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 2 INCLINE VILLAGE
 3 GENERAL IMPROVEMENT DISTRICT
 4 BOARD OF TRUSTEES
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 9 TRANSCRIPT OF HEARING
 10 PUBLIC MEETING
 11 TOWN HALL
 12 Live and Via Zoom
 13
 14 Held at The Chateau
 15 955 Fairway Boulevard
 16 Incline Village, Nevada
 17
 18 Tuesday, September 24, 2024
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 23
 24 Reported by: Brandi Ann Vianney Smith
 25 Job Number: IVGID 54

1 APPEARANCES
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 3 **BOARD MEMBERS PRESENT**
 4 SARA SCHMITZ, CHAIR
 5 MATTHEW DENT, VICE CHAIR
 6 MICHAELA TONKING, SECRETARY
 7 RAY TULLOCH, TREASURER
 8
 9 **ALSO PRESENT**
 10 SERGIO RUDIN, LEGAL COUNSEL
 11 HEIDI WHITE, DISTRICT CLERK
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1 Incline Village, Nevada - 9/24/2024 - 6:00 P.M. 4
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 5 CHAIR SCHMITZ: I'd like to begin by
 6 saying thank you for all being here this evening,
 7 thank you for submitting questions to our District
 8 Clerk. Tonight is Tuesday, September 24th. We're
 9 here at The Chateau located 955 Fairway Boulevard in
 10 Incline Village. This is a meeting -- it's a town
 11 hall, it's a town hall of the IVGID Board of
 12 Trustees.
 13 I'd like to begin the meeting with the
 14 Pledge of Allegiance.
 15 A. PLEDGE OF ALLEGIANCE
 16 (Pledge of Allegiance.)
 17 CHAIR SCHMITZ: Moving on to the roll call
 18 of trustees.
 19 B. ROLL CALL OF TRUSTEES
 20 CHAIR SCHMITZ: Trustee Tonking?
 21 TRUSTEE TONKING: Here.
 22 CHAIR SCHMITZ: Trustee Dent?
 23 TRUSTEE DENT: Here.
 24 CHAIR SCHMITZ: Trustee Tulloch?
 25 TRUSTEE TULLOCH: Present.

5

1 CHAIR SCHMITZ: And Trustee Noble had
 2 indicated that he would not be attending this
 3 evening. We do have a quorum of the Board of
 4 Trustees.
 5 Before we will move on to public comment,
 6 I wanted to thank you all again for being here and
 7 for submitting your questions. This is the second
 8 town hall that the Board has conducted this year.
 9 And the Board has been working to address the most
 10 pressing issues of the District. This includes, but
 11 is not limited to, the completion phase 2 of the
 12 effluent pipeline, the filling of the general
 13 manager position, and continued effort to adequately
 14 staff the finance department to address the large
 15 backlog of bank reconciliations, the corrections of
 16 internal control deficiencies, and the Tyler Munis
 17 system implementation. Timely and accurate
 18 financial reports, et cetera.
 19 While these topics might not seem very
 20 interesting to the general public, the results of
 21 the forensic due diligence audit along with the food
 22 and beverage report identified serious issues to be
 23 addressed by staff and the Board. While work has
 24 begun to resolve some of the issues, there's much
 25 work to be done with the point of sale system and

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1 the identified lack of internal controls across the
 2 District.
 3 The Board and the community have a large
 4 backlog of capital improvement projects to be
 5 completed. The limitation to the number of projects
 6 completed each year is due to the short construction
 7 season and staffing.
 8 The Board did approve, this year,
 9 additional staffing as part of the budget process in
 10 an effort to improve the completion of the budgeted
 11 capital improvement projects.
 12 The Board and the staff are moving forward
 13 with the skate park expansion, our work to determine
 14 the community's needs for an updated Incline Beach
 15 House. The estimated cost provided to the Board
 16 were significant, between roughly \$9 and
 17 \$16 million. The Board is working to gather more
 18 information to move forward with a plan that is
 19 fiscally responsible while meeting the expectations
 20 of our residents.
 21 One of the options being evaluated by the
 22 Board is the potential purchase of a mobile food
 23 truck that could be used at Incline Beach and
 24 potentially other venues across the District. This
 25 option would significantly reduce the costs, but no

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1 decisions have been made. It's just an idea that
 2 the Board has been discussing.
 3 I just wanted to thank you all of you for
 4 being here, for submitting your questions and
 5 suggestions. We have Kristin Miller here tonight
 6 who will be moderating questions that have been
 7 submitted to the Board.
 8 Before we move to those, we do have our
 9 opening public comment, and we would like to
 10 restrict the opening and closing public comments
 11 tonight to two minutes each so that we can spend the
 12 bulk of our meeting going through and discussing the
 13 questions submitted by all of you in the community.
 14 We will wrap up the question and answer
 15 period by about 8:30, on or before 8:30 to allow
 16 time for the closing public comments.
 17 So with that, we will open public comment,
 18 and we will begin with Steven Ross.
 19 C. INITIAL PUBLIC COMMENTS
 20 MS. ROSS: First of all, thank you for
 21 allowing me to comment. Second of all, I apologize
 22 for not being on top of everything to submit the
 23 questions that I have early enough to get on the
 24 agenda.
 25 My concern is about the RubinBrown report,

8

1 and I noticed a large number of areas in which there
 2 was concerns about the way we handle projects
 3 throughout to community. And I'm concerned that the
 4 staff who has been able to identify some of the
 5 issues and to solve them. But I wonder if you could
 6 answer for me what policies this board has
 7 established to deal with the other items that are
 8 outlined in the RubinBrown report.
 9 Thank you.
 10 MR. DOBLER: Cliff Dobler, 995 Fairway.
 11 The draft financial reports for fiscal
 12 2024 were presented on August 28th, 2024, and the
 13 food and beverage activities are miserable. I had
 14 to obtain the data from the general ledger as F&B is
 15 hidden with all sales for each venue. A true lack
 16 of transparency. The results:
 17 The Champ Course lost 407,000, with sales
 18 below budget by 24.6 percent, generating only
 19 702,000 in sales.
 20 The Mountain Course lost 30,000, with
 21 sales below budget by 15 percent, generating only
 22 129,000.
 23 The facilities department consisting of
 24 catering and room rental at The Chateau and Aspen
 25 Grove lost a staggering 683,000, with sales below

9

1 budget by 52 percent, having only 1.1 million in
2 sales for food and beverage. I have not been able
3 to obtain the results for the room rentals.
4 I was unable to obtain the general ledger
5 for Diamond Peak and the beaches. However, the
6 budget suggested Diamond Peak would make about
7 575,000 with a million-nine in sales, and the sales
8 at the beaches would make 80,000 on sales of 380.
9 Fat chance from both.
10 Trustee Noble and Tonking want to proceed
11 with a \$16-million new building at Incline Beach.
12 There are 225,000 visits budgeted with sales of only
13 209,000, or 93 cents per visit. For comparison,
14 there were only 130,000 visits at Diamond Peak with
15 budget sales of 1.9 million or \$14.62 cents per
16 visit. This is 16 (inaudible) at Incline Beach.
17 A conclusion can be reached: The visitors
18 at Incline Village do not want or need a flamboyant
19 building of \$16 million.
20 Thank you.
21 MR. MARSHALL: Good evening.
22 I read the report on the food and
23 beverage, and this is not a problem that's just
24 started this year or last year. It's been going on
25 since I moved here 15 years ago. I don't understand

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1 person for food and beverage and then a separate
2 person for golf.
3 The last two people that have come in are
4 clueless, and they've run this town into a position
5 where I propose that all projects be put on hold
6 until we get our fiscal responsibilities in order.
7 End of the story.
8 Thank you.
9 MS. CARS: Hello. Linda Cars, 625 Lariat
10 Circle.
11 At the August 6th Board of Trustees
12 meeting, Harry Swenson, candidate for the board,
13 spoke positively about the potential outsourcing of
14 the hiring and management of a GM. He stated that:
15 I believe the board should give this Troon proposal
16 their utmost consideration. The proposal reveals
17 depth of knowledge -- this is all a quote of what
18 Harry said. This proposal reveals depth of
19 knowledge of our community challenges in both
20 financial and leadership areas.
21 Quote, The proposal supplies a continuous
22 consulting for our challenges over three-year term
23 that appear to be very cost effective, end quote.
24 The majority of public speakers who
25 followed Harry that night opposed this idea.

10

1 why the Board hasn't made a move to hire someone who
2 could come in and take care of these problems.
3 We keep taking the job description that is
4 listed on the website, which gives many different
5 qualifications, and we have sidestepped those from
6 not hiring people that fit that description. And
7 I'm trying to tell you that that falls on the
8 vetting process, the hiring process.
9 Going back to Mr. Pinkerton's term when
10 the two final candidates that came down, that the
11 last two people, one of them didn't even have a
12 college degree, he defaulted into the position. We
13 put Indra in there, he doesn't fit the
14 qualifications that are in the job description. And
15 now the new person that's the interim, I'm not
16 saying that she's going to come in and fix it, but
17 we are following the guidelines set up by IVGID's
18 laws on hiring a manager who knows what's going to
19 be able to take this whole thing and straighten it
20 out.
21 This food and beverage process, like Cliff
22 was saying, we only looked at what was happening
23 here at the golf course. What's going on at Diamond
24 Peak and the beaches? I mean, everybody needs to
25 look at hiring somebody, either putting a separate

12

1 At the 9/11 board meeting, Harry said lies
2 were being spread about him. We know of no lies.
3 We do know that everyone is highly concerned about
4 where he really stands on the issue. How could he
5 even consider Troon to manage our GID when they have
6 no experience with Public Works or managing a ski
7 report? Let's get real.
8 Swenson has now changed his stance on the
9 Troon proposal as he quickly realized that was not
10 going to win him votes during the next election.
11 Voters should do their research and ensure they
12 fully understand what the candidates really stand
13 for, past and present.
14 Thank you.
15 MR. KATZ: Good evening. Aaron Katz,
16 Incline Village. I have a written statement to be
17 submitted and included in the minutes of this
18 meeting.
19 You people never learn. You keep doing
20 the wrong things and expect the results to be
21 different.
22 Last year we learned The Grille was losing
23 \$2,000 a day. One of our wonderful recreation
24 amenities we should tolerate losing money at because
25 no one should expect government to make any money.

13

1 That's according to haters in our community.
 2 So we come up with these so called
 3 "fixes," Bobby Magee, Moss Adams, RubinBrown, and
 4 now what do we have? Well, OpenGov is back up and
 5 running. I asked Judy to dig into the weeds of our
 6 facility sales department: The rental, The Chateau,
 7 and Aspen Grove.
 8 What did we learn? Since July 1 of
 9 this year, this vital community amenity has lost
 10 372,500, and this doesn't even include central
 11 services costs properly assignable on a whopping
 12 \$9,000 of gross sales revenue and \$11,000 of utility
 13 costs. And what have you done to shut this disaster
 14 business down? I ask Bueller. You people are
 15 insane.
 16 And if you, the voter, think that
 17 Michelle, Mick, and -- I'm having a memory loss --
 18 the third one can improve on those numbers, in my
 19 opinion -- oh, Michaela. Thank you. Sorry. If you
 20 think you can fix any of this, you're delusional.
 21 This is the story of everything we have
 22 here. And if your vote for the three Ms with the
 23 expectation they can stop this ship from sinking, in
 24 my opinion, you're crazy too. Your rec fee is going
 25 to triple. Understand this people.

14

1 Thank you.
 2 CHAIR SCHMITZ: I have a comment from
 3 Frank Wright here in the room. And if there's any
 4 others, please let me know.
 5 MR. WRIGHT: Frank Wright, candidate for
 6 the board.
 7 I was outside campaigning on a public
 8 place, and this building is used for the Republican
 9 Women, this building is used for public expression.
 10 This building is not off limits to public
 11 expression, nor are any of our public facilities.
 12 I think about the Washoe County board
 13 meetings and people come in with signs and pass out
 14 stuff in the board meeting, they make their
 15 expressions during the course of the board meeting,
 16 and that's free expression. That's the way it
 17 should be.
 18 To put somebody out in the parking lot in
 19 the corner, it's not right. It's not legal, I don't
 20 think. But I think we ought to visit that because
 21 nothing is more beneficial than having candidates
 22 meet and greet their constituents on the way to a
 23 public meeting. I think that's fair. I think
 24 that's understandable.
 25 On another issue now, the District that

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1 I'm running for candidacy in is in trouble. You
 2 guys all know it, I know it, the community knows it.
 3 We gotta fix it. I've been saying this for
 4 14 years. It finally hit a head when we got the
 5 forensic audit report and they uncovered all the bad
 6 things that are happening here.
 7 I had a paper that I was passing out, if
 8 you want a copy, I'll give it to you. It's got
 9 everything on there, most everything on there that
 10 we need to work on right away. Can we fix it? With
 11 the right people and the right attitudes and a
 12 community behind us. Not a community that is
 13 fighting each other, having recall elections that
 14 just destroyed this place. That was horrible.
 15 I'm used being in this town which I've
 16 been in for 47 years. I've never seen anything like
 17 it in my life. This faction of people that are
 18 causing all these things are not good people.
 19 Thank you.
 20 MS. DAVIS: Good evening.
 21 I'm here to invite our entire community of
 22 Incline Village and Crystal Bay to an IVGID trustee
 23 candidate forum this is coming Monday, September
 24 30th, starting at 6:00 p.m. at the Incline High
 25 School. All six IVGID trustee candidates are

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1 scheduled to be in attendance. It's a moderated
 2 question and answer period, so we will be accepting
 3 questions to ask the candidates from those who are
 4 attending in person.
 5 If you're not able to join us in person,
 6 we will be broadcasting live via our YouTube
 7 channel, and it will be saved so you can watch it at
 8 a later date if you're just not available that day.
 9 Again, it's Monday, September 30th,
 10 starting on 6:00 p.m. We'll have a brief time
 11 before the meeting and a little bit of time after
 12 the meeting to talk with each of the candidates
 13 outside of the meeting. And I just urge you all to
 14 be there.
 15 Thank you.
 16 CHAIR SCHMITZ: Denise, thank you for
 17 doing that for our community.
 18 MR. SMILEY: Hello. My name is Bob
 19 Smiley, and I reside at 929 Northwood. We purchased
 20 the unit in 2021 and lived here full time since
 21 July, 2019.
 22 During the 18 years of splitting our time
 23 between So Cal and Tahoe, I kept my kayaks on a
 24 trailer so I could explore So Cal in the winter and
 25 the lake in the summer. When we moved here full

17

1 time, I started my quest for a kayak indoor
2 paddleboard storage space at Incline and Ski Beach.
3 From 2019 to 2022, I stopped by the Rec
4 Center pretty much every weekend during my dog walk
5 to the beach and/or the dog park, and I've heard,
6 "We're not taking any additions to the wait list."
7 Then in July of 2022, I got the wonderful
8 email I'd been waiting for. "We're happy to
9 announce that the long-awaited kayak rack waitlist
10 is being reopened on July 13 at 10:00 a.m. If you
11 are one of the first 50 registered Picture Pass
12 holders who registered, your name will be added to
13 the waitlist to store your kayak at Ski Beach."
14 So with great anticipation, I started a
15 rudimentary little app that I use to monitor
16 servers. I'm still a bit of a geek. At 9:47, July
17 13th, I discovered the app was opened. I was
18 curious to check out what was going to be required
19 to get me on the list, one of the 50, and the
20 registration was really simple, so simple that I
21 didn't even know I registered until it was too late.
22 Then came the terrifying notifications.
23 "Although we experienced a technical issue that
24 allowed some people to access the registration
25 process early, on July 13th, you entered a kayak

