance would need to get certifications on some
 4 specific water and sewer-type repairs. But then
 5 they also would be doing general building
 6 maintenance.

7 To me, it' seems like those are
 8 potentially two different skill sets, so it gets
 9 back to: What problem is it that we're trying to
 10 solve? And do we have two different problems? Are
 11 there two different skill sets?

12 I just question that because, to me, it
 13 seems completely different to have building
 14 maintenance versus a maintenance person with water
 15 and sewer certifications.

16 And then you mentioned that you were
 17 cutting something that was titled "an administration
 18 technician." I don't really know what the
 19 administration technician would do. I don't know
 20 what that role was, but I'm wondering if that is
 21 potentially something that would fulfill the
 22 meetings coordinator type of role. I just had that
 23 question about that position.

24 TRUSTEE TULLOCH: We've got acting
 25 Director Nelson here. I would echo the same

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1 comments on the position in Public Works. General
 2 Manager Magee said this was a highly technical
 3 position, but then half the time we would use him,
 4 basically, as a general contractor. I share your
 5 same concern. This seems completely conflicted
 6 because if you're trying to recruit somebody to that
 7 level, that makes a very expensive general
 8 contractor as well. I suspect it's a fairly
 9 restricted skill set to have both of these.

10 Is the fill-in on -- is some of that time,
 11 that cost been charged to building services? Is it
 12 really just a technical part of it that is required
 13 for it, and we've just put in both do building
 14 services as fill-in to help justification?

15 MS. NELSON: The main purpose of this job
 16 is to work on water and sewer, and that's where the
 17 highly technical part comes in. You have to know
 18 what you're doing with your tools in water versus
 19 what you're doing with your tools in sewer. You're
 20 not going to use the same wrench that you used in
 21 sewer in the water plant. That's the technical
 22 portion of this position.

23 But that position actually does simple
 24 building maintenance through our pump stations, lift
 25 stations, anything like that. And so the thought

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1 was since buildings needs, on occasion, additional
 2 people to fill in -- to take care of some of these
 3 large enough projects that we can't get a contractor
 4 for but we have people that can do it, but we might
 5 be short one person. So this is a position that
 6 would float in that instance to help the buildings
 7 crew.

8 We don't have an idea of how much time
 9 that would be. My initial guess is probably less
 10 than 10 percent of the year would be spent assisting
 11 buildings. But if the need is there and we
 12 determine that, yes, he's actually spending time
 13 helping buildings, say 20, 25 percent, then, yes, a
 14 portion of his salary should come out of the
 15 buildings budget.

16 Since this is a new thought to try to be
 17 able to take care of some of these maintenance
 18 projects that the District has not been able to get
 19 contractors to do, that's where we're trying to go
 20 with this position.

21 CHAIR SCHMITZ: Then, General Manager
 22 Magee, I guess the administrative technician, is
 23 that question to you?

24 MR. CRIPPS: If I may. That
 25 administrative -- administration technician was

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1 actually tied to the finance department, and at the
 2 beginning of the fiscal year -- '23/'24 fiscal year,
 3 that position was promoted to a higher position in
 4 the finance department.

5 And the recommendation is to not backfill
 6 that position.

7 CHAIR SCHMITZ: Understood. Thank you.

8 TRUSTEE TULLOCH: I have a follow-up on
 9 the community services ambassador. We're calling
 10 this a "community services ambassador," yet the role
 11 seems to be doing security, emergency first aid,
 12 crowd control, liaison with law enforcement. I
 13 think on the rare occasions when you need crowd
 14 control, surely that stuff, that's a function, a
 15 duty of the venue manager that should be dealing
 16 with and dealing with law enforcement, somebody that
 17 is really familiar with it. Not somebody that can
 18 be called away at any minute to another emergency
 19 because somebody is falling over at the golf course
 20 or something. I'm not quite sure how that one
 21 person can cover all this distance and still do an
 22 effective job. Like Trustee Schmitz, I fail to see
 23 that.

24 You also mentioned that this is not just
 25 going to be one person, this is going to be two

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1 people filling the role?
2 MS. FEORE: That's correct.
3 TRUSTEE TULLOCH: So this is two, fully
4 benefited positions?
5 MS. FEORE: That's what is proposed, yes.
6 TRUSTEE TULLOCH: What's the loaded cost
7 for that?
8 MS. FEORE: I don't have the numbers in
9 front of me. I would have to defer back to our
10 finance team for that.
11 MR. CRIPPS: That number was presented at
12 the last meeting, and if I recall correctly, it was
13 211,000.
14 TRUSTEE TULLOCH: When we're looking for
15 savings, I call into question, like Trustee Schmitz,
16 I doubt the validity of this position. Again, it
17 seems to be heaping on duties to try and justify a
18 position. I'm sorry. I'll be my usual blunt self
19 in terms of that. I will certainly be a hard no on
20 that position as well.
21 MS. FEORE: I understand. If I could just
22 answer one of the questions -- not question that you
23 asked, but one of the points you had mentioned. As
24 you had said, the crowd control and emergency
25 response should be the responsibility of the venue

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1 was a change that was above -- that was plus or
2 minus 5 percent, there was an explanation added to
3 to that.
4 Those explanations are added to the end of
5 the sheet to demonstrate what the change or what
6 could drive the change, and that's what is presented
7 here on the screen right now. This was done to the
8 other departments as well, so once we go through
9 them, what you will see is these similar sheets by
10 the other departments where some of them may have a
11 couple other additional lines, but, again, it's the
12 full breakout of the services and supplies or the
13 wages and benefits. Those should remain study,
14 you'll begin to recognize a pattern on those.
15 TRUSTEE TULLOCH: I saw the pattern. I
16 understand that what the Board asked for on Monday
17 was a breakdown of the services and supplies item.
18 It just appears to be still there as a single line
19 item, there's no real breakdown.
20 On a couple of situations, I saw some
21 limited breakdown of it, but I didn't see any
22 breakdown on it. And given that services and
23 supplies overall increases of the order of 42
24 percent, I think -- no, I misspoke. The actual
25 increase in services and supplies is 67.6 percent.

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1 manager. But as you mentioned, how can one person
2 be in three places at the same time?
3 So having the assistance and having the
4 extra hands to be able to be trained and available
5 to do those sort of things provides greater security
6 to the District.
7 TRUSTEE TULLOCH: I think, given the
8 geographical area of the venues, I think it's hard
9 for somebody to be in multiple places, but I can
10 only express my view, it seems an unnecessary
11 additional staff at this stage. That's my view;
12 I'll defer my colleagues on there.
13 Any other questions for Mr. Magee at this
14 stage?
15 In that case, Adam, you can have the floor
16 now.
17 MR. CRIPPS: What we're showing here on
18 the screen is the demonstration of what General
19 Manager Magee previously alluded to with regards to
20 the request to see the breakouts of the services and
21 supplies as well as the salaries and benefits.
22 What each one of these lines represents is
23 the breakout to those roll ups, and what was done is
24 it was -- it is showing comparative from the '24
25 budget to the '25 budget, and with that, if there

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1 I think that is why the Board requested it, as I
2 recall.
3 CHAIR SCHMITZ: I asked General Manager
4 Magee about this as well, and what he had explained
5 to me is that we had also asked for -- we had asked
6 for information, I didn't expect to see it in the
7 budget. I had just asked: What are all of the
8 things that roll up into personnel costs?
9 Because we were talking so much about
10 workman's comp insurance and where did that fall.
11 If you look at this sheet, about the first half of
12 it is -- if my understanding is correct, the first
13 half of this sheet rolls up into personnel costs,
14 and then the rest of it is services and supplies
15 that had significant increases.
16 What budget is it that we're looking at
17 here?
18 MR. CRIPPS: This one on the screen is for
19 the finance department.
20 CHAIR SCHMITZ: Okay.
21 I have question about -- I'm backing up a
22 little bit. When we talked about marketing, am I
23 understanding correctly that the venues themselves,
24 like Diamond Peak and golf, that in their budgets,
25 they don't actually have the cost of the marketing?

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1 That's being burdened to the marketing department
 2 not to the venue; is that correct? Or is the
 3 marketing department charging and it is showing up
 4 in the venues as a cost?
 5 MR. CRIPPS: The venues each have their
 6 own marketing costs as well.
 7 CHAIR SCHMITZ: So that didn't answer my
 8 question. So they have their own as well, meaning
 9 that marketing is paying for advertising, and the
 10 venues are paying for other advertising over and
 11 above that?
 12 TRUSTEE TULLOCH: General Manager Bandelin
 13 will help you out here. I think I know the answer
 14 as well.
 15 CHAIR SCHMITZ: My question is is that if
 16 we have marketing, this marketing budget, and these
 17 venues aren't being charged, I am just confused why
 18 the cost of doing advertising for golf and Diamond
 19 Peak is in the marketing budget and it's not in the
 20 Diamond Peak budget.
 21 MR. BANDELIN: That's purely a function
 22 of, I would say, how we report or share information
 23 in this particular setting of budgets and so forth.
 24 But just like the earlier conversation with food and
 25 beverage, the venue managers or the venues

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1 themselves -- we'll just use like golf and ski for
 2 example -- budget accordingly working with the food
 3 and beverage manager, and like for ski, all revenue,
 4 all cost of goods, all operating supplies and so
 5 forth -- I kind of laid that out in some of the
 6 Diamond Peak executive summary -- go into the fund
 7 of 3034434. And just like marketing, it's not
 8 designed like an internal interfund, like your
 9 buildings fleet and so forth, so each venue supports
 10 a certain allocation of marketing just within their
 11 budget so it's all within the 98 funds. We just
 12 report it, just like food and beverage in, I guess,
 13 an odd fashion.
 14 When we provided these reports that you
 15 looked at, we did separate food and beverage, but
 16 tonight I'll be speaking to food and beverage within
 17 ski and same with marketing.
 18 I hope that kind of answers your question.
 19 TRUSTEE TULLOCH: If I may jump in. I
 20 think the question is we're seeing a 287,000
 21 external marketing spend that's shown in the general
 22 fund. The number Trustee Noble referred to is
 23 having been slashed from the original budget. Does
 24 that 287,000 come out of your budget, is that cost
 25 charged to you so it's not actually a cost in the

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1 general fund?
 2 MR. BANDELIN: I do believe -- I think
 3 there might be some more clarification that would
 4 have to happen as far as the general fund, but when
 5 we were talking about marketing, I think I put in
 6 the ski executive summary, as far as advertising
 7 paid, object number 7010, fiscal year '24 budget was
 8 208,000; fiscal year '25 budget was a proposed spend
 9 of 340,000 for a 132,000. So the total amount when
 10 we provided this information for the slide would
 11 have been golf, Parks and Rec, other areas where we
 12 talked about an increase in advertising paid spent.
 13 Those particular numbers are the ski
 14 portion that we recommended within the budget.
 15 TRUSTEE TULLOCH: That's the ski portion
 16 of the 287,000?
 17 MR. BANDELIN: Was an increase of 132,000,
 18 63 percent.
 19 TRUSTEE TULLOCH: Okay. Perhaps I'm
 20 butchering the question. I'm still a little bit
 21 confused and want to make sure we're not spending
 22 287,000 of XL Media in the general fund and then
 23 we're also spending more from the ski fund.
 24 MR. BANDELIN: You're not.
 25 Actually, if I remember from actually

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1 doing the budgets over the years or us presenting a
 2 marketing, we talk about the whole district. I
 3 don't believe there's -- there's very, very few, if
 4 any, dollars in the general fund for advertisement
 5 or media spend. All within ski, golf, Parks and
 6 Rec, tennis, what have you.
 7 TRUSTEE TULLOCH: I think there was 8,000
 8 I saw for community advocacy or something, which I
 9 didn't understand, but I'll let that one go at the
 10 moment.
 11 Does the actual -- does the cost of the
 12 marketing department salaries, is that also respread
 13 as part of central services?
 14 MR. BANDELIN: Absolutely. Yes.
 15 TRUSTEE TULLOCH: So that's allocated.
 16 MR. BANDELIN: Certain amount of time
 17 spent. Ski, of course, would have the most dollars,
 18 expense in wages and salaries.
 19 TRUSTEE TULLOCH: Chair Schmitz, does that
 20 answer the question?
 21 CHAIR SCHMITZ: No. Because I don't
 22 believe that marketing is part of the central
 23 services cost allocation.
 24 MR. BANDELIN: It is not.
 25 CHAIR SCHMITZ: No, it is not. So

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1 marketing is not part of central services costs.
 2 And my point is this: If the marketing
 3 department is an expense center and, to me, there
 4 needs -- it needs to be offset or the venues need to
 5 cover the costs. And if the venues are covering the
 6 costs, then does the general fund receive credit for
 7 the amount that the venues are paying for this paid
 8 advertising?
 9 Because paid advertising should be part of
 10 the cost of doing business at those venues, and it
 11 appears as though the costs are in the marketing
 12 department in the general fund.
 13 MR. BANDELIN: Why doesn't staff, while
 14 we're having this meeting tonight, look to see what
 15 advertising dollars or -- it's all going to be
 16 expense or we can tell the Board how many expense
 17 salaries and wages dollars are in the general fund?
 18 So before we leave here tonight, we can take a quick
 19 look to be able to tell you that dollar amount.
 20 It's going to be fairly small, I would imagine.
 21 CHAIR SCHMITZ: I think what you're saying
 22 is that the marketing department gets allocated out
 23 some way into a cost line within your budget?
 24 MR. BANDELIN: It does, yeah. Unlike food
 25 and beverage, it's months at ski, six months at

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1 golf, and then an allocation over to -- so
 2 marketing, I almost treat it like lift operations at
 3 the ski hill. It's there, there's expenses
 4 associated with it, and then in the summertime, the
 5 wages and expenses are allocated to the work that's
 6 being performed in the ski off season.
 7 CHAIR SCHMITZ: Okay. What I would like
 8 to understand is how much of marketing expenditure
 9 is shipped out to the different venues and how much
 10 is being actually covered within the general fund?
 11 Does that make sense?
 12 MR. BANDELIN: I don't have it in front of
 13 me there, but I'm guessing that Mr. Raymore probably
 14 put that in the executive summary. I can go in the
 15 back room and find that and see if the cost
 16 allocation for salaries and wages, if that's the
 17 real question here, how much goes to the 100 general
 18 fund.
 19 CHAIR SCHMITZ: Right. Okay. Thank you.
 20 Sorry I got us off track here. It was the question
 21 I had about it appears as though the general fund
 22 was incurring the marketing expenses.
 23 TRUSTEE TULLOCH: Adam, have you
 24 completed?
 25 MR. CRIPPS: Yes, I have.

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1 TRUSTEE TULLOCH: Any other questions?
 2 Seeing none, we'll move on and look at the
 3 venues. I have a suggestion that we look at the
 4 beaches first, if trustees, the Board is happy with
 5 that, we'll move on to the beach venues.
 6 MR. CRIPPS: On screen what I have here is
 7 the comparative, side by side, just like what I had
 8 previously with the finance department. It does
 9 begin on page 312, however, the very ending line is
 10 the very first line for the beach fund. You'll see
 11 it indicated by the 390. To that, with any
 12 questions, I may request that General Manager Magee
 13 help field those.
 14 TRUSTEE TULLOCH: Questions on the beach
 15 fund?
 16 I have some questions. We're seeing a 50,
 17 60 percent increase in salaries for the beach, yet
 18 we're showing the rates for the beach for boat
 19 launch, for access to the beach all staying
 20 consistent. As I recall, the beach access fee has
 21 not been changed for several years. I don't think
 22 the boat launch fees have been changed for several
 23 years. Yet our wages and salaries cost and a lot of
 24 associated costs are accelerating exponentially.
 25 The question is why have we not addressed

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1 the changes in the rates to address these additional
 2 costs we're doing?
 3 MR. MAGEE: I'm happy to field that
 4 question.
 5 The increase in the salary line and some
 6 of the trickledown expenses associated with that,
 7 there's not only the contractually required
 8 increases, but also some additional hours were
 9 budgeted that the former director had indicated to
 10 me before she left that she believed those hours
 11 were consistent with the levels of services that
 12 have been provided in the past and what is needed to
 13 continue to operate the beaches effectively.
 14 As you know, as the Board knows,
 15 Mr. Bronson from Baker Tilly is assisting us right
 16 now. He's been on the job maybe eight, ten days is
 17 all and helping us out part time. One of things
 18 that I've asked him to do is to start giving us some
 19 of his thoughts and evaluations of what needs to be
 20 done, and this is something that he identified that
 21 when we have a permanent director, he felt that some
 22 of these fees should be looked at immediately as
 23 well.
 24 TRUSTEE TULLOCH: Can I suggest, since
 25 we've already seen some of these changes, I noted

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1 that at an earlier budget presentation or something,
2 that we'd extended the boat launching hours from
3 8:30 to 5:00 to now 7:00 to 7:00, but yet we've kept
4 the boat launch fees the same.

