

1  
2 INCLINE VILLAGE  
3 GENERAL IMPROVEMENT DISTRICT  
4 BOARD OF TRUSTEES  
5  
6  
7  
8  
9 TRANSCRIPT OF HEARING  
10 PUBLIC MEETING  
11 Live and Via Zoom  
12  
13 Held at the Boardroom  
14 893 Southwood Boulevard  
15 Incline Village, Nevada  
16  
17 Wednesday, July 31, 2024  
18  
19  
20  
21  
22  
23  
24 Reported by: Brandi Ann Vianney Smith  
25 Job Number: IVGID 48

1 APPEARANCES  
2  
3 **BOARD MEMBERS PRESENT**  
4 SARA SCHMITZ, CHAIR  
5 MATTHEW DENT, VICE CHAIR  
6 MICHAELA TONKING, SECRETARY  
7 RAY TULLOCH, TREASURER  
8 DAVE NOBLE, MEMBER  
9  
10  
11 **ALSO PRESENT**  
12 SERGIO RUDIN, LEGAL COUNSEL  
13 HEIDI WHITE, DISTRICT CLERK  
14  
15 -o0o-  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 INDEX  
2 PAGE  
3 A. PLEDGE OF ALLEGIANCE 4  
4 B. ROLL CALL OF TRUSTEES 4  
5 C. INITIAL PUBLIC COMMENTS 5  
6 D. APPROVAL OF AGENDA 28  
7 E. REPORTS TO THE BOARD  
8 E 1. Treasurer's Report 30  
8 E 2. Forensic Due Diligence Audit 40  
9 F. CONSENT CALENDAR 44  
10 F 1. Meeting Minutes 6/12/2024  
10 F 2. Meeting Minutes 6/26/2024  
11 F 3. Meeting Minutes 7/10/2024  
12 G. GENERAL BUSINESS  
12 G 1. Practice 6.2.0 45  
13 G 2. Policy 8.1.0 66  
13 G 3. Policy and Procedure 142,  
14 Resolution No. 1898 73  
14 G 4. Policy 138, Resolution No. 1849 82  
15 G 5. Sewer Pump Station No. 16 Motor  
15 Repair 91  
16 G 6. Professional Ski Racer Lila  
16 Lapanja 92  
17 I. LONG RANGE CALENDAR 104  
18 J. BOARD OF TRUSTEES UPDATE 109  
19 K. FINAL PUBLIC COMMENT 110  
20 L. ADJOURNMENT 111  
21  
22  
23  
24  
25

1 Incline Village, Nevada - 6/31/2024 - 6:00 P.M.  
2 -o0o-  
3  
4  
5 CHAIR SCHMITZ: Good evening. It is  
6 Wednesday, July 31st, I'm calling to order the IVGID  
7 Board of Trustees meeting being held here at 893  
8 Southwood Boulevard in Incline Village, Nevada.  
9 We'll begin with the Pledge of Allegiance.  
10 A. PLEDGE OF ALLEGIANCE  
11 (Pledge of Allegiance.)  
12 CHAIR SCHMITZ: Thank you. Moving on to  
13 the roll call of trustees.  
14 B. ROLL CALL OF TRUSTEES  
15 CHAIR SCHMITZ: Trustee Dent?  
16 TRUSTEE DENT: Here.  
17 CHAIR SCHMITZ: Trustee Noble?  
18 TRUSTEE NOBLE: Here.  
19 CHAIR SCHMITZ: Trustee Tulloch?  
20 TRUSTEE TULLOCH: Here.  
21 CHAIR SCHMITZ: Trustee Tonking?  
22 TRUSTEE TONKING: Here.  
23 CHAIR SCHMITZ: And myself, Sara Schmitz,  
24 here. Moving on to initial public comments.  
25

5

1 C. INITIAL PUBLIC COMMENTS

2 MS. GURSKY: First I want to say thank you

3 for listening to my granddaughter speak at your last

4 meeting. Unfortunately, she's not able to be a

5 speaker tonight. But I just want to remind you,

6 we're a family that's been here in Incline for

7 18 years. And I just want to reiterate some of

8 what's been going on with us with the IVGID passes

9 and kind of explain what the current system with

10 Ordinance 7 means to us.

11 Before I do that, I do want to do a thank

12 you to Michaela for reaching out to me and talking

13 to me about the way we're feeling, and also to Harry

14 Swenson because he spent quite a bit time talking to

15 us about the problems we're facing. He's currently

16 running for the school board.

17 The way Ordinance 7 is set right now for

18 our family, we have five household picture cards

19 with full access, and that's what we've always had

20 in the 18 years we've been here. We don't have an

21 issue with this. These go to the golfers in our

22 family.

23 Okay. Then under Ordinance 7 right now,

24 we have three -- we could have two -- Picture cards

25 with being able to get into the beach, but not being

6

1 able to have any guests. And so these three cards

2 are going to myself, an owner, to the other female

3 owner, and to my daughter-in-law, the daughter of

4 the other owner. We can't get our own grandchildren

5 into the beach. And if we come up to here to Tahoe

6 with our friends, we can't get them into the beach

7 either. And I know we can have punch cards, but we

8 can have two for the entire beach season, and those

9 two passes will allow ten guests into the beach for

10 the entire summer, and they're not renewable.

11 Then I became aware that you have a

12 situation where you can allow a place like Incline

13 Lodge for their guests who are not Incline

14 homeowners or members of this community, they --

15 each person that stays in their hotel can have four

16 passes to the beach. If you multiply 38 rooms times

17 4, they can technically have 152 non-residents on

18 the beach, and the other day they were completely

19 full.

20 So my suggestion is that you have those

21 three cards back in the way they were so that we can

22 get guests into the beach, and that you also have a

23 special card, just like you had a special card for

24 them, to allow the extended members of our family to

25 be able to pay at the beach and have their guests

7

1 come into the beach also.

2 And just a little quick thing about your

3 family tree, the yellow is what our family -- what

4 we have on your level one of the family tree. We do

5 not having any living parents, the owners don't, we

6 have -- that's it, so thanks. And we did buy

7 tickets to support scholarships.

8 MR. DOBLER: Cliff Dobler, 998 Fairway.

9 On Sunday, I sent to each you a memo on

10 poor budgeting and lack of board approval for

11 several capital projects. I hope you have read it

12 and can see a total lack of internal controls. Here

13 are some additional items needing attention:

14 In June, 2021, awhile back, it was

15 discovered that all interest earned from cash

16 deposits at the recreational venues and utility

17 funds were being reported as general service

18 revenues. As a result, 490,000 was improperly

19 accounted for in the general fund. The Audit

20 Committee requested that the interest earned for

21 2019 and 2021 be reclassified. It was never done.

22 In 2020, the District was required to

23 repair approximately 1,000 linear feet of effluent

24 pipeline, costing 1.2 million, and to install air

25 pressure relief valves, costing 643,000, both

8

1 required to satisfy requirements of an order by the

2 Nevada Department of Environmental Protection.

3 These improvements are abandoned and should be

4 charged off.

5 In 2022, several design costs of 1.2

6 million were capitalized. Under recommendations

7 from Moss Adams, these costs should have been

8 expensed and treated as prior period adjustments.

9 To avoid immaterial misstatement, IVGID staff

10 classified only 800,000 as current operating

11 expenses, which was improper, thus falsifying the

12 financial statements.

13 In fiscal 2023 without the required NRS

14 board approval, the general fund lent the internal

15 services fund 585,000, which has not been repaid.

16 If February of 2023, IVGID staff reported

17 all carryover projects as restricted funds. Any

18 restriction must have board approval which was not

19 obtained. In addition, no 14 in the CAFR misstated

20 the restriction as unrestricted. I don't know why.

21 For several years, IVGID staff has failed

22 to report the facility fee for the community

23 services and beaches as non-operating revenue, but

24 has continued to report such fees as operating

25 revenues in violation of GAAP and the Moss Adams

9

1 recommendations.

2 In April of 2025, IVGID staff provided a

3 revised budget of 8.1 million for the effluent

4 storage tank. The Army Corps of Engineers is

5 providing a 5.7 million grant, leaving IVGID

6 responsible for only 2.4 million. In 2023, the

7 IVGID budget was 3 million, so the 600,000 of excess

8 budget should have been returned to fund balance.

9 The largest unresolved issue are the 30

10 memorandums on accounting regularities which I had

11 produced during my Audit Committee tenure.

12 Resolutions have not been done. I attached the

13 letter I sent to you on Sunday.

14 CHAIR SCHMITZ: I have a question for my

15 fellow trustees. Did anyone receive Mr. Dobler's

16 email?

17 TRUSTEE TULLOCH: I did.

18 CHAIR SCHMITZ: I need to follow up

19 because yours is now the second email that I found

20 out that I did not receive.

21 TRUSTEE TONKING: Mr. Dobler's email was

22 having problems going through my email about

23 six months ago. I would reach out to IT.

24 CHAIR SCHMITZ: I will follow up. If you

25 could, when you acknowledge, then I know that I

10

1 missed things. I have not seen the email.

2 MR. ABEL: Michael Abel, 900 Southwood.

3 My comments today are to address the

4 question of why do we need a Board of Trustees when

5 IVGID staff does whatever the heck they want?

6 Fact: For the Mountain Golf cart pathway

7 renewal project, the staff, without any Board

8 approval, spent \$102,000 over the authorized budget

9 amount for that project. This by unapproved

10 contract amendment. The budget for the Mountain

11 Course tree removal and cart paths was \$550,000.

12 Taxpayer cost: 1.5 million.

13 Again, no Board approval of a huge cost

14 overrun of almost \$1 million.

15 Let's talk about the effluent pipeline.

16 Way back in 2010, the Board authorized water rate

17 increases of 2 million a year for the project with

18 then-estimates of the replacement then costing 23

19 million. The Army Corps of Engineers said build a

20 new parallel pipeline in the roadway, but our

21 brilliant boards run by Callicrate, Wong, and, yes,

22 even Mr. Dent here, diddled around for years with

23 the ideas like slip lining and co-location in a new

24 bike pathway. Bottom line, the pipeline which

25 should have been finished in 2020 is still underway

11

1 at a cost of 500 -- 55 to \$60 million.

2 Our little condo association down the

3 corner here has seen our water bill go this month

4 from about \$500 a month to \$788. Plus from what

5 I've heard in the grapevine, we can expect the

6 association's bill to go to 1,000 within two years.

7 Oh, yes, and what about Mr. Magee's

8 wonderful barbecue for employees? As his swan song,

9 Magee arranged for his pal in California to spend

10 \$17,000 on an employee luncheon at Diamond Peak.

11 Plus we had to pay Mr. Magee's buddy, Collett, an

12 additional \$4,800 in travel costs. As if his

13 overblown salary was not enough, he had to sick it

14 to the taxpayers even more. Do I smell corruption

15 here, Mr. Magee? I would love to be a fly on your

16 wall looking at your recent bank statement,

17 Mr. Magee.

18 In the wake of the RubinBrown report, the

19 staff under Ms. Heron issued a 16-page report in an

20 apparent attempt to trash the damning findings in

21 the report and blow smoke up the anal tract of our

22 trustees. But the report remains as a solid

23 testimony to corruption and fraud at IVGID staff's

24 dishonesty.

25 You folks diddle around on nonsense like

12

1 the stupid Lila Lapanja this evening while your

2 staff and Magee spend millions blowing smoke up your

3 posteriors.

4 And, you, Ms. Tonking, and Mr. Noble, do

5 you and your candidate friends have the desire to

6 fix the IVGID mess? No.

7 And you, Ms. Schmitz, why don't you just

8 quit now? With your home listed for sale and your

9 future investment in our community apparently at

10 zero, your legacy is to leave us with --

11 (Expiration of three minutes.)

12 MS. MILLER: Good evening.

13 Facility fees should be for facilities.

14 Please throw to whole convoluted document on the

15 pricing policy away and start over. The plan for

16 pricing for the District venues is ridiculously

17 complex, inconsistent, and unfair. It memorializes

18 the flawed concept promoted by GM Bill Horn of using

19 a EBITA, that's earnings before interest, taxes,

20 depreciation, and amortization, to measure financial

21 performance, setting facility fees to cover

22 depreciation and amortization, and only a suggestion

23 that operating revenues cover the remainder of

24 expenses -- and remember, no taxes -- and, of

25 course, they never do.

13

1           Guess Horn never heard Warren Buffet's  
 2 criticism of EBITA. Does management think the tooth  
 3 fairy pays for capital expenditures? No way. Also  
 4 he says if you look at all the companies and split  
 5 them into companies that use a EBITA as a metric and  
 6 those that don't, I suspect you'll find a lot more  
 7 for fraud in the former group. Hum.

8           Yet that is, in essence, what IVGID is  
 9 still doing to set user fees. It places the burden  
 10 of all capital expenditures plus any deficiency in  
 11 operating revenues on the property owner, not the  
 12 tooth fairy, whether or not they use the venue. It  
 13 perpetuates the lack of incentive to make our venues  
 14 run efficiently. It makes a venue that serves many,  
 15 like ski, subsidize the costs of a venue that serves  
 16 a relatively few: golf.

17           We could simplify this whole thing by  
 18 adjusting prices to market rates and giving Picture  
 19 Pass holders a consistent discount off that rate  
 20 whether it's golf, ski, facilities, the Rec Center,  
 21 the beaches. Just our way of saying thank you for  
 22 funding all these venues.

23           In the private sector, these businesses,  
 24 if they're well run, manage to make a profit. Our  
 25 businesses don't have to pay taxes, no property tax,

14

1 no income tax. They don't have to pay or charge  
 2 sales tax on goods they buy or sell. Knowing that  
 3 IVGID's costs are substantially lower than its  
 4 competitors, they should easily be able to charge  
 5 fees even with resident discounts that result in  
 6 breakeven or profitable financials. Parks may be  
 7 the one exception, and should be limited in funding  
 8 to what's provided by group rentals and fees and  
 9 IVGID's nearly \$4 million in property and C taxes.  
 10 As you know, the enterprises have to reimburse  
 11 anything they use.

12           We deserve efficient use of the facilities  
 13 we've funded. Let the market determine user fees  
 14 and give an equitable discount across all IVGID  
 15 venues. If the District can't survive without  
 16 facility fee subsidies, something is terribly wrong  
 17 with the way the venues are operated.

18           MR. KATZ: Good evening. Aaron Katz,  
 19 Incline Village. I have several written statements  
 20 I've given over to the table there to be submitted  
 21 and included in the written minutes of this meeting.

22           Well, what's wrong with the District?  
 23 Everything. Absolutely everything. I'll speak of  
 24 three subjects.

25           First one I call "freebies for another

15

1 taker in our community who refuses to pay the cost  
 2 to recreate here like the rest of us," because she  
 3 wants to represent another country in the winter  
 4 Olympics. Thank you, Slovenia. And the fact that  
 5 Paul Raymoore gives her the time of day and then  
 6 concocts disingenuous arguments in support bodes for  
 7 his termination. By the way, he's going around town  
 8 telling people he's the director of marketing when  
 9 he's not the director of marketing. So whoever he  
 10 hobnobs thinks he's more important than he really  
 11 is.

12           Turns out, we didn't need Tim Kelly  
 13 either. I've heard he's left the Rec Center. Turns  
 14 out, we didn't need Ronnie Rector either. I've been  
 15 informed she's gone from Public Works. And tonight  
 16 I heard -- I hope you'll verify this, Sara -- that  
 17 Pandora Bahlman's going. If that's true, I mean,  
 18 we're doing a hell of a job in getting rid of the  
 19 poor employees we've had here for decades, and maybe  
 20 now we can start cleaning things around.

21           Which leads me to Susan Herron. Her  
 22 little stunt with this memoranda trying to  
 23 marginalize the RubinBrown report. Who does she  
 24 think she is? Who told her to do this? Who is  
 25 supervising her? She deserves to go.