19

1 manager a year ago that made us lose time to get a
2 qualified executive to run our place. We've got to
3 remove people like you rather than sit here and
4 continue with the lies.
5 I don't know what else to say, other than
6 please come to the forum, we'll hear it debated.
7 And people will begin to understand my background,
8 my candidacy. Please go to my website.
9 But this really makes me upset, these
10 people. I don't why they do it. They must have no
11 lives whatsoever other than to hurt and destroy
12 people's reputation.
13 MS. MEADOWS: Good evening. Peggy
14 Meadows.
15 And I read some of report, it was hard to
16 get through it all on the food and beverage audit
17 study. And I just wanted to say that, yeah, I
18 agree, probably needs better management. I'm hoping
19 that you can work on that.
20 But I did like one thing that I read out
21 of it. So often, you get these studies and they
22 basically want to save money and they want to see
23 ways that you can cut a lot of things or they want
24 some of the programs to be for-profit. I really
25 liked that multiple times the person who did the

18

1 storage waitlist survey before the start time of
2 10:00 a.m. Never fear, all is not lost, your park
3 and rec team has created a 2022 backup list." I was
4 number 457.
5 I need to quit? Okay.
6 MEMBER SWENSON: Wow, since my name was
7 mentioned, I'm Harry Swenson, running for candidate
8 for Incline Village trustee.
9 Lies, lies, and more lies. I am
10 categorically against privatization of IVGID or the
11 sale of my golf course or any other assets within
12 the community. People like her lie, lie, and lie.
13 And I don't even want to mention her name,
14 but this is not the first lie. Her first lie about
15 me was about a bundler making financial help from
16 you. I'm a self-funded candidate. I use my own
17 money that I built for my own life to -- because I
18 love this community, and I'm so tired of the lying
19 stuff from people like her.
20 I'm sorry. I'm a little upset. I've
21 dealt with this on Friday when I made them retract
22 their statements and lies about me. It's not right.
23 And I did say -- I did say I was intrigued
24 by the proposal because people like her wrote vile,
25 vicious threats to our candidates for general

20

1 publication said that they did not think it was
2 appropriate for our facilities to be trying to be
3 profit-making, but to be here for those of us who
4 are paying into, for the serenity we look for here
5 for the recreation. Many times when I've been a
6 tennis player in other communities, governments want
7 you to make money. They don't like it if you don't
8 actually make a profit.
9 And I think it is great that this is
10 coming out as a recommendation, and I agree with it
11 wholeheartedly. Though I do think that you need to
12 economize on some things. I'm not saying you
13 shouldn't economize and I'm not saying we should --
14 I think it is good to have those who are not
15 property owners and IVGID pay more for some of the
16 activities and services, I think that helps. But at
17 the same time, don't put it on our backs to try to
18 fix the budget problems. So thank you for that.
19 Then one other thing -- well, I'm not
20 supposed to have this much time, it didn't start on
21 time. I'm just going to throw it in instead of
22 putting it on the paper to ask you a question.
23 If the Board can be an advocate -- I don't
24 read about any of this -- be an advocate to the
25 county level, it sure would be nice if Washoe

21

1 County, if you would speak out on some things for us
 2 like some communities have that they start banning
 3 not just the petroleum, but noisy machinery, that's
 4 one thing that's really not been good here in
 5 Incline lately. Just more and more blowers that are
 6 just so noisy, blowers and mowers. I'm glad that
 7 IVGID itself is doing better at that.

8 The other thing is -- what was the other
 9 thing? Darn it, it's going down. Anyway, I hope
 10 you guys can be advocates for that kind of thing, to
 11 reduce noise pollution.

12 Thank you.

13 MR. CARS: Well, Mr. Swenson certainly
 14 surprised a lot of people. He surprised me. I
 15 never thought that somebody would come in and
 16 disparage my wife the way he has, especially his
 17 major point was she tells lies.

18 I think what my wife did is carefully
 19 dictate what was on the tape that you all can go
 20 back and see and look at Mr. Swenson's own
 21 statements, and then you can consider the fact that
 22 he calls them lies instead of apologizing or saying
 23 he's retracted his position and now has a new one.
 24 I think that all gives us some insight as to how Mr.
 25 Swenson would govern should he be elected to the

22

1 board.
 2 I won't further address the insults he
 3 sent to my wife because I can't do that in a
 4 gentlemanly manner, so we will just leave it at
 5 this.

6 MS. WELLS: Kristie Wells, Incline Village
 7 resident.
 8 I, too, was a little shocked by the
 9 outburst by a candidate. I understand he's
 10 frustrated. For me, this shows a lack of leadership
 11 and grace.

12 And my comment to the entire community
 13 would be just watch how your perspective candidates
 14 act in public and in private. Talk to them
 15 directly. Many of them are going to have frank,
 16 direct conversations and tell you however they stand
 17 and what they believe in. But when they're out here
 18 telling you that you need have to have a citizen in
 19 this community removed from the community because
 20 they made a statement and just said exactly what was
 21 said instead of a meeting on tape record, August
 22 6th. Opinions might have been changed, that's fine,
 23 everybody's entitled to change their opinion. I do
 24 it all the time.
 25 I just think it's important you pay

23

1 attention who you're voting for. And if they show
 2 you who they are, it's usually what they are.

3 Thank you.

4 CHAIR SCHMITZ: Seeing no other comment
 5 here in the room, we will close out that item on our
 6 agenda.

7 I do want to just clarify a couple of
 8 things. There are cards in the back of the room.
 9 If we -- before 8:30, if we are able to get through
 10 the submitted questions online, Kristin will be
 11 guiding us through remaining questions on the sheets
 12 that you submit.

13 Just know that we are here, all of us, as
 14 trustees, and we're here to answer your questions.
 15 If you didn't finish your point or you have a
 16 question that you didn't feel was answered, please
 17 know our phones are on the website, our emails are
 18 listed on the website. We're here to serve this is
 19 community and to be responsive to this community, so
 20 feel free to reach out to us at any time.

21 Given that, I will then move us on and
 22 hand the floor over to Kristin to begin the process
 23 of reviewing for us -- now, understand us trustees
 24 have not seen any of these questions.
 25 She will be going through it and

24

1 moderating the process. I will entertain responses
 2 from all of the trustees. Hopefully, we will have
 3 some good conversation.

4 Thank you, Kristin, for volunteering to do
 5 this this evening.

6 D. GENERAL BUSINESS
 7 D 1. Question and Answer Session
 8 MODERATOR MILLER: My pleasure.
 9 Thank you being here and thank all of you
 10 for being here and thank you for those watching on
 11 the live stream, shows you care about this
 12 community. It's awesome. I always say, the place
 13 we live in is so beautiful, but our community,
 14 through our ups and downs, we're really close-knit.
 15 When there's a need, it's awesome to watch us really
 16 do what we do best, and that's come together. Thank
 17 you for being here tonight.

18 We're going to get to those emailed
 19 questions first, and then we will get to the comment
 20 cards. I do want to encourage you to -- there are
 21 going to be some things, I know you touched on a
 22 couple of the questions that will be answered, you
 23 touched on them already at the opening of this
 24 meeting. A couple of the questions are asked in
 25 this, but we will re-hit on them because I want

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1 everyone to feel like their voice is being heard.
 2 If it sounds redundant, it might be a
 3 little bit, but your voice is important. That is
 4 what we're going to do.
 5 Let's go ahead get started. We're going
 6 to go here. The questions will be up on -- here we
 7 go. The actual question, I'm going to summarize a
 8 little for you, but the actual question, whatever
 9 was written in, word for word, is going to be up on
 10 the screen. That's important.
 11 This one is saying: Was there a vote by
 12 the -- they call it "HOA," but GID -- to allow dogs
 13 on the golf course. If not, who made the decision
 14 and when?
 15 So it says here: Golfers can sign a
 16 waiver to state dogs won't leave the golf cart
 17 during a round of golf, about 4.5 hours. What's the
 18 penalty for violating that waiver and compensation,
 19 assuming no charge, to bring a dog on the course for
 20 wear and tear on golf carts and for golfers behind
 21 the dogs that leave sand traps with dog prints.
 22 CHAIR SCHMITZ: Wow. Can you back it up?
 23 Because I saw a question about was there a vote.
 24 We aren't a homeowner's association; we're
 25 a general improvement district. The Board sets

26

1 policies that -- at a high level, that staff
 2 administers. There is no board policy regarding
 3 dogs on carts dogs on -- I -- unless one of you has
 4 an answer to any of the dog-related questions, I
 5 don't.
 6 TRUSTEE TULLOCH: It's completely new to
 7 me, but I'll refer to Mr. Ross here. I would think
 8 the penalty would be five strokes, would it not?
 9 TRUSTEE DENT: We should (inaudible)
 10 answer (inaudible) at the next meeting (inaudible)
 11 we get into our item (inaudible) questions
 12 (inaudible).
 13 TRUSTEE TONKING: I was just going to say,
 14 serving as the golf liaison, I have not had this
 15 issue brought forward us to either. This is new.
 16 CHAIR SCHMITZ: We will have to ask staff
 17 to provide some sort of clarification and answer to
 18 this question because, at the board level, this is
 19 not something that we have dealt with.
 20 MODERATOR MILLER: It does follow up with
 21 considering legal, long-term implications, but it
 22 sounds like we're not there yet.
 23 CHAIR SCHMITZ: (Inaudible) staff
 24 follow-up. And we will post an answer to this
 25 question on the District's website.

27

1 MODERATOR MILLER: Thank you.
 2 What can you do to reverse fire insurance
 3 premiums for home, and especially -- again -- HOA,
 4 townhomes and condos -- once again, we are a GID --
 5 that the state classifies as commercial businesses?
 6 The state and local crisis that needs to be
 7 addressed so few insurers get to name any price they
 8 want to, affecting the value of residences here in
 9 the village.
 10 CHAIR SCHMITZ: As the GID, we are very
 11 restricted as far as our authority. We are
 12 restricted to water, sewer, trash, and recreation.
 13 We have no authority over insurance premiums,
 14 insurance, roads, we don't have jurisdiction.
 15 What I will share, though, is that our
 16 local fire protection district has been
 17 instrumental, as far as I know, in trying to assist
 18 homeowners by meeting with the State Insurance
 19 Commissioner and doing other things, because I know
 20 that they have worked very hard to keep or community
 21 safe through the defensible space program and what
 22 not.
 23 I'll ask my fellow trustees if they would
 24 like to add any additional commentary to this
 25 particular question, but it is something that is

28

1 outside of our jurisdiction.
 2 TRUSTEE TONKING: I would add is we've
 3 also been doing our due diligence as IVGID on our
 4 land to make sure that we're -- my mic.
 5 IVGID has also been doing its due
 6 diligence as -- to make sure that their land also
 7 has their defensible space met, but to help our
 8 other homeowners.
 9 To Chair Schmitz' point, we don't have any
 10 stake in the insurance game. 200 grand, yeah,
 11 200,000.
 12 TRUSTEE TULLOCH: The only comment I can
 13 make is I have full sympathy with those impacted. I
 14 was impacted myself. My insurance company canceled
 15 my policy, and I had to scramble around and give
 16 about 10 grand of additional work, some of it was
 17 just reduced at last minute. Oh, by the way, if you
 18 don't do this by Monday, which involved taking out a
 19 whole bunch of landscaping, my policy was going to
 20 get canceled.
 21 So, yes, I have every sympathy (inaudible)
 22 involved.
 23 We have put forward some proposals, like
 24 trying to see if we can get the benefit of the
 25 defensible space work that we've been doing here

29

1 through Ryan and his team. I think that's an
 2 important part of it.
 3 It's also -- some of it also education
 4 process for the insurance companies, because one of
 5 things I run into is that even grass wasn't
 6 considered as hard scape. It's considered as
 7 flammable material.
 8 You know, the insurance companies are
 9 working on the basis that fire spreads along the
 10 ground. We all in this community know that the fire
 11 spreads through the tree canopy. It's not typically
 12 ground based, but most of the insurance companies
 13 still seem to be operating on that basis.
 14 MODERATOR MILLER: Thank you very much.
 15 Next: In one of his last meetings as
 16 general manager, Mr. Magee said that the \$7 million
 17 that was observed missing, unaccounted in the due
 18 diligence audit was, quote/unquote, reconciled. And
 19 when asked how, he again stated it was reconciled.
 20 Can you explain the statement a little bit
 21 more? Let's talk about why it was originally
 22 missing and why did it take so long to find and what
 23 are the full details of those monies.
 24 CHAIR SCHMITZ: Trustee Tulloch is our
 25 Audit Committee chair. He led the due diligence

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1 full breakdown, plus the justification of what these
 2 journal entries are and what the backup for them is,
 3 because it's very easy just to square the accounts
 4 by saying we've done the journal entry here, but the
 5 important thing is seeing there's a legitimate
 6 journal entry.
 7 But, yes, I completely share the concern.
 8 I think it's a very valid concern. But it's not --
 9 I would stress -- it's not \$7 million that's walked
 10 out the door. There's millions walked out in
 11 different things, as we've seen in the food and
 12 beverage and various other things, but this is not a
 13 case of \$7 million that's somebody stashed away in
 14 somebody's desk drawer.
 15 MODERATOR MILLER: Thank you very much.
 16 Let's go on to the next question: In a
 17 recent board meeting, interim GM Crocker indicated
 18 that many of the recommendations from the RubinBrown
 19 report might take years to accomplish. Why should
 20 they take so long -- in so many words -- should they
 21 take to implement?
 22 TRUSTEE TULLOCH: The -- again, I believe
 23 there's a little bit of misunderstanding by interim
 24 General Manager Crocker at the time. Some of the
 25 recommendations from RubinBrown were about things

30

1 audit finding results, and has met before the CLGF,
 2 which is the Committee on Local Government Finance.
 3 I'm going to turn the microphone over and ask
 4 Trustee Tulloch to answer this question.
 5 Thank you.
 6 TRUSTEE TULLOCH: The first thing to
 7 clarify, there's not -- we haven't found anyone
 8 that's walked with the \$7 million, as some people
 9 think. If there is, it's somebody that's left the
 10 community quickly. Maybe we should check with the
 11 realtors, the realtor's listings.
 12 But the 7 million discrepancy was between
 13 what was shown in the balance sheet and the accounts
 14 and what was actually shown in the bank. It's
 15 the -- the semi-technical explanation for it, which
 16 I'll caution this with saying I still have not seen
 17 all the final findings and the corrections, but it
 18 was a case of monies have not been allocated to
 19 other accounts so it was showing it was in the bank,
 20 but it was not actually in the bank. There was
 21 monies parsed out to other parts of the District.
 22 That has been reconciled at the moment by
 23 doing journal entries, doing the relevant journal
 24 entries to apply the charges in the right places.
 25 I have asked for the full listing and the

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1 like the point of sale system, changing the point of
 2 sale system. That was the one that was going to
 3 take years to make some changes, and obviously
 4 require a significant amount of investment.
 5 A lot of other ones, yes, they are basic
 6 management 101, but also about culture change.
 7 We've had a culture over the years that a lot of
 8 these things have just slid under the mat. And
 9 things have developed, somebody takes an inch, then
 10 somebody takes a few more inches, and then somebody
 11 takes a few more miles. A lot of that is culture.
 12 A lot of these findings were board policies had not
 13 been followed.
 14 But there is a lot -- there has been a lot
 15 of things, for various reasons, for practices that
 16 have evolved that are not correct. And I think the
 17 good thing about the audit was that it actually
 18 highlighted these. We've heard all these -- there's
 19 been all these rumors for years. Some of them have
 20 been substantiated; some of them haven't been.
 21 I think the important thing is it gives us
 22 a line in the sand now to know where we need to
 23 start, need to make these changes from. Most of
 24 these should be able to be effected within
 25 six months. It shouldn't take a period of years.