5 I think given the scale of increases we're
6 seeing here, I'm not convinced that we can wait for
7 a new director being appointed and taking place to
8 then look at fees by which time the summer season is
9 over and we've lost the chance to actually recoup
10 some of these additional costs. I'm not sure how
11 we -- how there's a thinking that we can just keep
12 rates the same when all the costs of providing the
13 service are going up. If we want to keep the same
14 service levels, the way costs are rising, we need to
15 recover some of that in the fees.

16 Perhaps a very simplistic way of looking
17 at it, but rather than just imposing additional
18 facility fees or beach fees or taxes, whatever we
19 like to call them, surely we should be recovering
20 some of this from the users.

21 MR. MAGEE: We can certainly add that to
22 the list of items that we're asking Mr. Bronson to
23 look at immediately. And if the Board directs,
24 we'll jump on that right away.

25 CHAIR SCHMITZ: To expand the beach, the

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1 numbers are real and what caused us to have a
2 doubling of revenue. That just jumps out at me as
3 being odd.

4 And if we had 2.75 in revenue last year, I
5 don't know why would be predicted \$200,000 less in
6 revenue, unless I just don't understand what is
7 making up this sales and fees number. The sales and
8 fees if it doubled, gosh, maybe we can be lucky and
9 double it again.

10 I think that these revenues numbers, if
11 that '23/'24 actual is real, I don't know why we're
12 having \$200,000 less in revenue. I don't know why,
13 and it doesn't seem right. I'd like an explanation
14 of that because I don't know why we would be
15 decreasing our revenue -- we're increasing wages by
16 almost 18 percent, and we're decreasing revenue by
17 18 percent.

18 TRUSTEE TULLOCH: My thoughts entirely. I
19 noticed the projected revenues for the beaches have
20 dropped, but all our expenses gone up. Then the
21 costs of services, the cost of beach access is all
22 staying the same. I don't think these prices
23 have -- these access costs have moved for
24 several years, these services costs.

25 We can't just -- are we hoping that

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1 boat launch hours, that's a significant increase in
2 cost because I believe it requires multiple people,
3 it's not just one person at the booth because of all
4 of the requirements with TRPA for tracking of the
5 sealing and what not.

6 If there really is need from our community
7 to extend those hours, then we have to figure out
8 some ways to recoup the costs because it's not just
9 a single person; it's multiple people. And I'm not
10 sure what the justification is.

11 Perhaps, maybe on the weekends it's more
12 of a demand than during the week, but I think that
13 when we're looking at changing levels of service, we
14 have to look at cost structure, and I don't think we
15 have increased the boat launching fee for probably
16 three or four years, if my memory is correct. I
17 think we have to look at these fees.

18 And I have a question that goes back to
19 the pages that you provided to us on Monday, these
20 are the only pages I have in hard copy, and for the
21 beaches, the 2022 actual revenue for sales was like
22 600,000. And then remembered thinking what were we
23 doing in '23/'24 when we budgeted sales to be
24 almost 1.3 million. And then the actuals came in at
25 1.275 million. So, I want to know where these

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1 something is covering them? Because hope is not
2 really a strategy in terms of these things.

3 I see the revenues are projected to go
4 down from 1.275 actual this year to 1.047 next year.
5 What's the -- why are we then saying that we need
6 additional staffing, we need additional services and
7 supplies? These things just don't seem to go
8 together if we're going to have less volume at the
9 beaches. Surely it should be impacting through to
10 somewhere else.

11 MR. MAGEE: And I don't know what the
12 thought process was with the former director on why
13 she's showing the decrease in revenue. We can
14 certainly take a look at the fees, and if the Board
15 would provide some direction on us bringing back a
16 recommendation related to the salary increases and
17 the hours that are budgeted, we would be happy to do
18 so.

19 TRUSTEE TULLOCH: Yes, I'd like --
20 certainly for our next budget meeting Tuesday, I'd
21 like to see what the increases in budgeted hours
22 are, the reason for that. I'd also like to see how
23 quickly can we come up with a revised pricing
24 schedule since we're just about to start hitting the
25 summer season. We should not be leaving this until

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1 September to decide on new rates because that will
2 impact revenues.
3 It doesn't impact parcel holders or
4 anything directly because they're getting free
5 access to beach. We're talking about guest access
6 here.
7 MR. MAGEE: Understood. And absent any
8 further direction from the Board, we'll start
9 working on the fee study right away.
10 TRUSTEE DENT: I'm going to make a point
11 that it's really important that we get timely
12 reporting, that way staff can plan on what the rates
13 should be so we're not waiting until the very end to
14 make changes to rates. Sometimes in this situation,
15 after rates have been set have not been approved by
16 the Board, which is a function of the Board.
17 I think it would be important for the
18 General Manager to come back to us and give us a
19 recommendation on where rates should be so
20 next year's board isn't blindsided at the last
21 minute with massive cost increases and revenues
22 decreasing.
23 Second point I wanted to make was related
24 to capital improvements at beaches. We know we have
25 a huge construction project planned there. Some of

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1 the connection.
2 CHAIR SCHMITZ: I agree that given that
3 this project for the beach house is just growing
4 exponentially, I think we should talk about we
5 should bond it. I don't think we should be trying
6 to collect more. We have roughly \$9 million and we
7 can put that towards some of the costs and we can
8 also then meet or fund balance requirements.
9 I think that there also was a project, I
10 believe, for replacing the bridge between Incline
11 Beach and Ski Beach, and I believe it's in our
12 budget, but I'm not sure that the grant was listed.
13 I recall being told that that bridge would be
14 getting replaced through grant funding. So, if we
15 haven't budgeted in that grant funding and we
16 budgeted it in the bridge, we're also, then, over
17 projecting.
18 I agree that we should be looking at the
19 pricing, and I agree that we should be looking at
20 bonding this beach house so that we can do what
21 needs to be done and have it paid for in our future.
22 TRUSTEE NOBLE: If staff is going to be
23 coming back with a rate study and proposing
24 increases to the fees for launching boats, I would
25 ask that we look back for the last five years so we

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1 these items that are on the executive summary as it
2 relates to improvements, it seems, possibly, some of
3 these, maybe we wait given that we're going to be
4 reworking the entrances and construction's going to
5 start next year.
6 When it comes to the actual funding of
7 those projects, I don't think it's something that
8 individual Picture Pass holders should be bearing
9 the cost for something that would be around for 30,
10 40, 50 years. I think it would be something that we
11 definitely need to look at bonding, which is what
12 the Board directed staff to focus on last year when
13 it came to the beach house and not to wait until the
14 last minute.
15 So the answer to the question from the
16 opening presentation as to how we should look at
17 funding this source, I think it's definitely
18 something we need to look at bonding, not only this
19 project plus a project like tennis, another legacy
20 facility project that's going to be around for many,
21 many years. I don't know why we would want to pay
22 for it today when we could be paying for it over 30,
23 40 years.
24 That's my two cents on these items. It
25 gets outside of the beach fund, but I wanted to make

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1 can see what has been increased and not just a
2 snapshot of what it is compared to last year.
3 Anecdotally, I know that the launch fees have been
4 increased at least once in the last couple of years.
5 And with regards to the expanded hours,
6 it's my understanding that those hours are
7 commensurate with the -- as we get deeper into the
8 summer season, and that's nothing new. In fact, I
9 know last summer the boat ramp was open 7:00 a.m., I
10 believe, 8:00 p.m., you had to have your boat off
11 the ramp and out of the beach.
12 It would be good to know if the, quote,
13 expanded hours are actually an expansion compared
14 to years past, or that's just an expansion based on
15 time of year and it's consistent with year's past.
16 TRUSTEE TULLOCH: I made the comment
17 because I saw on one of documents that was produced,
18 whether I agree with you, I'm not sure whether it's
19 this is a normal expansion that's there.
20 In terms of rates, though, I get concerned
21 when you say let's go and do a rate study. I know
22 these rates have not moved for several years. We
23 can check on the launch fees, but we know the guest
24 access fees have not changed for several years. We
25 know our costs have gone up dramatically. I don't

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1 think this is something we can delay and come out
 2 with new cost in September, which will then be
 3 reflecting current costs, and then we see another 20
 4 percent increase in budget proposals for next year.
 5 We'd still be behind the eight ball.
 6 I would certainly encourage the Board to
 7 think about just making some emergency changes to
 8 these and updates to these. I think it's -- to me,
 9 that would be appropriate. Unfortunately because
 10 these budgets numbers have come at the last minute,
 11 we're certainly up against the wall for that, but I
 12 see no reason why we can't make changes to recoup
 13 some of this in revenue. Particularly as we're
 14 projecting revenue going down almost a quarter
 15 of million bucks from last year.
 16 TRUSTEE DENT: I wanted to just make sure
 17 we're not just looking at the boat ramp or boat
 18 launch fee and pass it. I wanted to look at the
 19 whole -- any options that if costs are truly going
 20 on up across the board, if they're going to be
 21 coming out of every homeowner or is there going to
 22 be a combination of that, the individual user would
 23 be a part of that.
 24 One thing I also wanted to make sure we're
 25 looking at that we don't miss because it was missed

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1 you're not charging them in advance and had to pay
 2 more at the gate if they actually even went to the
 3 beaches and used what most people don't use.
 4 I just think it's important we look at
 5 that or, possibly, it's part of the policy that
 6 changes through this process. I would hate to see a
 7 future board end up in the situation we ended up in
 8 last year when we truly need to be charging people
 9 for things that we couldn't spend the money to do,
 10 and, again, we're collecting more money than we
 11 need. I just think it's unintended consequences,
 12 it's something that we just need to look at moving
 13 forward.
 14 CHAIR SCHMITZ: In summary, what I
 15 think -- and I'm summarizing what I think the
 16 direction of the Board has been for the
 17 clarification for staff, but I believe what we have
 18 requested is to adjust the pricing at the beaches
 19 for access and to review the sales and fees line
 20 number and adjust that as appropriate. And then,
 21 potentially, remove the collection of capital
 22 improvement funds through any sort of a beach fee,
 23 and instead be looking to make use of bonding for
 24 the remainder of the beach house. That would
 25 potentially reduce what we would be needing from a

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1 last year, and it has to do with the policy, is when
 2 we approve what the beach and rec fee are, that gets
 3 tied into the Picture Pass, say, the value side to
 4 your punch cards. And I wanted to just see if we
 5 should be unwinding that a little bit where -- or
 6 just make a note of that where these actually tied
 7 to those cards because it's all fictitious anyways.
 8 Is it that by certain dollar amount, it goes up or
 9 down based on what the usage fee is that the Board
 10 approves annually.
 11 And I'm curious what my colleagues
 12 thoughts are on that.
 13 CHAIR SCHMITZ: Not sure I'm understanding
 14 what Trustee Dent is referring to. I think what
 15 you're saying is that instead of setting the value
 16 of, say, a punch card to be one-fifth of whatever,
 17 you're suggesting we set it to be a specific value.
 18 Is that what you're trying to say?
 19 TRUSTEE DENT: Yeah. I think it's
 20 important that we remember that after going through
 21 this process. Whether it be beach and rec fee be
 22 \$400, \$900, \$2,000, I think it's important because
 23 there was a consequence last year. We lowered the
 24 usage fee, which then lowers what you charge each of
 25 the homeowners, and then people get upset that

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1 facility fee to cover the costs at the beaches.
 2 Is that what the Board has basically
 3 directed, in summary?
 4 TRUSTEE TULLOCH: Sounds fairly close to
 5 me.
 6 TRUSTEE NOBLE: I would agree.
 7 But with regards to Trustee Dent's
 8 thoughts with regards to the value of punch cards, I
 9 think it would be appropriate to set a value, and
 10 then adjust that annually based on inflation versus
 11 tying it to the actual rec fee assessment. That
 12 way, there's some stability with regards to that,
 13 and we don't run the problem we did last year.
 14 TRUSTEE TULLOCH: I think if we went
 15 forward with staff's proposals this year with
 16 increasing the fee to 780, when we're not changing
 17 the guest access, we'd be giving a windfall to the
 18 STR users, and we heard lots of complaints from the
 19 community about excessive STR usage of punch cards.
 20 That whole issue is -- I agree with Trustee Dent and
 21 Trustee Noble that I think we do need to look at
 22 what the policy is on how these punch cards are
 23 used.
 24 My question for General Manager Magee is
 25 can we come up with some revised access rates for

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1 the beach to reflect some of these costs increases
2 prior to Tuesday?
3 MR. MAGEE: We can certainly give it a
4 try. We'll do who we can.
5 TRUSTEE TULLOCH: I don't think -- I think
6 we have enough data. We've seen the costs go up
7 dramatically, but we haven't seen any increases
8 there. Let's look at what that can do to the
9 potential there on the revenue line.
10 CHAIR SCHMITZ: I agree. But I want us to
11 look -- as Trustee Noble had said -- to when was it
12 the last time that we increased it and how much did
13 we increase it last time. Because while a \$5
14 increase doesn't seem like a lot, it's a huge
15 percentage, and I think we should be mindful of what
16 the percentage is rather than just a dollar amount
17 on that.
18 And I would caution my trustees about
19 changing the philosophy on punch cards right now,
20 because staff does have on their radar coming back
21 to the Board this year with recommendations related
22 to the punch cards. I would caution of changing the
23 historical procedure when we know that we have staff
24 planning to come back to the Board with some
25 recommendation for changes for implementing

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1 We'll take it in any order you want.
2 We'll be back in five minutes.
3 (Recess from 6:58 p.m. to 7:07 p.m.)
4 TRUSTEE TULLOCH: The Board of Trustees is
5 back in session. Next up, we're going look at ski
6 venue.
7 MR. BANDELIN: What we'll do here, we'll
8 -- if everybody could look in their packet, it
9 doesn't have a page number on it, but we're going to
10 refer to the blue and white elongated sheet, the
11 community services ski fund sources and usage page.
12 We also inserted, in supplemental fashion into the
13 packet, a new fiscal year '24/'25 executive summary
14 that we will be referring to.
15 And then probably what I'd like to do is
16 at least inform the Board or let them know that I am
17 prepared to walk through what we thought was helpful
18 information, that's begins on page 8 of the board
19 packet in the 03434 fund on page 8, that I have
20 serval areas highlighted in the explanation of the
21 '24 to the '25 budget.
22 I'll just ask the Chair or Trustee Tulloch
23 to ask the Board if there's any questions on that
24 particular sheet. I have noted probably several
25 what I would call "errors" on my part, as we worked

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1 potentially next year.
2 I just caution that.
3 TRUSTEE TULLOCH: I think it's appropriate
4 to look at the percentage change.
5 I think the positive part of that is this
6 only really applies to guest access, so it's less of
7 an impact in some respects. I know it certainly
8 impacts some people. Let's look at when the last
9 change was made and when it's there.
10 Picking up a couple of things that Trustee
11 Dent mentioned, if I look at the capital here on the
12 beach, there's \$55,000 for a grounds beautification
13 project. I think we need to look at what that
14 involves. If we're going to spend \$55,000, then rip
15 it up with construction traffic next year if we go
16 ahead with the beach house. I think some of that
17 may apply to playground improvements as well,
18 depending where they are. I'd ask staff to take a
19 look at these two items as well to see whether
20 they're still feasible or not.
21 If there's no further discussion on that,
22 I suggest we take a five-minute break, return at
23 7:05. Which venue do you want to deal with next?
24 MR. MAGEE: Totally up to the Board. We
25 are prepared to address that the Board will like.