16

1           And now we turn to Mr. Magee, who I had  
 2 all these positive hopes for, and his \$25,000  
 3 barbecue. I don't know what happened, but here's  
 4 what I'm guessing, it's only a guess what happened:  
 5 This guy Collett is a buddy of his, they're both in  
 6 an organization of Pit Masters in Kansas City, and  
 7 his buddy needed some cash, so Mr. Magee told him,  
 8 well, here's an opportunity for you. So they  
 9 provided a barbecue dinner, I'm guessing is worth  
 10 about \$7.50 and charged us \$50, and we paid \$25,000  
 11 out of our rec fee.

12           We got people who can't afford insurance.  
 13 You've doubled the water bill. Your taxing us  
 14 400,000 on trash. People that play golf won't even  
 15 play at the Champ Golf anymore because it's too  
 16 expensive. You've overpriced The Grille and  
 17 destroyed the menu. You gave away \$10,000 of our  
 18 rec fee for fireworks, and I get a buck-sixty-seven  
 19 hamburger at the beach. There's something really  
 20 wrong here. Fix it.

21           Thank you.

22           MR. NOLET: Chris Nolet, full-time  
 23 resident, former chair of the IVGID Audit Committee  
 24 through February of '24.

25           I want to comment on the RubinBrown fraud

17

1 report tonight. One of the major problems with the  
 2 report that we raised during the scoping process  
 3 when I was still on the Audit Committee is they  
 4 never defined fraud, but yet they concluded they  
 5 didn't see any. Well, that's utterly ridiculous.  
 6 So they identified 16 areas of high risk  
 7 of potential fraud and abuse. That's staggering.  
 8 And they said there was no tone at the top with  
 9 regard to leadership to mitigate these risks. That  
 10 more than validates what some of us said last  
 11 summer.  
 12 And for anyone, including Mick Homan, to  
 13 say that a \$7-million difference between book and  
 14 the bank recs is not fraud is utterly  
 15 unconscionable, CapEx, as Mr. Dobler has been saying  
 16 for years, unable to reconcile the ledger to the  
 17 general ledger.  
 18 Mick, last year, said I was spreading  
 19 hysteria. The findings from this report are much  
 20 worse than I ever suggested. So, Mick, I accept  
 21 your apology.  
 22 With these findings, there's likely no '24  
 23 audit, as I suggested a couple meetings ago, there's  
 24 likely no '23 audit being completed.  
 25 Any of these assertions I'm making

18

1 tonight, if I'm wrong, please correct me, and I'll  
 2 be happy to correct my public comments in the  
 3 future.  
 4 As I explained during two tutorials  
 5 last year, the fraud definition that everyone should  
 6 have been working with was statement of auditing  
 7 standards number 99, auditor's consideration of  
 8 fraud in a financial statement audit. Of course  
 9 these results represent fraud under that standard.  
 10 And Michaela can validate that at some future date  
 11 with you on a private session.  
 12 But to say -- as many have said, well,  
 13 there's a lot of risk of fraud but there isn't any  
 14 fraud it is utterly ridiculous.  
 15 I'd also like to point out that in  
 16 February of 2024, I suggested very strong in a very  
 17 difficult phone call with some of the board members,  
 18 at least one, that promoting Bobby to GM and  
 19 promoting Adam Cripps to acting DOF was going to  
 20 result in both of them failing, which here we are,  
 21 they have. I don't know where Adam is. Maybe he's  
 22 on a LOA, but certainly the zero-based budgeting  
 23 process was a debacle, to say the least.  
 24 In conclusion, I said on March 28th, 2024,  
 25 there will be no '23 audit and likely no '24 audit,

19

1 so please work with Jennifer Farr, squeeze this  
 2 conclusion out of her, and save your money.  
 3 And as far as the management rebuttal  
 4 went, completely unacceptable, but it wasn't vetted  
 5 with the General Manager.  
 6 And I'll just point out lastly -- I guess  
 7 I won't point out lastly.  
 8 Thank you.  
 9 MR. SWENSON: Good evening. My name's  
 10 Harry Swenson. I'm a candidate for trustee in this  
 11 community. I'm a full-time resident and live on  
 12 lower Tyner.  
 13 I come to the Board to bring to your  
 14 attention something that is potentially affecting  
 15 everyone in our community that enjoys a good meal at  
 16 our local restaurants. For some reason, our  
 17 long-standing restaurants like Bite, Crosby's, and  
 18 many others are being required to replace their  
 19 grease traps to a tune of 100- to \$200,000. This  
 20 will potentially force some of our favorite  
 21 establishments to close.  
 22 I know that Washoe County has required new  
 23 restaurants to update their grease traps during the  
 24 original permitting process, which is a cost of  
 25 doing business and understood cost. But to force an

20

1 existing restaurant, small business, with an  
 2 unexpected 100- to 200,000 bill can be devastating.  
 3 I think we need to be more judicious in saddling our  
 4 existing businesses with a huge, unexpected cost.  
 5 And I know that our local businesses work very hard  
 6 to stay afloat, and I would hate to lose any of the  
 7 limited places we have to dine for this reason.  
 8 I hope you can find ways to mitigate this  
 9 impact.  
 10 Thank you for your time.  
 11 MS. JEZYCKI: Good evening. Michelle  
 12 Jezycki, full-time Incline resident and candidate  
 13 for IVGID trustee.  
 14 I wanted to take a moment to comment on  
 15 the Policy 142, res 1898 on personnel management.  
 16 Reading the policy was both insightful as well as  
 17 ironic, particularly Section E on retention and  
 18 valuing a long-serving staff, and D, intervening  
 19 with personnel matters that are in the jurisdiction  
 20 of the GM.  
 21 Now as to the recommendations being made,  
 22 I think having a board member on the interview panel  
 23 of a senior management position makes good sense.  
 24 I'm curious if removing the mention of a senior  
 25 management team was intentional as the edits have

21

1 cleaned the policy of the term entirely. Is the  
 2 senior management team no longer going to exist?  
 3 As an HR professional myself, I'd say  
 4 requiring senior internal positions to be posted  
 5 externally as well as internally can be an  
 6 inefficient practice and is not transparent,  
 7 particularly to an outside candidate if we, indeed,  
 8 have a viable and strong internal candidate. Such  
 9 practice can dissuade future external applicants  
 10 from applying to future opportunities.  
 11 Of greatest concern about the updates  
 12 being recommended is the right of the Board to  
 13 override or veto the GM on these hire selections. I  
 14 believe this sends the wrong message to the GM. If  
 15 we hire a qualified GM, there shouldn't be an  
 16 issues, especially when having a trustee or trustees  
 17 sitting in on interview panels.  
 18 I would also be curious to know if the HR  
 19 department had the opportunity to review the comment  
 20 on those recommendations. If not, again, I would  
 21 lean on your professionals in that office for items  
 22 such as this. It seems to me that there are more  
 23 edits that need to be made before this is ready for  
 24 a vote. The justification says it does not change  
 25 the role of the GM. I disagree. Particularly

22

1 having the GM report on all versus major personnel  
 2 issues.  
 3 Regarding food and beverage agenda item,  
 4 yes, the Beach House needs a facelift. We all know  
 5 this. It's been discouraging to see the project go  
 6 from 4 million to ballooning to to 16-plus. I think  
 7 we need to go back to the drawing board. We don't  
 8 need a sitdown restaurant or a cafe. As the stats  
 9 in the report today show, it operates for less than  
 10 90 days a year or three months out of year. It  
 11 doesn't make a sound investment.  
 12 The food truck idea seems a bit late on  
 13 the game and impractical given the cost outlined in  
 14 the limitations of such an operation.  
 15 We do need to bring the kitchen up to date  
 16 with new, perhaps more efficient appliances, greater  
 17 ventilation for the staff, and perhaps additional  
 18 storage for supplies to make the operation more  
 19 efficient.  
 20 I understand we hired a food and beverage  
 21 consultant shortly after Mr. Sands was hired. I  
 22 would be curious to hear what he or she had to say  
 23 as it pertains to the Beach House concessions.  
 24 The bathrooms, I believe, are the same  
 25 ones we used when we moved here in the 70s, and

23

1 clearly need updating and reconfiguring to maximize  
 2 the space and number of people it accommodates.  
 3 I'd like to see the District drop the  
 4 access gate idea altogether. We don't need to lock  
 5 people out, particularly in the winter, which is  
 6 when this idea was broached as a recommendation.  
 7 Thank for you your time, and I wish you a  
 8 productive meeting.  
 9 CHAIR SCHMITZ: Are there any other public  
 10 comments here in the room? Seeing none, do we have  
 11 any online?  
 12 MS. KNAAK: Hi. Yolanda Knaak, full-time  
 13 resident, Incline Village.  
 14 I just wanted to -- first of all, I was  
 15 very unhappy to hear about the \$7-million deficit at  
 16 the audit. I think we need to really look at the  
 17 management of our funds. Very disappointed in the  
 18 mismanagement.  
 19 I do want to thank the three people that  
 20 voted for that audit, Chair Schmitz, Vice Chair  
 21 Dent, and Trustee/Treasurer Tulloch. I want to  
 22 thank you.  
 23 Also, as we start thinking about who we're  
 24 going to vote for IVGID trustee, we need to look at  
 25 people that will manage the finances of our IVGID.

24

1 Thank you so much. Bye.  
 2 MR. WRIGHT: Frank Wright, Crystal Bay.  
 3 I'd like to speak about the dissertation,  
 4 the letter, or the rebuttal of the forensic audit  
 5 report by our staff. Let me try to clear up and  
 6 make it very clear as to how this came about. Bobby  
 7 Magee is on vacation, let's take advantage of the  
 8 situation as a staff. Susan Herron, a cancer in our  
 9 society, concocts this long letter, she wheels in  
 10 some unknowing and unsuspecting management team  
 11 members, and they put together this absolutely pile  
 12 of garbage trying to defuse how important the audit  
 13 really is and how much damage the audit really has  
 14 done to this district.  
 15 The audit has exposed everything that I  
 16 have been saying for 12 years, 12 years I've been on  
 17 this, telling people that this place is upside down,  
 18 so poorly run, it's just not right, and we need to  
 19 fix it.  
 20 We need trustees who understand that they  
 21 are here to manage our district and get the most  
 22 value for the dollar for all our residents.  
 23 The problem we have is we elect these  
 24 trustees who have self-serving motivations, they  
 25 want to represent the golfers, and the golfers put

25

1 forward these people who have no business being  
 2 trustees because they have no interest in doing what  
 3 is right. They have interests in only keeping the  
 4 gravy train rolling for themselves.

5 We have people that run for office who do  
 6 not belong in the trustee position, any size, shape,  
 7 or form, they're not capable, not qualified, and  
 8 they don't understand what's going on. They come  
 9 out of nowhere and somehow get the golfers and the  
 10 golfers wives and all the people that are  
 11 interesting in maintaining the stealing of the  
 12 golfers' tee times and the low golf rates, they put  
 13 these people in power.

14 Well, if you keep doing that, community,  
 15 we're going to keep ending up with trustees who are  
 16 not too bright.

17 Ms. Herron, after she got her report  
 18 finished, she calls a community member, and he asks  
 19 for a public records of that report so he could post  
 20 it on social media. I believe that is collusion  
 21 within the District to undermine the trustees,  
 22 undermine the report, undermine our district, and  
 23 our General Manager should fire her on the spot for  
 24 participating in something like that and organizing  
 25 it. It was her alone that did this.

26

1 As far as the audit and our money that's  
 2 missing, well, I wonder went it all went to. How  
 3 are we going to find out, Mr. Noble? Are we going  
 4 to have a real big investigation, Mr. Noble?

5 The people who show up and speak against  
 6 those who know what's going on are all recruited by  
 7 Susan Herron.

8 (Expiration of three minutes.)

9 MR. SIMON: Hi. My name is Jay Simon. I  
 10 live on Golfers Pass Road here in Incline.

11 I want to make a few comments on the  
 12 Board's club policy discussion at the last meeting.  
 13 First, as to Trustee Dent's statement referring to  
 14 golf clubs as "the current free-for-all we have," I  
 15 have to take issue with that statement.

16 First, the relationship between the golf  
 17 course and golf clubs is one of the best and most  
 18 mutually beneficial public/private partnerships I've  
 19 seen. The organization and administration of golf  
 20 clubs by management at the golf course and  
 21 volunteers of the clubs is outstanding.

22 Second, as to Trustee Schmitz's comment  
 23 that first we need to determine what problem we're  
 24 trying to solve, begs the question: Is there really  
 25 a problem?

27

1 I agree there is some cleaning up to do as  
 2 to new clubs and a few other items, but, quite  
 3 frankly, you guys are making this much more work  
 4 than necessary.

5 Last, I need to stop the perception that  
 6 golf clubs are getting advantageous pricing. Club  
 7 members pay the same prices as other Picture Pass  
 8 holders and utilize staff services at a level  
 9 consistent with the number of rounds they're buying.

10 On another topic, I have a few comments on  
 11 the pricing policy you're discussing tonight. To  
 12 me, this is extremely theoretical, and I don't know  
 13 how you can implement this policy without modeling  
 14 out the numbers. Also, as they say in accounting,  
 15 garbage in/garbage out, so it can only be used if  
 16 the underlying data is accurate.

17 Finally, on page 277 of 348, Trustee  
 18 Tulloch, I think, is proposing to change resident  
 19 golf course pricing to the full cost of services  
 20 from operating costs. This is a big change, and you  
 21 have to model all this out or you'll have no idea  
 22 what you ultimately are voting on.

23 Thank you.

24 MR. BELOTE: That was our public comment  
 25 in the Zoom queue.

28

1 CHAIR SCHMITZ: Thank you. That will  
 2 closeout agenda item C. Moving on to D.

3 D. APPROVAL OF THE AGENDA

4 CHAIR SCHMITZ: Are there requests for  
 5 changes to the agenda?

6 TRUSTEE TULLOCH: I'd like to request  
 7 items F 5 and F 6 to be moved from the consent  
 8 calendar. I have a couple questions about them.

9 CHAIR SCHMITZ: Any other? I have a  
 10 couple of things as it relates to item 6. I, too,  
 11 would like to have that moved, so you and I are in  
 12 alignment there. We're going to move it to the last  
 13 agenda business item.

14 MR. MAGEE: I just wanted to make a couple  
 15 of comments on G 2. I wanted to note that Assistant  
 16 Director of Finance Cripps is not here tonight, and  
 17 so I'm a little unsure of what this item  
 18 particularly is because I have not been able to  
 19 reach him.

20 If the Board wishes to have some  
 21 discussion about that, you can certainly leave that  
 22 on there. I would suggest we push that item back to  
 23 the next meeting as well.

24 And then also, Mr. Sands is not here  
 25 tonight, and I am recommending that the Board pull

29

1 item G 5, as he would not be able to make his  
 2 presentation or answer any questions and push that  
 3 to the next meeting as well.  
 4 CHAIR SCHMITZ: How about item 6? If  
 5 you're doing that with 5, are you doing that with 6?  
 6 MR. MAGEE: That item has -- yes, we're  
 7 also recommending that one being moved to a future  
 8 agenda.  
 9 CHAIR SCHMITZ: I'll summarize this the  
 10 best I can when I have all of this in.  
 11 Are there any other recommendations for  
 12 changes?  
 13 Seeing none. To your point, Mr. Magee, on  
 14 the capitalization policy, I would like to leave it  
 15 just for a brief discussion by the Board because I  
 16 know there's some items that we had all given  
 17 feedback on before you and Mr. Cripps were here, so  
 18 it's an opportunity to hear from the Board.  
 19 But in instead of -- what will do is we  
 20 will defer item 5 and item 6, we'll defer those to  
 21 an upcoming meeting.  
 22 And then as it relates to consent item 4,  
 23 did you, Trustee Tulloch, did you request -- I'm  
 24 requesting that that be deferred. The reason why  
 25 I'm requesting it's deferred is because in speaking

30

1 with legal counsel, the contracts are not included.  
 2 And it is the policy that all contracts are brought  
 3 before the Board, so that item does not -- it is not  
 4 complete.  
 5 In addition, I've asked for staff to  
 6 provide the '23/'24 numbers so that we can see a  
 7 comparison to know how much things have increased.  
 8 Let's hope, maybe, there's some decreases. So I  
 9 would like to defer F 4 as well.  
 10 We will move F 5 to general business --  
 11 we'll put that to the end of general business. That  
 12 will be general business 5, and then 6, consent item  
 13 6 will be general business 6.  
 14 Is that acceptable to the Board and to the  
 15 General Manager? Yes? Okay.  
 16 E. REPORTS TO THE BOARD  
 17 E 1. Treasurer's Report  
 18 Seeing those changes, we will move on to  
 19 reports from the Board. The treasurer's report  
 20 pages 5 through 35 of the Board packet, and the  
 21 floor is yours, Trustee Tulloch.  
 22 TRUSTEE TULLOCH: There was a couple  
 23 amendments to the treasurer's report that have been  
 24 issued as supplemental material. Just moving  
 25 through the report, can you pull up on screen, Matt?