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1 The only one that was taking years was the
 2 point of sale system.

3 TRUSTEE TONKING: One additional thing
 4 too, and I think that the RubinBrown report
 5 specifically stated that there's also due to a lot
 6 of high turnover and then direction from the top.

7 I think that is something that we are
 8 actively working on trying to address, and so that
 9 will help fix some of those other needs. But it
 10 will take a little bit more time to get those people
 11 in those places and to keep them around and
 12 retained.

13 CHAIR SCHMITZ: Just to let the community
 14 know that our point of sale systems acrossed all of
 15 the venues are very old, and staff has really
 16 struggled and dealt with the lack of integration
 17 with our financial system for many years. And
 18 last year, our director of finance kicked off a
 19 point of sale assessment. And we should have the
 20 recommendation from the point of sale assessment yet
 21 this year.

22 So it still will take probably at least
 23 another year, year and a half to roll out entirely a
 24 new point of sale systems acrossed the District.

25 But it was highlighted as something so

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1 broad consideration for privatization or sale of
 2 IVGID resources. Has this ever been a consideration
 3 by the current board or views of any trustee
 4 candidates that you know of?

5 TRUSTEE DENT: No.

6 TRUSTEE TONKING: I've been on the record
 7 a lot saying no to this, so no.

8 TRUSTEE TULLOCH: No idea who this
 9 mysterious reporter is, but he seems to be inventing
 10 these things. It's not something I've heard of
 11 ever, it's not something I've ever proposed.

12 CHAIR SCHMITZ: No. It is something that
 13 was propagated last year with the recall effort.
 14 And it's never been discussed. It's never been
 15 anyone's idea to privatize, which means to basically
 16 sell our venues.

17 I don't know why anyone who would be
 18 elected as a trustee would want to sell part of
 19 assets that make this community special. So I don't
 20 know where and why anyone has made statements that
 21 anyone has spoken in light of privatization.

22 Privatization is not enlisting consultants
 23 to help us deal with the challenges that we're
 24 comforted with. That's a completely different
 25 situation.

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1 important to address in the food and beverage
 2 report, as an example, where staff has been entering
 3 financial information on spreadsheets that are then
 4 uploaded in manually to the Tyler system, and that's
 5 just -- it's wrought with opportunity for just
 6 errors, and we need our financial systems and or
 7 financial reports to be accurate. The way in which
 8 you do that is to have systems that are integrated
 9 and updated on a daily basis so that we have timely
 10 financial reports.

11 This has been part of the issue with
 12 getting timely financial reports is because of how
 13 difficult it is to get information from the point of
 14 sale systems into our financial system like this.

15 We'd all like things to move faster,
 16 but -- and I for one, because I've been assisting
 17 with this point of sale project and been a bit of a
 18 champion for it. I'm hopeful that the Board will
 19 move forward and incur the cost and the effort and
 20 roll it, maybe, more successfully than the Tyler
 21 system was rolled.

22 There are improvements coming, but some
 23 things do take time.

24 MODERATOR MILLER: For the Board, in a
 25 recent newspaper op-ed, it was stated that there is

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1 TRUSTEE TULLOCH: I think the key point
 2 (sound drop) is how well we deliver the services for
 3 the community. That is the key point.

4 In terms of privatization of sale is, as
 5 Chair Schmitz has said, yes, there's a number of
 6 rumors being spread by people for various things.
 7 When we see political action committees supporting
 8 candidates, spreading all sorts of things without
 9 any recourse, that may well be part of it.

10 MODERATOR MILLER: Thank you very much.

11 Next question, taking it down to the
 12 beaches, do you favor maintaining the Beach Deed as
 13 it's been upheld by the courts over the years?

14 TRUSTEE TULLOCH: Yes.

15 TRUSTEE DENT: Yes.

16 TRUSTEE TONKING: Yes.

17 CHAIR SCHMITZ: The beaches are one of our
 18 most-valued assets. They are tied to the fabric of
 19 this community. So as trustee, upholding that Beach
 20 Deed needs to be near and dear to your heart,
 21 because to lose the beaches would be just
 22 detrimental to everyone in the community.

23 So, yes, we are all adamantly in support
 24 of upholding the Beach Deed.

25 MODERATOR MILLER: All right. Here we go.

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1 Website articles on our IVCBboys.com
 2 website, for example, cite evidence of improper
 3 capitalization of expenses, it says, land assets
 4 dating back to 1990 for over 13 million. What steps
 5 is the District taking to investigate and rectify
 6 these activities, and how will the Board ensure
 7 transparency in this process? And has the external
 8 auditor, Davis Farr, been provided this information?

9 CHAIR SCHMITZ: Would our Audit Committee
 10 chair like to answer that question?

11 TRUSTEE TULLOCH: Yes. All those that
 12 know me will learn that I've been a loud voice
 13 against improper capitalization of expenses since I
 14 joined the Audit Committee in 2020, because a lot of
 15 my background is in capital projects and capital
 16 strategy. It's something that is very near and dear
 17 to my heart.

18 We do have a new draft capitalization
 19 policy that is coming to the Board within the next
 20 month, which I had a decent amount of input into.
 21 In the past, we've been free and loose in the way
 22 we've capitalized.

23 One of the reasons for that is because it
 24 then looks like, well, we're not incurring expenses
 25 here, it looks like our venues are doing a whole lot

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1 there's been a hell of a lot of poor practices in
 2 capitalization for various reasons over the past --
 3 I've been here in this community 18 years. As long
 4 as I've been here, I've seen this happening. We're
 5 trying very hard that clear these up.

6 The new capitalization policy starts
 7 putting a minimum value of 10,000 for any capital
 8 asset at a minimum life of five years, which will
 9 help clean up a lot of things, things that are done
 10 there.

11 There is no real value -- at the end of
 12 the day, there's no great value to us as a district
 13 of capitalizing things rather than expensing them if
 14 they (inaudible) have expenses. There's no tax
 15 benefits or anything for it.

16 TRUSTEE TONKING: I'm going to answer the
 17 second part in terms of capitalization stuff that
 18 Davis Farr has looked at.

19 Two years ago -- Davis Farr, this
 20 past year gave a report, looking back two years ago,
 21 on our capitalization and looked to see where we'd
 22 improved given some of the findings that have come
 23 out of Mr. Dobler and the Audit Committee's findings
 24 on capitalization, and they did find great
 25 improvement once we had updated our capitalization

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1 better, and then suddenly three or four years later,
 2 we've got to write off that money. It seems like a
 3 victimless plight, victimless trend, because it only
 4 impacts our balance sheets so nobody really sees it.
 5 But it also means that we're pricing wrong for
 6 venues. We don't know what the real costs of
 7 running things are.

8 If I look at the -- if we take the
 9 effluent pipeline project, we capitalized about --
 10 Mr. Dobler, keep me correct -- about 6 million of
 11 stuff that should have been just making repairs, but
 12 should have been expensed to hide the true costs.

13 I'm a great believer in making sure that
 14 we show the true costs of things.

15 The land assets, yes, it's going on for a
 16 long time. There's a few things we could
 17 potentially do. I think the question is, given how
 18 far back this has happened, how much does this
 19 community want to spend to address this?

20 I've had lots of requests, well, we should
 21 go back and restate the financial statements going
 22 back 30 years. (Sound drop) if we pay, authorize
 23 that, I don't think we need to spend that amount of
 24 money for it.

25 It is -- I think the best thing to say is

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1 policy and making sure that we were abiding by it.

2 And then I did also want to say I do
 3 disagree with my Trustee Tulloch in the sense of
 4 capitalization. There is a true purpose for
 5 capitalization that's not just a tax benefit, but I
 6 do want to put that on the record so we don't think
 7 we should be expensing every dollar, even if it's
 8 capital projects.

9 CHAIR SCHMITZ: This issue does go back
 10 many years. And some of it can be contributed to
 11 the lack of an Audit Committee.

12 When I was appointed by the Washoe County
 13 Board of Commissioners, one of things that I
 14 committed to them to do was to formalize and
 15 reinvigorate a robust audit committee. And in 2020,
 16 the Board did approve the Audit Committee charter,
 17 and Trustee Tulloch was an at-large member. Trustee
 18 Dent and myself were on the committee. And the lack
 19 of having a robust audit committee for many years,
 20 perhaps, contributed to this problem propagating
 21 for years.

22 I don't have things to prove that, but if
 23 you don't have an oversight committee, things can be
 24 done differently, incorrectly.

25 And, unfortunately, when we are on the

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1 Audit Committee, we actually identified our concerns
 2 to the board about improper capitalization of
 3 expenses, and we actually did not, as the Audit
 4 Committee did not, approve the financial reports
 5 because we concerned that there were material errors
 6 in it.

7 We, Trustee Dent and myself, were the only
 8 trustees at that time, and the board overruled us on
 9 at least two years, I believe, in accepting the
 10 financial reports, even though the Audit Committee
 11 had expressed concerns. And one of the biggest
 12 concerns happened to relate to how expenses and
 13 capitalization were handled.

14 Right now, we have -- we're on the right
 15 track. We understand, I think, how we got here.
 16 Now, especially with all of these -- the RubinBrown
 17 report being so open and forthright, we've got
 18 transparency, and through that transparency, the
 19 Board and the community can actively work together
 20 to resolve these issues.

21 I look forward to all of these negative
 22 results of reports resulting with in a positive for
 23 the rec fee payers, for the ratepayers, for everyone
 24 in our community.

25 TRUSTEE TULLOCH: I'll add one follow-up

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1 on that.

2 We did, the Audit Committee, I think it
 3 was in the '21 financial year, we did manage to
 4 move, to re-categorize \$3 million that we spent on
 5 the pipeline that had been capitalized. We did
 6 manage to re-categorize that as expenses, where it
 7 should have been placed.

8 I'd also -- I just see the "fraudulent"
 9 word there. Fraud's been banded around a lot, both
 10 in the RubinBrown, the report and everything, and,
 11 well, why are you not calling the police in, why are
 12 you not charging people of fraud?

13 We can't. Fraud is a -- the RubinBrown
 14 report found no fraud (sound drop). It's not. At
 15 the end of the day, fraud can only be proven in a
 16 court of law, finally, in terms of that.

17 We don't have purview to instruct the
 18 district attorney to come in and charge somebody and
 19 get somebody investigated for fraud because they are
 20 there.

21 Going back to 1990, I think a lot of these
 22 people involved, both from staff and trustees at
 23 that time, are no longer with us. I think it's a
 24 case of we've got to decide where we can best apply
 25 our resources. We've got a major challenge at the

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1 moment correcting all of our finances. We've got a
 2 good team in finance at the moment that's working
 3 their butts off in doing it. You can't distract
 4 them from fixing the current future problems with
 5 going back 30 years, unfortunately. I know how much
 6 we would like to in some respects. But that's the
 7 reality of it. We've got to use our funds wisely.

8 MODERATOR MILLER: Thank you very much.
 9 Kind of piggybacking on that, let's go to the next
 10 question that came with some explanation in the
 11 beginning.

12 Capital project summary calls for over
 13 56 million of vital beach and recreation facility
 14 projects within the next five years. In addition to
 15 the 72 million or more of effluent pipeline
 16 replacement projects, given staff's history in
 17 accurately estimating the cost of such projects,
 18 many of us believe we're looking at as much a
 19 100 million in beach and recreation facility
 20 projects.

21 Here are the questions: Where is the
 22 money sustainability going to come from to pay for
 23 these projects? Does it make financial sense to
 24 shackle local parcel owners with this level of
 25 indebtedness when we get tourists and visitors from

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1 around the world who don't pay anything for the
 2 availability to access these and use these
 3 facilities? Have we possibly bitten off more than
 4 we can chew?

5 That's a long one there. I'll let you --
 6 speaking of chew, I'll let you chew on that one for
 7 a second, and we will address it from there.

8 TRUSTEE DENT: Start with number 3, have
 9 we bitten off more than we chew? I would say
 10 absolutely in the five-year plan.

11 Every year there's a million dollars-worth
 12 of projects that we don't finish, so it is a very
 13 ambitious goal. Will we need that much money to do
 14 those projects over the five years? Probably not.
 15 It will probably end up being more like seven or
 16 ten years.

17 We're very ambitious with how quickly we
 18 think we can get construction projects done in a
 19 very short construction window. And I feel like if
 20 we can plan that piece a little bit better, we can
 21 have a little bit more realistic, say, forecast of
 22 where our costs are going to come in.

23 As far as who is going to pay for it,
 24 it's -- the ratepayers are paying for it, whether
 25 they are paying through the rec fee or they are

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1 paying for it through the usage fee, there's not
2 really another way around it when it comes to the
3 amenities.
4 And whether that rec fee is going to go up
5 and part of that goes towards a bond that allows you
6 to bite off a little bit more and pay for it over a
7 longer period of time, or not, that will be for a
8 future board to discuss.
9 The current board has been in favor of
10 bonding some of these legacy projects and making
11 sure the ratepayers aren't paying for something
12 today that's going to be used for the next 30 or
13 50 years.
14 TRUSTEE TONKING: To also build off and go
15 to that first question, I think, as a board, we
16 really need to spend some time thinking about what
17 is our five-year plan, what is our ten year plan,
18 and what are the needs of community members and the
19 community.
20 I think a lot of times when we thought
21 about, it was ten years ago, and we haven't
22 accomplished a lot of those yet. And so I think
23 it's a good time to really reflect on the change of
24 the demographic and the community and what their
25 needs are. And so the Board really needs to spend

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1 Lodge replacement there. I mean, quite frankly, the
2 five-year CIP at the moment is pretty much fiction.
3 I think as a board or as a new board, we
4 need to really sit down and put together a proper
5 capital strategy, and also what we can afford.
6 The last board approved 3.5 million max
7 for the new beach house. This board upped that to 4
8 million.
9 When we sat down with the proposed
10 vendors, I specifically asked every one of them,
11 "Can you design this and bring this in, do this for
12 \$4 million?" Yes, every one of them swore. And
13 Trustee Noble will come and say, oh, yes, but they
14 said it would be difficult. Yes, nobody said it
15 would be easy.
16 And the first estimate that come in was
17 9 million, because every one knows, well, it's
18 IVGID, we can just -- somebody will pay for it, we
19 can just ramp that cost up.
20 We need to start making sure that we're
21 realistic, what we can afford as a community. It's
22 all very well, bonding, but suddenly, very quickly,
23 we will find ourselves paying 2,000 bucks in the
24 recreation fee just for the bonding, not covering
25 any operating costs.

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1 some time thinking about that.
2 And then I think, in terms of, yes, it's
3 paid for in our fees, we have our new pricing -- we
4 have our policy and we're working on a new one to
5 really address what do your fees have to include.
6 So if you're a non-resident using it, should your
7 fees also include capital. And in the past, that is
8 true. We've been trying to make sure those costs
9 are covered elsewhere.
10 And then I think to my colleague's point,
11 yes, we do a lot of projects that we don't complete
12 in the year. And I would also say both -- it's the
13 short construction season. Also, as a board,
14 there's a lot of robust conversation, a lot
15 community input, and a lot of changing around what
16 the plan is, and so that ends up taking more time
17 and leads for projects to be pushed to a different
18 construction cycle.
19 TRUSTEE TULLOCH: Okay. This is wrong
20 because it talks about 56 million of beach and
21 recreation facility projects, in addition to
22 72 million. This is understated probably by about
23 100 million bucks, if we look realistically at
24 things that's required here. There's no major venue
25 improvements there, there's 30 million for Snowflake

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1 I think we need to be realistic, what we
2 need, as opposed to what we want. It's hard because
3 there's all different segments that say, well, we've
4 got to have this, we've got to have this.
5 There's all the various different lobbies.
6 Everyone really wants somebody else to subsidize
7 both the capital costs and the operating costs. I
8 think we need to be realistic of what we can do,
9 what we can afford to spend on it.
10 People think this is a wealthy community;
11 yes, there's a lot of very wealthy people. There's
12 also a lot of people working three job to survive
13 here. And then to say, well, we should subsidize
14 the costs of the facilities so these people can use
15 them. Well, they are working three jobs, they don't
16 have time to use them.
17 I think as a community, we need to be
18 realistic about this and stop fooling ourselves.
19 We've lived for years, we've subsidized operating
20 costs because we've over-collected in the facility
21 fee. One of the reasons we've over-collected is
22 because we've approved capital projects, we budgeted
23 for them, then we just don't do them. The budgeted,
24 then, just drops back into general fund and into
25 operating fund balances, which then it can be used

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1 to subsidize losses in venues.