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1 through this process fairly swiftly. And should
2 probably allude to some of those comments as we
3 continue on with discussion.
4 The executive summary report is in similar
5 format as to the fiscal '23/'24 format, talks about
6 an overview of the actual ski resort, the services
7 provided. We did insert yesterday as we were
8 putting this together the key rates. That will
9 actually come out in another book once we provide
10 the actual budget book to the Board of Trustees and
11 the community. We talked a little bit about
12 visitation. Staff, as just in last year, not a lot
13 of changes to the operational services of the ski
14 venue. The operating funds within service and
15 supplies, we showed items within the operating
16 budget as it relates to ski venue sources and uses.
17 And then net sources. And then the operating margin
18 for the departments that contribute to revenue of
19 the ski venue.
20 We also show in a separate table, ski
21 venue operations that are related only to expenses,
22 I would call, the overhead of the operation outside
23 of the revenue portion. We show an updated,
24 although not completely accurate, but numbers taken
25 from the end of April. And I would say that they're

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1 pretty close, but not completely audited on our --
 2 we do track in the key performance indicator or
 3 referred to as a "service measure of units," that we
 4 show here over time with actuals beginning in '19
 5 and '20 up through April of this year. And then I
 6 wanted to show what was budgeted last year and, I'm
 7 presuming, recommending for budgeted amount of KPIs
 8 for this upcoming fiscal year.

9 I tried to do my best in a short amount of
 10 time to speak to a few budget highlights of
 11 personnel staffing and provided some numbers of
 12 particular dollar amounts within salaries and wages.
 13 Budgeted '23/'24 compared to actual.

14 And then fiscal year '20, it looks like I
 15 made an error on the date there. And the variance
 16 of breaking it out, as we won't see on the other
 17 sheet that we're going to refer to, salaries, wages,
 18 and fringe benefits, and then totals.

19 The ski fund recommendation is not
 20 including any additional staff, new personnel. The
 21 budget or forecast, if you will, does not include
 22 any initiatives. I would say it's stagnant in any
 23 new thought process of new revenue sources. We
 24 haven't identified any of that, and so it's fairly
 25 status quo.

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1 Kind of what you heard me say as the
 2 general manager over time, really our position there
 3 is to fund appropriations that really focus on, one,
 4 the service of providing paid skiing to the
 5 community and to non-residents, as well as, what's
 6 really dear to me, the upkeep, care, and condition
 7 of maintaining the infrastructure itself of our
 8 facility up there.

9 I spoke a little bit about service and
 10 supplies. We'll hit that on a couple of other
 11 sheets. In service and supplies, we had heard --
 12 and we thought it would be helpful, I included a
 13 chart that kind of lists, it's the tall chart on the
 14 top of what appears to be the second to the last
 15 page of the summary, and it identifies the object
 16 number. Service and supplies is made up of all the
 17 7000s cost codes, is what we call them, and it
 18 starts with advertising paid and ends with travel
 19 and conferences. What I did is provide the budgeted
 20 amount in the column labeled "Fiscal Year 2024," and
 21 a comparison or show a variance to the recommended
 22 or proposed fiscal year 2025 budget.

23 What I wasn't able to do in the time
 24 constraints is to have that column in the middle of
 25 where we are with actuals, even though we have --

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1 the report I would pull up, we would still probably
 2 have 60 days of operations, incurring expenses,
 3 where we're at now until the end of the fiscal year,
 4 and then it would be really accurate, but we kind of
 5 show that on the other sheet that we're going to
 6 refer to now, an estimated actuals.

7 I'll finish off the report where staff
 8 speaks to just kind of an outlay so it's there in
 9 front of the fiscal year 2025 proposed capital
 10 expenditures for the ski venue. Then that's -- we
 11 spoke about it several meetings but I just wanted to
 12 write it down and have it here in front of you,
 13 replace the grooming machine. It was originally
 14 purchased in 2014. Replace one of the two 2010 ski
 15 shuttle buses. Annual replacement of one of the
 16 mountain operation snowmobile. A 100,000 project
 17 that consists of the procurement of two snow-making
 18 fan guns. 300,000 to replace ski rental equipment
 19 that easily happens on a four-year cycle.

20 And fairly dear to me is the -- actually
 21 getting underway with this project that I've been
 22 speaking to, it's been in the plan for quite a
 23 while, replace the original 1966 electrical entrance
 24 panels that feed power to the main lodge.

25 And then some -- I would call them

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1 "assets," but on a small scale, replace the
 2 counterweight cable and the Holbrook carrier grips
 3 on red box for a total capital expenditure plan of
 4 \$1.4 million.

5 Staff also speaks a little bit to kind of
 6 the move that we've been talking about as a district
 7 for quite a while, the below narrative about
 8 appropriating funding of \$225,000, that will land in
 9 7510, repairs and maintenance, which is on the sheet
 10 that we were just speaking to on the previous page
 11 where you see an increase from 7510, repairs and
 12 maintenance general, 198536, to a proposal
 13 recommended amount of 407680, for a variance of
 14 209,000 where the below projects would live that had
 15 previously been in the capital plan, like replacing
 16 the coating on the main lodge deck that happens
 17 every five years, it's moved forward, but I feel
 18 that's more of an expense item than just part of
 19 repairs and maintenance in general.

20 Then on a four-year basis, we budget to
 21 replace the staff uniforms which consist of mostly
 22 pants and the jackets.

23 Now what I'd like to do, unless there's
 24 any questions on that, is kind of move to the topic
 25 of -- does everybody have the sources and uses sheet

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1 in front of you that we can speak to?
2 Again, this -- the '24/'25 budget, the
3 sheet has, of course, the revenues associated with
4 it, the other financing revenues, which is basically
5 non-operated leases, what that really is in layman's
6 term is the revenues derived from the existing cell
7 towers at the top of Lake View lift, near Snowflake
8 Lodge, and then we move into expenditures and uses,
9 which we have all seen, wages and benefits,
10 insurance, utilities, and supplies, and then capital
11 improvements.
12 I don't mean to be -- I'll just come out
13 and say it: I've been in these meetings many times
14 now, I think it's time for me -- I would say that
15 the Board -- I'm going on a limb and saying that the
16 Board would probably not recommend or approve of
17 this budget, even though I know the Board really
18 focuses on all the funds, like the general fund or
19 district as a whole or the community services fund,
20 so I don't want really dive too deep into an actual,
21 just really subfund of community services, but I
22 need to make or ask for -- I can provide direction
23 where we probably shouldn't propose or recommend a
24 budget to you that shows a negative net balance, and
25 I'm speaking to the \$4,336 at the bottom of the

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1 hearing meeting that you would see new
2 recommendation of admission and fees or sales and
3 fees with an adjusted number to be higher than what
4 is in your sources and uses sheet. The
5 non-operating leases will not change because we just
6 know that that's what it is.
7 I listened very intently when there was
8 discussion from the previous chair at these
9 particular meetings last year, and I kind of assume
10 from the tone of our meeting on Monday and then some
11 of tonight's meeting that the idea would be to lower
12 expenses. I would make particular adjustments to
13 wages and benefits to decrease the \$821,000 down to
14 something more palatable. To eventually have the
15 net sources and uses number at the bottom be in a
16 positive net figure, which I think it very much
17 should be or I think staff would all agree that's
18 how we should operate the ski venue. I'll make
19 adjustments to service and supplies to be able to
20 not show a 28 percent increase.
21 I will not be making my adjustments or
22 modifications to the insurance line because we
23 already know what -- that number is really solid. I
24 can certainly make adjustments or forecast to
25 utilities. Take another close look at costs of

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1 page.
2 I think -- what I would -- it's -- I would
3 say the term you guys or the Board would use all
4 time is: What's the problem we're trying to solve
5 here?
6 And what I will tell you is that I will go
7 back to work. First thing I'd like to let everyone
8 know is that, at least for the case at the ski
9 venue, I particularly wanted to really do the entire
10 budget myself, which was kind of a large task. Adam
11 trained me, we also had the marketing manager in the
12 room, and then I had our seasonal,
13 seven-month-a-year director of skiing services who
14 has been employed by the District for 22 years. It
15 was the only three of us that had any input through
16 the entire budget. I want to be clear to let you
17 know that there wasn't a lot of hands in this. I
18 need to learn how to do it. This is a completely
19 new system. It took quite a bit. We were on a
20 pretty fast timeline turnaround, and then we've seen
21 changes happen here in the last couple of days.
22 I would say that -- to hopefully answer
23 your question that I would -- or staff would start
24 the process of beginning on Tuesday, hopefully, for
25 Tuesday night or I think by Wednesday's budget

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1 goods service. I've been told that the central
2 service cost, that's what it is and won't change.
3 I'll make adjustments accordingly to solve the
4 problem of not showing a black number in net sources
5 and uses. I'll probably receive -- I'd like to ask
6 the question I'll receive some insight from our ski
7 board liaison as making some of these changes.
8 I'm not prepared this evening or tell you
9 exactly what those particular changes would be. I
10 think that the Board will trust staff to make the
11 appropriate adjustments to be able to solve the
12 problem.
13 TRUSTEE TULLOCH: Thank you.
14 Yeah, I think you've correctly interpreted
15 the direction -- the feelings, certainly, of the
16 board members. And understand it must be very
17 disappointing for you to show a negative net number
18 after being, for years, the golden goose to be able
19 to fund so many other services.
20 I think that's important if it's -- if
21 you're preparing a realistic budget, I think it's an
22 important message to put out there because we hear
23 from all different sectors of the community, Diamond
24 Peak can pay for all these subsidies.
25 Diamond Peak's getting to the stage it's

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1 also needing a lot of investment. I'll pass it
 2 across to the Board.
 3 TRUSTEE DENT: A couple of things that
 4 threw me off on page 34 to 39, the executive summary
 5 of your operating budget where you laid out the
 6 supplies and services, the banking fee is still up
 7 by 25 percent, but then our sales and revenues don't
 8 go up at all. What's driving that projection?
 9 MR. BANDELIN: It's a little bit hard to
 10 hear.
 11 TRUSTEE DENT: Line item 7200, which is
 12 banking fees and processing, you're showing a 25
 13 percent increase on that item. Your sales, though,
 14 and your fees increased by 1 percent. So I'm just
 15 curious: What is the huge cost driver when it comes
 16 to that item specifically? Why are you making that
 17 projection that you're going to be paying so much
 18 more for processing fees?
 19 MR. BANDELIN: Well, for once I have a
 20 really nice answer for that, and that's on page 9 of
 21 the packet, where this was an error on my part when
 22 entering in the dollar value and the 2025 proposed
 23 budget line where banking fees and processing and
 24 food and beverage, line item 7200, were at --
 25 budgeted at and \$4,800 in this fiscal year and

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1 41,000 in the proposed budget, which is a mistake.
 2 And it's an actual percentage of sales
 3 that we've been using for years and have actually
 4 been really accurate on projecting the amount of
 5 banking processing fees on sales.
 6 TRUSTEE DENT: Then is this a similar
 7 error with the advertising, the paid advertising and
 8 trade you're proposing? It was a \$174,000 increase
 9 over your \$216,000 budget last year.
 10 MR. BANDELIN: Nope, that is not an error.
 11 That was -- we talked about it briefly, and I think
 12 when --
 13 TRUSTEE DENT: Okay. So maybe it goes
 14 back to revenue suggestions. If we're talking about
 15 increasing our spending and processing fees by
 16 almost \$40,000, but we see \$130,000 in revenue
 17 increases, I would say just don't do that and save a
 18 ton of money.
 19 I might have missed that part of the
 20 presentation, but I was just -- it's just important,
 21 you touched on this and you know this from
 22 last year, these are all real numbers, right? Just
 23 these three numbers, if we over budget these
 24 three numbers, the \$236,000, that ends up being \$27
 25 to every person that has the rec fee charged to

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1 them.
 2 And if we can go and find that from
 3 several of these budgets, all of a sudden we don't
 4 need a rec fee of \$1,500 this year. We can live
 5 within our means and don't need to be dipping into
 6 fund balance, what I'm referring to, we can live
 7 within our means, and all of a sudden we're back in
 8 line, slightly higher than what we actually did
 9 last year.
 10 I appreciate you touching on what we did
 11 last year and your conclusions of that. I missed
 12 it, there were several pages we got in our packet, I
 13 didn't know what PDF I'm looking at.
 14 CHAIR SCHMITZ: I, too, have so many
 15 different files opened. When we're talking about
 16 things, give us a minute to try to find them because
 17 there's just so many spreadsheets everywhere.
 18 But I wanted to say, Mr. Bandelin, thank
 19 you so much for your approach and your
 20 professionalism because I appreciate you
 21 understanding what the Board is looking at and
 22 trying to accomplish and working to help us to
 23 accomplish that.
 24 One thing that I wanted to point out, I
 25 missed it when we were talking about the beach fund,

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1 there's no investment earnings in our budget. And I
 2 know the beach fund has like \$9 million, so there
 3 should be some nice investment earnings that isn't
 4 included on the sources and uses for beach and also
 5 here in your budget. And I'm going to through the
 6 sources and uses that was given to us on Monday. I
 7 just wanted to point that out as another helping
 8 factor.
 9 I, too, question the increases in staffing
 10 and things when we have revenue that's flat. But
 11 one of questions I have relative to your staffing,
 12 I'm going to -- from my memory on your year end --
 13 I'm sorry. It was actually contained in the General
 14 Manager's monthly report, and I'm recalling that you
 15 reported that ski rentals were down and lessons were
 16 down. Was that because you didn't have the needed
 17 staffing, or what did you see that was driving those
 18 numbers?
 19 I think most of the ski resorts saw a
 20 decrease in skiers because the weather, but most
 21 were reporting increases in lessons. Is this budget
 22 addressing that particular issue?
 23 MR. BANDELIN: Sure. Let me see if I can
 24 answer a couple of those.
 25 When it comes to forecasting a revenue

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1 that I'll be doing over the weekend, it's been
2 fairly conservative. If I could take a minute and
3 I'll go through -- admissions and fees did not hit
4 their target budgeted for the 2024 season. Food and
5 beverage main lodge did not hit their targeted
6 revenue for the 2024 fiscal year. Food and beverage
7 Snowflake did not hit their targeted revenue for
8 fiscal year 2024. Adult ski and snowboard lessons
9 did. Child ski and snowboard lessons did not hit
10 their targeted revenue for this particular
11 budgeted year. Ski and snowboard rental equipment
12 did not hit their targeted revenue for the year.
13 Hyatt sports shop, I think came close. I didn't
14 bring complete figures with me as where we're at
15 year to date.
16 So I'll be -- I know how to do this, make
17 some assumptions, and I'll be working with -- I know
18 Trustee Noble and I talk about this fairly often
19 about how do we increase volume at the ski resort,
20 and I'll just be blunt in saying that was one of the
21 items within service and supply line item, one of
22 the ways that you increase volume versus pricing is
23 by having more visitation. I'm not an expert, but I
24 know that with the non-forward thinking or progress
25 of increasing advertising that we will remain pretty

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1 TRUSTEE TULLOCH: I'm saying nothing.
2 Mike, I would echo Chair Schmitz'
3 comments. I appreciate it and thank you for
4 actually taking note of indications.
5 I said earlier I had some concerns about
6 some of your numbers on food and beverage here don't
7 seem to tie in with the food and beverage numbers in
8 the packet, so maybe just double check on that. I
9 had some concerns when I looked at the food and
10 beverage numbers in ski. And also, yeah, let's be
11 realistic on the revenues.
12 I think you've carried most of the venues
13 for several years, and you've delivered fairly
14 consistently on that. But the cost pressures are
15 getting everywhere. It's not -- I think that's a
16 message across all the venues: We can't just expect
17 ski to just keep continuously bailing out increasing
18 costs when there's no increases in revenues from
19 other venues.
20 To Trustee Dent's point on the banking and
21 fees, I notice similar things, Matt, across all the
22 budgeted areas. There seems to be big increases
23 which didn't seem to add up in light of reduced
24 revenues. I had written on my notes here investment
25 earnings, I don't think any investment earnings have

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1 flat. There was some thought process of increasing
2 some paid advertising to increase volume.
3 One example there is that we think -- I
4 know that just from watching boots on ground every
5 day for a couple of seasons, were at \$75 for a pair
6 of rental skis, and during the peak holiday seasons
7 or days, we're seeing a lot of people come up from
8 the Bay Area from the Sports Basement skis because
9 they are a lot less expensive and just not using our
10 equipment, and we're remaining flat or below
11 projected revenues within the rental shop.
12 CHAIR SCHMITZ: Interesting.
13 I like that you're -- I think it's
14 important if you're making assumptions because when
15 you're doing budgeting and then reflect back on
16 the year, understanding what your assumptions are
17 are helpful. It's helpful.
18 MR. BANDELIN: Every season's going to be
19 different. And every season's going to be -- my
20 friend up the road had a super good season, and all
21 of us on the Ski California Board, when we met to go
22 over how the season was going this spring, my friend
23 was the ugly duckling in the room because all of us
24 said we lost the first six games of this 17-week
25 season, and he didn't.