31

1 MR. BELOTE: I'm going off of the website.  
 2 That's what I have access to.  
 3 TRUSTEE TULLOCH: Interesting, as we  
 4 identified and commented on several times during the  
 5 budget multiple meetings, yet again, our payroll  
 6 expenses are significantly exceeding budget.  
 7 Eleven months into the year, we're now running  
 8 1.3 million ahead of budget on payroll expenses. I  
 9 think that's an extremely worrying trend. It's  
 10 something we've asked the General Manager and  
 11 accounting staff to focus on this year, because it  
 12 appears there has been no effort to actually control  
 13 payroll costs, which was one of the major areas.  
 14 We set budgets for payroll costs for a  
 15 reason, yet looking at the graph here, we're  
 16 consistently exceeding the payroll budget.  
 17 If you move on to the next slide, this is  
 18 showing the monthly expenses. As you can see, our  
 19 total expenditures this month, between disbursements  
 20 and payroll, is 4.7 million, that's basically our --  
 21 that almost ties in, and you can see the total level  
 22 of expenditure.  
 23 Next page, here you see what I'm saying.  
 24 We've spent 24.767 million on payroll, year to date,  
 25 for 11 months, and bear in mind this is to just the

32

1 end of May, against a budget of 23.4 million. Quite  
 2 a discrepancy. It's 5.5, 6 percent straightaway.  
 3 You can see expenses, our expenses, year to date, as  
 4 well.  
 5 Our investments, next page, total market  
 6 value of 36.2 million at the moment. Monthly  
 7 interest and dividends, 141,000, and we're also  
 8 collecting 55,000 a month on interest on our  
 9 operating account. Which we've been doing for  
 10 six months, I think.  
 11 MR. MAGEE: I think it's been at least  
 12 six months. It may have been a little longer than  
 13 that. I'd have to look into that.  
 14 TRUSTEE TULLOCH: We're previously been  
 15 left without being invested. It's not  
 16 insignificant. It's over a quarter of a million,  
 17 300,000, we've made, year to date, based on this,  
 18 which is all well and good.  
 19 Moving on to page 12, this is -- this is  
 20 where I noticed it was wrong because this suddenly  
 21 changed from last month's report. This is just  
 22 showing -- this looks great, but it's just showing  
 23 expenses, purely expenses against revenue. It's not  
 24 showing depreciation, it's not showing capital. It  
 25 actually looks much more favorable. I'm sure there



33

1 will be some candidates that will jump on this,  
2 look, we're making money. No, we're not. If anyone  
3 cares to look at the revised version, you will see  
4 where we're way behind on it.

5 Moving on to the next page, on the  
6 breakdown of expenditures. Again, you can see that  
7 we're running -- on salaries and benefits, we're  
8 running well ahead of budget, which is not a good  
9 thing in this case. This isn't sales; this is  
10 expenses.

11 Interesting -- to me the most interesting  
12 thing is when we look at the next chart, the  
13 operating expenses, this is, first glance, looks  
14 really good. Our venues are all working hard to  
15 keep expenses down. Unfortunately, that's been used  
16 to cover payroll costs instead, and as we saw during  
17 the budget process, we heard all the different  
18 venues and all the different departments complaining  
19 that they didn't have money to do all the repairs  
20 and fix all the things that were meant to do.  
21 Perhaps because it's been spent on payroll instead.  
22 That would be my observation from this. There is  
23 plenty of expenses. They are underspending on  
24 expenses, but it doesn't help if it just goes out in  
25 payroll and then ask for extra money.

35

1 has been going on red hot with people telling me,  
2 "You've got to sack these people. You've got to  
3 fire these people. You've got to stop it. You've  
4 got to take some action because they're spending  
5 money on things they do."

6 And then I see some misguided people and  
7 ill-informed people on social media saying, well,  
8 this is all Treasurer Tulloch's fault. He's not  
9 fulfilling his fiduciary duties. Well, actually the  
10 audit covered the period 2020 to 2023 when I was not  
11 treasurer. I was treasurer for five months and  
12 actually implemented the audit when I found these  
13 issue. Just to respond to that. I'm not going to  
14 dignify some of the social medial crap with actually  
15 responding to --

16 CHAIR SCHMITZ: Could you just stick to  
17 the report, please.

18 TRUSTEE TULLOCH: What I would say -- I've  
19 also been asked: Why are you not reviewing these  
20 procurement transactions?  
21 That's not the treasurer's job. I expect  
22 our managers, all these procurement card  
23 transactions, we have a policy, it should be signed  
24 off with full details, it should be signed off by  
25 managers. I would expect every one of our managers

34

1 Appendix A shows all the disbursements  
2 greater than 50,000. We've written 610,000 this  
3 month on checks greater than 10,000.

4 Appendix D, again, that has been  
5 corrected. It's gone -- for some reason, it went  
6 back to ordering by check number instead of actually  
7 by vendor name. If people want to look at where all  
8 the money is going, it's very interesting to look --  
9 we've now done it by -- collated it by vendor so you  
10 can see which vendor it's going.

11 Various different ones, with the absence  
12 of Assistant Finance Director Cripps, I've  
13 highlighted various expenditures. I'm looking for  
14 follow-up information on but I don't have it at this  
15 stage. I've also asked finance if we can -- to help  
16 us in tracking down what some of these things are  
17 and identifying what some of these are to provide  
18 the department that is originating these  
19 expenditures as well. Some of them are  
20 self-evident; they're not all self-evident. We're,  
21 hopefully, getting an update on that for next  
22 month's.

23 I then turn the Appendix C, the  
24 procurement card transactions. Now, I should say  
25 since the audit was published, my phone and my email

36

1 to look at all these transactions and to comply with  
2 the policy.

3 I would also question why we have 93  
4 procurement cards for 140 full-time staff. It seems  
5 excessive.

6 But I would encourage anyone that's got  
7 concerns about procurement transactions to look  
8 through the treasurer's report, look through all  
9 these transactions, and feel free to file any  
10 requests for what they're for.

11 Thank you.

12 TRUSTEE TONKING: I'm going to tell you to  
13 stay off social media, Trustee Tulloch.

14 Looking at page 8 and 9, actually just  
15 really the tables on 9. I think you need to -- or  
16 if you could, add the budget numbers either to the  
17 graphs or to this table, because you're stating that  
18 the excess in salary is what is covering this  
19 difference in budget, and it's not -- the difference  
20 doesn't look correct to me. I don't have the actual  
21 numbers so I'm not going to call you out on that  
22 statement.

23 And then the other thing is for operating  
24 expenditure, just make sure it's says "operating  
25 expenditure," in an asteric without salaries and

37

1 benefit so people don't get confused. You can see  
 2 it when you read the numbers, but I think at a  
 3 glance, it's a little optically confusing.  
 4 TRUSTEE TULLOCH: Thank you. Yes, it's  
 5 still a work in progress. We're still trying to  
 6 work it. Unfortunately this month, we had to do  
 7 some corrections.  
 8 I appreciate the feedback.  
 9 CHAIR SCHMITZ: Any other questions?  
 10 I have a couple of questions for General  
 11 Manager Magee. This is goes back to when we were  
 12 all working on the original Moss Adams report back  
 13 in 2020, and the issue about interest being credited  
 14 to the general fund instead of the fund that  
 15 actually has the investment.  
 16 Has that been changed? This is tying back  
 17 page 10.  
 18 MR. MAGEE: Yes, that has been corrected.  
 19 And it is currently being corrected. I personally  
 20 verified that within the past few months.  
 21 CHAIR SCHMITZ: Then my next question is  
 22 does staff have access or know how to access data  
 23 that would show them how they're exceeding their  
 24 budget in certain areas so that they're able to take  
 25 corrective action?

39

1 is the status of that? What was the reason for it,  
 2 and what -- when did that ever come before the  
 3 Board?  
 4 MR. MAGEE: I don't recall off the top of  
 5 my head. I remember having this discussion several  
 6 months ago, and I would need to follow up on that  
 7 one in order to appropriately respond. I can  
 8 certainly send the Board an off-agenda memo, if you  
 9 would like.  
 10 TRUSTEE TULLOCH: General Manager Magee,  
 11 how quickly do we expect to close the first month,  
 12 close the month now to be able to produce results?  
 13 MR. MAGEE: I'd have to ask the finance  
 14 team.  
 15 Our goal is obviously to close it within  
 16 the first eight to ten days of to following month.  
 17 TRUSTEE TULLOCH: We should be able to --  
 18 I would like to be less embarrassed in reporting the  
 19 previous months by the end of the next month,  
 20 instead of reporting two months --  
 21 MR. MAGEE: Understood. And I'll  
 22 communicate that to the finance department tomorrow.  
 23 CHAIR SCHMITZ: Any other questions or  
 24 comments?  
 25 Seeing none, we'll move to to E 2.

38

1 MR. MAGEE: Yes.  
 2 As the Board is aware, when we first  
 3 transitioned the Tyler Munis system, we had some  
 4 issues with the transition and training of how to  
 5 use that system as well. The data was not good at  
 6 the time, and managers were not able to see the bad  
 7 data because they were not trained on how to pull  
 8 that data out.  
 9 And so we have since corrected that, and  
 10 all of the directors, as well as interested line  
 11 staff, have been trained on how to pull that data.  
 12 I expect moving forward we will able to provide  
 13 reports back to the finance department and to the  
 14 General Manager.  
 15 As I've stated in the past, theoretically,  
 16 sometime in late August or early September, you're  
 17 going to start seeing our monthly budget reports,  
 18 month to actuals, and we will be able to pull all  
 19 that data and start providing those reports to the  
 20 Board. That will begin with this fiscal year  
 21 starting -- July 1st through July 31st would be our  
 22 report.  
 23 CHAIR SCHMITZ: And my last follow-up  
 24 question, this issue about the general fund having  
 25 loaned \$500,000-and-some to internal services, what

40

1 E 2. Forensic Due Diligence Audit Activities  
 2 CHAIR SCHMITZ: Verbal report on  
 3 activities related to the forensic due diligence  
 4 audit.  
 5 Mr. Magee, the floor is yours.  
 6 MR. MAGEE: I wanted to provide the Board  
 7 with a brief verbal report on what is being done on  
 8 some of these items. As Trustee Tulloch mentioned,  
 9 this scope of the time period for forensic due  
 10 diligence audit was the three-year period that ended  
 11 June 30th, 2023. Obviously, that was roughly months  
 12 ago is when that scope period ended.  
 13 And so we have not been waiting around to  
 14 see the results of this to start fixing a number of  
 15 these items. As the Board is aware, I started here  
 16 last June -- year ago June, and the one first things  
 17 I did was start creating a list of things that I saw  
 18 that I believed we needed to improve upon. Some of  
 19 those things are identified in this forensic due  
 20 diligence audit report.  
 21 And so the Board had asked me to bring my  
 22 priority list back at that time, which I did, and I  
 23 continued to work on those when I was working in the  
 24 fiance department. I will say that as these items  
 25 were identified, staff, if they felt that it was of

41

1 immediate concern and high priority, we jumped on it  
 2 immediately.  
 3           A number of these things that are  
 4 identified in the report have already been fixed,  
 5 and I want to be very clear about that. I have  
 6 talked to Trustee Tulloch about this a number of  
 7 times, on some of these items, there are a total 41  
 8 observations in the report, and some of those  
 9 observations have parts to it. I've been working  
 10 with the finance department, they have been  
 11 compiling this on an organization-wide level.  
 12           I have not had an opportunity to go  
 13 through their report quite yet. I'm hoping to do  
 14 that this tomorrow. But the finance department  
 15 shared with me today, of the 41 observations, and  
 16 some of them are sub-observations within the master  
 17 one, 16 of these items have already been completely  
 18 fixed and the appropriate controls have been put  
 19 into place.  
 20           They are currently working on another 18  
 21 items. Some of the more low-priority items that  
 22 we're identified by RubinBrown, they've made note of  
 23 it, and they do intend to appropriately address  
 24 those in the future.  
 25           What I have asked for the finance

42

1 department to do is to create a memorandum, which  
 2 this what they brought to me today, a very, very  
 3 draft memorandum that will coming to the Board on  
 4 what items have been corrected and what actions were  
 5 taken in response to each one of the 41  
 6 observations. The Board will be seeing that in the  
 7 near future.  
 8           Happy to answer any questions.  
 9           CHAIR SCHMITZ: Questions?  
 10           TRUSTEE TONKING: I know we don't have a  
 11 date yet for the final report, but when we do, will  
 12 RubinBrown also be coming back?  
 13           TRUSTEE TULLOCH: We're working on that.  
 14 They should be able to, hopefully.  
 15           CHAIR SCHMITZ: We'll have that on the  
 16 long range calendar. Is it something that we -- we  
 17 can't at this point get it on the 6th, but we can at  
 18 least pencil it in for the 28th. Is that  
 19 acceptable?  
 20           TRUSTEE TULLOCH: Yes, I think so.  
 21           CHAIR SCHMITZ: I'll make a note of that.  
 22           TRUSTEE TULLOCH: Hopefully we'll have the  
 23 final report before that.  
 24           CHAIR SCHMITZ: I agree with you. But to  
 25 come before the Board, that would be the date.

43

1           TRUSTEE TULLOCH: Yep.  
 2           Mr. Magee, we heard a lot in public  
 3 comment about the staff response to the audit. Can  
 4 I ask a couple of questions? I was extremely  
 5 surprised to receive this at 5:30 on a Friday  
 6 evening, just at the end of your holidays, your  
 7 vacation before you were due back on Monday.  
 8           I was not aware of this -- the Board  
 9 commissioning this. Can you tell me who  
 10 commissioned this and who authored this and what the  
 11 purpose was?  
 12           MR. MAGEE: I will say I'm not going to  
 13 speak to any confidential personnel matters.  
 14           TRUSTEE TULLOCH: That deals with the  
 15 author, but can I ask who commissioned this?  
 16           MR. MAGEE: I do not know.  
 17           TRUSTEE TULLOCH: It wasn't -- I know it  
 18 wasn't requested by the Board or any -- so you  
 19 didn't commission it either?  
 20           MR. MAGEE: I did not commission it. I am  
 21 unaware that the Board ever asked for it.  
 22           CHAIR SCHMITZ: Did any individual trustee  
 23 ask for it?  
 24           MR. MAGEE: Not to my knowledge.  
 25           CHAIR SCHMITZ: Thank you.

44

1           Moving on to the consent calendar.  
 2 F. CONSENT CALENDAR  
 3 F 1. Meeting Minutes 6/12/2024  
 4 F 2. Meeting Minutes 6/26/2024  
 5 F 3. Meeting Minutes 7/10/2024  
 6           CHAIR SCHMITZ: We have deferred 4, and we  
 7 have moved 5 and 6 to general business 5 and 6. So  
 8 are there any -- so, basically, it's just leaving  
 9 the meeting minutes on the consent calendar, if I'm  
 10 looking at this correctly.  
 11           TRUSTEE DENT: I'll move to -- I'll make a  
 12 motion to accept the consent calendar as items F 1,  
 13 2, and 3.  
 14           TRUSTEE TONKING: Second.  
 15           CHAIR SCHMITZ: All in favor?  
 16           TRUSTEE TULLOCH: Just a quick -- I saw an  
 17 email from a member of the public saying that the  
 18 minutes were wrong. Some of the public comments had  
 19 not been included in the minutes.  
 20           CHAIR SCHMITZ: I don't have anything to  
 21 support that. But I've missed -- I haven't received  
 22 other emails.  
 23           Has anyone else received anything like  
 24 that? Okay.  
 25           TRUSTEE NOBLE: I believe it was Mr. Katz  
 had sent an email to the Board complaining of that.