2 We're not being realistic about it. We've

3 over-collected for fat years, and we haven't

4 provided for the replacements. We're going to be

5 faced with a very large bill in the next four or

6 five years if we want to do all these things.

7 There's an additional 55 million that is

8 identified in the utility study that is going to be

9 required in the utility, over and above the

10 pipeline. That doesn't appear in the CIP. And

11 that's all going to go in the utility rate, which

12 have increased about 50 percent in the last four or

13 five years.

14 I think there's costs associated with all

15 this. I think we need to decide if we want a

16 community of just purely wealthy, the only people

17 that can afford to stay here, and have a few of the

18 little people help subsidize their activities, or

19 whether we want it to be a true mixed community.

20 And, yes, we have bitten off more than we

21 can chew. I think we've got to be realistic about

22 what projects we can actually complete.

23 CHAIR SCHMITZ: I want to commend this

24 board for finally starting the effluent pipeline

25 project and the pond replacement. That has been

50

1 discussed for probably ten to 15 years, I don't

2 know. But this board finally -- even though the

3 costs were substantially higher than what we had

4 ever estimated and planned, it needed to be done,

5 the pipeline was failing, and we did not want to put

6 the lake at risk.

7 So this board had the courage to take on

8 that project, and to also take on the project of

9 finally bringing our effluent pond storage into

10 compliance for Nevada Department of Environmental

11 Protection.

12 So, this board, I'd like to say thank you

13 for being courageous and leading the effort there.

14 We have also, in our budget process this

15 year, this board was very, very clear that -- we

16 have said it for years -- we were tired of receiving

17 budgets that had more capital projects in it than we

18 knew could actually be accomplished. And when that

19 happens, it causes the rec fee to be artificially

20 inflated because of the expectation that we're going

21 to take on these capital improvement projects.

22 So for the past few years, we have been

23 saying, as a board, over and over again, come budget

24 time that we want to see realistic numbers from our

25 staff as far as what we actually can get

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1 accomplished.

2 In reality, we can only do about one or

3 two capital improvement projects a year because

4 there's a lot to maintain this infrastructure and to

5 maintain this district as a whole.

6 One of the things that was pointed out a

7 number of years ago, I think it was a Moss Adams

8 report, is that we don't have a working strategic

9 plan. And it's not -- we don't have a working

10 strategic plan that has a corresponding financial

11 plan to back that strategic plan up.

12 And to be honest, this board has been

13 working on such a tactical level, dealing with the

14 problems being confronted relative to the financial

15 reports and the Tyler system and staffing of the

16 finance department that we haven't, as a board and

17 as staff, had the opportunity to have the time to

18 devote to creating a viable, long-term strategic

19 plan that has a supporting financial plan to go

20 along it with it.

21 Once we get over this hurdle of correcting

22 all of these issues with internal controls, fixing

23 the point of sale systems, getting reliable, timely

24 financial reports, perhaps, the next board will have

25 the luxury of being able to accomplish a meaningful

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1 strategic plan so that our community understands the

2 roadmap forward and the financial plan forward.

3 MODERATOR MILLER: Thank you very much.

4 It was a good discussion.

5 Next slide. Are we a government or are we

6 quasi public? Do you agree with this view? What is

7 your term "quasi public" defined as? And share with

8 us where in the NRS this definition appears.

9 CHAIR SCHMITZ: General counsel, would you

10 like to answer this question?

11 MR. RUDIN: Incline Village General

12 Improvement District is a general improvement

13 district created under NRS Government Chapter 318.

14 It is a government entity, it is not a quasi public

15 entity, and I'm not even sure what that means.

16 CHAIR SCHMITZ: Maybe we have some

17 updating to do on our website because I think that

18 quasi public is out there.

19 TRUSTEE TULLOCH: Sounds like "quasi

20 public" is a bit like being half pregnant.

21 MODERATOR MILLER: We're not the only GID

22 in the Tahoe basin, either. Kingsbury is one and so

23 is Round Hill.

24 This is a big, long one: Naysayers in our

25 community claim we're not commercial for-profit in

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1 the recreation business. Rather, we provide quality
2 recreation amenities primarily for the use of our
3 residents. And for this reason, it doesn't matter
4 if we lose money operating, maintaining, and
5 upgraded these amenities because we're really
6 spending money on ourselves. So do you agree with
7 these views? For one.

8 Second, why do we spend over \$1.25 million
9 annually marketing these amenities to the world's
10 tourists?

11 Three, why do we spend tens of thousands
12 of dollars of unreimbursed staff time publishing
13 IVGID Magazine, which is publicly distributed to
14 thousands of the world's tourist as an insert in the
15 Tahoe Daily Tribune newspaper and otherwise? We've
16 been told it is published to inform our local parcel
17 owners of those amenities.

18 Will we ever conduct a study which
19 determines how much additional revenue we realize as
20 a result of these marketing efforts which we would
21 not have otherwise realized for those efforts?
22 Basically, are we focused on marketing to visitors
23 and tourism or providing amenities primarily for the
24 residents?

25 Take your time. It's a long one.

55

1 think everyone would agree with: We shouldn't be
2 subsidizing an external member to play a round of
3 golf.

4 We can all kind of grasp certain things.
5 But then when it comes to the Recreation Center, the
6 Recreation Center is an amenity for our community,
7 and I don't believe that most, you know, recreation
8 centers are -- can't cover their costs. Because,
9 again, even for residents, if it's more expensive to
10 use the Rec Center compared to going to another
11 alternative, we could lose a revenue stream.

12 There are things that I think we can agree
13 upon that should be subsidized, and the Rec Center's
14 a good example. The beaches, the beaches are
15 subsidized, and we all know that and everyone agrees
16 to it.

17 But when it comes to subsidizing a meal at
18 The Grille, no, I for one don't think I should be
19 subsidizing anyone's hamburger or beer. I think we
20 should be able to run an operation effectively so
21 that at least it breaks even. We don't have to
22 necessarily be bringing a 40-percent margin to
23 profit to stockholders, what have you, but we should
24 be able to price and serve services that cover the
25 costs, at a minimum.

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1 CHAIR SCHMITZ: I forgot to make a comment
2 about -- on one of the other slides.

3 MODERATOR MILLER: Which one?

4 CHAIR SCHMITZ: It's okay.

5 When it comes to pricing of our services
6 or our venues for external individuals,
7 non-residents, we can only charge what the
8 competitive market can bear. We can't charge
9 anything more because we're extra special Incline
10 Village.

11 So whether that comes to a round of golf
12 or the cost of a wedding venue, I mean, for the
13 general public, we have to be competitively priced,
14 otherwise we won't have any of that revenue. So we
15 can't just grow the rates that others pay.

16 We should -- it's one of the things in the
17 pricing policy that we're going to be discussing, I
18 think, at our next meeting, is what are the aspects
19 of our district that the Board feels should be
20 subsidized and what things should stand on their
21 own?

22 I'll give an example. I think everyone in
23 this room would say: We shouldn't, as residents, be
24 subsidizing other people's weddings.

25 I think everyone would agree with that. I

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1 So I think that there's things that the
2 Board will be discussing as part of the pricing
3 policy, but -- I don't know whether I've addressed
4 this question or not.

5 But as it relates to marketing, we do need
6 to do an element of marketing if we want to have
7 external people paying competitive market prices to
8 use The Chateau and have catering at The Chateau.
9 We have to market that. We have to market Diamond
10 Peak to have other visitors coming to pay to ski at
11 our resort.

12 So you have to have some element of
13 marketing, I feel, in order to have that external
14 revenue source. Is it the right amount, is it too
15 much, is it too little? Those are things that the
16 Board discusses as part of the justification of the
17 budgeted process.

18 I've rambled on long enough, so I'll let
19 my colleagues who have had more time to think about
20 these questions to now chime in.

21 TRUSTEE TONKING: Just build off that, I
22 think -- and I was going to focus a little bit more
23 in the marketing realm, but if we wanted to talk a
24 little bit of subsidy, I think it's very clear that
25 there are things like recreation, senior

1 programming, youth programming, that Washoe County
2 could usually cover, and they do give us some
3 dollars for it. But they don't provide a lot of the
4 things that exist up here that should be provided
5 for people within the community, especially provided
6 by the government. And so I think that is a good
7 area for us to kind of build that county relation
8 and make sure that we are getting covered for those
9 types of costs.

10 But then going into the market aspect, I
11 think Chair Schmitz hit it very well. There are
12 things that you have to market for. Like ski,
13 that's not a finite resource, there's a lot of space
14 on that ski hill, and it's a great way for us to
15 raise revenues and a great opportunity for people.

16 The other one is facilities, weddings,
17 those types of things should be marketed to cover
18 those costs, and if that's an amenity we choose to
19 offer to make sure that it's funded.

20 And then there's things like tee times
21 that are not as marketed large, but we've run into
22 an issue where we're not filling a bunch of them.
23 And so then they are put into third-party sources to
24 begin to market them and put them available in order
25 to get people to invest and help.

1 Those are all, I believe, good financial
2 choices in order to make sure that we are covering
3 some of the costs and make sure that we aren't, as
4 it says in here, that we were primarily -- I can't
5 find it. Two words. But -- so I think those are
6 all really beneficial areas.

7 And then I think in terms of the IVGID
8 Magazine, we did put a survey out and people did
9 find it very useful, people within our community.
10 And some argue it's a bias survey. I think there is
11 other surveys that IVGID has put out that could also
12 be deemed bias, but we have taken those results, so
13 I think we should do the same with this.

14 It's something that people utilize and
15 they like to know what's going on in the community,
16 like to know the programming and events that are
17 happening at IVGID, and that helps with the turnover
18 as well as creating a community space.

19 TRUSTEE DENT: I don't know if I can
20 really add anything more to this when it comes to --
21 I mean, we looked at the IVGID Magazine last year.
22 We looked at the costs for staff, we looked at the
23 cost to produce it, and, like Michaela said, when it
24 came down to it, we heard that there were several
25 people that wanted us to continue it. There was

1 discussion at the Board, is it really worth it?

2 And so I really -- I feel like something
3 like that, it comes to community speaking up and
4 saying, yes, continue this or don't. That's, I feel
5 like, an important reason we do do the surveys, is
6 to get feedback, and make sure we are keeping a
7 pulse on what it is we should or shouldn't be doing.

8 TRUSTEE TULLOCH: Well, we're definitely
9 not in the commercial, for-profit recreation
10 business. If you look at our books, you'd realize
11 that. None of our venues make a profit.

12 You hear people talk about, well, this
13 portfolio approach, the portfolio approach means
14 that, well, we'll get Diamond Peak to subsidize
15 everything. Diamond Peak is hardly making my money
16 either. These days are long gone.

17 Diamond Peak also gets about 75 to 80
18 percent of its revenue from non-Picture Pass
19 holders, non-residents. Especially -- this comes
20 back to the previous question as well on the
21 investment. So should -- if 75, 80 percent of our
22 users at Diamond Peak are coming from externally,
23 should the community be paying for all the capital
24 investment at Diamond Peak through the rec fee? Is
25 that a fair use of the rec fee?

1 I think all these things are very much
2 tied together. Yes, there's some things that are
3 always going to make a loss. Running a swimming
4 pool, it's pretty difficult to make any money. That
5 becomes a big drain. If that's a community amenity
6 that we want, then we've got to basically suck it
7 up.

8 But, yes, the point, should the whole
9 community, should the guy working three jobs be
10 subsidizing somebody's hamburger and beer at The
11 Grille? No, I don't believe so.

12 And there's public comment about, yes, it
13 was wonderful, the food and beverage consultant said
14 we should just subsidize it.

15 He gave an opinion. Actually, I find that
16 report rather insulting because it was more about
17 opinions. He was saying, well, a private golf club
18 doesn't necessarily cover the costs.

19 No, but it covers the costs from its
20 members. But what the food and beverage report was
21 saying, well, the whole community should cover the
22 cost of meals at The Grille and things. I don't
23 believe that's right. And I don't believe we, as a
24 community, if we're going to market The Grille, The
25 Chateau as venues, as wedding venues, we need to

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1 make sure we're making money on them, not losing
 2 a million bucks a year on it.
 3 That's not marketing. It doesn't matter
 4 how much marketing you do, you're just giving it
 5 away. And the danger is once people get used to,
 6 say, well, we can run this at a loss and we got away
 7 with it last year, let's just keep doing that, and
 8 let's just keep discounting it more so we get a
 9 bigger volume of business.
 10 One of the things that struck me about
 11 IVGID before was that everyone talked about
 12 revenues, nobody talked about costs. I have a very
 13 simple rule in business: If costs are more than
 14 your revenues, you're not running a business, you're
 15 running a loss.
 16 I think that's the important part of it.
 17 I think we need to be very selective, where and how
 18 we spend the resident's money. May be chicken feed,
 19 a round of drinks, to some people. To other people,
 20 it's 20 bucks a week.
 21 TRUSTEE DENT: I'll add to that real
 22 quick, and we keep going back to this subsidizing
 23 someone's burger, but I think it's important.
 24 We could be doing, providing the exact
 25 same service, but having a business pay us to do

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1 heard it in public comment more than once -- is that
 2 there's that feeling that The Grille and The Chateau
 3 are underutilized, that our community could utilize
 4 these facilities more frequently. I mean, it would
 5 be nice to have a Thanksgiving brunch or something.
 6 It's just -- it's an absolutely stunning
 7 environment, it's a stunning location, and it's just
 8 not utilized to its capacity, I don't think.
 9 And I think this point is going to be very
 10 important as we start looking potential general
 11 managers, is that a general manager coming in needs
 12 to change the culture, needs to understand we have
 13 businesses to run.
 14 And so it's difficult when you're a
 15 governmental entity and the same time, you have
 16 businesses that need to operate, and some of them
 17 should have the expectation of breaking even or
 18 making money.
 19 TRUSTEE TULLOCH: If I can just add to
 20 that.
 21 Utilization is wonderful if it brings in
 22 more revenue in excess of costs. Otherwise, just
 23 utilizing it for the sake of utilizing it to run up
 24 the losses is kind of what we're doing at the
 25 facilities at the moment.