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1 been credited to any of the venues. I don't know if
2 they've all just been credited to the general fund,
3 but I didn't see any investment earnings across any
4 of the venues in the numbers, which, obviously,
5 fairly big impact.
6 CHAIR SCHMITZ: I have a question on the
7 sheet that you sent out to us saying "Budget to
8 Budget Comparison for Ski," and I don't know how
9 quickly people can access that file. In that file
10 on line 64 through 66, it's charitable allowances,
11 employee allowances, and promotional discounts, and
12 it shows in the budget that it's been zeroed out and
13 then there's a comment that says "Allowances are now
14 netted to A and F."
15 I don't know what that means. What does
16 that mean, they're "netted to A and F"?
17 MR. BANDELIN: Netted to admissions and
18 fees.
19 Throughout this budget, there was a lot of
20 effort on my part -- and not quite finishing, it
21 might take a couple of budgets to do -- to be able
22 to consolidate contractual services, consolidate
23 utilities. We used to spread everything out, we
24 would have forecasted phone bills of \$50 in ten
25 different departments. I'm bringing everything back

1 into 990.

2 One of exercises of consolidation that

3 would really help myself as the general manager and

4 the venue manager be able to report to the Board is

5 to build the products for sale, most lift tickets,

6 at the regular rack rate of any discount that is

7 associated with them, like veteran's ticket or

8 something, and not incur an allowance in promotional

9 allowance that we practiced for several years,

10 because one -- several previous general managers ago

11 wanted to track allowances, but it's really hard to

12 report on.

13 So what we would do is we would take, say

14 your adult daily lift ticket would be for a

15 particular promotional product, like the veteran's

16 ticket, I'm not going to be able to tell you what

17 that price was or how much we would build the

18 product at rack rate, and then whatever the amount

19 was, which was \$25 and the ticket is \$175, then \$150

20 would go into the allowance.

21 It was confusing to speak to, it made for

22 reporting of me being able -- say if any particular

23 month that we wanted to report on admissions and

24 fees, A and F, on a monthly basis for one particular

25 department, you're actually having to go through --

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1 the way that our system is deduct all the allowances

2 and come up with a net amount.

3 The exercise was to remove the particular

4 allowance of -- besides charitable, I leave --

5 employee allowances and promotional allowances.

6 CHAIR SCHMITZ: Does that mean that we

7 still have roughly \$573,000 of promotions? It's

8 about 4.5 percent of revenue. Is that still what is

9 in the budget somewhere, just being handled in a

10 different way? It's just being deducted? I mean,

11 the answer's yes.

12 MR. BANDELIN: Correct. So I took the,

13 outside of passes, \$5.2 million in admissions and

14 fees in 600, basically lift tickets, and netted out

15 after the reduction of promotional allowance,

16 employee allowance, and charitable allowance.

17 So the net amount is what you're probably

18 seeing on that sheet, and I also did -- it might be

19 a little confusing to look at, I can pull up that

20 page, but I also had the accounting finance team

21 management analyst, budget analyst help me or us,

22 staff, be able to separate out admissions and fees

23 for passes sold to non-resident, to Picture Pass

24 holders, and lift tickets as well so we could show

25 the revenue from each one of those on separate line

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1 items.

2 CHAIR SCHMITZ: It just seems like really

3 a big number for discounts.

4 MR. BANDELIN: It is.

5 CHAIR SCHMITZ: I mean, \$400,000 for

6 promotional discounts. That's your advertising

7 budget.

8 Then I have another question about, in

9 this line item here, the advertising, it's down on

10 line 257, but it does have \$340,000 of paid

11 advertising. So my question is you've got the paid

12 advertising budgeted in marketing and now you've got

13 paid advertising over here, are we double counting

14 advertising expenses?

15 MR. BANDELIN: No. I'm looking for it.

16 It's on page 239 of 516, and what you're seeing is

17 30343498, 7010, advertising paid, a budgeted amount

18 of \$2,008 in '24, and proposed budget of 340.

19 Are we on the same page here?

20 CHAIR SCHMITZ: Yep.

21 MR. BANDELIN: That's is within service

22 and supplies of the ski fund.

23 CHAIR SCHMITZ: So is that advertising in

24 addition to what marketing -- I'm just getting

25 confused about what we're budgeting and doing in

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1 marketing and what your budgeting and doing here.

2 MR. BANDELIN: Marketing is a -- it's

3 just -- marketing is just like lift operations,

4 slope maintenance, ski patrol, rental shop, except

5 without the revenue. It's just like another

6 division within the ski fund that has expenses

7 associated with it.

8 CHAIR SCHMITZ: So you're budgeted to

9 spend \$340,000 on paid advertising and marketing is

10 budgeting for whatever they -- \$287,000, so these

11 are combined. When we're talking about advertising,

12 we're advertising, and we've got it in marketing,

13 you're getting charged some other way and you have

14 this.

15 Am I understanding this?

16 MR. BANDELIN: Not exactly. I'll say a

17 couple more things and maybe that'll help.

18 If you look to the left where it says

19 "30343498," that's the ski fund.

20 CHAIR SCHMITZ: I get that. It's I'm

21 trying to understand why have stuff, and it says

22 "see the marketing budget details."

23 So if the marketing budget is a different

24 number, which number is actually going into our

25 budget, and are we budgeting in marketing and then

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1 we're budgeting here? To me, it looks like we are
 2 budgeting in two places.
 3 MR. BANDELIN: I think that may be
 4 something that staff could help clarify. It's the
 5 way that we put reports out because marketing has
 6 expenses in several venues. Not several, but a few.
 7 So sometimes when we say, okay, let's look at a
 8 marketing budget all rolled up into one, I think
 9 that's where it confuses because it said look at the
 10 marketing one.
 11 Just like the question you had earlier
 12 about food and beverage. Well, the food and
 13 beverage component at ski is in the 340 fund, so
 14 it's a really good question, and I think, really,
 15 staff could help clean that up and maybe just come
 16 back to you and identify with you some of those
 17 departments that we have within the District that
 18 also perform funds in other venues.
 19 TRUSTEE TULLOCH: General Manager Magee --
 20 CHAIR SCHMITZ: Am I the only one that's
 21 confused by this budgeting about marketing?
 22 MR. MAGEE: No. I do understand the
 23 question that you've asking. And I'm putting that
 24 down on my list, and we'll make sure that is
 25 clarified.

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1 I don't believe it has been doubled
 2 budgeted. I understand exactly what your point is.
 3 We'll verify that. I think that when you were
 4 asking about the 287 versus the amount that's in
 5 Mr. Bandelin's figures here, while we're making the
 6 recommendations to reduce the overall marketing
 7 budget, I'm sure that was not communicated to
 8 Mr. Bandelin and reduced appropriately in his budget
 9 as well.
 10 I will confirm that and have that ready to
 11 go for Tuesday.
 12 TRUSTEE TULLOCH: Adding to that, if
 13 you're looking at a couple lines further up, I see
 14 salary for marketing of 142,000, is that a
 15 reallocation of the costs of the marketing budget as
 16 well?
 17 MR. MAGEE: I'm not certain on that one.
 18 MR. CRIPPS: That's an allocation of the
 19 marketing.
 20 TRUSTEE TULLOCH: No further questions.
 21 Thank you, Mr. Bandelin. Appreciate it.
 22 MR. MAGEE: Still in the bullpen, I know
 23 we have our golf general manager, our interim
 24 Director of Public Works, and our human resources
 25 director. Given the district-wide impacts, I would

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1 suggest to the Board we might want to take the human
 2 resources department next.
 3 TRUSTEE TULLOCH: Understood.
 4 I'd also remarked to my board colleagues,
 5 in terms of the question about allowances, when I
 6 was looking at the venues and facilities, it shows a
 7 revenue of 616, approximately, if I recall
 8 correctly. Yep. When you check all the charitable
 9 allowances, the employee allowances, the staff
 10 allowances, the inter-fund allowances, the revenue
 11 number actually drops a little bit by 400,000, so
 12 it's an unrealistic revenue number when you remove
 13 all these.
 14 I like the idea of actually doing them
 15 net.
 16 MS. FEORE: Page 122, I think. Right?
 17 Okay. What kind of questions can I answer?
 18 TRUSTEE TULLOCH: The floor is open to the
 19 Board for questions.
 20 Seeing no hands up, I'll ask the first
 21 question. Full disclosure, you've had full warning
 22 of this.
 23 I see the request to increase the grading
 24 of a risk management position. I couldn't quite
 25 understand if this is an existing position, an

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1 existing employee, or what the situation with this
 2 is.
 3 MS. FEORE: The position has existed with
 4 the District. It has not been filled for over a
 5 decade. Currently what we have in our HR department
 6 is a senior HR analyst slash safety supervisor.
 7 In speaking pretty extensively with
 8 General Manager Magee, we have really defined some
 9 of the deficiencies with not having a district-wide
 10 risk manager, somebody who can take the lead on
 11 oversight of operational risks, of safety risks, to
 12 conduct internal audits to ensure that risk
 13 management initiatives are being adhered to, that
 14 they're being implemented, proactively manage some
 15 of these risk initiatives, some of the contract -- I
 16 think we found some deficiencies with contracts
 17 specifically related to insurance coverages.
 18 In finding these things over and over and
 19 over again and having somebody who is well versed in
 20 the risk world, this was a proposal that I made for
 21 this budget cycle. And it is a -- just to be
 22 transparent, it is a salary grade increase by two
 23 grades.
 24 TRUSTEE TULLOCH: This for an existing
 25 staff member?

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1 MS. FEORE: Yes.

2 TRUSTEE TULLOCH: So it's a transfer.

3 You're eliminating one position and creating

4 another?

5 MS. FEORE: Yeah. It's a zero change.

6 Um-hum.

7 TRUSTEE TULLOCH: Okay. If this has been

8 there for ten years, have you had budget for this

9 for ten years?

10 MS. FEORE: No. This has not been

11 previously budgeted, no.

12 TRUSTEE TULLOCH: So the net impact is 10,

13 20k or something in terms of that?

14 MS. FEORE: Yes.

15 TRUSTEE TULLOCH: I'm a bit surprised

16 because I thought the community services ambassador

17 was going to be superman or superwoman doing all

18 these things as well.

19 MS. FEORE: At the line level, yes,

20 absolutely.

21 TRUSTEE TULLOCH: I also have a question

22 in terms of the worker's comp. Are we self-insured

23 for a certain amount of it?

24 MS. FEORE: No. We are insured through

25 the Pool/Pact, so we get some pretty incredible

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1 rates as a result of that coop, of sorts. But, no,

2 we are not self-insured.

3 I had received that question before and I

4 had sent that question off to Pool to ask about the

5 potential for self-insurance. I'm not a fan of

6 self-insurance. I think the risk is exceptional,

7 especially in one year. You could have one good

8 slip-and-fall that could just cost the District more

9 money than we've ever seen before. It's definitely

10 a risk.

11 TRUSTEE TULLOCH: Yeah, I mean, more

12 typically I've seen self-insurance up to a certain

13 amount.

14 MS. FEORE: Right. And then you're paying

15 for stop loss, and then you're paying for your TPA

16 and all that other stuff.

17 TRUSTEE TULLOCH: It seems to have been a

18 sticker shock this year. What is the total, about

19 762,000 across the District or something, the

20 increase?

21 MS. FEORE: Yes. We've had just shy of

22 a million in claims over a couple of -- I think they

23 were two significant claims, and then one fairly

24 significant claim that occurred in the last

25 two years.

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1 TRUSTEE TULLOCH: And you say that's a

2 three-year cycle?

3 MS. FEORE: It is a three-year cycle.

4 Our claims were -- our rates were updated

5 in June of 2023, so we would be, potentially --

6 again, I'm going to get all of this information

7 through Pool/Pact just to confirm, but my

8 understanding is is that we would see kind of a

9 recalculation, depending on our modification, our

10 experience modification, we'll see a possible

11 recalculation in a few years.

12 TRUSTEE TULLOCH: Any other questions from

13 the Board?

14 CHAIR SCHMITZ: I'm going to go back to a

15 couple of questions that I have relative to position

16 changes, and I don't know where -- what document to

17 look at, but I believe in, perhaps, your executive

18 summary, you talked about shifting a position, I

19 think it was a payroll position to finance. My

20 question is has that budget been shifted from HR

21 over to the finance department so we have a decrease

22 in HR and an increase over in finance?

23 MS. FEORE: That's my understanding, yes.

24 I confirmed with Assistant Director Cripps.

25 CHAIR SCHMITZ: So there should be a

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1 reduction, then, in the salaries in HR with that

2 change?

3 MS. FEORE: Yes, that's correct.

4 CHAIR SCHMITZ: Okay. Then when it comes

5 to the position, I think it was called "IT meetings

6 coordinator," during Mr. Magee's presentation, I

7 think he stated that about a third of our current IT

8 professionals' time as been spent dealing with

9 meetings. And I think that, as a board, we need to

10 have a better sense of control over all of these

11 meetings that get scheduled because the golf

12 meetings, to me, were excessive, and I don't think

13 that the Board -- I think the Board should give

14 specific direction to these committees and request

15 deliverables from these committees instead of them

16 being so self-directed, because we saw a huge

17 increase in the costs related to those meetings.

18 So if those go down, I would hope that the

19 amount of time would go down. But even at that,

20 it's a third of a full-time person, and I'm

21 struggling to say, well, if we were using a third of

22 a full-time person, why do we need to hire a

23 full-time person to deal with this when I certainly

24 hope the number of meetings will be decreasing as

25 the year moves on.

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1 I'd like to better understand the
2 justification of adding a full-time person for that
3 role.

4 MR. MAGEE: I'll take this one.
5 We agree with you. We certainly hope that
6 the amount of time that is dedicated specifically to
7 sitting inside board chambers running the video
8 board and what not, as well as some of the
9 committees decreases. I'm sharing what the recent
10 historical perspective has been.

11 However, part of the reasoning for that
12 recommendation is the use of the new Civic Clerk
13 system and how that will interact with the new
14 website. And we want to make sure that all of that
15 video production is mapped correctly and
16 appropriately. This is certainly a lower-cost
17 position than having our senior IT analyst doing
18 that type of work, as well as freeing up his time to
19 do the true IT work that we believe he should be
20 doing.

21 In addition, this position would be
22 providing assistance to the District Clerk. I can
23 tell you that I routinely get text messages and
24 phone calls from our clerk at 5:30, six o'clock in
25 the morning, and nine, ten o'clock at night, and we

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1 TRUSTEE TULLOCH: I was going to make the
2 same comment in digitization. There's a host of
3 companies out there that do this as a specialist
4 function. Trying to do it as a fill-in job just
5 defeats the whole object of it.

6 I share same concern. It's all very
7 well saying this position's lower cost than the one
8 that's coming and doing it, but we've got to look at
9 a lower cost than a third of the cost of the person
10 who is doing it.

11 I would suggest if there is a real
12 justification for this position, I think what I'd
13 like to see is a separate business case to see why
14 it's there and just keep adding staff, particularly
15 we're going to through here trying to find
16 efficiencies, not just add further costs.

17 MS. FEORE: I wanted to mention too, and
18 maybe this can be done at a future meeting and I'll
19 work with General Manager Magee. I think it would
20 be really important for me to have just a few
21 minutes of the Board's time to talk about the state
22 of employment landscape for Washoe County, because
23 some of the stats are a little concerning, and I
24 think we need to bring them to your attention so
25 that you can see why we're working so hard on

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1 believe she needs some assistance. This position
2 would be providing some assistance to her as well.

3 And then, finally, the document
4 digitization project that I would like to engage
5 in -- we have documents that we are required to keep
6 all the way back into the 60s, and I think that we
7 could keep one person fully employed just doing that
8 for a number of years just on that.