45

1 But I have not heard anything more on that.

2 CHAIR SCHMITZ: All right. Thank you.

3 Motion has been made, it has been

4 seconded. All those in favor?

5 TRUSTEE TONKING: Aye.

6 TRUSTEE NOBLE: Aye.

7 TRUSTEE DENT: Aye.

8 CHAIR SCHMITZ: Aye.

9 Opposed?

10 TRUSTEE TULLOCH: No.

11 CHAIR SCHMITZ: Moving on, then, to

12 general business.

13 G. GENERAL BUSINESS

14 G 1. Practice 6.2.0

15 CHAIR SCHMITZ: Item G 1, review, discuss,

16 and approve Practice 6.2.0, budgeting and fiscal

17 management community services and beach pricing,

18 pages 255 through 288 of the board packet.

19 The floor is yours, Ms. Herron.

20 MS. HERRON: Before you, starting on

21 pages 255, is the memorandum. And then starting on

22 pages 265 is Trustee Schmitz' version of the policy.

23 And then starting on page 276 is Trustee Tulloch's

24 version.

25 And with that, I will turn it back over to

46

1 the Chair, and you can hold the discussion. I'll

2 try and take notes so we can bring you back a

3 finalized version.

4 CHAIR SCHMITZ: To be clear, my version is

5 not a version. It was questions that I had felt

6 needed to be answered and things that needed to be

7 clarified. It is not a version.

8 It was provided to staff to give direction

9 of what the questions were that I had.

10 TRUSTEE NOBLE: This is more just at the

11 beginning from a procedural standpoint when going

12 through the various -- some things are highlighted

13 and trying to look at the original version, it looks

14 like a phrase or word is in the original version

15 sometimes, but not necessarily in other times.

16 And then in looking at the versions, there

17 is no strike-throughs to see what's been pulled out,

18 and so it's very difficult to compare and contrast.

19 CHAIR SCHMITZ: Really, from my

20 perspective, it was to direct staff of where I

21 either had questions or issues or concerns. I never

22 intended to edit the document, that wasn't my place,

23 and it wasn't what I did.

24 I had provided direction to say: Here are

25 some things that I think need to be clarified.

47

1 Don't spend a lot of time trying to figure

2 out -- at least what my things were. I don't know

3 about Trustee Tulloch's.

4 TRUSTEE TULLOCH: I would make exactly the

5 same comment. I was asked for input in some areas,

6 and there are still huge issues with a lot of this.

7 CHAIR SCHMITZ: I just want to back us up

8 and ask Ms. Herron: What is it that's trying to be

9 accomplished here, and who is the intended user of

10 this document?

11 Because I was looking at it from a staff

12 perspective, and I don't really know how the manager

13 at tennis and pickleball would ever make sense of

14 this. So are what are we trying to do here, what do

15 you want from the Board?

16 I think a couple of us have given some

17 input, but I think it's just become more confusing

18 as opposed to less. Maybe you can help us out here.

19 MS. HERRON: I will certainly try. I

20 don't disagree.

21 After the conversations with the two of

22 you, I think starting under 4.0, the pricing model

23 by venue and customer type, probably, to me, makes

24 the most sense as to where you want to start because

25 I think you have two different ideas on these.

48

1 And when I was chatting with Trustee

2 Tulloch on the second time around, I think he even

3 agreed to it, and we kind of said we'll do two

4 versions so that the rest of the Board can see where

5 these two were coming from. I think that that would

6 be the best start.

7 The other thing we did throughout here is

8 we put in items to clarify when things come before

9 the Board, and that's useful to staff, so we were

10 trying to help there.

11 I think that was it.

12 TRUSTEE TULLOCH: Before we dive into the

13 actual pricing model, there's just general points

14 I'd like to make.

15 If I look at page 1 under 1.0, there's

16 five bullet points there. The first bullet is

17 ensure that revenues including charges for services,

18 et cetera, et cetera, are sufficient to cover the

19 full cost of providing services to IVGID Picture

20 Pass holders, guests of Picture Pass holders, and

21 others.

22 Then we proceed to discount fees all over

23 the place. This is impossible. We can't cover the

24 full costs if we're busy discounting everything.

25 I also see a new bullet point there that

49

1 the facility fee will cover capital improvement and  
 2 debt costs. That's not something -- that's quite a  
 3 significant change rather than venues covering it  
 4 themselves.

5 Couple of other things. We're using  
 6 something called "direct costs," which seems to be  
 7 just incremental costs. We then use incremental  
 8 costs to determine rates. Somebody's getting a  
 9 great bargain.

10 That was a couple of general thoughts to  
 11 start with.

12 CHAIR SCHMITZ: To dovetail on that, I had  
 13 suggested that all of these definitions be redone  
 14 because they don't tie to terminology in our  
 15 financial statement, they're a bit ambiguous. That  
 16 hasn't been done.

17 I go back to: What is it we're trying to  
 18 accomplish and who is the user of this document?

19 Because it seems like in some cases it's  
 20 very vague, and in other places it's so specific to  
 21 the point where I don't think that anyone would be  
 22 able to create a price for something because to make  
 23 statements, especially at our recreation venues,  
 24 that the pricing is supposed to cover all of the  
 25 costs, we aren't doing that right now. Tennis and

50

1 pickleball and the Rec Center are a perfect example.  
 2 This was intended to represent what we  
 3 think is realistic, and I don't think that what's in  
 4 here is realistic. And it's not necessarily helping  
 5 to determine how a price is actually set. That's  
 6 what -- at least from my perspective, I think that's  
 7 what I was hoping we would get out of this, but I'm  
 8 not seeing that.

9 I think we need to back up and say what is  
 10 it we're trying to accomplish and for whom?

11 TRUSTEE TULLOCH: I think the other point  
 12 -- general point I'd like to make, all this asks for  
 13 pricing to be set in January or February, yet we  
 14 don't do a budget -- this year it was almost the end  
 15 of May, the last week of May we started trying to do  
 16 our budget. I'm not sure how we can set rates when  
 17 we don't know what the budget is or what it is.

18 We set rates in January/February, then  
 19 we've got our hands tied when it comes to the  
 20 budget, and we're going to end up having to  
 21 subsidize things even more.

22 CHAIR SCHMITZ: I think our rates -- even  
 23 if you look at golf, it's not exactly per like the  
 24 Play Passes. It's as you project consumer --  
 25 various consumers to bring revenue and then

51

1 determine does that cover the cost.

2 I think that, in here, I was hoping we  
 3 were going to see some clarity on that, for  
 4 instance, our recreation venues such as tennis or  
 5 pickleball that, perhaps, we are realistically  
 6 subsidizing it at, I believe, a hundred percent, not  
 7 a hundred percent, 50 percent. We are subsidizing  
 8 half of the cost of the tennis and pickleball.

9 But to have a policy that says were  
 10 covering the full costs, that's not realistic  
 11 because we have competitive markets and we also have  
 12 a community value. The recreation center with the  
 13 pool and all the amenities, it's not potentially --  
 14 most communities do not have to cover its own costs.

15 I was anticipating that this would  
 16 identify for the various things, the various  
 17 percentages of subsidization on the pyramid, and I  
 18 don't see it's doing that. I was hoping it was  
 19 going to be tying things specifically to what  
 20 subsidization level is the Board comfortable with,  
 21 because that will help us from a budgeting  
 22 perspective, and it will help staff figure pricing.

23 But many of these things are priced based  
 24 on the competitive market, and we need to recognize  
 25 that it's a market, we can't price a pickleball

52

1 membership fee to be \$1,500, what that's -- no one  
 2 would buy them.

3 So I think there's a lot of work left to  
 4 be done here. And I'm not sure staff is clearly  
 5 understanding at least what I was thinking we were  
 6 trying to accomplish here, but I'm just one on this  
 7 board. I look to my fellow trustee to chime in.

8 TRUSTEE DENT: I don't need to repeat what  
 9 you just said, but I was under the same  
 10 understanding as you were as to what was going to be  
 11 coming back to us.

12 If anyone has any questions, we can just  
 13 replay what you said.

14 TRUSTEE TONKING: I would disagree. I  
 15 would say that we have never given strong direction  
 16 around our pricing policy. I think we've all  
 17 disagreed on where things fall on the pricing  
 18 pyramid.

19 I think just to what Ray has just said  
 20 about the idea that we never talked about debt and  
 21 capital, we've had that conversation as a board  
 22 every time we talk about budget. We are obviously  
 23 all on seven different pages.

24 Maybe we do need to spend some time and  
 25 talk about this because we have not given clear

53

1 direction, and I think that's very reflective. I  
2 don't think -- I think that we all have very  
3 different views on what we want this to do.  
4           A, we can probably agree all is an item  
5 that works for staff and it's how staff comes up  
6 with prices. I would believe that -- I would say,  
7 in contrast to Trustee Tulloch's point, I think we  
8 have talked a lot about capital and debt not being  
9 covered using the facility fee. I would say that is  
10 a conversation we have, but he feels different.  
11           We should really sit down, then, and talk  
12 through what we're looking for because I don't think  
13 it's that clear.  
14           CHAIR SCHMITZ: I think if we had  
15 something that was put before us that actually  
16 represents where we are today, that would at least  
17 get the dialogue going. That would get us going.  
18           If we could -- because there are certain  
19 venues where we have talked about that. We've  
20 talked that the facility fee at golf, perfect  
21 example, that the facility fee should be covering  
22 capital improvements and debt. We have talked about  
23 that, and that is how we budgeted.  
24           So, what I think needs to be here is to  
25 have these items identified of where are we today

55

1 then this policy would change and evolve with it  
2 based on what the Board believes is important at the  
3 time when they're listening to the community.  
4           CHAIR SCHMITZ: From my recollection, the  
5 whole purpose of having this pricing policy was to  
6 help staff and the Board when it came to budgeting.  
7 That's the goal here is to help the budgeting  
8 process.  
9           If we don't have it understood and we're  
10 making statements we're going to cover all  
11 operational costs with all user fees, and that's not  
12 realistic, then it shouldn't be in this document.  
13           TRUSTEE TONKING: I'm going to push back a  
14 little bit, then, because I'm looking at the  
15 Championship Golf Course as the first example we  
16 gave. It says: Rates charged to IVGID pass holders  
17 will be set to cover operating costs.  
18           I would say that specifically put in that  
19 box is what we're doing today. And so -- correct me  
20 if I'm wrong -- so we do -- I also feel like when I  
21 look at youth programming, senior programming, when  
22 I looked at -- the Mountain one needs to be looked  
23 at, but all the ones, like ski, that's accurate. I  
24 don't know if it's the right way to do but it is  
25 what we're doing today. I flagged that one as

54

1 and what level of subsidization are we giving?  
2 Because we are giving subsidization to golf, and  
3 we're trying to, in golf, we talked many times about  
4 that we were okay with subsidy covering capital  
5 improvements because we want the venues maintained.  
6           But I think we have to start with  
7 something, and staff needed to come back to us with  
8 an approach of how we can work through this, as a  
9 board, and perhaps this could be identified to say  
10 this is how we are pricing it today, and here's the  
11 pyramid as it relates to items.  
12           And what is missing from this is programs.  
13 Programs aren't referenced. They're referenced in  
14 one place but not another place, but there's no  
15 pricing of how do we price programs, if my memory is  
16 right.  
17           TRUSTEE DENT: I just see this more -- I  
18 agree with you when it comes to where are we,  
19 because we don't know where we are, how do we argue  
20 where we should be or where we want to be?  
21           I think, really, going to -- it just  
22 helps -- I really feel like if we figure out what is  
23 being subsidized or how we go about that, how staff  
24 goes about that budgeting process and lays it out  
25 here in this policy, as things change and evolve,

56

1 something to reconsider.  
2           The same with tennis. It says: Rates are  
3 charged to IVGID pass holders. Picture Pass holders  
4 should be set to cover operating costs.  
5           Which is our goal. I guess I don't  
6 understand how this is different than what we do  
7 today or which areas you want staff to fix.  
8           CHAIR SCHMITZ: Well, that isn't how we do  
9 it today at tennis. We do not price the products to  
10 cover the operating costs. We subsidize that  
11 50 percent, so that is not how we're doing it today.  
12           TRUSTEE TONKING: But when we talked about  
13 prices at our last meeting -- I could pull up  
14 minutes -- we talked about how it should function  
15 the same way as golf. So I feel like that is the  
16 intent of what they're doing, and we've only put in  
17 -- it used to be \$42 a per parcel, now it's \$10, so  
18 I feel like we are getting still less than what  
19 we're putting in.  
20           TRUSTEE TULLOCH: I think part of the  
21 problem is we're trying to rate some of these to  
22 specifics. What we need as a board is to decide  
23 what our policy is, what level of subsidy we're  
24 going to give to different venues before we actually  
25 start looking at what are the prices. We're

57

1 currently in this year's budget, we're subsidizing  
 2 golf by a 125 bucks a parcel.  
 3           And as soon you start saying, well, we  
 4 don't charge cost of debt or cost of capital, I  
 5 think that sends the complete wrong message. We've  
 6 seen some of the games that has been played with  
 7 expenses being moved into capital all the time. As  
 8 soon as you offer something free, then it's --  
 9 there's no control over it.  
 10           I think we need to set some parameters  
 11 around that. You can't just say, yes, we're going  
 12 to go back to the taxpayers every year for that,  
 13 when we're not even collecting the depreciation we're  
 14 supposed to be collecting in enterprise funds, which  
 15 should be funding the future capital. We've  
 16 defaulted on that as well.  
 17           We need to decide. We can't just leave a  
 18 blank check, yes, we'll pay all capital and debt  
 19 costs.  
 20           CHAIR SCHMITZ: I agree with you. And the  
 21 problem is that there's no overall, arching strategy  
 22 defined here at all. Nothing. And suddenly it's  
 23 all sorts of detail that no one -- I can tell you,  
 24 we're not pricing our pickleball based on covering  
 25 operating costs. We're not.