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1 that. And so -- I mean, is that, maybe, what people
 2 are talking about when it comes to privatizing
 3 certain aspects of what we do?
 4 We've done that off and on at the beaches.
 5 The beaches were losing money serving food and
 6 beverage, and then all of sudden we start making
 7 thousands of dollars from having a different entity
 8 provide the same service, but now they are paying
 9 us. We're trying to make burgers and sell fries,
 10 and we don't -- our businesses isn't even paying
 11 rent and we still are losing tons of money.
 12 TRUSTEE TULLOCH: Everybody loves the Tiki
 13 Bar, especially Friday nights on the beach and
 14 things, don't they? And the Friday -- the Tiki Bar
 15 is run by an independent business, it's not run by
 16 IVGID ourselves. We've tried to take it over
 17 ourselves in the past and lost money on it. At the
 18 moment, we get paid for running it.
 19 So yeah, I think it's comes back to my
 20 earlier point: We should be looking at what's the
 21 best way to deliver services for our community, the
 22 best and most cost-effective way of delivering
 23 quality services for our community.
 24 CHAIR SCHMITZ: One of the things that the
 25 food and beverage report -- and I think we have even

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1 MODERATOR MILLER: Good discussion on
 2 that.
 3 Next, and we do have three seats open, so
 4 Trustee Schmitz, Trustee Dent not running again.
 5 Trustee Tonking will be running again. I think we
 6 should open this to each one of you.
 7 Two positive things that you have
 8 accomplished during your term here, for Trustee
 9 Schmitz, as Chair of the Board? And then we will
 10 run through Trustee Dent and Trustee Tonking, if
 11 that's all right.
 12 CHAIR SCHMITZ: Two positive things, I
 13 mean, one of them is tonight, this town hall. We
 14 hadn't had any of these, and I think it's really
 15 important for the community to hear us, as trustees,
 16 answering questions and discussing things. This has
 17 been missing for a really long time.
 18 This is only the second. Our goal was to
 19 have four this year, but life has been a little
 20 hectic, so we -- this is our second one this year,
 21 third total, I think that's a positive thing.
 22 The other thing is is that I have been
 23 reviewing contracts for, I think, a year and a half
 24 now on behalf of the Board, and staff and legal
 25 counsel have made such incredible progress. We have

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1 standardized contracts, we have standardized
 2 agreements, we have standardized forms, and that
 3 protects the District. And that is a marvelous
 4 thing.

5 And I'm really looking forward to seeing
 6 all of that success get handed off because I will
 7 not be here in January. And guess what? I've
 8 worked myself out of that job. They are doing a
 9 fantastic job. They've made great improvements.

10 So I guess I'm limited to those two.

11 MODERATOR MILLER: Your turn. We're going
 12 to run down, yeah, all three of these. These are
 13 questions, basically, in so many words, asked to all
 14 three of you as well.

15 Trustee Tonking, yours is going to
 16 piggyback, if you do get re-elected, what could you
 17 have -- but let's ask Trustee Dent, same things,
 18 positive things you've accomplished during your time
 19 on the Board.

20 TRUSTEE DENT: It's been construction
 21 projects. We feel like we've come a long way in how
 22 we've looked at and analyzed these things. We set
 23 up the CIC committee, Ray chairs that.

24 An example of that is bringing a project
 25 to the committee prior to it coming to the Board, so

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1 some of the questions and the ideas and maybe the
 2 missing elements get vetted through prior to it
 3 coming to us for a decision and then we're sending
 4 it back to staff. I feel like that's a win overall.

5 Trustee Schmitz mentioned this earlier,
 6 but bringing back the Audit Committee, I mean, I feel
 7 like that was huge for us to do. The, say, eight
 8 years ago, nine years ago when I first got on the
 9 board, we had an audit committee. Audit committee
 10 would meet once a year to approve the audit.

11 I mean, it was very, very simple, and
 12 there was really no oversight and maybe six years
 13 ago, started talking about it little bit more. And
 14 then as Trustee Schmitz brought up, we did bring it
 15 back five years ago. I feel like that's huge.

16 We need to have some sort of oversight.
 17 In doing that, it used to be oversight where it was
 18 the board, overseeing the board. There were a few
 19 members, a few trustees that were on it, and we
 20 involved the community in that process. Along with
 21 the formal committee for golf and then as well as
 22 Capital Improvement Committee. Those have community
 23 support and community members that are there to give
 24 feedback and help us in that process.

25 MODERATOR MILLER: Thank you very much.

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1 Trustee Tonking?

2 TRUSTEE TONKING: I'm going to just give
 3 an overarching one that would then fall under them.
 4 I think my big thing has been community involvement.

5 Back in October of last year, a year ago,
 6 I had brought up -- actually it was September. I
 7 brought up to Trustee Dent that I really wanted to
 8 to do these town halls, we brought them up as a
 9 board, and now we're enacting them. I think that's
 10 one way to create community involvement.

11 The other thing is through committees, and
 12 I think the Board has done a really good job. And
 13 definitely from the initiative, I think Chair
 14 Schmitz had the idea of doing committees originally.
 15 I got to chair the Golf Advisory Committee, which is
 16 a great way to get more community input.

17 And then I think the other thing is just,
 18 throughout my time on the Board, is really just
 19 trying to reiterate the community voice that we've
 20 heard a lot during some of our more tumultuous times
 21 and some of our times of difficult decisions. I
 22 feel like I've done a really good job of reflecting
 23 on what the community is saying and reminding us
 24 that maybe we need to slow down a little bit and get
 25 some things in order before we keep moving rapidly

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1 forward.

2 MODERATOR MILLER: Thank you very much.

3 Now, there are some questions in here
 4 sprinkled throughout this presentation this evening,
 5 this town hall, that are personal. This one being
 6 directed towards Trustee Dent: Have you repaid the
 7 loan from the Dobler Family Trust? If so, when?

8 TRUSTEE DENT: The answer is yes, and this
 9 isn't an issue, so I don't think I really need to
 10 discuss it any further at this business day.

11 MODERATOR MILLER: All right. Thank you
 12 very much.

13 This one is directed towards Trustee
 14 Tulloch: You have abstained from votes recently,
 15 why do you abstain from some of these votes instead
 16 of voting yes or no?

17 TRUSTEE TULLOCH: Obviously, just to make
 18 a point. But, indeed, when the budget discussions,
 19 (inaudible) I believe what we're doing was wrong
 20 (inaudible). I make no apologies for that.
 21 Sometimes it's not just (inaudible).

22 I believe other board members didn't
 23 realize you could actually use abstain instead of
 24 voting. Sergio confirmed it was okay.

25 MODERATOR MILLER: Thank you very much.

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1 This one is for Trustee Tonking: Do you
 2 think the Board of Trustees, prior to the end of
 3 this year, should hire a permanent general manager
 4 or would you prefer the hiring be done by the
 5 incoming board once seated?
 6 TRUSTEE TONKING: For me, whether or not I
 7 was rerunning or would be on the board again, I do
 8 think this is something that the next board should
 9 see since there's a chance that a majority of this
 10 board will turnover, and I don't think that it is a
 11 fair opportunity for somebody to enter into a new
 12 role that may not meet the same standards of
 13 whatever that new majority or new board will be.
 14 MODERATOR MILLER: Thank you very much.
 15 Moving forward. I believe -- so I'll ask the
 16 question reviewing the document dated June 18th,
 17 2024, that you've prepared regarding the Board's
 18 goal for 2024. You were supposed to hold a midyear
 19 town hall.
 20 It says "why didn't you." I do believe
 21 that that's been dabbled a little bit when you said
 22 "life happens," but if you'd like to expound upon
 23 that, this question is for you.
 24 CHAIR SCHMITZ: We did our first one at
 25 the end of March, and we were aiming to do something

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1 at the end of June, early July. And we -- I'm
 2 trying to remember exactly when Bobby gave his
 3 resignation. We had a lot going on with our former
 4 GM deciding, rather abruptly, to resign, and we, as
 5 a board, were sitting here with -- and staff,
 6 staff's preparing for 4th of July, and there was a
 7 lot going on. We were trying to keep business
 8 moving, and we had agendas that were packed for
 9 every single meeting. We were either going to have
 10 to add one or we were going to have to forgo.
 11 And so we ended up at this time where we
 12 had a bit of a lull in the agenda items, so it
 13 managed to fit. And we would have done it Wednesday
 14 evening, but I think there was a conflict with The
 15 Chateau.
 16 It just was the District had business to
 17 get conducted that just couldn't be deferred and it
 18 was a busy time for staff in the summertime, so we
 19 just didn't do one until now.
 20 TRUSTEE TULLOCH: Can I just revert back
 21 slightly from the last question based on something
 22 Chair Schmitz said there.
 23 I think none of the retiring trustees or
 24 rerunning trustees highlighted one of the huge
 25 achievements: We brought backfire fireworks

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1 this year.
 2 MODERATOR MILLER: I'll applaud to that.
 3 Thank you for your support on that in this
 4 community. It was cool.
 5 Next question. This one is for Trustee
 6 Tonking: Do you think it's the right time for the
 7 Board to be discussing the pricing practice,
 8 Practice 6.2.0, and as a candidate for the 2025
 9 board, would you rather see the new board tackle
 10 this practice instead?
 11 TRUSTEE TONKING: This one, I'm actually
 12 going to be different than what I said in the last
 13 one.
 14 I do think that the people who have been
 15 on the Board for this amount of time do understand
 16 items around the pricing policy, and I think it's
 17 something that they should discuss and put their
 18 knowledge in, just being there and having set
 19 budgets over, many of them, four years. I think
 20 that is a good input to have.
 21 I think one thing to know is we've seen
 22 this practice was updated in 2022, it's getting
 23 updated again in 2024. It does not mean that the
 24 incoming board can then change it again in 2025/'26.
 25 But I do think it gives perspective of

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1 people who have had experience making this budget so
 2 far.
 3 MODERATOR MILLER: Thank you very much.
 4 This one -- oh, go ahead.
 5 CHAIR SCHMITZ: Because, if my memory has
 6 it, it was actually created for the first time in
 7 2022. I don't believe that we had anything. I
 8 think Paul put it together.
 9 (Inaudible comment by other trustee.)
 10 CHAIR SCHMITZ: Oh, okay. Because I know
 11 that we did a lot back in 2022, yeah.
 12 TRUSTEE DENT: That was to be complaint
 13 with statute or something like that. We had --
 14 yeah, no, we needed a pricing policy, I forget what
 15 it had to do with, but it did have -- there was some
 16 component of enterprise funds or special revenue
 17 funds and not having a pricing policy.
 18 TRUSTEE TULLOCH: You can't just stop
 19 pricing at any stage. It's not like we stop
 20 business for six months of the year or something to
 21 change it. I mean, we have businesses running
 22 12 months of the year in different business, so
 23 you've got to keep on top of it.
 24 TRUSTEE DENT: One other thing, it is
 25 important for, say, Rec Center or golf to be

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1 bringing their rates to this board in December to
 2 get approved so then they can start to market for
 3 next year.
 4 CHAIR SCHMITZ: And this practice is about
 5 transparency and it's about consistency. I
 6 appreciate Trustee Tulloch's response to this
 7 question, and I think it's just something that's
 8 really important for all of us here in the District.
 9 I look forward to -- I think it's on our next
 10 agenda.
 11 MODERATOR MILLER: All right. Thank you
 12 very much.
 13 Trustee Tulloch, you were the lead on the
 14 Moss Adams report, and one of the tasks within that
 15 report was to create a strategic plan for the
 16 District. Not up brought this subject in months,
 17 therefore, can the public assume this will be a task
 18 for the new board once seated?
 19 TRUSTEE TULLOCH: I sure hope so. I have
 20 certainly tried -- I think I've commented on it
 21 several times. As a single board member, I can't
 22 just go ahead with it.
 23 As Chair Schmitz pointed out, we've been
 24 through a lot of upheavals in the last year. Some
 25 of which created unnecessary conflict in the

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1 MODERATOR MILLER: It's a conundrum, I
 2 have to say, because listening to the discussion, I
 3 think is so positive, to be able to have open
 4 discussion and let you peel back some layers on all
 5 this stuff that we can't talk about at board
 6 meetings.
 7 So here we go. Trustee Dent, here you go:
 8 Incline Beach House has been your project. Do you
 9 have an update on that for us?
 10 TRUSTEE DENT: I guess this has been my
 11 project. As far as an update -- yeah, my pet
 12 project. As far as an update, we would have liked
 13 to see this thing come out of ground this year. We
 14 can't do the work, as the trustees, we're one of
 15 five. Staff's job is to bring projects to the Board
 16 and work through the details on that, and so it's in
 17 the design phase.
 18 And one thing, there was, I would say, a
 19 report to the Board or an update to the Board
 20 earlier this year, one of the things the Board
 21 provided feedback on was the egress an ingress into
 22 the -- in and out of the beaches and just the
 23 access, and one thing that was left out of the
 24 original plan was Ski Beach. We weren't going to do
 25 anything with the access at Ski Beach, even though

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1 community and actually disrupted the work when we
 2 should have been working on some of these things.
 3 Yeah, to me, it's a key, it was one of my
 4 campaign platforms, and I still very strongly
 5 believe in it, a new strategic plan and a ten-year
 6 capital plan.
 7 CHAIR SCHMITZ: Would it be okay with
 8 everyone, I've been request to take a five-minute
 9 break. How about a seven-minute break and come back
 10 at a quarter to?
 11 (Recess 7:36 p.m. to 7:47 p.m.)
 12 CHAIR SCHMITZ: If we could please
 13 reconvene, it would be appreciated, so that we can
 14 get through as many of these questions as we can
 15 before 8:30. Could we please, everybody, take your
 16 seats or just quiet down so that we can hear our
 17 moderator.
 18 Kristin, how many questions, roughly, do
 19 we have left as far as the ones that were submitted?
 20 How close to the end are we, do you know, can you
 21 tell?
 22 (Inaudible response.)
 23 CHAIR SCHMITZ: So maybe we'll be less
 24 gabby so that we can be sure to get through all the
 25 questions.

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1 that's where a lot of people are going from, say,
 2 Aspen Grove across to Ski Beach.
 3 So we incorporated that into it. And I
 4 know that not only that added to the cost, we
 5 haven't really seen what that is, what that looks
 6 like. We've seen it at a high level, and that's
 7 pretty much where we're at.
 8 I believe it's on the long range calendar.
 9 It's supposed to come back in October or November,
 10 and we'll have an update at that point.
 11 MODERATOR MILLER: Thank you very much.
 12 This next one, I mentioned that there will
 13 be some personal questions your way. This one is
 14 directed for Trustee Schmitz: Update on your real
 15 estate status?
 16 CHAIR SCHMITZ: I am fulfilling my duties.
 17 I live in this community. I spend an inordinate
 18 amount of time serving the District being the Board
 19 Chair.
 20 I don't think that my personal life is
 21 appropriate to be an issue at a town hall. This is
 22 to discuss District business, and it does not and is
 23 not affecting my ability to serve the community.
 24 MODERATOR MILLER: Next question for
 25 Trustee Dent: Bobby Magee has left the District,

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1 how much money did that departure cost the District?

2 TRUSTEE DENT: Did the departure cost the

3 District? Separation agreement or something? It

4 didn't cost anything for him to leave the District.

5 Anyone else have anything to add to that?

6 TRUSTEE TULLOCH: Probably saved us money.

7 TRUSTEE TONKING: It was zero dollars.

8 MODERATOR MILLER: This one is one I

9 included earlier when it was directed at Chair

10 Schmitz. It says: You're leaving the Board in a

11 few months, name a couple of things that you're

12 doing during this year.

13 You've listed your accomplishments

14 earlier; correct? Any that you'd like to add to

15 this question, anything you'd like to add to this?

16 TRUSTEE DENT: My first seven years on the

17 Board, we had two chairs. My last two years on the

18 board, we've had two chairs, or last year and a half

19 on the Board, there have been two chairs.

20 I think it's really important for the new

21 board to rotate the chair. It's important for the

22 individual trustee to see what's going on within the

23 different departments, to work closely with staff.

24 And so I feel like that's been a huge

25 accomplishment.

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1 We're now going to have three chairs in

2 three years, and that was a conscious decision we

3 made and something we've been -- we've been talking

4 about probably five or six years, seven, eight

5 years. Trustee Calecrate and I used to always talk

6 about a rotating chair.

7 So I would say that would be an add to the

8 discussion we already had.