9 Those are the primary reasons for making a
10 recommendation that this position is funded.

11 CHAIR SCHMITZ: What's the fully burdened
12 budget that's been put in for this?

13 MR. CRIPPS: I would have to look into
14 that.

15 CHAIR SCHMITZ: I'm recalling a number of
16 about \$173,000.

17 TRUSTEE TULLOCH: That sounds correct.

18 CHAIR SCHMITZ: I think we should talk
19 about the digitization project because if this is a
20 project that we want to go forward with, we should
21 put together a scope of work and get bids to do
22 that, because you're not -- one person isn't going
23 to digitize all of our backlog by themselves.

24 I think that's something we should look at
25 a little bit more holistically.

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1 retention costs. The recruitment landscape is a
2 little dismal at the moment. Which is great for the
3 economy of Washoe County, but makes it difficult to
4 get people up the hill.

5 Maybe there's a future board meeting in
6 which we could have that conversation.

7 TRUSTEE TULLOCH: Thank you. I'm sure we
8 can add that to the long range calendar. I would
9 also add a counterinterview:

10 We keep doing the same thing. Every
11 time -- if I look at the Parks and Rec executive
12 summary, it says the same thing it's said for the
13 last four or five years: We need to pay more to
14 retain good people and things.

15 We've consistently kept doing this and if
16 we still have problems recruiting people, we need to
17 start looking at our business model, we need to
18 start looking at -- if there's areas that we just
19 can't recruit people, we should start looking at
20 alternatives in areas that can be -- that other
21 companies seem to be able to do quite successfully.

22 We can't just keep saying, well, we can't
23 get people, we can't get people, but still keep
24 increasing our positions, adding new positions, and
25 then saying, well, we can't get people. And we keep

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1 paying more.

2 As I commented earlier, we've seen a 50

3 percent increase in the proposed salaries and

4 benefits just since '21/'22 actual, and that's -- my

5 world, that's pretty real money. And I think to our

6 taxpayers, that's pretty real money. We hear plenty

7 of it in public comment. We even heard it from some

8 unlikely sources on Monday. I think the community's

9 very aware of this.

10 I think we should certainly look at where

11 there is potential in areas that we can staff

12 positions, what other alternatives there are. I

13 think that's part of the board discussion.

14 MS. FEORE: All right.

15 TRUSTEE TULLOCH: Next up? We'll move to

16 utilities.

17 MS. NELSON: I am looking at page 467 of

18 your board packet. We have provided an explanation

19 for every line item within our budget for the

20 services and supplies as well as revenue.

21 For water, sewer, and I'm this sure you're

22 all aware that each water and sewer fund is

23 comprised of water supply water, water transmission,

24 water pumping. And then we have the same breakdown

25 for sewer. And then we also have a shared water and

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1 sewer account.

2 I will turn it over to the Board for your

3 questions.

4 TRUSTEE TULLOCH: My first question, if I

5 look at the proposed water revenues, they're shown

6 as increasing by 25 percent, yet our water price

7 increases 8 to 9 percent. Sewer revenues are only

8 showing as increasing by 8 percent, and the majority

9 of sewer measurement is just based on the water

10 measurement.

11 How have water revenues increasing by so

12 much more?

13 MS. NELSON: The water revenue actually

14 includes rates, your revenue just from rates. We

15 also have income from our fire hydrants. The North

16 Lake Tahoe Fire Protection District pays us annually

17 for fire hydrants. We have the backflow program in

18 there that adds to our income, as well as the water

19 connection fees and the CIP retro fees. We also

20 have what is considered other water, which are

21 customer service requests and that kind of thing.

22 The difference between the two is, I would

23 say, we have plan check fees and all those other

24 things that can't be -- I mean, we can do our best

25 guess as to how many plans are coming in and that

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1 kind of thing, but what we're seeing is that we're

2 anticipating so many plans coming in, we may see

3 those plans come in, but we don't see the revenue

4 until the following year. Because of how our system

5 is right now, we don't collect those fees until they

6 actually pull the building permit.

7 We're looking at revising that and getting

8 the plan review fees up front for a certain amount

9 of time spent on those plans, because if you don't

10 pull a building permit at this time, that time

11 that's spent on those plan reviews is not captured.

12 We're trying to capture all of the fees that we can.

13 TRUSTEE TULLOCH: Understood. But most of

14 those -- apart from moving the timing of the fees,

15 most of these sources existed before. We're still

16 showing a 25 percent increase from 6 million to 7.5

17 million. I'm finding it hard to rationalize that.

18 Despite all that, that would have to be an awful lot

19 of building permits built up there.

20 And if revenues are overstated by, say,

21 half a million, three quarters of a million, it

22 makes an even bigger change in your budget. I'll

23 push back on that because most of these other

24 sources are included, and they're below the line,

25 the top of the revenue line in the presentation, in

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1 the financial presentation.

2 It's the top line I'm concerned about

3 there.

4 MS. NELSON: We will have all of our

5 deeper dive in the revenues broken out for you.

6 CHAIR SCHMITZ: I go back to the

7 pages from Monday, and the utility's fund, as a

8 fund, I'm going -- it's on page 87 and 88 of 125.

9 For the utility fund for this fiscal year, the total

10 revenue for sales and fees was 16 million, and our

11 projected is 15.3 million. So we're 700,000 below

12 that, and yet in the '24/'25 budget, we're expecting

13 to go up another 14 percent.

14 And I'm concerned that I don't know where

15 the 14 percent -- because I don't think we're

16 increasing rates by 14 percent; correct?

17 MS. NELSON: No. The average rate

18 increase in the utility plan -- or in the utility

19 rate study for year two for water, I believe, is

20 closer to 8 percent.

21 CHAIR SCHMITZ: I'm just concerned that we

22 have a different situation here where is this -- if

23 it's realistic, I'm fine with it, but I'm sitting

24 here going, okay, we're predicting that our sales

25 are going to go up and it's by 14 percent, but yet,

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1 again, we've got our wages and benefits going up by
 2 like -- well, that's with the wage allocation. Hold
 3 on.
 4 No wage allocation, it's 30 percent
 5 increase.
 6 MS. NELSON: And I want to make sure
 7 you're looking at budget to budget and not budget to
 8 actual. Keep in mind if you're looking at budget to
 9 actual, the estimated actual, May and June are a
 10 couple of our higher-earning months because of
 11 irrigation. That kicks off, generally, towards the
 12 end of April.
 13 Based on our predictions, we are on target
 14 to meet or revenue from what we had estimated
 15 last year.
 16 CHAIR SCHMITZ: Are you saying that these
 17 sheets that have '23/'24 estimated actual haven't
 18 been projected to June 30th?
 19 MR. CRIPPS: They do have projection to
 20 June 30th, however, but it's based off of
 21 information available at the time. That's one of
 22 the comments that I did make at Monday's meeting
 23 about how these numbers can -- they're not
 24 solidified, so there is some information, like
 25 interim Director Nelson just said, that could be

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1 more privy to the department that wasn't available
 2 to us at the time. By "us," I mean staff and
 3 finance.
 4 There are nuances to that, and what we're
 5 building to look forward and making sure we paint a
 6 more accurate picture.
 7 TRUSTEE NOBLE: When comparing sewer
 8 revenues and water revenues last year and what is
 9 projected for the coming year, sewer revenues are
 10 based on inside the walls usage; correct?
 11 MS. NELSON: Inside the walls?
 12 TRUSTEE NOBLE: Sorry. Inside the walls
 13 usage is what is basically going down the drain in
 14 house, and it's essentially a flat figure, 5- to
 15 7,000 gallons per household every month of the year.
 16 MS. NELSON: It's based off the wintertime
 17 use because there is no exterior use?
 18 TRUSTEE DENT: Right. And so that would
 19 -- that projected 8 percent increase is based on the
 20 rate study -- the rates approved and implemented
 21 based on rate study, which was approximately an 8
 22 percent increase; is that correct?
 23 MS. NELSON: For last year, I think it was
 24 closer to 13 for sewer and 10 for water.
 25 TRUSTEE NOBLE: Coming up this year?

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1 MS. NELSON: Eight.
 2 TRUSTEE DENT: And then last year being a
 3 historical water year, the irrigation season started
 4 significantly later than normal; is that correct?
 5 MS. NELSON: Yes. And there was some
 6 adjustment in the rate study that moved your tiers
 7 and your irrigation, and we did see a reduction in
 8 irrigation, whether it was from the historic winter
 9 we had or if people were changing their use. You'll
 10 see that a lot. If you raise your irrigation too
 11 much, then people will cut back on their water use.
 12 TRUSTEE DENT: Anecdotally, this year I
 13 turned on my irrigation a month earlier than I did
 14 last year. In fact last year, I still had three to
 15 four feet of snow on the ground, and it's been bare
 16 for three to four weeks now.
 17 Anecdotally, if you apply that the
 18 irrigation figures for -- and the revenues
 19 associated with that earlier start will add to that
 20 potential increase in revenues; is that correct?
 21 MS. NELSON: Correct.
 22 TRUSTEE TULLOCH: Do we know what the
 23 percentage of -- what a typical percentage of
 24 irrigation use is?
 25 MS. NELSON: I'll have to get that.

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1 TRUSTEE TULLOCH: Again, coming back to
 2 water -- Trustee Schmitz, go ahead.
 3 CHAIR SCHMITZ: Are we -- are you
 4 intending to modify the rates recommend for the
 5 increase given this budgetary significant increase,
 6 or are you going to be recommending that was part of
 7 the rate study? Because one of the things we need
 8 to understand is what were the assumptions for that
 9 rate study, and it seems like our costs are going up
 10 more significantly than probably were taken into
 11 account during the rate study.
 12 What is it that you're planning to bring
 13 to the Board, and might this change these revenue
 14 numbers?
 15 MS. NELSON: To develop our budget, I
 16 actually -- it was a lot easier on the capital side
 17 to stick to what was assumed in the rate study. I
 18 did that to make sure that we were not completely
 19 out of whack or our rates.
 20 The operating increases were not taken
 21 into account and they weren't even foreseen. I
 22 mean, the central service cost allocation couldn't
 23 have been foreseen in the rate study at that time.
 24 You'll notice that, basically, we have
 25 about a \$2.5 million loss between what the rate

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1 study had predicted versus what we're seeing in our
 2 numbers. However, my recommendation is that we're
 3 going to stay with those year two rates, and then
 4 reevaluate completely again with a rate study
 5 next year. And that way, I think year three in the
 6 rate study right now is similar another like 8
 7 percent, and then four and five were down at three.
 8 So I know, looking at our numbers, that that 8
 9 percent is probably going to change the next year,
 10 and then the following years will also be adjusted.
 11 The rate study is an excellent tool. It's
 12 never going to be exact. And you always will be
 13 either going up or down, but you try to make it as
 14 flat as possible. I think we're still in the point
 15 where we're catching up, then with the increase in
 16 costs, were' still catching up.
 17 CHAIR SCHMITZ: I think one of the things
 18 that we need to see is what is the plan for getting
 19 us into compliance with our fund balance. I mean,
 20 if we have these costs going up, I don't know how we
 21 can justify maintaining a rate increase with
 22 assumptions that haven't come to pass, and we need
 23 to be rebuilding that fund balance.
 24 I think one of the things we need to see
 25 is where are we on the plan related to getting us

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1 into compliance with fund balance. And I guess I'm
 2 surprised that we wouldn't be making any even slight
 3 modifications to the rate study recommendations,
 4 given these significant increases in just things
 5 like basic utilities.
 6 MS. NELSON: And in looking at the rate
 7 study and the number of analytics and spreadsheets
 8 that we received from our consultant, that
 9 spreadsheet is proprietary, so it's not a matter of
 10 just being able to plug in some new numbers. That
 11 is where it's unfortunate that the timing of our
 12 accounting and all of that came when it did. And
 13 that's why I'm suggesting we stay the course and
 14 know that we will have probably the next three years
 15 to catch up.
 16 In the rate study, it didn't have us
 17 meeting our reserve requirements for quite a
 18 few years as is, but I think as long as we keep
 19 moving forward and know that we are going to have a
 20 series of rate increases that are not going to be
 21 around 2 or 3 percent a year, I think that is the
 22 best planning that we can do and the best planning
 23 for the customers at this point.
 24 CHAIR SCHMITZ: I understand. But when
 25 you've got 44 percent increases in costs from one

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1 year to the next, we can't just keep dipping into
 2 fund balances.
 3 And then as it relates to something that I
 4 think was in your report, you talked about buildings
 5 were moving back into -- were returning to Public
 6 Works. Where was that budget before? And where did
 7 that budget get moved from?
 8 MS. NELSON: Buildings was actually -- it
 9 always has been in the 400 fund, but the
 10 responsibility and oversight of buildings was with
 11 the community services director.
 12 When that position became vacant, the
 13 supervision of the buildings department became
 14 Public Works again. I don't know the history on why
 15 it was moved.
 16 But I do know that the previous Public
 17 Works director, last year, because of the short
 18 amount of time that we had to evaluate that budget,
 19 it remained flat. This year, we did a deep dive
 20 into buildings and what was going on, and that's why
 21 I believe you are seeing increases across the board
 22 because we're actually accounting for reality.
 23 CHAIR SCHMITZ: Thank you for that
 24 clarification. It's good to know it's always been
 25 in the Public Works budget. I couldn't figure out

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1 where it moved from, so thank you.
 2 TRUSTEE TULLOCH: I've got a few
 3 questions, Director Nelson.
 4 In water, I have questioned the increase
 5 in revenues, but then I also see there's a \$1
 6 million increase in salaries and wages. Not quite
 7 sure why there's such there. There's also 2 million
 8 additional in services and supplies. The capital
 9 expenses number of 1.92 doesn't tie up with the CIP
 10 which shows 1.875.
 11 In sewer, solid waste, I see again an 84
 12 percent increase in services and supplies, and 17
 13 percent in salaries and wages. Across the 200 fund,
 14 salaries and wages are showing up at 25 percent
 15 across the fund.
 16 Now with regard to the rate study, I see a
 17 request for a rate study in General Manager Magee's
 18 proposals. We saw from the DOWL report, where we
 19 spent a lot of money, that we've got a severe lack
 20 of information of what's required. Just from what
 21 the DOWL report did find indicated a huge amount of
 22 additional capital that's going to be required. And
 23 as we discussed at the board meeting at that time,
 24 we don't have any real analytics or any real
 25 knowledge. We're still just throwing a dart at a

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1 board almost where we should be looking at.
 2 My own view is that we should hold off on
 3 another rate study because the last one costs us a
 4 whole lot of money, and we're now 18 months past
 5 that saying, well, all our operating costs have been
 6 gone way up and everything, so it's not really valid
 7 anymore. I can't remember the exact amount. I seem
 8 to recall the full study was something like 400,000
 9 a couple years ago.
 10 MS. NELSON: That was the utility master
 11 plan cost.
 12 TRUSTEE TULLOCH: No. I'm thinking of the
 13 one from a couple of years ago.
 14 MS. NELSON: It was not that much.
 15 TRUSTEE TULLOCH: The 45,000 was just a
 16 sort of quick redress of it?
 17 MS. NELSON: Yes. And that's the
 18 estimated update, and that's all we would need. We
 19 wouldn't need the deep dive again.
 20 TRUSTEE TULLOCH: I think we would when we
 21 look at some of things the DOWL report, that level
 22 of capital that's probably going to be required
 23 there.
 24 I would strongly suggest that we do a bit
 25 more analytics so we actually have some data to work

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1 from rather than just assuming it. That was one of
 2 the key things that jumped out at me about the DOWL
 3 report, that we don't really have any information.
 4 Yet we had -- supposedly, we had an asset management
 5 director, not in the recent past and things as well,
 6 but we don't seem to have much in the way of asset
 7 data.
 8 I would certainly think if we're going to
 9 do another rate study, we should make sure that
 10 we've got all -- you know, we've collected all that
 11 information, even if that means spending some more
 12 money to do the investigations first so at least we
 13 have a true picture of it.
 14 Given the scale of the increases we've
 15 seen in our water and rates to the community in the
 16 past few years, they've gone up something like 40
 17 percent, and looking at what is in the DOWL report,
 18 we'll be going up another 140 percent. I think we
 19 need to to have an integrated plan before we
 20 actually try and do a rate study that we then need
 21 to basically throw away. That's just my view on it.
 22 If we're going to do it, let's do it properly.
 23 Fleet maintenance, can you cover that as
 24 well?
 25 MS. NELSON: I can try.