59

1 taxpayers. We need some general principles first,  
 2 but instead we've jumped almost straight into the  
 3 pricing matrix so people can see it.  
 4           Mr. Simon, in case you're still listening,  
 5 Jay, check what I've actually written for  
 6 Championship Golf.  
 7           TRUSTEE DENT: I believe one of the  
 8 comments we made last time we discussed this was  
 9 tying it back to Appendix A, the cost pyramid, and  
 10 specifically which part of the pyramid we fall in;  
 11 right? Okay.  
 12           And I don't think what we're looking for  
 13 has to be perfect, but it's really -- it has to do  
 14 with what was budgeted and what the assumptions were  
 15 made going forward. And then from there, we have a  
 16 starting point, we can change it. Or leave it as  
 17 is.  
 18           TRUSTEE TONKING: Then you want this  
 19 policy to come back and say Rec Center is a  
 20 community benefit, or Parks, I'm just throwing it  
 21 out.  
 22           And then something -- you want them in  
 23 each pyramid level?  
 24           TRUSTEE DENT: I feel like that's a good  
 25 starting point. It goes back to the training that

58

1           So, we need to have a strategy and an  
 2 overarching philosophy of how we are pricing things  
 3 and how we are budgeting. And if we can't come to  
 4 consensus on that, all of these items of minutia,  
 5 they don't matter. We have to have an overarching  
 6 strategy of what is it and how are we budgeting for  
 7 our various venues and for our various programs, and  
 8 then break it down of, okay, how do we expect  
 9 various purchasers to pay for services?  
 10           And some of it, it has to be market rate.  
 11 It has to be market rate for ski rental equipment  
 12 because there's competitors out there.  
 13           Some of this is just -- we don't have an  
 14 overarching strategy, we're missing that, and if we  
 15 don't have that I don't know how you can get to the  
 16 details and all come to consensus, because you're  
 17 not starting from a common understanding of what's  
 18 the goal and what's the strategy.  
 19           TRUSTEE TULLOCH: Hundred percent agree.  
 20 I mean, we need to have a philosophy, what's there,  
 21 what's the realistic level of subsidy, what venues  
 22 can be subsidized, what the realistic level is. And  
 23 also what targets can be set.  
 24           We can't just say, well, that's okay, we  
 25 will just do everything and then sock it back to the

60

1 this board had, and it goes back to the training  
 2 staff had as to which box is it.  
 3           For us, it was boxes when we were going  
 4 through the FlashVote training, and in this  
 5 instance, it's a pyramid. But it's all the same.  
 6           TRUSTEE TONKING: You just want all of  
 7 them to go to -- I'm looking at Mountain is in the  
 8 cost pyramid, tennis center is in the cost pyramid.  
 9           CHAIR SCHMITZ: It says it's in there, but  
 10 it doesn't say what percentage of subsidy, it  
 11 doesn't say where it's coming in.  
 12           But, Mountain Course, I know we already  
 13 subsidize it at 33 percent. Let's go and say what  
 14 is it that we're doing and be clear to say, okay,  
 15 we're okay subsidizing the Mountain Course at a rate  
 16 of 33 percent because that's what we've been doing  
 17 for the last couple of years.  
 18           That helps for budgeting purposes and it  
 19 helps bring clarity to the community.  
 20           TRUSTEE TONKING: I'm confused because  
 21 then you want it to be what we're doing now, and  
 22 then you want us to decide where it should be for  
 23 the pricing policy? I think it makes sense the way  
 24 it's in the policy of where our goal should be, but  
 25 I think you're saying you want to know where it is

61

1 right now to then go into policy or where it should  
 2 be in the pyramid?  
 3 TRUSTEE DENT: If we had a policy in place  
 4 of what it should be, then we have a policy that's  
 5 wrong. Right?  
 6 So, I want to know where we're at, and I  
 7 want to know, when we do have discussion, maybe we  
 8 have to change the policy. And maybe this policy  
 9 gets updated when the budget gets updated because  
 10 something changed that year.  
 11 TRUSTEE TONKING: I'm saying, right now,  
 12 this is hypothetical policy, it's not actually done  
 13 this way yet. And so I guess I didn't know how you  
 14 want it to be -- what the policy should say, what we  
 15 should start doing or where we're at, because I  
 16 think they are two different things.  
 17 I'm just a little confused.  
 18 TRUSTEE DENT: I'm getting more confused.  
 19 CHAIR SCHMITZ: If I can bring it  
 20 together. I think the direction is we need to have  
 21 an overarching strategy and philosophy about how we  
 22 price things in the District. We're missing that.  
 23 And with that, then to identify, by venue, by  
 24 budget, where it falls into the pricing pyramid so  
 25 that then the Board can have discussion and it can

62

1 be used for future budgeting to say: We can't  
 2 subsidize more than this or now we don't need to  
 3 subsidize that much.  
 4 I'm feeling like we're way down into the  
 5 weeds, and we have not yet even come with an  
 6 overarching strategy approach and clarification  
 7 about at a venue level where are we today.  
 8 Does that make sense, answer your  
 9 questions?  
 10 TRUSTEE TONKING: Not really, but I think  
 11 it's something we can talk about offline because I  
 12 don't think it's clear direction.  
 13 CHAIR SCHMITZ: Are you clear? Is staff  
 14 clear with the direction, Mr. Magee and Ms. Herron?  
 15 MS. HERRON: I am not because we have a  
 16 policy, 6.1.0, which is the overarching, which is  
 17 adoption of financial policies, it's not in your  
 18 book. I'd like to kind of backtrack and start there  
 19 and make sure that that's sound and where you want  
 20 it to be.  
 21 And then the second question I have is on  
 22 the subsidy. I heard we -- using the \$450 rec fee  
 23 we have this year, \$100 is for the beaches, I just  
 24 heard \$125 per parcel is for golf.  
 25 CHAIR SCHMITZ: No. We have not -- we're

63

1 not asking you to identify where our fee is. We're  
 2 asking, by venue, by the budget, what percentage of  
 3 the budget have we allocated subsidization? So what  
 4 percentage are we subsidizing at a venue level, at a  
 5 food and beverage level -- which I would think is  
 6 zero. I know we said we're not subsidizing it.  
 7 But we're not saying show us \$10 goes here  
 8 and \$12 -- although he mentioned it, I don't believe  
 9 that was your direction. His direction was at a  
 10 budget level, what percentage is it that we are  
 11 subsidizing and for what?  
 12 MS. HERRON: I want to make sure I have  
 13 this clear. You said we're subsidizing at 33  
 14 percent at the Mountain Course. No? Did I  
 15 misunderstand that too?  
 16 CHAIR SCHMITZ: Well, I said that, but  
 17 that was just because I, off the cuff, remembered  
 18 that from last year and this year.  
 19 But I would ask that staff go and actually  
 20 gather that information and share it with us so that  
 21 we can see where we are.  
 22 TRUSTEE TULLOCH: Can I make a suggestion?  
 23 If we're going to use the pricing pyramid, we've got  
 24 a listing, let's throw away this table at the  
 25 moment, because that's the first thing people jump

64

1 to: Is this good or bad for me? Who is the winners  
 2 and who is the losers?  
 3 I think we need to understand what the  
 4 philosophy is. We've got a listing of all the  
 5 different venues and all the different departments.  
 6 We need to try, for staff, putting them, placing  
 7 them in the pyramid to see where we are so there's  
 8 transparency for the public so we can understand who  
 9 is getting what. I'll put it in crude terms: Who  
 10 is getting what -- since that's all everyone's  
 11 interested in -- how much of a subsidy can I get  
 12 from my preferred sport in terms of that?  
 13 I think we need that transparency first to  
 14 look at what is going where. And, yes, we can place  
 15 it, initially, based on where it's been subsidized  
 16 historically or what we're doing currently. But we  
 17 need to take it back to square one to be able to get  
 18 there.  
 19 We can't just take a general outline of a  
 20 policy and then just jump straight to a table.  
 21 TRUSTEE TONKING: Are you referring to an  
 22 operating subsidy or are you factoring capital in?  
 23 Because that's going to be a whole new  
 24 ballgame because we do different capital projects  
 25 every year, so then we're going to need five-year



65

1 ones, I think, of subsidy. I don't -- unless you  
 2 remove capital and just do operating. What was the  
 3 direction you guys gave there?  
 4 TRUSTEE TULLOCH: I think we've got to  
 5 start with operating. We've got to look there. I  
 6 mean, operating cost subsidies is the one that  
 7 people see directly, like, why am I paying for  
 8 everyone else's golf or why am I paying for everyone  
 9 else's beach fee to be subsidized, just as empirical  
 10 examples.  
 11 Let's look at it where it's been  
 12 subsidized for operating costs. Capital, we can run  
 13 some controls on, so long as it's properly  
 14 controlled. We've got to look at -- the key subsidy  
 15 people we're looking at is the operating costs.  
 16 CHAIR SCHMITZ: I think if we had this is  
 17 the level and the percentage that is subsidizing it,  
 18 this is the operating, and this is the CIP, it will  
 19 help us to have all of the information right there.  
 20 That way, we have a clear picture, because in some  
 21 cases we're only subsidizing the capital.  
 22 MS. HERRON: We will start with this table  
 23 by venue, we'll take out all the -- I won't destroy  
 24 it, but just move that off. We'll give you just  
 25 operating subsidy. If we can, give you the capital

67

1 things here have just been lifted straight from  
 2 somebody else's policy. It doesn't -- it's not  
 3 necessarily a bad thing.  
 4 What some of the objectives we tried to  
 5 clear up was to stop capitalizing things that should  
 6 never be capitalized, they should be expenses. I  
 7 think some of the changes that have been suggested  
 8 here is they should have a minimum of five years  
 9 life, we should stop trying to group asset -- group  
 10 things together, have little value and try to get  
 11 them into the capital threshold.  
 12 I mean, realistically, because we're  
 13 not -- we don't have tax implications for it, the  
 14 conventional commercial world, depreciation doesn't  
 15 -- and tax treatment doesn't have a great impact on  
 16 us.  
 17 We've tried to -- one of my inputs to this  
 18 was to try and help clean it up to put sensible  
 19 thresholds, increase the thresholds, make sure --  
 20 and have proper determination that anything that is  
 21 going in that is capitalized is going to be either  
 22 extending the asset life or increasing the service  
 23 capacity, which is the standard industry term for  
 24 it. And, I mean, it's also to try and make sure  
 25 that we're properly accounting for it.

66

1 subsidy. We're going to do an overarching of what  
 2 are we trying to accomplish and for who. Where are  
 3 we today and what kind of subsidy are we doing.  
 4 And then on budgeting, how are we doing  
 5 that and will this help will the budgeted process, I  
 6 think is where you want us to go and back to.  
 7 I would like to bring back Policy 6.1.0 to  
 8 make sure that that's your overarching. I can do  
 9 that, probably, on your last meeting in August.  
 10 CHAIR SCHMITZ: Great. Thank you. Any  
 11 other questions, comments?  
 12 Moving on to item G 2.  
 13 G 2. Policy 8.1.0  
 14 CHAIR SCHMITZ: Discussion and direction  
 15 relating to policy -- the capitalization policies,  
 16 pages 289 through 312.  
 17 I understand that Mr. Cripps isn't here.  
 18 I just thought, perhaps, the Board might have some  
 19 either questions or areas they would like clarified,  
 20 and then that feedback can go back to staff.  
 21 That's my intention here.  
 22 TRUSTEE TULLOCH: I had discussion on this  
 23 with General Manager Magee and Assistant Director of  
 24 Finance Cripps a few months ago and suggested some  
 25 of these things. I think this is -- some of the

68

1 That was my inputs to it.  
 2 There's also -- we're going to reduce  
 3 quite a lot more here by actually tracking capital  
 4 assets, because that's one of the things that's been  
 5 brought up several times, things just disappear into  
 6 a black hole, and there's no -- we haven't been  
 7 filling in the paperwork to say where capital assets  
 8 have gone, where they've been disposed of, where the  
 9 proceeds have gone.  
 10 I mean, when a capital asset, particularly  
 11 if it's paid for, not out of operating costs but  
 12 from a board capital subsidy, all these trade-ins,  
 13 sell-offs, et cetera, should be coming back into the  
 14 overall general fund, not to department specific,  
 15 necessarily.  
 16 A lot of the effort here has been to start  
 17 putting some proper parameters around that. Perhaps  
 18 Mr. Magee will comment on that as well.  
 19 TRUSTEE TONKING: I am going to disagree  
 20 and agree with Trustee Tulloch. To agree with him,  
 21 I agree with the idea of tracking and also making  
 22 sure we're not reusing capital numbers, all that  
 23 kind of stuff that we heard in RubinBrown, as well  
 24 as making sure we know where things are. It makes  
 25 it really helpful when we're looking at improvement

69

1 versus maintenance and expense and all of that. I  
2 think that will be, yes I agree with tracking.  
3 I am going to disagree with your useful  
4 life and the amount of money and the bundling  
5 section. It is not just tax that you capitalize  
6 for. It's also required by GAAP, so let's try to  
7 stay financially accurate there.  
8 TRUSTEE TULLOCH: We're not governed by  
9 GAAP.  
10 TRUSTEE TONKING: GASB, but same idea.  
11 Point being is I think that we need to  
12 look at what is recommended for years and thresholds  
13 and what guidance says and go from there and make  
14 sure we're not going excessively above and we're  
15 hitting the right ranges.  
16 So, I would like to defer to guidance and  
17 not what your gut tells you.  
18 CHAIR SCHMITZ: Any other input for staff  
19 on this?  
20 TRUSTEE TULLOCH: Just to clarify for the  
21 record, this is not going by my gut, this is going  
22 from a long time of being a capital strategy  
23 investment manager, among various other things, and  
24 having spent a lot of time actually doing capital  
25 projects and running them.

71

1 feasibilities. So, to me, the language was  
2 ambiguous, just out of the gate.  
3 The other question I had when this first  
4 came to the Board was when it came to cost basis and  
5 they were talking about, in 3.0, capitalization, I  
6 asked the question of how do you capitalize  
7 services? Do you have the ability to capitalize  
8 services? I mean, that's not an asset, so that one  
9 puzzled me, and I don't know the answer.  
10 Do you have an answer, Mr. Magee?  
11 MR. MAGEE: There's a lot to unpack there.  
12 My answer is is obviously when I was  
13 working in the finance department prior to this  
14 calendar year, we had taken an initial look at this,  
15 and we agreed with your individual assessment that  
16 this policy needed to be updated. We agreed with  
17 it.  
18 And this is something that Mr. Cripps was  
19 leading the effort with the accounting team. And  
20 like I said, I haven't been involved in this,  
21 particularly, but I certainly understand the  
22 comments that I've heard tonight and I will work  
23 with staff on making sure that we're getting this  
24 corrected moving forward.  
25 CHAIR SCHMITZ: Really, that was my only

70

1 So, just for the record.  
2 CHAIR SCHMITZ: General Manager Magee, I  
3 would encourage staff to go back -- this policy was  
4 created by our former director of finance and former  
5 controller, and they took some prior policies and  
6 combined them. I would encourage them to go back  
7 and look at those original ones just to see if  
8 there's anything that they would like to consider.  
9 Because Moss Adams gave them recommendations, and  
10 Moss Adams did not sign off on this. This was their  
11 task, Moss Adams was hired to do some things, and so  
12 there's some past history that I think it would be  
13 good for staff to dust off and to review.  
14 And then my comment -- and I made this  
15 comment when it came to the Board the last time, is  
16 that in a section where you talk about -- it happens  
17 to be 6.0, it identifies phases of projects as being  
18 feasibility, planning, design, and construction, but  
19 then in the other bullet points, it talks about  
20 preplanning phases and blah, blah, blah.  
21 The language doesn't match to the phase.  
22 I mean, if you have those four phases, then define  
23 which of those four phases. I don't know what a  
24 preplanning phase is. Is that just feasibility?  
25 So they talk about master plan and

72

1 intention for leaving it on the agenda was to just  
2 give the Board an opportunity to give some insights  
3 to staff.  
4 TRUSTEE TULLOCH: Yeah, I've actually been  
5 looking at the new policy, not just modifying the  
6 existing one. There's a complete new policy here.  
7 My comments were all based on the new policy that's  
8 been presented.  
9 CHAIR SCHMITZ: This is their manual. I  
10 don't think this is the policy.  
11 TRUSTEE TULLOCH: This is the revised  
12 policy, yes.  
13 CHAIR SCHMITZ: It does still have the  
14 services, and it does still have those language  
15 inconsistencies about the phases of a project.  
16 MR. MAGEE: Yes. And it's also showing  
17 effective as of January 1, 2022, which is why my  
18 opening comments were I'm not a hundred percent  
19 certain I understand what this document is, and I  
20 have not had an opportunity to speak with Mr. Cripps  
21 about this particular document.  
22 CHAIR SCHMITZ: It also talks about, on  
23 page 300, that taxes can be capitalized as part of a  
24 project, but I don't think that we ever pay taxes,  
25 do we? Because we're a government. It's the very