9 MODERATOR MILLER: Thank you very much.

10 Moving it over to Trustee Tonking. And

11 this one's says for Trustee Tonking, but I think if

12 anybody else has input on this, do share.

13 Why is the District moving away from

14 personal training services?

15 I didn't submit that one.

16 TRUSTEE TONKING: I don't know much about

17 this or have been informed that they are moving away

18 from personal training options. I have heard that

19 there have been spaces upstairs that may be no

20 longer be accessible for personal training, and that

21 is an operation's decision. As a board member, we

22 do not deal with the exact operations as to why that

23 choice was made.

24 CHAIR SCHMITZ: We will handle this

25 question like we did the golf course dog question,

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1 and that is we will ask staff to answer this

2 question and post it on the website.

3 MODERATOR MILLER: This next one could be

4 along those same lines. I'll let you decide.

5 Do you know what the plan is to replace

6 the Recreation Center manager who just retired?

7 TRUSTEE TONKING: I do not know what the

8 plan is to do that.

9 I know that we have -- our interim GM is

10 working also in the role of Director of Parks and

11 Rec, and will be making decisions that she's see fit

12 to instill the operations of the Rec Center once she

13 knows more.

14 MODERATOR MILLER: Moving right along.

15 This one for Trustee Schmitz: On the 4th

16 of July, Hyatt provided food at Incline Beach to all

17 beachgoers. Why was there no contract, why wasn't

18 it held where all community members to be served?

19 It says here, "Public records request made to date

20 show there was no contract."

21 CHAIR SCHMITZ: Sergio, do you recall?

22 Not all contracts came just to me, so, Sergio, do

23 you recall anything with this?

24 I know Bobby Magee by was working with the

25 Hyatt, but I am not aware, I'm not recalling. I

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1 think it was a community good gesture, and I think

2 it was good will because I understand that the

3 Hyatt, in order comply with their value system, he

4 didn't feel that the Hyatt could financially

5 contribute to the fireworks and was gracious and

6 offered this as an alternative to the District at no

7 cost.

8 And then on top of it, he was

9 accommodating enough, because originally the hours

10 of the hamburgers and hot dogs were going to overlap

11 the veteran's pancake breakfast by an hour, and they

12 at the last minute shifted their hours of operation.

13 They didn't reduce it, they shifted it so that it

14 didn't overlap with the pancake breakfast.

15 I think it was a wonderful example of

16 community spirit, and I think it was wonderful good

17 will. And in addition, I believe that the General

18 Manager Pasquale, he brought back local's Monday

19 night at the Loan Eagle Bar and Grille as well. He

20 has made a positive impact on the community.

21 I will investigate this to understand how

22 it was handled, but it was handled by our general

23 manager.

24 TRUSTEE TONKING: The only thing I was

25 going to say is looking back on it, at least for my

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1 opinion, it was a great opportunity, a great event,
 2 and very nice thing for the Hyatt to do.
 3 I would just have it located at maybe the
 4 Village Green or something else where all of our
 5 community could have had access to that, like our
 6 Crystal Bay residents who can't get into the beach.
 7 TRUSTEE TULLOCH: I would have had it
 8 publicized more. I found out it was going ahead the
 9 day before, and I insisted we actually publicize it,
 10 we have a publicity person. It hadn't been -- we
 11 hadn't publicized it anywhere in IVGID.
 12 MODERATOR MILLER: All right. Next for
 13 Trustee Tulloch: What are your top three goals for
 14 the coming calendar year 2025? Please be specific
 15 as to how you think it will benefit all community
 16 members.
 17 TRUSTEE TULLOCH: I'll continue to stick
 18 with my values and principles as I have in my two
 19 years to date. I've tried to stick very hard to all
 20 the campaign promises I made. I think I give myself
 21 a B-plus on that. I think I've been faithful to my
 22 word.
 23 I'll try to keep the community entertained
 24 as well. Somebody has got to make some jokes, we
 25 can't all be deadly serious. And I'm afraid you

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1 won't be able to change that from me.
 2 My goals are really is to make sure to get
 3 our finances in shape. That's -- we've been working
 4 hard on that. We've had a few missed steps and
 5 things along the way. I would say our finance team
 6 at the moment is working their butts off, they are
 7 working very hard to do things. That's -- I'm very
 8 gratified they've come looking for guidance and some
 9 advice on some things, just drawing on experience,
 10 which I think is a huge change.
 11 Some of our past fiance directors have
 12 actively discouraged them from doing that. We have
 13 a wealth of experience and abilities on the Board, I
 14 think it's important that staff should be able to
 15 access these.
 16 What else? Completing the pipeline. I
 17 think I'm -- I'm very proud of this board has got it
 18 moving. I'll also take some personal credit for
 19 renegotiating the contract and saving us something
 20 of the order of 2 million bucks on it by reducing
 21 the contractor fee. And that also fed through to
 22 reduce -- similar to reduce on the storage tank.
 23 That's been good.
 24 The team is working well on the pipeline.
 25 They are way ahead of schedule, losing a couple of

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1 weeks for Hot August Nights and the fires last week.
 2 That has disrupted that slightly, but the contractor
 3 is incentivized to get this done. Our sincere hope
 4 would be to try and finish it early so it only takes
 5 one more year. Can't promise that, but certainly
 6 we're pushing forward on that.
 7 I think just getting our finances in order
 8 and actually being realistic about what we're
 9 spending and where we're spending it and what we can
 10 afford to spend on things. I think that benefits
 11 all the community.
 12 It's -- one of the biggest issues in the
 13 community is you get the few small groups that are
 14 very vocal and just want what they want and what
 15 suits them best. I've tried to reach out to all the
 16 community. I've tried to base decisions on what's
 17 best -- what I believe is best for the community as
 18 a whole, not just for some supporters.
 19 It's -- keep hearing people saying, well,
 20 you're just doing someone else's bidding.
 21 Certainly not. Anyone that knows me will
 22 know I'm not very good at just responding that way.
 23 It's -- I'm an independent thinker and I've tried to
 24 be that way. I promise to keep doing that, trying
 25 to get the best result for the community as a whole.

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1 MODERATOR MILLER: And continuing with
 2 you, as chair of the Capital Investment Committee,
 3 please justify setting a beach facility fee which
 4 generates roughly 2.3 million with capital needs for
 5 4.25.
 6 TRUSTEE TULLOCH: Okay. Two separate
 7 things here. The Capital Investment Committee
 8 reviews the investment proposals before they go to
 9 the Board.
 10 One of the most important things about
 11 that is being able to iron out the issues in it.
 12 Something that's very frustrating for us, as a
 13 board, when we get presented with a proposal and
 14 there is many things missing from it, so many
 15 mistakes, that it comes in at the last minute, and
 16 you gotta keep bouncing and get behind schedule.
 17 I'm very pleased the Capital Investment
 18 Committee has now been actually giving feedback to
 19 staff on the initial proposal so when it comes to
 20 the Board, it should be just a straight through, all
 21 the questions should have been answered, and it's
 22 much easier is to get there.
 23 The Capital Investment Committee doesn't
 24 set the beach facility fee or any of the fees;
 25 that's set by the Board. Some people think that the

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1 Capital Investment Committee decides what projects
 2 we're doing; it doesn't. The Capital Investment
 3 Committee is really an investment committee looking
 4 to see that the plans put forward are viable and
 5 have answered all the questions.

6 MODERATOR MILLER: This one, next
 7 question, to Trustee Schmitz.

8 You were the leader in slashing the budget
 9 in 2024/'25, you recommend and got passed a
 10 recreation facility that generate roughly 50 to 75
 11 percent of the capital needs of the District. In
 12 '23/'24, you set only a beach facility fee and no
 13 rec facility fee. How do you wish to justify the
 14 intention -- let's see. Yeah, how do you wish to
 15 justify our facilities maintained and up to date for
 16 the past two years?

17 CHAIR SCHMITZ: First of all, Trustee
 18 Schmitz doesn't unilaterally approve the budget or
 19 the rec fee or the beach fee. It's called "the
 20 Board." The Board makes the decisions.

21 The Board did not slash anything.
 22 Actually this year, what we were really emphasizing
 23 is ensuring that we had funds in the budget
 24 necessary to maintain all of our venues. We
 25 discussed that meeting after meeting after meeting.

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1 Our capital projects were all funded. We didn't
 2 slash anything.

3 What we did is we were very thoughtful and
 4 we all instructed staff to bring back only capital
 5 projects that they believed, number one, were a
 6 priority for the Board, and also that had the
 7 capability of being delivered. Because, otherwise,
 8 all it does, as I mentioned earlier, overinflate the
 9 budget which overinflates the need for the rec and
 10 the beach fee.

11 So we, as a board, added beach fee
 12 this year because we did add -- no, we didn't have
 13 -- yes, we have 450 this year, and it is split
 14 between both. So we, as a board, decided that the
 15 beach fee would be set at an appropriate level to
 16 add additional funding for the Beach House, and we
 17 felt that that was being adequately funded. And we
 18 made sure that we had our projects adequately funded
 19 and that we ensured that had we all of the expenses
 20 in the budget to maintain our venues.

21 So this, to me, was intentional success of
 22 a budget, and the Board worked together and the
 23 Board passed this budget. I think that Trustee
 24 Tulloch abstained, but other than that, it was a
 25 four vote.

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1 I think the community needs to understand
 2 that one trustee has no authority to act alone, not
 3 at all. We only have the authority to act as a
 4 board in an open session at a board meeting. There
 5 seems to be a misconception about that.

6 TRUSTEE TULLOCH: I've got a bone to pick
 7 with my fellow trustees here. If we've slashed the
 8 budget, did I see a different budget?

9 The budget that I saw showed salaries and
 10 benefits that had grown 50 percent from 2022 over a
 11 three-year period, so I'm not sure how that
 12 classifies as slashing the budget.

13 TRUSTEE TONKING: I think there's a few
 14 different compounding issues in this area.

15 Chair Schmitz talked about our rigorous
 16 budget process and the issues we ran into. And I
 17 think it ended up passing three zero because Ray
 18 abstained and Trustee Dent was not there for our
 19 final decision. But it was probably meeting
 20 number seven.

21 The other difference is then we
 22 (inaudible) beach and recreation then approved that.
 23 That was a different vote. I believe it was
 24 three zero as well. Yeah. No, I didn't vote on
 25 that one. I don't know. Yeah. But, yes, the point

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1 being is those are two different issues that then
 2 compound.

3 And I think it is important, though, to
 4 make sure that when we are setting that beach
 5 facility and recreation facility fee that we are
 6 thinking about it, making sure it covers all of
 7 those capital needs.

8 That is something we need to ensure every
 9 time we look at that.

10 TRUSTEE DENT: For many years, the
 11 District's guilty of overbudgeting their costs and
 12 then underbudgeting the revenues, so then we were
 13 starting to collect all this extra money that ran up
 14 the fund balance. You can't just have money parked
 15 that you're not doing anything with, it violates NRS
 16 statute.

17 Over the last few years, we've --
 18 four years ago we knew about this, and we started to
 19 bring down the fee. That's why you've seen the fee
 20 come down incrementally over the last few years.

21 MODERATOR MILLER: Thank you very much.

22 This -- it says for Trustee Schmitz. We
 23 can open it up to all board members on this one. I
 24 was on the board for the Red, White, and Tahoe Blue,
 25 so I am happy to step into a different hat and help

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1 answer this question.

2 Red, White, and Tahoe Blue did not fulfill

3 the cleanup requirements as required in their

4 permit. This means our lake was not cleaned

5 completely up after the 4th of July fireworks. How

6 does this make you feel?

7 I'm happy to, again, help with this one.

8 CHAIR SCHMITZ: I appreciate that.

9 I just want to chime in and say -- some of

10 you may know, you may not, I -- myself and my

11 husband pick up a lot of trash wherever we go. When

12 we go hiking, when we are walking the beaches, when

13 I'm walking my goose dog on the beach, I'm also

14 meandering around because I'm picking up trash and

15 pieces of plastic.

16 So on the 5th of July, my husband awoke

17 earlier than myself and went down because he was

18 very concerned, seeing the crowd at the beaches the

19 night of the 4th, we were there, he was very

20 concerned about the condition of the beaches, and he

21 knew that we would have a rigorous day ahead of us.

22 He went down to the beach, unbeknownst to

23 me, and came home and set a ribbon, a curly ribbon,

24 about this big (indicating) on the table where I was

25 drinking my coffee. And I said, "What is this?"

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1 be a medical event out on the bike path that I

2 stayed for, then went back in and checked out the

3 beaches, and they were getting picked up. They were

4 looking pristine much later in the evening, again,

5 thanks to our staff.

6 But it's not just about the beaches; it's

7 about the water. So Lantis Fireworks, pyrotechnics

8 and fireworks, has always done our fireworks, they

9 have always come and produced them. What they pride

10 themselves in is biodegradable cardboard. So a lot

11 of fireworks companies wrap their fireworks in

12 aluminum foil; Lantis wraps their fireworks in a

13 biodegradable, special cardboard.

14 Not only do they do that, and that's one

15 of plethora of reasons they put on a good show, that

16 we use them, but at the same time, we also enlist

17 Scott Fontecchio, who is local, who has a nonprofit

18 SCUBA foundation called "Restoring the Lake Depths."

19 Now, he has incredible technology in going down to

20 depths of the lake with camera equipment and finding

21 microplastics and able to pick them up.

22 He went down with several of his divers

23 the very next morning and took a video with this

24 piece of equipment that he has. He came up with --

25 and I'm happy to post it on the Red, White, and

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1 And he said, "I found this at the beach." And I

2 said, "What do you mean?" And he said, "I walked

3 the entire beach. I found this one ribbon."

4 So we then, after coffee, walked down, and

5 I was astounded that the place that I left that was

6 packed the night before was tidy and picked up.

7 There wasn't a single beer cup laying there. So I

8 was quite impressed by the collaboration between

9 staff and Red, White, and Tahoe Blue.

10 And I don't recall a 5th of July beach

11 ever looking as good the day after than it did

12 this year. And I thanked staff, and I thanked the

13 efforts of Red, White, and Tahoe Blue.

14 I don't know where this particular issue

15 is coming from. And you're a board member of Red,

16 White, and Tahoe Blue, if it's acceptable to my

17 trustees, I'd like to ask for your response.

18 MODERATOR MILLER: Yes, I was on the board

19 of Red, White, and Tahoe Blue, and I'm going to step

20 into a different hat now and speak a little bit more

21 on that.

22 Correct, huge props to our IVGID staff for

23 getting out there immediately afterwards. As Red,

24 White, and Tahoe Blue board members, we were on the

25 beach. I was on their extra late, there happened to

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1 Tahoe Blue Facebook pages tomorrow. He came up with

2 two bottles and one aluminum can. He said that

3 there are no remnants of fireworks down at the

4 depths the lake.

5 Now he went around -- the barge had to be

6 off the water very early the next morning, but it

7 still had the buoys around it so we knew the

8 perimeter. Those divers did go down the next

9 morning and found the lake to be clear and clear of

10 any fireworks debris at all.

11 That's answer that question.

12 TRUSTEE TULLOCH: Maybe you can get the

13 golf balls next.

14 MODERATOR MILLER: Going to clean those up

15 and charge you for those.

16 Next: The most recent consultants report

17 stated a culture for the District should be set at

18 the top, which means the Board of Trustees, yet

19 there hasn't been a whisper of an agenda item to

20 date on this topic. Are you going to request one?

21 TRUSTEE DENT: I believe the culture of

22 the District should be set by the District's

23 number one employee, that being the general manager

24 and senior staff.

25 I would welcome and look forward to the

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1 new general manager having that leadership and could
 2 take our district forward.

3 CHAIR SCHMITZ: I want to add one thing,
 4 it was in public comment, and it was: What policies
 5 is the Board changing because of the RubinBrown
 6 findings?