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1 TRUSTEE TULLOCH: Okay. Fleet services.
 2 I've got to question the level of
 3 maintenance work that we're actually doing. As an
 4 example, I saw in food and beverage, one of the few
 5 areas that went down, they reduced their fuel costs
 6 from 2,000 bucks to 600 bucks a year. At 700 bucks,
 7 let's be optimistic and say 6 bucks a gallon, that's
 8 100 gallons, maybe best 20 miles to the gallon for
 9 the vehicles, that's 2,000 miles. So 2,000 miles
 10 a year for that vehicle, yet the fleet maintenance
 11 cost was \$3,700. That's seems somewhat excessive,
 12 so I've got to question what we're doing.
 13 Similarly in terms of buildings, I noticed
 14 in one of the Rec Center budget lines a number for
 15 building maintenance. And the comment against it
 16 was: This is what's required for building services,
 17 to get building services revenue.
 18 Again, I question whether these internal
 19 services, all we're doing is building a cost base
 20 and then basically trying to re-charge it to get it
 21 back. We should only be doing the work that is
 22 required.
 23 I think, as General Manager Magee knows,
 24 when we looked at the cost of fleet maintenance in
 25 golf last year, it was \$19.50 a round. That's going

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1 up 15 percent or something this year. It becomes a
 2 major issue.
 3 I've got to question it. I don't think
 4 any of us would be running vehicles if we're paying
 5 that much, if I was paying 3,500 bucks for servicing
 6 maintenance for one year when I'm only doing 2,000
 7 miles. I don't even think General Manager's
 8 Maserati costs that much to service. I might be
 9 close not, but I'm not sure. I encourage you to
 10 look at these because I think the fleet costs have
 11 gone up dramatically, 20 percent increase in
 12 projected revenues. That's not revenues, that's
 13 just really internal, selling hamburgers to each
 14 other.
 15 MS. NELSON: I do take those comments to
 16 heart, just because am learning the buildings and
 17 the fleet budget. When I first started in the
 18 engineering budget, it was having to clean up some
 19 things, and I understand that there's probably some
 20 cleanup work that needs to be done with both of
 21 those.
 22 We will attack that with our accounting
 23 team.
 24 TRUSTEE DENT: I wanted to just comment on
 25 a couple things. One being the rate study. I

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1 believe we paid 70 grand for someone to come in and
 2 give us the projection of what we should be charging
 3 for our rates. And I do think it is healthy to have
 4 a rate study every four years. I don't think every
 5 year we need to be going down that route.
 6 If we don't know where we're going to end
 7 up with our costs, then we can't project, and it
 8 then it doesn't matter what we pay for a rate study.
 9 Same situation, as soon as it's published, it's
 10 going to be wrong, outdated.
 11 I feel like it's something that we can dig
 12 into and actually forecast what our costs are going
 13 to, 60 grand, 50 grand, 40 grand, whatever it is,
 14 put it towards operating costs and come up with a
 15 projection.
 16 The second item that I wanted to address
 17 is the overall fund balance and getting compliant
 18 when it comes to board policy. This will be the
 19 third year where we haven't be compliant with our
 20 own board policy as it relates to the utility fund.
 21 I think it's something that this board should
 22 address. We do have several million dollars in the
 23 utility fund, and I would like to see it restricted
 24 in a manner that it helps allow us to become
 25 compliant with board policy.

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1 outlined for each --
 2 TRUSTEE TULLOCH: Thank you. I do recall
 3 last year, we seemed to take a much bigger share of
 4 it for some reason.
 5 MS. NELSON: And we do because IVGID is
 6 the host agency, so that is outlined in the
 7 agreement and that is why we have a larger share.
 8 We actually have the staff that's doing the work for
 9 the consortium.
 10 TRUSTEE TULLOCH: Okay. But we should be
 11 getting reimbursed for some of that? Can we find
 12 another host? Thank you.
 13 Mr. Sands has been patiently waiting.
 14 MR. SANDS: Fire away.
 15 TRUSTEE TULLOCH: I'll pass it across to
 16 the Board for questions for General Manager Sands.
 17 I'll ask the obvious question when I look
 18 at the numbers. You spoke to us two to three weeks
 19 ago when we were discussing golf rates, and your
 20 slide showed that golf operations was costing about
 21 2.9 million and you're going to get about 2.9
 22 million revenues back.
 23 Now I look at your rolled up budget for
 24 Championship Golf Course, and it shows revenues of
 25 4.1, but total expenses are 4.8 million. So

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1 Previous management drained down the
 2 utility fund and put us in the situation that we're
 3 currently in. Over the last several years, we just
 4 never recovered from that, and so I think it's
 5 something we just need to address once and for all.
 6 We have an opportunity to -- for getting, sounds
 7 like millions of dollars more than we anticipated
 8 when it comes to grant funding, and then we also do
 9 have a large borrowing capacity as it relates to
 10 replacement of the pipelines.
 11 So I think it would be beneficial for us
 12 to restrict some of those funds, get the utilities
 13 fund in compliance, and I would love to see staff's
 14 proposal when they come back on Tuesday to either do
 15 that this year or to do it in a few years and what
 16 that looks like.
 17 TRUSTEE TULLOCH: Any more questions?
 18 Seeing none.
 19 Thank you, Director Nelson. If you could
 20 bring responses back on Tuesday, that would be
 21 excellent.
 22 MS. NELSON: I will just touch quickly on
 23 TWSA. I have verified that the sponsorship of the
 24 movies is not included. And then I will have a
 25 handout of the breakdown of how the fees are

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1 basically you've added 1.8 million in expenses, but
 2 only less than a million in revenues. Can you
 3 explain that? And that's basically the facility fee
 4 that's been asked for basically amounts to about 125
 5 bucks per parcel, and we're still ignoring
 6 depreciation and various other costs and capital
 7 costs.
 8 I struggle a bit with that. If your 2.9
 9 million was correct for golf operations, where are
 10 we losing the other 700,000?
 11 MR. SANDS: Great question. I think
 12 through this process, me coming a few months ago and
 13 trying to digest and learn the different orgs and
 14 classifications, then going into rate setting, we
 15 did increase our rates in certain categories that
 16 may decline some of our play that we're looking for.
 17 We're taking certain procedural operations to help
 18 bolster that, especially in the non-resident revenue
 19 by blocking off some prime tee times for that using
 20 GolfNow in a more stronger marketing campaign with
 21 them.
 22 We are looking at lower revenue for that,
 23 though, because of those higher rates. We're
 24 tracking that to the day. We've already started
 25 that, compiling daily data that we can hopefully

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1 track by the end of the month throughout the entire
 2 season to help us with that forecasting.
 3 We are sticking what we have proposed in
 4 the budget at this moment.
 5 TRUSTEE TULLOCH: That's what I was
 6 hoping.
 7 Can you explain what the other 700,000
 8 deficit is appearing from if you're still hoping to
 9 still reach your target on the rates? Again, it
 10 shows 4.8 million top line expenses and 4.1 million
 11 in revenues excluding the facility fee.
 12 MR. SANDS: Correct. Just on the golf
 13 operations.
 14 TRUSTEE TULLOCH: No. On Championship
 15 golf in the 320.
 16 MR. SANDS: Then even going across into
 17 facilities and food and beverage?
 18 TRUSTEE TULLOCH: If that's where it's
 19 coming, yes.
 20 MR. SANDS: Well, I think it's a
 21 combination of all three. I think we're looking at
 22 receiving that food and beverage report from our
 23 consultant to try to make sure we hone in on our
 24 deficiencies within that operation, also where we
 25 can obtain extra revenue.

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1 As we go through the season, I'm also
 2 looking at exactly what we're requiring of daily
 3 staff, maintenance staff, and then food and
 4 beverage, especially when we look at payroll
 5 allocation, hours of operation. That's under the
 6 spotlight for myself coming in. And then existing
 7 staff giving me education, we're trying to adjust
 8 and pivot to help offset those pitfalls.
 9 It's still early in the season, and I
 10 don't have the full picture yet because we did just
 11 open part of our business -- our operation last
 12 week.
 13 TRUSTEE TULLOCH: I understand that.
 14 Again, we've been aware for twelve months
 15 we're losing 2,000 bucks a day. I go through the
 16 food and beverage numbers and there's like a 20
 17 percent decline in sales not just across food, but
 18 across liquor, beer, and wine as well. Yet there's
 19 10 to 15 percent increases in the cost of food and
 20 the cost of beer and cost of liquor.
 21 I know there's been quite significant
 22 inflation in food, but not to the extent that if
 23 we're doing 20 percent less in revenues that we're
 24 requiring to still spend another 15 percent on the
 25 cost of goods. That just fails to add up.

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1 I also see in some of the allocations, I
 2 mean, it's states, oh, there's salaries savings
 3 there because we've taken out the cost of the
 4 director of food and beverage, yet the salary saving
 5 is only 2 to 3 percent, and I struggle to understand
 6 that when it was a fully burdened position of about
 7 200,000. That just seems perverse unless we've
 8 actually replaced that position with a different
 9 position or something. That would be the only
 10 explanation for that. I struggle with that. I
 11 struggle when I see these things.
 12 Take a look at the fleet maintenance
 13 charge that I just talked about, 3,400 or 3,700 for
 14 what I assume is just one vehicle. Let's look at
 15 all those things.
 16 But, I mean, have we increased prices for
 17 food?
 18 MR. SANDS: Yeah. That is one exciting
 19 thing for the operation with our food and beverage
 20 staff. We've rolled out a new menu for The Grille,
 21 we've rolled out additional items for snack bar,
 22 beverage cart. Trying to pinpoint better hours of
 23 operation to capture more traffic in the evening
 24 twilights, and then also through the earlier morning
 25 on Saturdays and Sundays. We are trying to do a

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1 better job of making sure we get that word out to
 2 the community, especially when it comes to if we're
 3 spotlighting our Sunday brunches or if we're doing a
 4 special in the snack bar.
 5 We are looking at some of those type of
 6 opportunities that we might not have tapped into
 7 previously.
 8 TRUSTEE TULLOCH: Okay. That's helpful.
 9 Are we still taking cash on all those things?
 10 MR. SANDS: Yes, sir, you could pay by
 11 cash.
 12 TRUSTEE TULLOCH: These things didn't add
 13 up. When I looked at -- it's one thing looking at
 14 the revenue's top line, but then I start stripping
 15 out the employee allowances, resident allowances,
 16 interfund allowances, that revenue number starts
 17 going down pretty quickly as well. I think we need
 18 to look at what the real revenue is in terms of
 19 that.
 20 I don't know if you heard my comments
 21 earlier, but facilities and venues, it showed a
 22 6,016 top line on revenues, but then I stripped out
 23 all these allowances, it was down to about 400,
 24 which is a pretty significant, 30 percent decrease.
 25 So let's not kid ourselves with the top line

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1 revenues if we got all these. We need to be pricing
 2 accordingly.
 3 Similarly on facilities as we come to on
 4 Monday with myself and Chair Schmitz, we're showing
 5 facilities running weddings and everything requiring
 6 a facility fee subsidy from our parcel holders and
 7 still losing about 3- to \$400,000.
 8 Why are we doing these functions if we're
 9 just losing that level of money on them?
 10 MR. SANDS: Definitely this has been on
 11 our radar, especially with our consultant that's
 12 compiling that report. This is a big part of we're
 13 going to look at for our event facility. Especially
 14 with the event team we have in place, they do do a
 15 great job. We are booking out into the 2025 season
 16 throughout that year, so we are looking at exactly
 17 what rates we should be charging, who should we
 18 charge it to, and all way down the road in the
 19 community, not only our interdepartmental codes and
 20 things like that, but also to our community golf
 21 tournaments that we host and all those different
 22 things when it applies to a venue fee.
 23 TRUSTEE TULLOCH: I think, particularly if
 24 we're booking weddings out 18 months, two years, we
 25 need to make sure we're actually pricing accordingly

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1 and not just -- I don't want to be asking our parcel
 2 holders to be subsidizing weddings, people coming up
 3 from the bay to have weddings here. It doesn't
 4 actually help our bottom line if we're losing money
 5 on it.
 6 MR. SANDS: Absolutely. And I just wanted
 7 to bring our most previous wedding that we had a few
 8 weeks ago on a non-resident that we did. We had a
 9 10th tee box wedding fee, which was fabulous,
 10 beautiful venue, \$1,000 fee for that. And then we
 11 also had a grand ballroom fee for that on top of
 12 that.
 13 So we are making sure we charge the
 14 appropriate rates for those venues.
 15 TRUSTEE TULLOCH: What was the net profit
 16 on it?
 17 MR. SANDS: Net profit, excluding
 18 electricity, water, are sewer, we're looking at
 19 around \$23,000.
 20 TRUSTEE TULLOCH: How did you get all
 21 these guests on the 10th tee?
 22 MR. SANDS: Great wedding planning.
 23 CHAIR SCHMITZ: One question I have, and
 24 this is maybe for General Manager Magee, at Diamond
 25 Peak, do we allow -- do we take cash for anything at

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1 Diamond Peak?
 2 MR. MAGEE: Currently, yes, we do.
 3 CHAIR SCHMITZ: We do. Okay. I was
 4 thinking Diamond Peak was completely cashless like
 5 most ski resorts.
 6 MR. MAGEE: That is something that staff
 7 is currently evaluating, but as of this season, we
 8 were still accepting cash at Diamond Peak.
 9 CHAIR SCHMITZ: Most resorts don't, so I
 10 was surprised when he said we accept cash, because I
 11 guess I'm finding no one wants to deal with cash.
 12 And it's one less thing to have to manage and deal
 13 with. Given some of the challenges we've had, that
 14 might be something to consider.
 15 When it comes to facilities -- I'm going
 16 to jump to facilities -- I just want to let my
 17 fellow trustees know I reviewed, I think it was
 18 almost every event that was held in facilities
 19 last year, and weddings were very profitable with
 20 roughly about a 50 percent profit margin. And even
 21 or local nonprofits were charged a 33 percent
 22 markup, with the exception of golf events.
 23 And so I'm puzzled, really, as to why we
 24 need a facility fee. I cannot in all good conscious
 25 have any facility fee going to cover weddings and

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1 events. We have to understand and figure out what
 2 is causing this to be on the negative and solve that
 3 problem, because I know the events are being managed
 4 with an appropriate profit margin. It must not be
 5 enough profit margin to cover all these costs. I
 6 think that there's some reductions that needs to be
 7 looked at, especially in facilities.
 8 As it relates to golf, and maybe more
 9 categorically, the community services venues, I
 10 think General Manager Magee has shared with all of
 11 us that there have been years of deferred
 12 maintenance. And I look at what the budget is for
 13 your services and supply and understanding that a
 14 large number, I think that General Manager Magee
 15 said there was about a total of 4.5 million in
 16 deferred maintenance that needs to be addressed.
 17 I think that, as a board, I think we all
 18 want to take care of our venues, but it appears as
 19 though our venues haven't been maintained for quite
 20 a few years, and perhaps we need to plan to share
 21 this and spread this out over two or three years
 22 because to have this one-time, huge impact it's
 23 going to be impacting the fees that we charge, and
 24 it'll be another uptick with next year not being the
 25 same and we've got a peak and then a valley. And if

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1 we could go across community services -- and I know
 2 that General Manager Magee has shared with me a
 3 number of deferred maintenance things at the golf
 4 courses, and I think we should probably look at:
 5 Let's be realistic and talk about what can we
 6 actually get done, and even if we can get it done,
 7 if it's such a huge blip for this year and will be
 8 less next year, it ends up causing a spike in rates,
 9 and spike in what we charge for a recreation fee.
 10 I think if there's a way across community
 11 services to have that looked at as spreading it
 12 across a couple of fiscal years, I think that would
 13 flatten out some of these spikes. Because I'm very
 14 concerned about the revenue number versus the
 15 expense numbers.
 16 And I noticed in your spreadsheet that you
 17 sent us, you have a decrease in revenue, but yet you
 18 have a \$34,000 increase in banking fees. So that
 19 was surprising, especially if we still do take cash.
 20 And I don't understand in the explanations for it
 21 was decreased food sales in the comments that were
 22 provided to us, it said it was a contractual
 23 requirement. I don't understand a decrease in food
 24 sales, how that's a contractual requirement. I'm
 25 just not understanding. Employee allowances, which