73

1 top line on page 300, where it says "taxes."  
2 MR. MAGEE: I'm not certain that is  
3 accurate. I would have to look at that.  
4 CHAIR SCHMITZ: Thank you for that. Just  
5 it was question.  
6 Any other input or comments for Mr. Magee?  
7 No. Okay. Seeing none, we will close  
8 that agenda item and move on to G 3.  
9 G 3. Policy and Procedure 142, Resolution No.  
10 1898  
11 CHAIR SCHMITZ: Discuss -- actually let me  
12 hit the pause button here. Does anyone care to take  
13 a five-minute break?  
14 (Recess 7:35 p.m. to 7:45 p.m.)  
15 CHAIR SCHMITZ: Legal counsel pointed out  
16 that I erred on the consent calendar. The consent  
17 calendar, item F 4, we will be discussing, and it  
18 will be F 5 that is deferred that is missing -- it's  
19 the blanket purchase orders and is missing the  
20 contracts. So just make note of that. That was my  
21 mistake in the numbering.  
22 Moving on to agenda G 3, review, discuss,  
23 and possibly approve revisions to District Policy  
24 and Procedure 142, Resolution 1898, on pages 313  
25 through 326. This is being brought forward by

75

1 involved.  
2 And again, this does not change anything  
3 actually about management of -- overall management  
4 of staff. That is still the role of the general  
5 manager. This is just making sure that the Board  
6 has input to and insight to selection of the senior  
7 management team.  
8 CHAIR SCHMITZ: Thank you for that.  
9 Questions or comments?  
10 TRUSTEE NOBLE: Yeah, first, just from a  
11 procedural standpoint again, having the  
12 strike-throughs for what has been taken out would be  
13 very helpful. Otherwise I'm trying to compare each  
14 one and don't know which one's been taken on versus  
15 what's in. And also the track changes here aren't  
16 necessarily correct as far as what is new and what's  
17 not new.  
18 With that said, though, all of the  
19 peripheral changes I agree with. The substantive  
20 changes in what appears as new subsection B, I like  
21 the idea of having a member of the Board of Trustees  
22 on the interviewing committee. However, the  
23 authority to veto decision by the general manager of  
24 hiring somebody, I think goes too far afield. We  
25 have one employee that we manage, and if we start

74

1 Trustee Tulloch.  
2 TRUSTEE TULLOCH: Thank you, Chair  
3 Schmitz. I made most of my comments at the last  
4 meeting on this, but then we didn't have the  
5 finalized version.  
6 I think the overarching desire behind this  
7 was to avoid just finding out with mid-senior staff  
8 appointments through an email. The elected  
9 officials are the ones that are accountable to the  
10 public. We're the ones that get all the questions:  
11 How the heck did that person get in there? What's  
12 happened there?  
13 This is an attempt to actually rationalize  
14 it and make sure that elected officials do have some  
15 input to the appointment of the senior management  
16 team, which is perfectly normal in the commercial  
17 world and it makes sense. It's important that the  
18 Board is comfortable with the senior manager team  
19 that's there.  
20 I think the -- there's no intention to  
21 delete the senior management; it's just a phrase  
22 that was not defined, and that's why the change in  
23 language there. Somebody mentioned in public  
24 comment, it's not getting rid of the senior  
25 management team, it's just defining the roles

76

1 going down this road, it's a slippery slope, and I  
2 just don't think it's appropriate.  
3 CHAIR SCHMITZ: Any other questions or  
4 comments?  
5 TRUSTEE TONKING: I agree with Trustee  
6 Noble, that was a sentence that I would be voting no  
7 on this.  
8 I do think in order to solve C 2, you  
9 could just define above, just what senior  
10 management, we could just say people who report  
11 directly to staff, because it is on our website and  
12 other areas and it's used elsewhere.  
13 But, again, I agree with all these other  
14 changes. It's that last sentence, I think it takes  
15 away the trust that we have and gets us into the  
16 weeds of operations.  
17 TRUSTEE TULLOCH: I'll disagree with my  
18 two colleagues on that. This language, the Board  
19 made by majority vote overrides proposals already  
20 existing in various different sections for various  
21 different purposes within the previous document.  
22 I think any general manager that's  
23 listening to this board, cognizant to this board,  
24 it's not something that should normally occur,  
25 especially with some of the other changes,

77

1 particularly advertising positions externally or  
 2 senior management positions. We want to get the  
 3 best staff that we can. It should not just be an  
 4 automatic progression for people coming through the  
 5 system. If they demonstrate to be the best staff,  
 6 they're going to come out on top in the interviews.  
 7 I think the Board needs to retain that,  
 8 because otherwise how do you explain that to the  
 9 public that's elected us and put their trust in us?  
 10 TRUSTEE NOBLE: Trustee Tulloch, where  
 11 besides the old section K, does it state that the  
 12 Board of Trustees actions -- the Board majority vote  
 13 may override such proposals?  
 14 And this is another reason why it would be  
 15 helpful to have the strike-throughs also.  
 16 TRUSTEE TULLOCH: J, L.  
 17 TRUSTEE NOBLE: N.  
 18 (Inaudible discussion amongst the  
 19 Board.)  
 20 TRUSTEE NOBLE: And the reason I ask, is  
 21 there anywhere in the old policy where the Board can  
 22 veto a hire? Because when looking at J and K, those  
 23 don't pertain to hiring.  
 24 TRUSTEE TULLOCH: Correct.  
 25 TRUSTEE NOBLE: I am just trying to

79

1 personnel, so I'm kind of the one who went and tried  
 2 to clean this up, and just everywhere I said:  
 3 Persons who basically report to the general manager.  
 4 That's because departments can change,  
 5 reporting structure can change, so rather than  
 6 having -- listing every single title, and titles  
 7 might change, I was just trying to pick terminology  
 8 that made -- was consistent.  
 9 That was a change that I introduced.  
 10 TRUSTEE TONKING: Did you have other  
 11 changes? Because I don't think your changes ended  
 12 up in the track changes, so it just looked liked  
 13 senior management was just erased, and there's some  
 14 other random words.  
 15 I don't know if you have your track-change  
 16 version, it's totally fine, but that's where the  
 17 difference lie to that Trustee Noble was referring  
 18 to. You literally had to go line for line to figure  
 19 it out. And that makes sense now.  
 20 CHAIR SCHMITZ: That is why it was  
 21 changed. It was just so inconsistent. And then  
 22 staff was proposing, then, to add titles in, and I  
 23 thought, oh my gosh, let's just pick something.  
 24 It's the people who report to the general  
 25 manager. I probably have what I provided for my

78

1 clarify your statement that it's in there. Yes, it  
 2 is in there. I see it now, but it doesn't seem to  
 3 to -- you've applied it to something else now.  
 4 TRUSTEE TULLOCH: No. What I said was  
 5 that I had lifted that language from other parts of  
 6 policy. No, it's not there, if it was this already  
 7 with vetoing hires, we wouldn't need to make this  
 8 change.  
 9 CHAIR SCHMITZ: I agree with Trustee Noble  
 10 that it's tough. I thought, you're right, this is  
 11 not a redline, it's just showing, I think, new text,  
 12 and that's tough.  
 13 So in the future, can we please get  
 14 redlined versions so that we can see the changes? I  
 15 don't know exactly where this came from, but  
 16 wherever it came from, can we please get redlined  
 17 versions in the future?  
 18 TRUSTEE TULLOCH: Yeah. My original  
 19 version was provided in the redline form. Yep.  
 20 (Inaudible discussion amongst the  
 21 Board.)  
 22 CHAIR SCHMITZ: And you're correct in your  
 23 statement about -- in the prior version of the  
 24 document, it used senior management team, it used  
 25 department heads, it used full-time, year-round

80

1 redlined someplace, but I'd have to go look for it.  
 2 Oh, you have the redline?  
 3 TRUSTEE TULLOCH: This is your version.  
 4 CHAIR SCHMITZ: But it's not redlined.  
 5 It's not redlined so that you see where things  
 6 changed. It's some hybrid of a redline. I don't  
 7 know. Instead of being redlined, it's got all of  
 8 these comments.  
 9 TRUSTEE TULLOCH: It's got the deleted,  
 10 it's just the way it's been selected on Microsoft  
 11 Word. You can either show the deleted end line or  
 12 you can show at the side. It's all there, the  
 13 deleted portions are there under the deleted  
 14 comments on that side.  
 15 CHAIR SCHMITZ: I see what you're saying.  
 16 Over here it says "deleted." Okay. In the future,  
 17 can we not have it in this format and can we please  
 18 get it in redlined versions?  
 19 TRUSTEE TULLOCH: That's the way I  
 20 normally set mine up.  
 21 CHAIR SCHMITZ: Are we okay with  
 22 understanding what has changed here, or do people  
 23 want this to come back with the obvious redlines?  
 24 How do we want to handle this?  
 25 TRUSTEE DENT: I would just make a

81

1 recommendation that we bring it back. It sounds  
 2 like Trustee Noble's concerns are actually in the  
 3 prior policy and same with Trustee Tonking.  
 4 I mean, I feel like we're aligned on this,  
 5 I'm not trying to put words in anybody's mouth, it's  
 6 really hard to understand what's changed, where it  
 7 came from, and you're flipping pages and you don't  
 8 know -- yeah.  
 9 CHAIR SCHMITZ: I agree.  
 10 Are you all right that, Trustee Tulloch?  
 11 TRUSTEE TULLOCH: Yes, I'm all right.  
 12 Just a word to staff, I think what -- even  
 13 if I provided a version, redline, with the redlines  
 14 in series, if their machine is set up to show  
 15 comments this way in their setup, it will come out  
 16 differently than --  
 17 CHAIR SCHMITZ: We'll figure that out, but  
 18 we'll get one that comes back with the redline  
 19 that's in line so we can all understand what has  
 20 changed.  
 21 Are you all right with that, we'll defer?  
 22 TRUSTEE TULLOCH: Yes, I'm good.  
 23 CHAIR SCHMITZ: Great. We will get that  
 24 on the long range calendar.  
 25 Then moving on to G 4.

82

1 G 4. Policy 138, Resolution No. 1849  
 2 CHAIR SCHMITZ: Discussion and direction  
 3 regarding District Policy 138, Resolution No. 1849,  
 4 naming dedication of IVGID facilities, pages 327  
 5 through 337. And this is Mr. Magee's agenda item.  
 6 I know legal counsel was also involved with this.  
 7 MR. RUDIN: As part of your -- this is a  
 8 board memo, staff were directed to bring back this  
 9 policy for discussion, direction. The Board memo  
 10 does outline some suggested areas where the policy  
 11 could be significantly improved.  
 12 The key issue here is that the existing  
 13 policy doesn't really well define its own scope,  
 14 when it should be applied, when it should not. So  
 15 there have been questions in the past with respect  
 16 to, for example, whether the veteran's memorial or  
 17 similar kinds of projects are subject to this policy  
 18 at all.  
 19 You have a heading that talks about this  
 20 policy applying to all activities of the District,  
 21 which is very vague. So I think that's first issue  
 22 for the Board's consideration.  
 23 We have some outdated references in the  
 24 policy to the existing MOU, which based on research  
 25 with the general manager, it turns out has been

83

1 terminated. And in subsequent discussions with the  
 2 Board, you know, all work with ITF is done on an  
 3 individual project basis with the negotiation of an  
 4 individual project MOU.  
 5 You have a bigger question here, in light  
 6 of that situation, do you want to have language in  
 7 here that talks about funding, if applicable, shall  
 8 be done solely through Incline Tahoe Parks and Rec  
 9 Division Foundation? So that's your sort of your  
 10 second big issue that the Board needs to provide  
 11 direction on.  
 12 There is, of course, some sloppy language  
 13 where I've suggested some revisions related to  
 14 special maintenance, long-term replacement costs, et  
 15 cetera, and that is something relatively  
 16 straightforward where in any revision presented to  
 17 the Board, I anticipate we will be adding language,  
 18 discussing return of improvements, ownership  
 19 disposition, and not easy to maintain except as for  
 20 otherwise approved by the District's board as part  
 21 of the budgetary process.  
 22 I think a third area where the Board  
 23 should weigh in on is with respect to Rotary  
 24 benches, including the process for approval, who has  
 25 approval, and whether there's any sort of limitation

84

1 the Board would like to see in terms of the number  
 2 or location of benches, because at this point it  
 3 opens it up to all district property.  
 4 Lastly, I think one of the places where  
 5 this policy could be improved is with respect to  
 6 advertisement requirements, things like placards.  
 7 There's no legal requirement to have that, and it's  
 8 likely not a strictly necessary thing for staff to  
 9 do.  
 10 Lastly, with respect to a lot of these  
 11 kinds of agenda items when they come before the  
 12 Board, the policy does prescribe certain time frame  
 13 requirements. And, ultimately, given the kinds of  
 14 other agenda items that the District has before it,  
 15 including public hearings on fee setting, budgeting,  
 16 et cetera, rather than having the policy prescribe a  
 17 strict time limit by which it has to be brought, it  
 18 should really be up to the discretion of the Board  
 19 Chair and general manager to schedule this item  
 20 around other important district business.  
 21 CHAIR SCHMITZ: Thank you for that.  
 22 May I just ask a question about naming  
 23 rights? Because we have -- as you identified,  
 24 Preston Field and this building, but we also have, I  
 25 believe, the Lion's Club for the disc golf, but I

85

1 don't believe the Lion's Club is in existence any  
 2 longer. How do -- how does the District handle  
 3 situations such as that?  
 4 MR. RUDIN: So, it raises a couple issues.  
 5 If it was a decision of a district board to, like,  
 6 apply a name to a facility and there's no grant  
 7 agreement or agreement with like a donor where you  
 8 have to name it something, typically it's the  
 9 decision of the Board as to whether or not to change  
 10 the name. You would normally follow whatever  
 11 district policy you have about changing the name.  
 12 If it is -- if someone gave a significant  
 13 monetary donation, then, typically, in exchange for  
 14 naming rights or something like, then you may be  
 15 stuck with it, and there's really no provisions on  
 16 that sort of donation agreement that govern that.  
 17 CHAIR SCHMITZ: Thank you for that.  
 18 Comments, input for the General Manager  
 19 and legal counsel on this?  
 20 Seeing none. I have a huge amount of  
 21 input. I think this is so complicated. I don't  
 22 know why we have so many sections that, to me, seem  
 23 redundant.  
 24 This is, as I kind of summarized it, it's  
 25 a policy and procedure for acceptance of donations,

87

1 opportunity to say how can we condense this a bit  
 2 and make it a little more clear.  
 3 MR. RUDIN: If I can ask a question on  
 4 that. Certainly with respect to Section F, which  
 5 talks about policy for all other forums, and then  
 6 there's a policy for naming specific facilities,  
 7 there's a policy for placards of historical merit,  
 8 which I suspect can likely be condensed with Section  
 9 F.  
 10 Do you want to have a different process  
 11 for something smaller like brass-like placards given  
 12 your historical practice there with those? Do you  
 13 want to have a rigorous process for naming of a  
 14 building or different requirements?  
 15 Again -- yeah, this is just a policy  
 16 question.  
 17 CHAIR SCHMITZ: I would say yes. I'll go  
 18 to you. My answer to that is yes, but yet the  
 19 process that it needs to come to the Board and  
 20 here's what it should include and here's the  
 21 information, to me, some of that descriptive  
 22 language should be consistent.  
 23 But, yes, there will be differences. And  
 24 I think my question about naming rights, I mean, at  
 25 what point is it in perpetuity, and at what point is

86

1 commemorative displays and/or naming of district  
 2 facility. And we've got of these steps in here, and  
 3 I don't really know why Rotary benches are any  
 4 different than some other donation.  
 5 So I had it that it's A, and there's no B,  
 6 C, the rest of it sort of goes away, and all of  
 7 these become, like 1 S, a subset: All requests  
 8 shall be consistent with the values. All  
 9 requests --  
 10 So I'm sitting here going, this just, to  
 11 me, needs to be condensed and simplified and  
 12 streamlined. But I don't know how to -- how to  
 13 share that. I looked at page 333 where it says  
 14 "Policy and Procedure for Naming of IVGID  
 15 Facilities," and right away, A starts off as  
 16 repeating the same thing that's over somewhere else.  
 17 So, I'm just sitting going, can we figure  
 18 out how to consolidate this a little bit? And I  
 19 know there will be differences for donations of  
 20 monetary donations versus physical donations and  
 21 naming rights, but it seems like there's so much of  
 22 this that it all should be the same. It should be  
 23 consistent with the values, there's how the requests  
 24 are handled, should be consistent.  
 25 I'm just wondering if you could take an

88

1 it sort of limited?  
 2 That's my response to that question.  
 3 TRUSTEE NOBLE: I think naming of  
 4 facilities definitely should have its own separate  
 5 process, because the permanence and the visibility  
 6 of that is very different.  
 7 I think with regards to placards and  
 8 brass-like placards and just about everything else,  
 9 I think it could be done under one separate distinct  
 10 policy under the naming rights.  
 11 CHAIR SCHMITZ: Any other input or  
 12 feedback? No.  
 13 Is this enough information? Is this clear  
 14 enough to at least come back with, maybe, some  
 15 additional decision points for us as a board?  
 16 MR. RUDIN: I mean, so far the feedback  
 17 I've received is good.  
 18 I did -- I was hoping as part of the  
 19 policy that the Board would tackle this question  
 20 about funding and whether or not that should be  
 21 stricken entirely from the policy.  
 22 CHAIR SCHMITZ: I personally feel that --  
 23 we have the ability as a district to receive funds  
 24 directly and still have it be a charitable tax  
 25 deduction; correct?