7 And we have policies. What these reports
 8 identified is that they haven't been followed, and
 9 that it has been -- it start from the top. And we
 10 need to have a general manager who is supportive and
 11 assures that staff understands that they are to
 12 adhere to the Board's set policies.

13 So the top is the general manager; the
 14 Board is here as oversight.

15 MODERATOR MILLER: Thank you very much.
 16 Next, this one, directed towards Trustee
 17 Tulloch. You've been overheard expressing disdain
 18 for several IVGID employees, making disparaging
 19 comments during board meetings. Please be specific
 20 in explaining why you think this behavior might be
 21 appropriate and should be tolerated.

22 It would be interesting hearing some of
 23 those examples.

24 TRUSTEE TULLOCH: There's a big difference
 25 between questioning staff and asking them why

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1 something has gone wrong. That's not disparaging
 2 comments; that's just accountability.

3 We're employing staff and we look after
 4 staff well. We expect them to do their jobs. I
 5 don't think it's -- yeah, I've been accused, well,
 6 why are you asking them that?

7 Well, because that's the obvious thing to
 8 ask. Every business I've managed, you're expecting
 9 accountability. If something's not happening the
 10 way it supposed to happen, you ask questions. You
 11 don't just say, oh, that's okay. We'll just do
 12 that.

13 MODERATOR MILLER: All right. Thank you
 14 very much.

15 Trustee Tonking, you're back in the
 16 spotlight. Collaboration is the heartbeat of this
 17 community, and now IVGID is the least-favored
 18 partner within our community. What do you plan on
 19 doing if you're re-elected to improve the
 20 reputation?

21 (Inaudible comment from the Board.)

22 MODERATOR MILLER: Fair enough. Okay.
 23 Can you say that into the microphone, please.

24 TRUSTEE TONKING: It's a campaign-related
 25 question, and since we're sitting in an IVGID

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1 boardroom, I don't want to be getting in trouble
 2 with the Secretary of State. So I don't think I can
 3 answer that.

4 MODERATOR MILLER: For any trustee -- and
 5 you can do it in unison, I'll count you down -- can
 6 you recite the IVGID mantra mission vision and value
 7 statement?

8 TRUSTEE TULLOCH: Dare I say this, maybe
 9 something we should be reevaluating and looking at
 10 and updating at the same time as we update our
 11 strategic plan. I think a lot of these things are
 12 -- okay. This is not disparaging.

13 A lot of these things tend to be
 14 platitudes in the wishful thinking instead of having
 15 more purpose and actually more direction. I think
 16 it would be good for the new board to look at these
 17 at the same time as they look at the strategic plan.

18 You don't just stick with the same things
 19 from 20, 30 years ago.

20 TRUSTEE TONKING: I want to tell you that
 21 platitudes are also very helpful because they are
 22 good guidance and words of wisdom to try to follow,
 23 like be kind to others.

24 TRUSTEE DENT: One district, one team.
 25 Next question?

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1 MODERATOR MILLER: All right. Trustee
 2 Tonking, we have only a handful of long-term,
 3 experienced IVGID employees left within the ranks.
 4 They are the knowledge base of this district.

5 What do you plan on doing to ensure they
 6 are recognized and kept if they want to be working
 7 for the District?

8 TRUSTEE TONKING: I talked about this a
 9 lot as you see in a lot of our high-level staff and
 10 even people that have been at the District for years
 11 leave, that we're losing a ton of institutional
 12 knowledge, and we're losing a ton of people who do
 13 love the community and have provided a lot of great
 14 service to many of us over the years.

15 I think one of the questions, as a board
 16 member, that I've continued to ask and will continue
 17 to ask during my time on the Board is really what
 18 type of environment are we creating for our staff
 19 and how can we ensure that this is a place that
 20 people want to work for and want to continue to work
 21 for?

22 And I think it does truly come from the
 23 direction and the way that we handle ourselves as a
 24 board and how we treat staff in meetings, how we
 25 treat staff in our day-to-day interactions, and the

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1 type of environment that we do create for staff.
2 MODERATOR MILLER: Thank you very much.
3 This one, taking it back to the personal
4 side of things for Trustee Dent: These questions
5 were submitted, so we asked and it's rumored that
6 you're moving out of the District. Is it true?
7 When?
8 TRUSTEE DENT: (Inaudible) I've owned
9 property outside the District for many years.
10 MODERATOR MILLER: Question answered.
11 Thank you very much.
12 Next, Trustee Tulloch, have you made a
13 final payment to RubinBrown, and as a follow-up,
14 have they completed all their work?
15 TRUSTEE TULLOCH: Yeah, the final payment
16 outstanding to RubinBrown, they have -- I just
17 received the final -- the last -- the data that we'd
18 asked for. I apologize to my fellow board members,
19 I missed it in my email at the weekend, I do have to
20 distribute to them.
21 We haven't made that final payment yet.
22 They are still waiting for it. I think they've done
23 a good job. They've clarified a lot of things for
24 us, they've given us a lot of areas that we can --
25 that we know we need to address, areas that we

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1 done, but there is. And that doesn't -- if that
2 stops, then staff stops. So we need to keep things
3 moving forward.
4 Then can you come to the next one?
5 As Trustee Dent had pointed out, we have
6 -- I haven't blamed anyone. Actually what we did
7 blame was the fact that we -- prior boards had been
8 overbudgeting expenses, underbudgeting revenue,
9 over-collecting rec fee, and building up a 10- to
10 \$12-million excess fund balance for community
11 services. You can't do that, according to NRS,
12 without a plan of how you're actually going to spend
13 those funds.
14 So what we have done over the past few
15 years is we attempted a few years ago to actually
16 spend down fund balance, and what happened at the
17 end of the year is we still gained fund balance
18 because of how the budgeting was being done.
19 So we have been doing things very
20 thoughtfully, very purposefully, and it has not been
21 to the detriment of our venues or our staffing or
22 what have you. We've been very, very diligent about
23 making sure that we are directing staff to budget,
24 to have the appropriate budgets for maintaining our
25 infrastructure, maintaining our venues, and to fund

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1 should have been addressing for a long time,
2 perhaps, but we are working on it.
3 Yes, there is a final payment due to them.
4 TRUSTEE TONKING: I would also ask that
5 they come back before they pay them, but I've asked
6 every time. Just reminding you again.
7 TRUSTEE TULLOCH: I guess we're going to
8 have an off-the-record -- a side discussion on that.
9 MODERATOR MILLER: Trustee Schmitz, your
10 long range calendar appears as though you plan to
11 get a lot of things done before -- prior to your
12 departure. It is necessary?
13 And then this goes -- yeah, if it's about
14 sustainability of the facilities -- yeah, it goes
15 on, so it was stated in Nevada statute that it's
16 required action. If so, please identify the action
17 -- or the statute -- pardon me -- about the Board
18 reducing fees.
19 CHAIR SCHMITZ: Can you go back to the --
20 MODERATOR MILLER: Yeah. There you go.
21 CHAIR SCHMITZ: The District has a lot of
22 work to do. The District does not stop doing their
23 work, and I've been elected to complete my term.
24 I'm here to fulfill my duties, and I'm sorry if it
25 seems like there's a lot of district work to be

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1 the capital projects that the Board and staff has
2 decided to do.
3 I don't know where there's this
4 misconception, but the Board has been doing good
5 work to try to rectify how things had been done in
6 the past, and they were done inappropriately.
7 TRUSTEE TONKING: Sergio, can you do us a
8 favor at some point and find the statute on that? I
9 wasn't sure if it applied to GIDs. I know it
10 applies to school districts, but I haven't seen one
11 on reserves spending for GIDs.
12 Thank you.
13 MODERATOR MILLER: All right. Move on
14 to -- at 8:23, good timing -- questions that were
15 submitted this evening. I think we can just --
16 there we go.
17 I heard IVGID's responsible for the grass
18 dying on the football field at Incline High School.
19 What happened and what can be done about the grass
20 dying?
21 CHAIR SCHMITZ: We don't have a written
22 agreement of what the maintenance is, and it's been
23 being done for, I've heard, 20 years.
24 This is a perfect example of not following
25 policy and not having appropriate contracts because

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1 without a contract, who is liable? What is the
 2 scope of the service to be provided? What is it
 3 that we need to do?
 4 To clarify, the reason why the grass died
 5 is because the high school expansion project was to
 6 include changing the field to artificial turf. The
 7 cost came in, and the donor who was funding that
 8 project identified that the costs were too high, and
 9 it was removed from the project.
 10 So without a scope of work, without any
 11 sort of written agreement, what is it that staff is
 12 liable to do and what risk and liability does the
 13 District take on if suddenly we're out there
 14 reseeding, doing things to a football field that's
 15 not -- it's not our asset? It's the Washoe County
 16 District's asset.
 17 So this particular situation, I'm so glad
 18 it came to light because now our interim General
 19 Manager is meeting with the vice principal of the
 20 high school to sit down and talk about what has been
 21 the practice, what has been done. And she will be
 22 bringing it back to make a decision of whether this
 23 is something that the District wants to continue
 24 doing, and if so, to have a written agreement so
 25 that we all understand the terms of the contract and

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1 the liabilities related to it.
 2 I give credit that this -- I'm glad this
 3 came out, and I look forward to interim General
 4 Manager working to bring a contract or a decision to
 5 the Board in the near future.
 6 TRUSTEE TULLOCH: I think this is a
 7 classic case where in the past, IVGID's been just --
 8 the provider of last resort, oh, the high school
 9 football pitch is overflowing, it's dying, can IVGID
 10 go and fix it?
 11 And we've gone and fixed it at the expense
 12 of there. The actual agreement, the only agreement
 13 I've seen is that Washoe County School District is
 14 responsible for the field. And the grass was dying
 15 off because the water had been turned off to the
 16 sprinklers during the construction work.
 17 I think it is very clear, and anyone who
 18 looks at their property tax bill will see that 35 to
 19 40 percent of your Washoe County property tax bill
 20 goes to Washoe County School District. And it is --
 21 and I actually have a property tax bill, I could
 22 tell you it does.
 23 So, yes, we can't just be rushing in to
 24 fix everything for everyone. All that does is
 25 decrease the resources to maintain our own

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1 facilities and look after our own community.
 2 MODERATOR MILLER: Anyone else on that?
 3 TRUSTEE TONKING: I thought the other
 4 issue was because of the construction, people were
 5 unable to access the area, and there was water main
 6 issues occurring too.
 7 I will also say, growing up here and
 8 having gone to many games on that football field,
 9 there is a lot of grading issues that happen, and
 10 there's either flooding or dying of grass all the
 11 time. That's probably something the county needs to
 12 look at in general.
 13 MODERATOR MILLER: Good insight.
 14 Next one: Can we get an update on the
 15 general manager hiring process? Did the RFP go out?
 16 Do you feel our best foot forward is to hire staff
 17 we need ourselves?
 18 CHAIR SCHMITZ: On our agenda for October
 19 9th, we will be receiving information about the
 20 general manager candidates that have submitted to
 21 date, and the Board will be making a decision about
 22 what they want to do going forward, whether they
 23 want to schedule interviews, what have you. The RFP
 24 for management services did go out as well, and that
 25 too is on the October 9th meeting.

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1 The Board will be seeing the responses and
 2 be making decisions about what they want to do with
 3 that on the 9th. I think that the Board is going to
 4 make a decision of how the Board wants to move
 5 forward on the 9th, that will be an exciting
 6 meeting.
 7 MODERATOR MILLER: Next -- two minutes --
 8 what's the status of our request to Washoe County
 9 for the loaned financial and accounting resources?
 10 TRUSTEE TULLOCH: The request has been
 11 made, there's -- staff are discussing with Washoe
 12 County, is my understanding.
 13 We don't get involved in operational
 14 day-to-day matters like that. That would be
 15 micromanaging.
 16 CHAIR SCHMITZ: What will happen is Washoe
 17 County, the request will be in writing to Washoe
 18 County. That request in writing hasn't yet gone
 19 out, but there has been discussion. And then Washoe
 20 County will respond with what they have available
 21 and what the cost would be.
 22 That will come to the Board for the Board
 23 to make a decision on. That is not yet scheduled.
 24 I don't believe we have that sitting on our long
 25 range calendar as of yet, but that's the process

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1 that will be handled.

2 MODERATOR MILLER: With respect to

3 everyone's time and our word, it is 8:29, do you

4 want to cram one more question in or are we going to

5 wrap this town hall meeting up?

6 CHAIR SCHMITZ: How many more questions do

7 you have?

8 MODERATOR MILLER: This is the part that

9 people submitted tonight. I don't know. It is 8:30

10 right now, so, yeah.

11 CHAIR SCHMITZ: If it's okay with the

12 people whose questions didn't get asked, please

13 write the Board, write us your question. I think

14 all of us are responsive to email -- I see some hand

15 signals. Four questions are left. Are you okay

16 with doing four questions?

17 Okay. Then we will go ahead and finish it

18 up.

19 MODERATOR MILLER: Thank you.

20 After the election, who is responsible for

21 moving and disposing of all the candidate yard signs

22 after the election?

23 CHAIR SCHMITZ: I think candidates are

24 responsible for removing their own signs. And the

25 signs that were put up by the PAC, the PAC is

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1 responsible for removing those signs.

2 MODERATOR MILLER: Perfect.

3 Second question out of four: I understand

4 you're privatizing services related to the

5 management of various aspects of services, such as

6 food and beverage or the golf courses, but does not

7 imply the sale of recreational property or sale of

8 the facilities; is this correct?

9 CHAIR SCHMITZ: The Board is looking for

10 external resources to help resolve some of these

11 long-standing issues. It's very difficult for staff

12 to run day-to-day operations and at the same time

13 implement internal controls and change processes and

14 what have you.

15 So the Board is looking and considering

16 outside assistance to support staff. That's not

17 privatization; it's the reason why you outsource

18 specific resources. It's not -- I shouldn't have

19 even used the word "outsourcing" because it's not.

20 It's using resources from an external

21 expert to help us dig out of the hole that we're in,

22 and we are in need of that.

23 MODERATOR MILLER: Question three: The

24 Board directed \$1.2 million to be cut from the park

25 and rec budget for '24/'25 fiscal year. This

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1 resulted in all CIP and maintenance being cut from

2 the Rec Center. Is it the position of the Board to

3 allow the Rec Center and other Parks and Recreation

4 facilities to fall into despair so they can be torn

5 down or is there another reason to refuse

6 improvements and maintain maintenance to the

7 community assets?

8 CHAIR SCHMITZ: I don't want to sound like

9 a broken record, so would someone else like to

10 answer this question?

11 TRUSTEE TONKING: I can actually answer

12 some of this question. We didn't take anything out

13 of the repairs and maintenance line. That was a big

14 thing we did when we were looking at this.

15 There was areas that there were cuts, and

16 given that -- with our financial director at the

17 time not knowing what was in every line item and how

18 they were made up and how they varied from year to

19 year, it was impossible to know what was being put

20 into our budget.

21 And so there were cuts that were made

22 because we just did an inflationary increase, but

23 also making sure there was areas that we kept the

24 same that staff had recommended. And so I think

25 that's just like one lense that it wasn't put into

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1 the maintenance area.

2 TRUSTEE DENT: To further add to that,

3 there were cuts to the proposed budget for this

4 fiscal year. There was an increase in the budget

5 for this year when it comes to Parks and Rec. And

6 at a minimum, it increased by eight percent.

7 TRUSTEE TULLOCH: I'll actually add to

8 that. We actually added a new line item in the

9 budgets this year. Additional maintenance funds for

10 work that was supposed to have been done before and

11 which had been budgeted for before that hadn't been

12 done, we added an additional line item in the budget

13 for that, which came to quite a significant amount

14 across all the venues.