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1 doubled up to \$38,500, it also said it was a
 2 contractual requirement.
 3 I don't know why these things would be
 4 considered a contractual requirement and maybe you
 5 could clarify some of that.
 6 Your heating costs went up just a huge
 7 amount. I'm wondering if some of these things are
 8 just mistakes. Then it says in the parcel owner
 9 allowance, it also says it's contractually required.
 10 I'm just puzzled by that.
 11 And then when it comes to the advertising,
 12 I want to make sure that we're not double budgeting
 13 for advertising by having it in golf and then having
 14 it in marketing.
 15 Those are just some comments I had on the
 16 explanations which I found some of it to be
 17 confusing.
 18 And then I also thought I read that the
 19 hours at The Grills are being reduced. I think The
 20 Grille hours, they closed a little early in the
 21 evenings. Later in the evenings, I would think
 22 that's when people are enjoying a cocktail, watching
 23 the sun set. I'm not sure that closing The Grille
 24 earlier in the evening is going to help us to drive
 25 food and beverage revenue and hopefully profit

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1 instead of losses.
 2 I just have sort of those things I noticed
 3 in your sheet that you provided. It wasn't the
 4 executive summary form, it was the budget to budget,
 5 those are the things that I went through. And
 6 you're paying \$6,4000 just in cable service, and I
 7 would assume the cable service is just in the
 8 summertime, but even if it's year round, that's a
 9 huge cable bill.
 10 I think some of these things need to be
 11 looked at and potentially corrected and clarified, I
 12 guess.
 13 MR. SANDS: I think there's definitely a
 14 few mistakes in there that we need to make sure we
 15 correct. Absolutely.
 16 TRUSTEE TULLOCH: I would jump on a few of
 17 your comments there as well.
 18 The \$6,400 cable bill at golf is just one
 19 of many. If you look across the District, we're
 20 running up toward 25- to 30,000 in cable. In
 21 noticed in the Rec Center under fees and
 22 subscriptions, it said they'd added -- they'd almost
 23 doubled the cost because it said they'd added a new
 24 music service. I'm not sure how many music services
 25 we need. We seem to have multiple Pandora

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1 subscriptions all over the place. I think it's a
 2 fruitful area to investigate why we seem to have so
 3 many of these.
 4 Just -- are you -- can you speak to the
 5 food and beverage at the beaches, all the numbers
 6 there?
 7 MR. SANDS: Very little.
 8 TRUSTEE TULLOCH: Okay. I just point out
 9 that food and beverage for beaches, we're showing
 10 \$40,000 in food costs, \$57,000 in staff costs, and
 11 \$8,000 in allowances for a total top line revenue of
 12 \$100,000. And this is also an area where there's
 13 been an argument that we need a \$2 million-plus
 14 industrial kitchen at the new beach house. So I
 15 think there's obviously some work to do there if
 16 we're not even covering food and salary costs, far
 17 less all the other costs.
 18 If I could also pick up on the other point
 19 from Trustee Schmitz. General Manager Magee, are we
 20 calling these one-off costs, are they for deferred
 21 maintenance, are they for costs that were previously
 22 capitalized that should have expensed?
 23 MR. MAGEE: It is a combination of both.
 24 The Board did ask for us to identify the items that
 25 had been moved from capital to expense lines. We

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1 did provide that in the supplemental materials.
 2 But there's also a large number of items,
 3 some of them you saw on Monday in those photos,
 4 that, candidly, I've been walking the District with
 5 some of the directors and identifying these things.
 6 For example out at the Championship Golf Course, if
 7 you look at that bollards that are over by the
 8 electric chargers for vehicles, they need to be
 9 painted, things like that. Very, very simple
 10 things. We're asking the Board to include funding
 11 to deal with some of that stuff. And if that is,
 12 then I will be providing direction to refocus some
 13 of staff's efforts to make sure that routine
 14 maintenance items like that get completed.

15 TRUSTEE TULLOCH: Let me explain my issue
 16 with that: I'm not aware of having been sufficient
 17 major reductions in the budgets for all these items
 18 in the past. A lot of these items have been funded
 19 previously multiple times, but the work has not been
 20 done. Yet we've seen salary expenses go up. If we
 21 look at last year's numbers, we look at the beaches,
 22 salaries have already projected 400,000 bucks, 35
 23 percent over what's there. We see the same at the
 24 Rec Center. We see the same at Mountain Golf.
 25 My concern if we just add these funds into

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1 the budgets, into the operating budgets, we have no
 2 way of knowing whether this work is getting done
 3 based on the fact that these things -- these issues
 4 have mounted up over the years. We've not been
 5 asked for any money for it because, basically,
 6 money's already been there but has not necessarily
 7 been used in the correct way.

8 I'm reluctant to just add these funds into
 9 an operating budget unless -- I would like to see
 10 some way of holding these back, and when we know the
 11 work's actually been done, then the funds are
 12 released. I'm totally against just dishing them and
 13 putting them into an operating budget, so next year
 14 if we built a baseline budget, we just inflate from
 15 that from one-off costs.

16 I would like to see some way of these
 17 things being linked to actually the work actually
 18 being done. I think otherwise we're just going to
 19 throw more money away.

20 MR. MAGEE: I would have to defer to legal
 21 if the Board can appropriate the funds but then
 22 withhold the funds as well. I would need to ask him
 23 on that one.

24 However, what I can say is we've been
 25 talking with the venue managers specifically about

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1 providing reports back to the Board on the nature of
 2 the items that were done along with photos, before
 3 and after photos on what was done, as part of the
 4 general manager's report moving forward this year.

5 TRUSTEE TULLOCH: Understood. But that
 6 still leaves us very much in a post-issue where the
 7 money's been received and used for something.

8 We saw that with the pipeline. We were
 9 supposed to have collected 20 million, and then when
 10 this board finally got the pipeline moving, suddenly
 11 the 20 million had evaporated to about 12 million.
 12 You can understand my reluctance to just, oh, here's
 13 the funds. We'll trust you.

14 I made a Missouri court on Monday and I
 15 actually meant it. I'd like to see some way of
 16 making sure we properly control these funds so we
 17 see the work is actually getting done.

18 I'd also echo Trustee Schmitz in terms of
 19 that we should be phasing and we should not try to
 20 do all this in a year, because it would be
 21 equivalent to some of -- those of you that are old
 22 enough -- the shovel-ready jobs where the money just
 23 disappeared and the shovel-ready jobs just weren't
 24 there.

25 I'd like to see proper monitoring and

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1 proper control of it and spread it over two to
 2 three years because we can't just do it all in one
 3 year, we know that.

4 TRUSTEE DENT: I just want to echo the
 5 idea of having a plan, maybe it's a couple years,
 6 maybe it's three or four years where we tackle some
 7 of this deferred maintenance and we don't do it all
 8 in one year. It doesn't make sense. Then we always
 9 overestimate what we can get done in a year anyway.

10 I understand your concern about wanting to
 11 fund all of it in the general budget, given that the
 12 general budget gets managed by the General Manager
 13 in the aggregate if they're running over on some of
 14 these other line items, all of a sudden those
 15 projects disappear.

16 We saw -- to speak to your point, we saw
 17 that happening in the utility fund about five years
 18 ago, and we're still dealing with that mess. Maybe
 19 it was seven years ago. It's been awhile, but we've
 20 chipped at it, it was big deal.

21 Agree with the points from my previous two
 22 colleagues when it comes to a plan to -- the last
 23 thing we want is deferred maintenance, but at the
 24 same time, this has been going on for many years and
 25 it may take many years to address it. I don't think

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1 just in one year we should double the rec fees to be
2 able to make up the costs that should have been
3 collected and the time taken to do this stuff.
4 We need to put a plan together and
5 actually tackle it. Lay out a plan that you can see
6 and actually do it.
7 TRUSTEE TULLOCH: Any other questions for
8 General Manager Sands?
9 I would like to thank you. I understand
10 you've been parachuted in at the last minutes, so
11 there's a million problems to solve there.
12 My major concern is that we get ahead of
13 some of the money draining ones as quickly as
14 possible, the same as I suggested on the beach fees.
15 Let's make sure that we're actually collecting
16 sufficient funds. Let's not wait until September
17 and say, oops, we underpriced by 20 percent. I'm
18 sure you won't. Let's take early action on that.
19 And it's similar in the budget. We know
20 the expenses will get spent, but we have no
21 guarantee on the revenue side. We need to make sure
22 that we have a proper balance in terms of that.
23 You're starting to grip of a lot of it,
24 and I'm glad you didn't take Darren's wardrobe.
25 MR. MAGEE: At this time, we've been

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1 of hours. I don't know whether that too is to try
2 to deal with some of this deferred maintenance. But
3 their heating is also up 396 percent. I don't know
4 whether there's mistakes or whether they've been
5 underbudgeting in the past. But their fuel charges
6 are up, their fleet charges are up. I think Parks
7 needs to be looked at a little closer.
8 And I think that when it comes to Parks,
9 they were prioritizing work at Preston Fields and
10 the fence at the Ridgeline ball fields. We've put a
11 lot of money into those ball fields lately, and I
12 guess I'm wondering if those are truly the
13 priorities of the Board. So I want today just point
14 that out and ask the question: Is that the right
15 priority from a district perspective?
16 Then I just wanted to comment and say in
17 the Rec Center section, I liked the fact that in
18 their community programs they actually that a label
19 that I had to go to the pricing pyramid to figure
20 out where it was. I thought if could have some
21 standard format of how we present pricing for
22 different programs, and instead of labeling it "the
23 pricing pyramid," it might be nice to say here's the
24 percentage that we are subsidizing it, because there
25 were some in there. So I thought that was a good

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1 through all the directors in the bullpen. I think
2 we've gotten a lot of valuable feedback from the
3 Board tonight. A lot of things that we need to go
4 back and work on.
5 At this point, I would recommend to the
6 Board that you consider ending the meeting, and then
7 we will work on all of these items and then bring it
8 back for more feedback from the Board on Tuesday as
9 part of our continued budget study sessions on what
10 will be included into the final recommendation for
11 the public hearing.
12 TRUSTEE TULLOCH: Can I also suggest for
13 that, you showed facility fees and rec fees
14 increasing, you showed -- I think marked earlier --
15 three alternatives. I didn't see any alternatives
16 cost below the 780. I'd like to see a couple
17 alternatives below there as well. I'm sure my
18 fellow board members would like that as well.
19 But, yeah, I think before we move to --
20 oh, Chair Schmitz?
21 CHAIR SCHMITZ: Yeah. Thank you. I just
22 have a couple of things that I'd like to share that
23 we haven't yet covered.
24 In Parks, their salaries are up 24 to 30
25 percent, and it's not contractual; it's an increase

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1 template that maybe could be used for the tennis and
2 pickleball also.
3 I know we're losing advanced gymnastics,
4 and I believe that it's conducted at a different
5 location. I wasn't sure about that in the Rec
6 Center programs.
7 And then I do -- something that the Board
8 has talked about or we've talked about offline is
9 that senior transportation, I believe that we're
10 providing transportation to from the airport at
11 all hours of the day. And with winter roads and
12 what have you, I'm concerned for staff who is out
13 there at eleven o'clock at night at the Reno
14 Airport.
15 And I was shocked in pickleball and tennis
16 that there was a zero percent increase in any tennis
17 rates, yet the pickleball rates went up. And we're
18 talking about improving the tennis facility, it's
19 tough to do that when rates don't increase.
20 Those were the only things that I just
21 realized we really hadn't touched on, and I just
22 wanted to share. I will open that up to any
23 comments about what I said, but I think there's some
24 things to think about.
25 TRUSTEE TULLOCH: A lot of good comments

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1 there. And just for the avoidance of doubt before I
 2 hear public comment I forgot to cover the Rec
 3 Center, general Manager Magee asked if we could
 4 delay the Rec Center stuff.
 5 I will add some comments in there.
 6 Similar to parks, I see areas where there's, oh,
 7 increase in rates and hours, but actually the
 8 volumes and the revenues are going down, which makes
 9 very little sense. I also see a significant
 10 reduction in the -- noted that there's a big
 11 reduction in the programs, yet salaries and costs
 12 are still going on going up. If we've dropped a lot
 13 of programs, I would expect to see the salaries and
 14 things and the other line items going down. I think
 15 it's fairly consistent across it.
 16 I also noticed in one of the submissions,
 17 and I'll spare the director the blushes, it showed
 18 in the revenue section a decrease in revenues, and
 19 the comment was "this is a budget saving." It's
 20 not. I think it was a misunderstanding of negative
 21 of a reduced number there because a reduction in
 22 revenues is certainly not a budget saving.
 23 I suggest we put Recreation Center on as
 24 first candidate on Tuesday, and if we need any
 25 discussions offline, I think there's comments there.

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1 CHAIR SCHMITZ: I think if we could have a
 2 standard template when it comes to our programs to
 3 say: Here's our participation rate also.
 4 Because we've got all of these things and
 5 we'd like to know how many people are participating
 6 in this. It does have an impact because if things
 7 are very popular with the community, we, as a board,
 8 want to be supportive of that. I think that to have
 9 information about roughly what is the participation
 10 level would be helpful in that grid with the
 11 programs.
 12 TRUSTEE TULLOCH: If there's no further
 13 comments, I'll wrap up general business. I'd like to
 14 thank all the staff for the time spent getting this.
 15 We have made some progress tonight. I don't know if
 16 Adam's been keeping track of the pluses and minuses.
 17 Going through the sheets myself, I've created a \$4
 18 delta. It's pretty easy to get there.
 19 General Manager Magee, do we have enough
 20 direction now for Tuesday?
 21 MR. MAGEE: I believe we do.
 22 TRUSTEE TULLOCH: Okay. Feel free to
 23 reach to any or all of us if there's any doubt about
 24 that.
 25 I'll wrap up the general business. Move

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1 to public comments.
 2 F. FINAL PUBLIC COMMENTS
 3 TRUSTEE TULLOCH: We have no public
 4 comments in the room. Do we have any public
 5 comments on there? Okay. None.
 6 G. ADJOURNMENT
 7 TRUSTEE TULLOCH: I'll close the meeting
 8 at 9:05. Thank you, everyone, for your time.
 9 (Meeting adjourned at 9:05 p.m.)
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1 STATE OF NEVADA)
 2) ss.
 3 COUNTY OF WASHOE)
 4 I, BRANDI ANN VIANNEY SMITH, do hereby
 5 certify:
 6 That I was present on May 23, 2024, at the
 7 special meeting of the Board of Trustees public
 8 meeting, via Zoom, and took stenotype notes of the
 9 proceedings entitled herein, and thereafter
 10 transcribed the same into typewriting as herein
 11 appears.
 12 That the foregoing transcript is a full,
 13 true, and correct transcription of my stenotype
 14 notes of said proceedings consisting of 160 pages,
 15 inclusive.
 16 DATED: At Reno, Nevada, this day of 2nd
 17 day of June, 2024.
 18
 19 /s/ Brandi Ann Vianney Smith
 20
 21 BRANDI ANN VIANNEY SMITH
 22
 23
 24
 25

INVOICE

BAVS SM-LLC
brandiavsmith@gmail.com
United States

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

775-832-1218
AP@ivgid.org

Invoice Number: IVGID 40

Invoice Date: June 3, 2024

Payment Due: June 23, 2024

Amount Due (USD): \$1,310.00

Items	Quantity	Price	Amount
Base fee May 23, 2024 BOT special meeting	1	\$350.00	\$350.00
Per page fee May 23, 2024 BOT special meeting	160	\$6.00	\$960.00

Subtotal: \$1,310.00

Total: \$1,310.00

Amount Due (USD): \$1,310.00

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL MAY 23, 2024
MEETING – AGENDA ITEM C – PUBLIC COMMENT – STAFF'S
LATEST ACTIONS CONFIRM THE DISTRICT IS NOT BEING
PROPERLY MANAGED**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's staff's stacking up of so many 2024-25 budget items at the last possible moment. And that's the purpose of this written statement.