89

1 MR. RUDIN: Yes.

2 CHAIR SCHMITZ: And someone could donate

3 to us. I don't think we should be tied into having

4 to do something a specific way. I think it should

5 be a bit more open, that there might be different

6 times and there might be -- so I think it should

7 just be saying that we received donations, we

8 receive funding.

9 And whether it's directly from a donor or

10 whether it's through ITF, I don't think that that

11 should matter so much to us. I don't think.

12 TRUSTEE TULLOCH: Yeah, I would agree. I

13 don't think we should be directing people to put all

14 the -- that can only come through a third party. We

15 saw some of the issues over that with the veteran's

16 memorial, held progress up and things.

17 I don't think we should be putting

18 restrictions, well, if you want to donate something

19 here, you got to go through such and such a group.

20 And most of these groups then take an

21 admin fee off the top and things as well. It's --

22 let's cut out the middle man if it's not necessary.

23 CHAIR SCHMITZ: So item number 2 where it

24 said "funding," I rewrote and said "Donations of

25 monies and/or property shall be presented to the

91

1 put that on our long range calendar, and we'll talk

2 about that, that at a date later. I just have to

3 make a note of that.

4 Then moving on to now our new G 5, which

5 is formerly F 4.

6 G 5. Sewer Pump Station No. 16 Motor Repair

7 CHAIR SCHMITZ: Review, discuss, and

8 approve the purchase order agreement for services

9 associated with the sewer pump station, pages 210

10 through 215.

11 That was Trustee Tulloch who requested --

12 unless I completely made a mistake. This was just

13 my error, so I'm sorry. What we were intending to

14 do was the other one with the blanket purchase

15 orders.

16 Seeing that it was on the consent

17 calendar, can I just ask the Board if they would

18 like to make a motion?

19 TRUSTEE TONKING: I move that the Board

20 accept the motion as is.

21 CHAIR SCHMITZ: Do I hear a second?

22 TRUSTEE DENT: I'll second.

23 CHAIR SCHMITZ: All those in favor?

24 TRUSTEE TONKING: Aye.

25 TRUSTEE TULLOCH: Aye.

90

1 Board of Trustees for approval." That's just basic

2 and doesn't say it has to be this way or another

3 way, but it does need to come to the Board for

4 approval.

5 TRUSTEE TONKING: I just have one question

6 on that. I think it's fine to -- because you don't

7 want to hinder other non-profit organization as

8 well.

9 Are we at any risk or liability if we take

10 on the funding and, let's say, it's not enough or

11 then do we have to come up with the rest if the

12 project is over -- I'm just wondering if there's a

13 liability that all of a sudden we face.

14 MR. RUDIN: I don't think there is

15 liability that is of different kind or character

16 than when you're working with a third-party

17 organization.

18 TRUSTEE TONKING: That's all I need to

19 know. I think that's fine.

20 CHAIR SCHMITZ: Okay. Would you be able

21 to take another -- take a stab at this and see if

22 you can, perhaps, make things a little bit more

23 concise?

24 MR. RUDIN: Yeah.

25 CHAIR SCHMITZ: All right. Then we will

92

1 TRUSTEE NOBLE: Aye.

2 TRUSTEE DENT: Aye.

3 CHAIR SCHMITZ: Aye.

4 Then moving on to what was formerly F 6,

5 it's now G 6.

6 G 6. Professional Ski Racer Lila Lapanja

7 CHAIR SCHMITZ: Review, discuss, and

8 approve the agreement with professional skier, pages

9 246 through 254 of the board packet. That agenda

10 item is being brought forward by, I believe,

11 Mr. Raymore. The floor's yours.

12 MR. RAYMORE: Paul Raymoore, marketing

13 manager for the District.

14 I am here to propose a marketing agreement

15 between the District and professional ski racer and

16 local resident, Lila Lapanja.

17 I believe -- hopefully, the memo's pretty

18 complete, but I'm here to answer any question you

19 might have with regards to the potential agreement.

20 CHAIR SCHMITZ: Thank you.

21 I had requested, along with Trustee

22 Tulloch, this get pulled, so I'll let Trustee

23 Tulloch go with his questions first.

24 TRUSTEE TULLOCH: I see you've been

25 demoted since the memo was written.

93

1 But I'm trying to understand what we're  
2 trying to do with this. I mean, it's effectively a  
3 sponsorship agreement, yet all we get out of it is a  
4 couple of videos that may or may not be used and  
5 shown. It's not like she's carrying patches or  
6 anything. The racer's actually skiing for Slovenia,  
7 or trying to ski for Slovenia this season and hoping  
8 to make the Olympics with Slovenia. She's not  
9 actually going to be competing for the U.S. ski  
10 team.

11 So I'm trying to understand what we're  
12 hoping to get off this and what the value of it is,  
13 because I'm concerned it is setting precedents, it's  
14 not necessarily the dollar value in this case. But  
15 it's opening the floodgates. There's all sorts of  
16 deserving cases that could come up with similar  
17 reasons.

18 I'm trying to understand what we're hoping  
19 to do, what benefits we're going to get out of it.

20 MR. RAYMORE: So from my perspective, Lila  
21 has been and continues to be a great ambassador for  
22 Diamond Peak and Diamond Peak's ski team and the  
23 entire racing program that the mountain enjoys.  
24 She's certainly the most successful, homegrown ski  
25 racer to ever come out of Diamond Peak. She's also

95

1 pickleball center as part of her overall training  
2 plan, including some of the off-season training can  
3 also help highlight how great the Rec Center is,  
4 facility for training for everything from rehabbing  
5 an injury she may have sustained, slipping on ice in  
6 our local village, to training for athletics at the  
7 highest level trying to compete on the Olympic  
8 stage.

9 To me, the cost is simply -- it makes  
10 sense from a marketing perspective, the value we  
11 receive from the photo and video shoots, and her  
12 continued advocacy. And the potential upside, if  
13 she does qualify for the Olympics, I think is great.  
14 To be able to associate Diamond Peak with an Olympic  
15 athlete would be amazing.

16 TRUSTEE TULLOCH: Thank you, Mr. Raymoore.  
17 As you're aware, I'm fairly well connected in the  
18 ski racing world, and I'm pretty familiar with it.  
19 I've seen the athletes at U.S. Nationals.  
20 I haven't seen her at World Cup since she didn't  
21 qualify for the World Cup at Squaw. I've never seen  
22 anything mentioned about IVGID or Incline Village or  
23 at any of these events that I've seen her at, just  
24 for reference.

25 You also talk about representing Diamond

94

1 always acted as a great ambassador for the mountain,  
2 both on the World Cup stage, U.S. Nationals, and  
3 throughout her career.

4 As you mentioned, she is now pursuing  
5 Olympic qualification for the 2026 Olympics, via her  
6 Slovenian heritage. For many years, she was on the  
7 U.S. ski team. I believe she made that switch due  
8 to kind of a lack of support from the U.S. ski team,  
9 and he's been racing as an independent racer these  
10 past few seasons on the World Cup as well as the  
11 European Cup circuits.

12 So she's looking for that national team  
13 support to pursue her Olympic dreams.

14 As mentioned in the memo, she has been  
15 born and raised and always lived here in Incline  
16 Village. She's a Picture Pass holder. And as I  
17 mentioned, she's always been a great ambassador.

18 She has already appeared in many marketing  
19 photo shoots for us and video shoots. We see that  
20 as having tremendous value within the marketing team  
21 associating the resort with a potential Olympic  
22 athlete. While certainly she hasn't qualified yet,  
23 the story behind the quest in the chase to do so I  
24 think is a good one. I believe tying in the  
25 District Recreation Center and the tennis and

96

1 Peak ski team. I point out, Diamond Peak ski team  
2 is not a district organization. It's a separate  
3 foundation that operates out of Diamond Peak. The  
4 name has been changed, I don't know if we need to  
5 change our MOU, because it's now -- the MOU is with  
6 Diamond Peak Ski Education Foundation, and Diamond  
7 Peak ski team is not part of the IVGID.

8 If it's DPST she's promoted, wouldn't it  
9 be more appropriate to have it funded by the  
10 foundation?

11 MR. RAYMORE: I apologize if I mixed up  
12 the acronyms. I just used Diamond Peak ski team as  
13 the common name that most people refer to it as. I  
14 believe they're meant to be interchangeable.

15 TRUSTEE TULLOCH: Understood. I know the  
16 names change on the uniforms. And being the head  
17 coach and things, I'm aware it's changed. It used  
18 to be DPSEF on the uniforms and things as well. I'm  
19 not really splitting hairs over that.

20 Again, I'm just trying to understand why  
21 we're doing this, and what precedents it creates.  
22 It's not a case of the money here; it's a case of  
23 what it's trying to do.

24 I mean, if this is something the ski --  
25 that Diamond Peak wants to do to sponsor this



97

1 athlete, I think it's -- that's -- is that a cost to  
 2 Diamond Peak or what's -- is this the correct way to  
 3 go about it? There's no patches, she's not going to  
 4 wear any patches on her uniform or anything.  
 5 MR. RAYMORE: My understanding is those  
 6 kind of sponsor agreements require much more cash  
 7 investment from a sponsor.  
 8 We are simply looking to kind of  
 9 capitalize on the story-telling opportunity that  
 10 exists with a homegrown athlete, who was born and  
 11 raised in Incline Village, has always been and  
 12 continues to be a great ambassador for our local  
 13 community and our local venues.  
 14 Being able to utilize her name, her voice  
 15 in our marketing photos and videos adds significant  
 16 value in my mind, and it is equal or greater than  
 17 the value that we are providing in terms of  
 18 complimentary access to our facilities.  
 19 TRUSTEE TULLOCH: You're absolutely  
 20 correct. Helmet patch is anywhere from one hundred  
 21 grand upwards, that's why I sponsor my own.  
 22 Again, perhaps you can describe what she's  
 23 doing as an ambassador because I'm quite sure -- I  
 24 haven't heard much. I know she's from Incline  
 25 Village, but I'm trying to understand what it is. I

99

1 in many of our marketing promotions.  
 2 There are models who will come and do  
 3 photo shoots for us as well, and they charge actual  
 4 money. I think the compensation in this potential  
 5 agreement is in line with and is actually probably a  
 6 great deal in terms of getting great photo shoots  
 7 with a very accomplished skier who has a great story  
 8 to tell and is also a local for less money than we  
 9 would have to pay professional skiers to appear in  
 10 some of our marketing videos and photos.  
 11 Again, it's -- to me as your marketing  
 12 manager, I'm bringing this to you because I feel  
 13 like it's a good value. She's got a great story to  
 14 tell, and potentially an amazing story if she  
 15 qualifies for the Olympics. We can tie our name and  
 16 our brand to that story. It's a homegrown story.  
 17 It's pretty hard to beat something like that.  
 18 I can almost guarantee that any other ski  
 19 resort, Mt. Rose, Palisades, any of them, if they  
 20 have a similar story and a similar athlete, they're  
 21 going to take full advantage of it. And I can  
 22 guarantee you that some of the bigger resorts have  
 23 similar agreements where they're providing ski  
 24 season passes and other access to athletes who have  
 25 potential to represent them on a national or world

98

1 mean, lots of people can claim to be good  
 2 ambassadors for us.  
 3 Again, I'm just trying to understand what  
 4 we're actually trying to achieve here. My reading  
 5 of the contract, we get to use her pictures -- the  
 6 only obligations of her is to do the photo shoots  
 7 with us and that's it. There's no word of mouth, no  
 8 commitment to spread the word about Incline Village  
 9 and Diamond Peak or anything like.  
 10 No disrespect, but I don't think Diamond  
 11 Peak is really not what's of interest to the  
 12 audience in the World Cup.  
 13 MR. RAYMORE: If you would like to come up  
 14 to some of the events that we run at Diamond Peak  
 15 where Lila appears and signs autographs, talks to  
 16 the kids on the ski team and our customers up at the  
 17 resort about her journey being raised right here in  
 18 Incline Village, learning to ski on the slopes of  
 19 Diamond Peak, listen to her speak about that story,  
 20 I think you would get a great sense of what I mean  
 21 about being a great ambassador for the region and  
 22 the ski hill.  
 23 We have, in the past, had a similar  
 24 agreement with her many years ago, and we've  
 25 utilized photos of her working out at the Rec Center

100

1 stage.  
 2 TRUSTEE TULLOCH: Absolutely. But all the  
 3 other resorts you've quoted are private resorts, and  
 4 they make their own marketing decisions on that.  
 5 And I can give you a little money-saving  
 6 tip: At Mt. Rose, we don't pay models to come in  
 7 for photo shoots. We use our own people in terms of  
 8 that. There's an expense saving, one for you to put  
 9 into practice next season.  
 10 Thank you.  
 11 TRUSTEE NOBLE: I'd like to make a comment  
 12 that I think it's a fantastic deal for IVGID, given  
 13 the obligations under the agreement that Lila would  
 14 be agreeing to and it's -- there's tremendous upside  
 15 potential, depending on how she does, and the fact  
 16 that she would be utilizing some of our facilities  
 17 for free, I think, is well worth it given the  
 18 opportunities that Lila had.  
 19 And so I fully support this agreement.  
 20 CHAIR SCHMITZ: Any other comments or  
 21 questions?  
 22 I have just a couple of things. I think  
 23 it's fantastic to have somebody from your local  
 24 community promoting what's here.  
 25 You talked a lot about her being a great

101

1 ambassador and you talked about her story and  
 2 starting out here at Diamond Peak. I think,  
 3 perhaps, maybe of more value than a photo shoot  
 4 would be to capture a video of her talking about her  
 5 story and talking about it and not just having it  
 6 being set up at Diamond Peak, but actually have it  
 7 being shared as part of our website so that people  
 8 can view it and whatnot.

9 I would encourage, perhaps, this get  
 10 changed a little bit to say to be a good ambassador,  
 11 that's what it would mean, then do some sort of a  
 12 video about her story that you just mentioned.

13 I had the question about the gear, and I  
 14 think that if we can have that value for Diamond  
 15 Peak and promote Diamond Peak through the eyes of a  
 16 local, successful ski racer, I think that would be a  
 17 wonderful thing to share. But I'm not sure not that  
 18 a photo shoot conveys that same message. Given what  
 19 you've said, I would encourage it to be a bit  
 20 different.

21 And if she wants to promote using the Rec  
 22 Center as her training place, but understand that  
 23 most of people who are users of the Rec Center are  
 24 local community, that they know about the Rec  
 25 Center, and we don't really offer a ski training

102

1 program, per se, there.

2 And then the other thing that I had --

3 MR. RAYMORE: May I --

4 CHAIR SCHMITZ: No. Let me finish,  
 5 please. I'm going to finish with my final point,  
 6 and that is if she's not doing promotion of the  
 7 tennis and pickleball center, I'm not sure that is a  
 8 valid tie with a ski racer and using the Rec Center.