15 So, yeah, I do find that rather

16 disparaging.

17 MODERATOR MILLER: Question four of four:

18 Did the District consider rotating kayak and

19 paddleboard storage space? For example, two- or

20 three-year lease for a spot versus keeping the

21 current allocated ad infinitum policy?

22 TRUSTEE DENT: I would just say that is a

23 great thing for operations to consider, and it

24 allows everyone an opportunity to have access to the

25 kayak and paddleboard spaces.

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1 But I don't necessarily think that's
 2 something the Board should be working on unless,
 3 say, a survey goes out and 70 percent of the
 4 community says we need to do this.

5 CHAIR SCHMITZ: These types of decisions
 6 are made by staff. And if there's something that
 7 the Board needs to consider or decide or approve,
 8 then it comes to the Board.

9 But these types of decisions are made by
 10 the staff.

11 MODERATOR MILLER: All right. There you
 12 go. I want to thank you all very much for attending
 13 tonight, everybody on live stream as well.

14 For each one of you, for all of your
 15 input, I learned a lot tonight, and I appreciate all
 16 you've done for our district.

17 We still have --

18 CHAIR SCHMITZ: I want to thank you on
 19 behalf of the Board, Kristin. I want to thank you
 20 for all of your talent here tonight and for being
 21 willing to assist facilitating and moderating this
 22 meeting. It's been very productive, and hopefully
 23 the community found it positive. Thank you.

24 And thank you to staff for setting this
 25 all up. It's very cozy and much more comfortable to

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1 sit in these chairs than at our board meeting
 2 chairs.

3 The final agenda -- actually, we have two,
 4 but the final right now is closing public comments.
 5 Again, we're going to limit it to two minutes, so
 6 please keep that in mind when you start your
 7 comments.

8 F. FINAL PUBLIC COMMENTS

9 MS. KNAAK: Thank you. Yolanda Knaak.
 10 Just to be clear, the Troon proposal was
 11 the IVGID Board doing its due diligence. They have
 12 to look at all options. And so they are looking at
 13 all options in finding help with getting a new
 14 general manager. And that's why they took a look at
 15 the Troon proposal.

16 I was disappointed by the nastiness of the
 17 recall, and I'd like to ask the nastiness to stop
 18 moving forward. Let's ask questions of candidates
 19 instead of putting words in their mouth. Let's
 20 bring our community together, and let's respect each
 21 other.

22 Also, I want to make a comment about the
 23 Incline Beach. What we really need is more
 24 restrooms. I'm not talking about outhouses or
 25 whatever you want to call them. I'm not -- I think

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1 that that's more important right now rather than an
 2 expensive kitchen.

3 I'd also want to say that I agree with
 4 Matthew Dent's comment, if we can't -- you know,
 5 we're losing a lot of money on the food and
 6 beverage. I'm not -- I'm opposed to outsourcing our
 7 recreation, but if we can't at least come close to
 8 meeting our expenses for the food and beverage, even
 9 if we don't make it so we're even, I think that we
 10 should look at having someone come in and have them
 11 pay us to provide the food and beverage.

12 I also want to thank the Board for the
 13 pipeline. In the past, there were several leaks,
 14 they didn't go into the lake, but they did go into
 15 our forest. And so I want to thank the Board for
 16 the pipeline work that they've done.

17 Thank you so much.

18 MR. DOBLER: Hello. Cliff Dobler, 995
 19 Fairway.

20 Back in October 2022, because it was a new
 21 engineering staff, they decided to spend \$409,000
 22 with DOWL corporation, which was to develop a
 23 utility infrastructure master plan for the next five
 24 years. The report wasn't received until 18 months
 25 later in April of this year, and the action, believe

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1 it or not, was to receive and file. That was it.
 2 Receive it and put it into the basket.

3 Now, the DOWL system, if you looked at the
 4 five-year report, the sewer system, they're
 5 suggesting needing \$16.65 million. We only had
 6 \$7,267,000, so we're only short \$8,798,000. On the
 7 water side -- it gets even worse. On the water
 8 side, DOWL suggested 36 million. We only had 11
 9 million in the budget, so we're only short
 10 23,551,000. Combined, the five-year plan doesn't
 11 include 32,349,000.

12 Now, what's interesting is they had close
 13 to six weeks to take this report and adjust the
 14 five-year capital plan; they did nothing. I don't
 15 know if this is just being buried because it's bad
 16 news, or are we actually doing something that would
 17 be proper to justify keeping our utility system in
 18 order?

19 This is a shame. It's a dirty shame, and
 20 I hope somebody takes some action on it.

21 Thank you.

22 MR. WRIGHT: Frank Wright, candidate for
 23 the board.

24 I think tonight was very positive. I
 25 think there's an awful lot of really, really good

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1 questions and some excellent answers. I think the
 2 community is starting to understand where we are
 3 financially, where we are as far as capital
 4 improvements and what are capabilities are.
 5 I think they also understand now that --
 6 and the people that may be listening probably
 7 understand too -- we have a lot of work do to, it's
 8 gotta be done with the community's involvement, it's
 9 gotta be done with positive efforts. We gotta stop
 10 the lies and the funny stories that are coming out
 11 because it just takes away from what we really need
 12 to accomplish. And, hopefully, that will happen.
 13 I think the anger and the animosity that
 14 was created from the recall effort is past us. I
 15 think we need to identify who those people were and
 16 try to avoid them at all costs.
 17 It's really been an interesting process to
 18 sit here and watch this go on, and as we go forward,
 19 whether I get elected or not, I'm willing to work
 20 with you guys and do whatever we have to do to make
 21 our community whole and to make everybody get along
 22 with everybody else because that's the only way
 23 we're going to survive.
 24 We keep this going on that's been going on
 25 -- it's gotta stop. It really does. And I've been

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1 saying this for 14 years, and finally the RubinBrown
 2 report validated everything I was saying. I'm
 3 sorry, I was right. Not only my last name, but I
 4 was right anyway.
 5 Thank you.
 6 MR. SCHULTZ: Joe Schultz, Putter Court.
 7 I want to thank the Board for having this
 8 town hall meeting. I hope they continue after the
 9 new board is elected.
 10 On the other hand, I'm saddened,
 11 disappointed, and somewhat appalled about the very
 12 personal nature of some of the questions that were
 13 directed to individuals. And some of the way the
 14 questions were worded that were inaccurate, to say
 15 the least.
 16 Anyhow, thank you very much for putting
 17 this on.
 18 CHAIR SCHMITZ: Thank all of you for you
 19 attendance.
 20 MS. MORRIS: Thank you very much. I just
 21 wanted to say that I love Music on the Beach, and I
 22 was at the last one and I heard that there might not
 23 be Music on the Beach next year.
 24 I was wondering if you guys had any
 25 information on that?

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1 CHAIR SCHMITZ: Music on the Beach is
 2 sponsored by Incline Spirits, and I have not heard
 3 that Incline Spirits has any intention of any
 4 changes.
 5 MS. MORRIS: What they said was that they
 6 thought that IVGID would not allow them to do it
 7 next year.
 8 So it sounded like -- I don't know why
 9 they said that, and that's why I bring it up.
 10 CHAIR SCHMITZ: Trustee Dent made a good
 11 point. Perhaps that was coming up because of
 12 potential construction next summer.
 13 There's been no discussion, decision, no.
 14 It could just be yet another rumor.
 15 MS. MORRIS: Thank you.
 16 TRUSTEE TULLOCH: Even if there's
 17 construction, we can find another place to do it.
 18 We can't shut the beaches down completely for a year
 19 for construction, I think.
 20 MS. LUNDY: Hi. (Inaudible) Lundy.
 21 Unfortunately, the diving board was a
 22 casualty of the proposed budget, the actual budget
 23 for this coming year. If we were to do, like, some
 24 kind of -- either specific community members or
 25 whatever, paying for that, it being, like, and IVGID

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1 facility, but having this thing that was not paid
 2 for, necessarily, by IVGID or through its funding,
 3 is that, like, a possibility to try to jump start
 4 that and get it done outside of this kind of
 5 timeline? Or is it really just you have to wait for
 6 the budget to come in next year?
 7 Oh, I guess this is a question. Sorry.
 8 CHAIR SCHMITZ: It is, but I'm going to
 9 take the liberty.
 10 It was part of a bigger project for the
 11 pool, and so the pool decking has to be replaced, if
 12 I remember correctly. It is in the budget and it is
 13 in the project, but it was being timed with a bigger
 14 scope of project.
 15 I'm sorry that it's being delayed, but it
 16 hasn't been nixed; it's just been identified as part
 17 of a larger project that had to be properly
 18 scheduled. It was just one of those scheduling
 19 things, is my recollection.
 20 It's still there. It will be getting
 21 done. I believe it's on the next year's capital
 22 plan.
 23 TRUSTEE TULLOCH: That was my
 24 understanding. Didn't want to spend 10 million or
 25 whatever it was on the diving board and then have to

1 rip it out again to replace the pool deck. It just
 2 made no sense.
 3 MS. LUNDY: It's only 12,000 for the
 4 board, and they only need to do the decking right
 5 under the board in order to do it. So it's not 10
 6 million, and it doesn't have to be bundled with the
 7 deck. That's why I was kind of interested.
 8 CHAIR SCHMITZ: Any other comment?
 9 G. ADJOURNMENT
 10 Seeing none, I will adjourn the meeting.
 11 It appears to be 8:47. Thank you all so very much.
 12 (Meeting ended at 8:47 p.m.)
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1 STATE OF NEVADA)
 2 COUNTY OF WASHOE) ss.
 3
 4 I, BRANDI ANN VIANNEY SMITH, do hereby
 5 certify:
 6 That I was present on September 24, 2024,
 7 at the of the Board of Trustees public meeting, Town
 8 Hall, 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 118 pages,
 15 inclusive.
 16 DATED: At Reno, Nevada, this 7th day of
 17 October, 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 54

Invoice Date: October 7, 2024

Payment Due: October 24, 2024

Amount Due (USD): \$1,058.00

| Items | Quantity | Price | Amount |
|---|----------|----------|----------|
| Base fee September 28, 2024 BOT Town Hall meeting | 1 | \$350.00 | \$350.00 |
| Per page fee Confidential transcript, July 26, 2023 BOT meeting | 118 | \$6.00 | \$708.00 |

Total: \$1,058.00

Amount Due (USD): \$1,058.00

At the August 6 Board of Trustees meeting, Harry Swenson, a candidate for the Board, spoke positively about the potential outsourcing of the hiring and management of the GM. He stated that [quote] "I believe the Board should give this [Troon] proposal their utmost consideration. The proposal reveals depth of knowledge of our community challenges in both financial and leadership areas. The proposal supplies a continuous consulting for our challenges over a three-year term that appear very cost effective." The majority of public speakers who followed Harry that night opposed this idea.

At the 9/11 BOT Harry said lies were being spread about him. We know of no lies. We do know that EVERYONE is highly concerned about where he really stands on the issue. How could he even consider Troon to manage

our GID when they have no experience with public works or managing a ski resort. Let's get real.

Swenson has now changed his stance on the Troon proposal as he quickly realized that was not going to win him votes during this next election.

Voters should do their research and ensure they fully understand what the candidates really stand for - both past and present.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL SEPTEMBER 24,
2024 MEETING – AGENDA ITEM C – PUBLIC COMMENT – BUSINESS
AS USUAL – THREE (3) MONTHS INTO FISCAL YEAR 2024-25 AND
OUR COMMERCIAL FACILITIES SALES BUSINESS HAS ALREADY
LOST NEARLY \$400K!**

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 evidence we've done nothing to cut the unacceptable losses in our facility sales department. Resulting in another nearly \$400K loss since the beginning of the current 2024-25 fiscal year. And that's the purpose of this written statement.

Open.Gov is Back Up And Running: Or is it? For nearly two (2) years Open.Gov has been non-operational and/or not up to date. And why is this of note? Because we were told that using the Open.Gov tool we would be able dig as deep into the weeds as desired to learn the particulars of our financial reporting system. But recently Judy discovered the tool is back up and running. And presumably, we can dig into the District's financial reporting weeds.

So with that said, I decided to learn what improvements we've incorporated into our facility sales department. And as you will see, the answer is **NONE!**

My September 21, 2024 E-Mail to The Board²: Because I learned that for less than the first three (3) months of this fiscal 2024-25 year we've generated nearly \$400K of losses attempting to run a commercial "for profit: (or in our case loss) facilities sales business, on September 21, 2024 I sent the Board an e-mail wherein I outlined the particulars. And these numbers didn't even include the expense of central service cost allocations. Once this expense is included, I'm certain we will be at well over \$400K! And counting. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

Conclusion: This staff behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because the ends justify the means and staff refuses to excise wasteful endeavors such

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

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

as this one. As I've pointed out so many times before, these examples are all the "red flags" of a criminal syndicate³. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

Besides forthwithly taking the action requested, I must ask 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 (for the)...district is not complying with the provisions of...any...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 appointment of a receiver... or, (d) determine by resolution that management and organization of the district will remain unchanged?" Don't you think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district?

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

³ 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)."

EXHIBIT "A"

Guess How Much We've LOST Operating a Facility Sales Business Since July 1, 2024? Bueller? Bueller?

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" <a7rmtmail@gmail.com>, "Tulloch Ray" <tulloch_trustee@ivgid.org>, "Crocker Karen" <kmc@ivgid.org>, "Mick" <homan4ivgid@gmail.com>, "Michelle" <jezycki4ivgid@gmail.com>, "Mick" <homan4ivgid@gmail.com>
Subject: Guess How Much We've LOST Operating a Facility Sales Business Since July 1, 2024? Bueller? Bueller?
Date: Sep 21, 2024 4:50 PM

Chairperson Schmitz, Other Honorable IVGID BOT members, and candidates Mick, Michelle and Harry -

So open.gov is now up and partially running. For the first time in two years.

So Judy attempted to secure financial information for our facility sales business. And she was successful! And guess what she learned?

Since July 1, 2024 our crack sales team has generated \$9K of gross revenues. And over \$372.5K of net operational losses! For Facility Sales. \$237.8K of which is assigned to personnel costs. Can you believe?

So I asked Judy if these financials evidence the amount expended on utilities? And she replied yes. Over \$11K!

So what does this mean?

I've attempted to show so many times before, we charge essentially nothing to use the Chateau and Aspen Grove. Regardless of our published pricing. We use facility rentals as a loss leader to disingenuously prop up food & beverage sales.

Why are we engaged in a business like this? Why are we paying two individuals to be facility sales employees at a salary of close to \$100K/each plus benefits?

Who's directing this ship? Where are our internal controls? And why try to convince me this is another one of our valuable recreation amenities associated with having an IVGID? Which requires involuntary subsidy by the Rec Fee?

I'm sure we're going to hear some excuse from our clueless interim GM which demonstrates these numbers are wrong. They might be wrong. But that's what is reported from open.gov when one puts in the query. And if we can't get accurate numbers, for whatever the reasons, why do we have another worthless expensive tool? Bueller? Bueller?

You and your staff have obviously learned nothing from my previous comments. That means you're guilty of insanity according to Einstein.

So how are you going to fix this disaster brothers Mick, Michelle and Michaela as my friend Hulk Hogan would ask?

It's crap like this which needs to be shut down immediately! Yesterday isn't fast enough. And I've just identified two employment positions which need to be terminated just as fast. And probably a third because our Communications

Coordinator didn't see fit to send out a press release alerting the community to this sad state of affairs.

And you wonder where your Rec Fee goes? And how this waste and mismanagement equates to a valuable amenity which props up our property values according to Whiner Riner?

I keep telling you it's essentially everything our wonderful staff do. Everything! This place is nothing short of a disaster waiting to register.

Respectfully, Aaron Katz