Notice of May 29-31, 2024 Board Meetings: On May 23, 2024 staff sent out notice of the Board's May 29, May 30, and May 31, 2024 Board meetings. Because so much must be adopted, and the time to do so is coming to an end (May 31, 2024), staff is stacking up it all at the last possible moment. The reader can view staff's notice which is attached as Exhibit "A" to this written statement. For instance,

2024-25 Tentative Budget: NRS 354.569(1) instructs that the Board "shall cause to be prepared...a tentative budget for the ensuing fiscal year. The tentative budget for the following fiscal year must be...filed for public record and inspection in the office of: (a) The clerk or secretary of the governing body." NRS 354.596(2) instructs that "the tentative budget must be submitted...to the Dep't of Taxation...on or before April 15." Here the Board never approved a 2024-2025 tentative budget for the District. Although staff filed a tentative budget with the State, it was not filed until April 17, 2024. And I predict it will not pass Department of Taxation compliance². And notwithstanding that budget was supposed to be available for public inspection, it wasn't.

Notice of The Time and Place of Public Hearing on The Tentative Budget: NRS 354.596(3) instructs that "at the time of filing the tentative budget, the governing body shall give notice of the time and place of a public hearing on the tentative budget." Hear no such notice was made available to members of the public until public records requests were formally made.

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

² NRS 354.596(5) instructs that "the Department of Taxation shall examine the submitted documents for compliance with law and...appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance. The written notice must indicate the manner in which the submitted documents fail to comply with law or appropriate regulations."

Central Services Cost Allocation Plan: Where a local government proposes transferring monies from an enterprise fund, for costs for services and property that are payable from the general fund or any internal service funds or other funds of the local government, NRS 354.8668(7)(a) instructs it must adopt a central services cost allocation plan, which is updated annually before the date on which the local government submits its tentative budget to the Department of Taxation.

Notice of The Time and Place of Public Hearing on Updating a Central Services Cost Allocation Plan: Given NRS 354.613(1)(c) instructs that such plan shall be approved by the governing body for a regular meeting of the governing body, and it shall update the plan prior to submittal of its tentative budget to the Department of Taxation, you see that plan had to be updated prior to April 15, 2024. Yet agenda item 3(B) for Board’s May 29, 2024 meeting lists this item for approval.

2024-25 Final Budget: At the Board’s May 20, 2024 meeting, Trustees Tulloch and Schmitz directed staff to either reduce proposed expenses, or provide justification why the massive increases they have proposed are justified³. In response staff delivered 516 pages of single space data identifying each expense, generically, included in their proposed budget. No cost cutting. And no explanation of justification. So does anyone believe the Board is in the position to pass any budget?

And while you the reader is pondering the answer to this question, recall that NRS 354.598(2) instructs that “the final budget *must* be adopted on or before June 1 of each year.” Given June 1, 2024 is a Saturday, you see the Board doesn’t have much time.

My May 22, 2024 E-Mail to The Board⁴: On May 22, 2024 I sent the Board an e-mail wherein I observed that the district is not being properly managed, and the Board is not complying with the NRS. Rather than recounting the substance of my comments, I refer the reader to said Exhibit “B.”

Conclusion: This behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated staff get replaced by even more unqualified, more incompetent and more over compensated staff. And look at the results. As I’ve pointed out so many times before, these are all the red flags of a criminal syndicate⁵. And you wonder why your Recreation (“RFF”) and Beach (“BFF”) Facility Fees continue as involuntary subsidies, and as high as they are?

³ See 2:12:35-2:13:28 and 2:16:05-2:16:30 of the livestream of the Board’s May 20, 2024 meeting (go to <https://livestream.com/ivgid/events/11147535/videos/245484774>).

⁴ That e-mail is attached as Exhibit “B” to this written statement.

⁵ NRS 207.370 instructs that “criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies).”

When is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees...district is not complying with the provisions of...any other law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court for the county in which the district is located for the appointment of a receiver for the district; or, (d) determine by resolution that management and organization of the district will remain unchanged?" Don't you think the time has come to become fiscally responsible and for the county to assume supervision over the district?

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

EXHIBIT "A"

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL MAY 23, 2024
MEETING – AGENDA ITEM E(1) – STAFF DIRECTION FISCAL YEAR
2024-25 OPERATIONAL AND CAPITAL BUDGETS**

Introduction: Well here's yet "another one" as my friend DJ Kahled would say¹. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's staff's response to the Board's direction it come up with a financially prudent operational and capital budget for fiscal year 2024-25. And that's the purpose of this written statement.

At the Board's May 20, 2024 meeting Trustees Tulloch and Schmitz directed staff to either reduce proposed expenses, or provide justification why the massive increases they have proposed are justified². In response staff delivered 516 pages of single space data identifying each expense, generically, included in their proposed budget. No cost cutting. And no explanation of justification.

My May 22, 2024 E-Mail to The Board³: On May 22, 2024 I sent the Board an e-mail wherein I suggested the type of action it should take insofar as a 2024-25 budget was concerned, and the reasons why. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

Conclusion: This behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated staff get replaced by even more unqualified, more incompetent and more over compensated staff. And look at the results. As I've pointed out so many times before, these are all the red flags of a criminal syndicate⁴. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and as high as they are?

When is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees...district is not complying with the provisions of...any other law;" when

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

² See 2:12:35-2:13:28 and 2:16:05-2:16:30 of the livestream of the Board's May 20, 2024 meeting (go to <https://livestream.com/ivgid/events/11147535/videos/245484774>).

³ That e-mail is attached as Exhibit "A" to this written statement.

⁴ NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court for the county in which the district is located for the appointment of a receiver for the district; or, (d) determine by resolution that management and organization of the district will remain unchanged?" Don't you think the time has come to become fiscally responsible?

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

EXHIBIT "A"

Fw: Agenda Packet for the Board of Trustees Special Meeting on May 23, 2024 - May 23, 2024 IVGID BOT Meeting - Agenda Item E(1) - Directing Staff on Fiscal Year 2024-25 Operational and Capital Budgets.

From: <s4s@ix.netcom.com>
To: Schmitz Sara <schmitz_trustee@ivgid.org>
Cc: Dent Matthew <dent_trustee@ivgid.org>, Tonking Michaela <tonking_trustee@ivgid.org>, Noble Dave <noble_trustee@ivgid.org>, Tulloch Ray <tulloch_trustee@ivgid.org>, <bma@ivgid.org>
Subject: Fw: Agenda Packet for the Board of Trustees Special Meeting on May 23, 2024 - May 23, 2024 IVGID BOT Meeting - Agenda Item E(1) - Directing Staff on Fiscal Year 2024-25 Operational and Capital Budgets.
Date: May 22, 2024 1:19 PM

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

Well I just received this e-mail as I assume you did. 645 pages of meaningless data intended to overwhelm the Board and the public barely one day before the upcoming meeting tomorrow evening. We have a saying in law which described what your Mr. Cripps has done.

If you have the facts, argue the facts. If you have the law, argue the law. If you have neither, pound the table. What Mr. Cripps has done is pound the table!

Here's what I suggest each of you do, putting the onus on staff which is exactly where it belongs:

1. General Fund: According to staff this fund's revenues are estimated to total \$4,374,616 [see page 83 of the May 20, 2024 board packet ("5/20/2024 board packet")]. That means you must limit the expenses assigned to this fund (currently \$10,307,191) to this amount. And that you not disingenuously assign nor allocate some of the expenses properly assigned to the General Fund to other funds so overspending can be perpetuated. So re-work this page of the budget to reflect \$4,374,616 of estimated revenues, and \$4,374,616 of budgeted expenses. And tell staff to figure out how to live within your financial means.

4. Community Services Fund: According to staff this fund's revenues **without** the disingenuous inclusion of Recreation Facility Fees ("RFFs") are estimated to total \$21,943,913 (see page 97 of the 5/20/2024 board packet). That means you must limit the expenses assigned to this fund (currently \$28,689,024) to this amount. And that you **not** allow staff to get away which expensing \$1,400,784 of alleged central services costs because: (a) they're phony; (b) staff have failed to present a proposed allocated central services costs plan prior to submitting a tentative budget to the Dep't of Taxation as NAC 354.8668(7)(a) mandates; and, (c) staff have failed to establish that the alleged costs which have gone into the plan: (i) are necessary and reasonable and efficient for the proper administration and performance of the Community Services Fund; enterprise fund; ii) are of a type generally recognized as ordinary and necessary for the operation of the enterprise fund; (iii) are consistent with sound business practices, the indicia of an arm's length transaction, and the requirements and restraints imposed by state laws and regulations; (iv) are equal to or less than market prices for comparable services or property; (v) are consistent with policies, regulations and procedures that apply uniformly to the Community Services Fund and other activities of the local government; (vi) have been determined in accordance with generally accepted accounting principles; (vii) are documented adequately for independent verification; (viii) are the product of prudence under the circumstances considering staff's responsibilities to each pertinent governmental unit and its employees, **and to the general public**; and, (ix) significantly deviate from established practices that may have unjustifiably increased the cost; all as NAC 354.867(1) and (2) mandate.

5. Beach Fund: According to staff this fund's revenues **without** the disingenuous inclusion of Beach Facility Fees ("BFFs") are estimated to total \$1,047,200 (see page 112 of the 5/20/2024 board packet). That means you must limit the expenses assigned to this fund (currently \$5,300,344) to this amount. And that you **not** allow staff to get away which expensing \$164,569 of alleged central services costs because of the reasons detailed above.

6. **Utility Fund:** According to staff this fund's revenues are estimated to total \$37,586,954 (see page 88 of the 5/20/2024 board packet). That means you must limit the expenses assigned to this fund (currently \$37,912,704) to this amount. And that you **not** allow staff to get away which expensing \$851,718 of alleged central services costs because of the reasons detailed above.

7. **Internal Services Fund: It's time to end this useless fund!** According to staff, this fund exists because it is far less expensive for us to maintain a fund such as this one, than to pay the private sector to provide our reasonable and necessary fleet, engineering and buildings services' expenses. And I say **poppycock!** If anyone doesn't think that we can secure those services from the private sector for less than \$4,825,516 (see page 114 of the 5/20/2024 board packet), I have some bridges in Incline Village for you to buy.

8. **The Time Has Come For You to Live Within Your Financial Means:** Do I really have to tell you this? Do I have to take away your allowances? This means **NO** more disingenuous financial subsidies to support your overspending. No more central services cost transfers. No more RFFs nor BFFs. No more forced payments to the Internal Services Fund to keep something alive which should have died decades ago. No more discriminatory nor preferential water/sewer rates and charges in favor of your commercial public recreation businesses so that you can hide their true financial losses. **Live Within Your Financial Means!**

9. **The Ends Do Not Justify The Means:** Perpetuating all that has preceded you, at all cost, just because you wrongly think it's your job to perpetuate it, is irresponsible and wrong. Who says you're charged with perpetuating all that has preceded you? Even if wrong? So why adopt this notion that the ends justify the means?

10. **As An IVGID Trustee, You're Not REQUIRED to Nor Charged With Perpetuating Any Aspect of The District:** NRS 318.100 instructs that you Trustees **MAY**, but are **NOT** required to, (a) "construct or otherwise acquire any improvement appertaining to any such basic power which the district may exercise...(b) finance the costs of any such improvement by any of the procedures provided in this chapter; (and, c)...furnish services pertaining to any such basic power which the district may exercise." So all this talk about "we're charged with..." or "we're required to..." is just that. **TALK.** There's very little you're **REQUIRED** to do as Trustees. And intentionally overspending is certainly not one of those requirements.

11. **Stated Differently, as An IVGID Trustee, You're Not Empowered to Force Your Neighbor to Financially Support: (1) Your Recreation; (2) Those Flavor of The Month Interests of Those Special Interests in Town; Nor, (3) District Employees' Outrageous Salaries and Benefits:** Moreover, why would you?

12. **Stated Differently, as An IVGID Trustee, Your Job is NOT to Provide For The Health, Safety, And General Welfare of Our Community's Inhabitants:** That's Washoe County's job because it is the county rather than IVGID which is responsible for our governance. Therefore if mere inhabitants of our community demand facilities or services, that demand should be directed to the county rather than IVGID. And you as IVGID's trustees should ignore those demands.

Nor is it your job to share the wealth with the local nonprofits in our community so they have the money to provide their versions of their "do good" flavors of the month. Let **THEM**, as opposed to you, do **THEIR** jobs.

Nor is it your job to cater to the wants and needs of the world's tourists. Or the businesses, realtors and short term rental landlords in town who make money off those tourists. That's the job of private organizations such as RSVCB or IVCBA. Let **THEM**, as opposed to you, do **THEIR** jobs.

13. **If You Board Members Can't Do Your Jobs, or Adhere to Any Aspect of Law, or Properly Manage The Affairs of The District, Then NRS 318.515 Instructs It's Your Job to Notify Washoe County:** so it can: (a) take over the IVGID Board, "ex officio, as the BOT of the District;" (b) provide "for the merger, consolidation or dissolution of the District;" (c) seek "the appointment of a receiver for the District; or (d) determine...that management and organization of the District...remain unchanged." So like I said, **do your jobs!**

14. In Order to Do Your Jobs, You Need to Understand Why IVGID Exists: The answer is to service the wants and needs of **local parcel owners**. **Not "the community."** Local parcel owners! That's why the most of the basic powers a GID is authorized to exercise (see NRS 318.116) deliver facilities and services to real property. And it also explains why the only persons who can be compelled to finance a GID are local parcel owners.

15. And You Need to Eliminate The RFF/BFF Because YOU KNOW They're NOT Legitimate "Fees." Rather, they represent invalid special taxes against property. You know this Trustee Noble. Because you're an attorney! So it's not your job to complain that our financial problems were caused because this invalid revenue source was wrongly suspended last year. You know true "fees" are justified where they: (a) pay the reasonable cost to secure a good or service that is not otherwise available to those who do not pay the fee; and, (b) are voluntarily incurred so that the payor can decide for him/herself whether to pay for the good or service represented by payment. You know that the RFF/BFF satisfy **neither** of these requirements. So why do you insist that the ends justify the means?

16. Stop Perpetuating The False Notion The RFF/BFF Represent "Value:" They don't! They represent nothing more than the purchase of up to five (5) Costco or Sam's Club membership cards. Pay a fee, and: a) secure preferred access; and, b) pay from a preferred schedule of pricing. But the wrong here is that local parcel owners' purchase is **forced** rather than voluntary. If I think the purchase represents "value," let me be the one to make that determination. And if you will, then why won't you let me make the determination the RFF/BFF represent no value?

17. Why Won't You Allow Members of The Public to Exercise Their Due Process Rights to Petition The Judiciary For Review of The Validity of The RFF/BFF? Are you so unsure of your belief that you won't allow your constituency who share a different view pursue their rights? Moreover, look at NRS 318.201(11) and section VI of the report staff will ask the Board to adopt which creates the RFF/BFF and orders their collection on the county tax roll. Both will state that "all laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, **refund**, redemption and sale, are applicable to" the RFF/BFF. But in the real world they're not. The way to seek refund of the general ad valorem taxes we're forced to pay is to: (a) pay the taxes under protest; (b) file an appeal of assessed property's valuation; (c) secure a decision from the County Board of Equalization ("BOE"); (d) if not in accord with our belief, file an appeal to the State BOE; (e) if not in accord with our belief, file review to the judiciary. But since the RFF/BFF are not based upon assessed valuation, the County BOE will not entertain an appeal. And because it will not entertain the same, it will not render a decision. And because it won't render a decision, there is nothing to appeal to the State BOE. And since there is no full and final determination from the State BOE, there is no standing to seek judicial review. In other words, the District has misrepresented to us that "all laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, **refund**, redemption and sale, are applicable to" the RFF/BFF. But don't concern yourself with this because "the ends justify the means."

18. Better Yet, Why Won't You Petition The Judiciary to Confirm The Validity of The RFF/BFF? Won't that put an end to the divisiveness we have in our community over the real genesis of everything that's wrong here? Since NRS 43.100 gives you this power, why won't you exercise it for the betterment of our community?

19. At The End of The Day, The District's Mantra Should Be Pay Your Fair Share: In other words, do NOT set recreation venue user fees and program costs at less than the public's all inclusive cost so you can benefit a handful of special interests. Like our core golfers. And pickleballers. And mountain bikers. And swimmers. If our user fees are non-competitive in the marketplace, then so be it. You're not here to perpetuate money losing commercial business enterprises. Can we not agree upon the above-tenents? Because if we can't, then there's no fixing IVGID!

Respectfully, Aaron Katz