9 Those are my thoughts. And I'm highly  
 10 supportive of this. I'm just wondering if it could  
 11 be, maybe, swizzled a little different differently.  
 12 That's all.

13 MR. RAYMORE: If I may respond to just a  
 14 question on the video aspects. That is already  
 15 included in the agreement. The agreement states  
 16 that she will make herself available for one Diamond  
 17 Peak video shoot up to eight hours of time, plus one  
 18 Diamond Peak photo shoot of up to three hours of  
 19 time. And then the same two requirements for the  
 20 Rec Center.

21 We would work -- the topics of those video  
 22 shoots will, essentially, be crafted by the Diamond  
 23 Peak marketing and communication department, working  
 24 in collaboration with Lila.

25 And I think your story idea is pretty much

103

1 in line with what we were thinking there, telling  
 2 her homegrown story, how the facilities that Incline  
 3 Village makes available have contributed to her  
 4 athletic achievements and her athletic goals.

5 CHAIR SCHMITZ: I do see that, that it is  
 6 a video, and I would like to say I'd like it to be  
 7 her story. And you said it's sort of in line with  
 8 that. I think that's what you said was the value,  
 9 and I just question whether the tennis and  
 10 pickleball are an appropriate tie to this.

11 TRUSTEE NOBLE: I would leave it up to  
 12 Diamond Peak to decide how they want to tell that  
 13 story with regards to their marketing since they are  
 14 experts and they know.

15 With regards to pickleball, it's such a  
 16 small part of it. If she uses it as part of her  
 17 training or a way to blow off steam, it doesn't  
 18 matter to me. I think this is still just a  
 19 fantastic deal for IVGID.

20 CHAIR SCHMITZ: Any other comments or  
 21 questions? Nope.

22 TRUSTEE TONKING: I move that the Board of  
 23 Trustees approve this item.

24 TRUSTEE DENT: I'll second.

25 CHAIR SCHMITZ: Motion's been made and

104

1 seconded. All those in favor?

2 TRUSTEE TONKING: Aye.

3 TRUSTEE NOBLE: Aye.

4 TRUSTEE DENT: Aye.

5 CHAIR SCHMITZ: Opposed?  
 6 No.

7 TRUSTEE TULLOCH: Abstain.

8 CHAIR SCHMITZ: Motion passes.  
 9 Moving on to the long range calendar.

10 I. LONG RANGE CALENDAR

11 CHAIR SCHMITZ: On pages 345 through 348.  
 12 And we have a number of changes that happened  
 13 because of Mr. Sands' lack of availability tonight,  
 14 so we will be shifting those things.

15 We will be putting -- the naming policy,  
 16 is that sufficient for on August 28th?

17 MR. RUDIN: Yeah. That's a reasonable  
 18 time frame.

19 CHAIR SCHMITZ: All right. We'll put that  
 20 on.

21 We will have the pricing practice coming  
 22 back at that meeting. We have the golf clubs, and  
 23 we also have on the 28th, the Ordinance 7 changes  
 24 and report. It was recommended that the new  
 25 Director of Finance -- I'm sorry. The new Director

105

1 of Parks and Rec would like to have that on the  
 2 28th.

3           Also on the 28th, I believe, is the sewer  
 4 and water CIP fund balance item from Public Works.  
 5 I think it was scheduled to be on this agenda, but  
 6 with Mr. Cripps being out, I know that she didn't --  
 7 Ms. Nelson did get all of the information she  
 8 needed.

9           I have a question for -- one of things  
 10 that came up in public comment tonight, I have  
 11 penciled in to the August 28th, after talking with  
 12 the Director of Public Works, and that is she's  
 13 going to be bringing back to us, on the 28th also,  
 14 the information on the grease interceptors so that  
 15 the Board can understand what the policy is, what  
 16 the issues are. And I have received at least one  
 17 email from a business owner who is being impacted by  
 18 this, so I'll share with that the Board as part of  
 19 that agenda item.

20           I don't know what direction the Board is  
 21 going to take, but I think it's important that the  
 22 Board understand what the policy is and what the  
 23 issues that are being creating. That, I also have  
 24 on the 28th.

25           With something the Board had said we

106

1 wanted to do, we don't have another town hall on the  
 2 agenda. But it seems like our August 6th and the  
 3 28th is full. I don't know whether we, potentially,  
 4 have it in lieu of that September 11th meeting, but  
 5 I will look for input on that.

6           TRUSTEE TONKING: I'd recommend the  
 7 September 25th or October 9th. I will be remote on  
 8 the September 11th meeting. I was going to throw  
 9 that into long range, but -- or any of -- really,  
 10 that is the only that I have remote.

11           CHAIR SCHMITZ: You're remote on September  
 12 11th.

13           TRUSTEE TONKING: Yep. I have a fear of  
 14 flying on that day.

15           CHAIR SCHMITZ: Okay.

16           Any other comments or questions relative  
 17 to long range calendar?

18           MR. MAGEE: Thank you, Chair Schmitz.

19           A couple of other items that I want to  
 20 bring to the Board's attention. We talked a little  
 21 bit about Policy and Procedure 142, Resolution 1898.  
 22 When did the Board want to bring that one back?  
 23 That was item --

24           CHAIR SCHMITZ: Oh, we can bring that  
 25 back -- are you talking about Ray's agenda item

107

1 without the redlines?

2           MR. MAGEE: Correct.

3           CHAIR SCHMITZ: Can we put that on the  
 4 28th?

5           MR. MAGEE: Also just for the information  
 6 for all of the trustees, I did talk to Trustee  
 7 Tulloch about the golf general manager providing  
 8 some golf financials midyear, season, where revenues  
 9 and expenditures are to date for the season, not  
 10 necessarily the fiscal year.

11           And I spoke with the Chair earlier today.  
 12 My intention was to put that on August 6th. I spoke  
 13 to Mr. Sands just before the meeting. I'm  
 14 recommending that we push that to the 28th.

15           But I also know that is important to the  
 16 Board, and so what I would suggest is when Mr. Sands  
 17 returns that is we create the financials and at  
 18 least give the Board the financials as rapidly as  
 19 possible through an off-agenda memo, and then we  
 20 will attach to the 28th agenda item for public  
 21 discussion, if that would be acceptable.

22           CHAIR SCHMITZ: Is there any issue with  
 23 that?

24           MR. RUDIN: No.

25           CHAIR SCHMITZ: Okay. Thanks.

108

1           MR. MAGEE: Okay. And then the item for  
 2 blanket purchase orders, what date would you like  
 3 move that to?

4           CHAIR SCHMITZ: Is it -- well, how long is  
 5 it going to take get that --

6           MR. MAGEE: I'll defer to counsel on that  
 7 one. I'm not sure if it can be put together in time  
 8 for the 6th.

9           MR. RUDIN: I did speak with the  
 10 controller, who was consternated that she did not  
 11 have anything to work off of, and she is going to be  
 12 looking back at how this was previously done.

13           I would suspect that if we -- I think it  
 14 depends on the urgency of the procurement. And I  
 15 don't have any information about that, but I'm happy  
 16 to work with staff to get it on the 6th if it has to  
 17 go on the 6th.

18           MR. MAGEE: Sure. Happy to discuss that  
 19 with you offline, how it's been handled in the past.

20           And so if it's okay with you, Chair, we'll  
 21 get back to you on if we can get that back on the  
 22 6th. If we can, I think that would be most  
 23 appropriate.

24           CHAIR SCHMITZ: The agenda has to go out  
 25 by 9:00 a.m. tomorrow morning.

109

1 MR. MAGEE: Understood.

2 MR. RUDIN: I think given that deadline, I

3 think it's very unlikely it will get on the 6th.

4 MR. MAGEE: Understood. Yeah, we'll talk

5 about this further.

6 And that's all I have, Chair.

7 CHAIR SCHMITZ: Okay. If there is

8 something that is urgent, please bring to our

9 attention.

10 MR. MAGEE: Absolutely.

11 CHAIR SCHMITZ: All right. Thank you.

12 Anything else?

13 Then moving on to Board of Trustees

14 updates.

15 J. BOARD OF TRUSTEES UPDATES

16 CHAIR SCHMITZ: Do we have any relative to

17 FlashVote or Snowflake Lodge or the tennis and Rec

18 Center? CIP?

19 No. Okay. I have one, the pickleball

20 committee -- actually just a few members of the

21 pickleball committee met with the new Director of

22 Parks and Rec. I think that meeting was very well

23 received, and I'm really thrilled with the rapport

24 and how things are going there. I think that was a

25 worthwhile kick-off meeting, with more to come on

110

1 that.

2 Seeing that there's no other comments,

3 we'll move on to final public comments.

4 K. FINAL PUBLIC COMMENT

5 CHAIR SCHMITZ: Are there any public

6 comments here in the room?

7 MS. JEZYCKI: Michelle Jezycki.

8 Just two points of clarification on the

9 Policy 142, Resolution 1898. Being that you do have

10 two more weeks on it, I would highly encourage you

11 to have your HR folks look at that.

12 Also point of clarification on the

13 internal and external postings. If you have an

14 internal candidate, even if you don't, but it open

15 it, perhaps, for three days. Of course you want the

16 best, most-qualified candidate. It does a lot for

17 morale to let people kind of do self-reflection,

18 talk to their supervisors, maybe the GM to say, I

19 wonder if I would even qualify for this.

20 Have a small window. No harm no foul,

21 right? And then you could open up to the external.

22 Also, conversely, if you have an internal

23 candidate that is a likely shoe-in, to have other

24 people externally take the time and effort to apply

25 when it's basically a decided deal anyway, that's

111

1 the point I was trying to make earlier in the

2 initial comments, is that it can really deter them

3 in the future to apply for another opportunity

4 otherwise.

5 That's all. Thanks.

6 CHAIR SCHMITZ: Do we have any online

7 comments?

8 MR. BELOTE: We do not, Chair.

9 L. ADJOURNMENT

10 CHAIR SCHMITZ: Seeing none, we will

11 adjourn the meeting at 8:35. Thank you all.

12 (Meeting ended at 8:35 p.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

112

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 July 31, 2024, at

7 the of the Board of Trustees public meeting, via

8 Zoom, and took stenotype notes of the proceedings

9 entitled herein, and thereafter transcribed the same

10 into typewriting as herein appears.

11 That the foregoing transcript is a full,

12 true, and correct transcription of my stenotype

13 notes of said proceedings consisting of pages,

14 inclusive.

15 DATED: At Reno, Nevada, this 13th day of

16 August, 2024.

17

18 /s/ Brandi Ann Vianney Smith

19

20 BRANDI ANN VIANNEY SMITH

21

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 48

**Invoice Date:** August 13, 2024

**Payment Due:** August 31, 2024

**Amount Due (USD):** **\$1,022.00**

Items	Quantity	Price	Amount
<b>Base fee</b> July 31, 2024 BOT meeting	1	\$350.00	\$350.00
<b>Per page fee</b> July 31, 2024 BOT meeting	112	\$6.00	\$672.00

**Subtotal:** \$1,022.00

**Total:** \$1,022.00

**Amount Due (USD):** **\$1,022.00**

## **Do You really want to fix it – and what to do**

### **So, what are you going to do about it Trustees – PROBABLY NOTHING**

I ran a successful wholesale office supply business for 30 years. I made a profit every year and I paid all of my loyal employees well including health care benefits, vacation benefits and a 401K pension plan. **None of you except Mr. Tulloch have any business experience or ever had to meet a payroll on Friday afternoon.** IVGID is essentially a group of businesses that you are supposed to manage. Lacking business experience, you 4 trustees lack the skill set to run IVGID. Because he rankles you with his impertinent questions and comments, you do not like Mr. Tulloch. But he is the only one here with real business experience.

But.....So that I am not painted with a broad brush as a do-nothing whiner or a charter member of the hateful eight, I will tell you what you need to do.

If you want to change the paradigm here you must:

1. Hire Tulloch as a temporary GM and/or organize a blue-ribbon committee with Tulloch and citizens that know accounting like Dobler and Nolet, and people who have run businesses like myself who can effectively interview and hire a new GM. You cannot depend on yourselves or a non-business HR person to do this.
2. Commit to out sourcing all of the money loosing activities, with food and beverage services – just as a starter and maybe golf in the near future.
3. Demand honesty and integrity from your employees or fire them.
4. Show some responsibility to spending the taxpayer's money and put their needs ahead of the desires of the staff.
5. Kill stupid budget busters like the snack shack at the beach when you can hire a food truck to do the service in the 12-16 weeks of summer to do the same job at no cost to the taxpayer.
6. Hire people that absolutely qualify for their positions unlike McGee, Cripps, and Winquest and get the books in order.
7. Finally, Mrs. Schmitz or any board president show some cajones and control the staff and do not let them bring stupid crap to the board agenda.

But, because I was not raised in the la la land of letting rogue employees run my show, I know that this board will do none of the bullet items shown above.

*Please include these comments in the permanent record of this meeting*

Public Comments IVGID Board Meeting 7-31-2024 by Clifford Dobler

On Sunday, I sent to each of you a memo on poor budgeting and lack of Board approval for several capital projects. I hope you have read it and can see a total lack of internal controls. Here are some additional items needing attention. Attached.

In June 2021 it was discovered that all interest earned from cash deposits at the recreational venues and utility fund were reported as general fund revenues. As a result, \$490,000 was improperly accounted for in the General Fund. the Audit Committee requested that the interest earned for 2019 and 2021 be reclassified. Never done

IN 2020, the district was required to repair approximately a 1,000 lf of the effluent pipeline costing \$1,200,000 and to install air pressure relief valves costing \$643,000 both required to satisfy requirements of an order by the Nevada Department of Environmental protection. These improvements are abandoned and should be charged off.

In 2022, certain predesign costs of \$1.2 million were capitalized. Under recommendations from Moss Adams these costs should have been expensed and treated as a prior period adjustment. To avoid a material misstatement, IVGID staff classified only \$800,000 as current operating expenses which was improper thus falsifying the financial statements.

In fiscal 2023, without the required NRS Board approval, the General Fund lent the Internal Services Fund \$585,843 which has not been repaid.

In fiscal 2023, IVGID staff reported ALL carryover capital projects as restricted funds. Any restriction must have approval by the board which was not obtained. In addition, note 14 in the ACFR misstated the restriction as unrestricted.

For several year, IVGID staff has failed to report the facility fees for the Community Services and Beaches as nonoperating revenues but has continued to report such fees as operating revenues in violations of GAAP and the Moss Adams recommendation.

In April 2024 IVGID staff provided a revised budget of \$8.1 million for the effluent storage tank. The Army Corp of Engineers is providing a \$5.7 grant. IVGID is responsible for only \$2.4 million. In 2023, the IVGID budget was \$3 million so the \$600,000 of excess budget should have but was not returned to fund balance.

The largest unresolved issue are the 30 memorandums on accounting irregularity which I produced during my audit committee tenure. Resolution has not been done.

Attachment – Memo to Board of Trustees dated July 31.2024

# ATTACHMENT

July 31, 2024

To: Board of Trustees

Cc: Bobby Magee

As far back of August 31, 2021, I sent an e mail to then General Manager, Indra Winqest, about the urgent need for a capital project manager because of the sloppy work that existed. His response was "The existing Public Works Contract Administrator was not being managed, was not provided direction, training, and resources to be successful".

This request was made based on overpayment of a contractor by \$200,000 to \$300,000 for work not performed. The issue was presented to the GM and nothing was done.

Here are some more major errors:

Completion the Burnt Cedar Pool came in under budget leaving \$366,000. Rather than removing the excess from the budget, \$411,109 was spent on items not authorized by the Board and exceeded the excess budget by \$50,000.

In 2021, The Board approved a \$170,000 budget to refurbish two bathrooms in the Rec Center lobby, however, \$319,942 was spent without any Board approvals for the increase.

In 2022. The Board approved a \$860,000 budget to refurbish the two locker rooms in the Rec Center, however. \$1,068,019 was spent without any approvals for the increase.

In 2021, Public Works issued a contract to replace cart paths on 8 holes at the Mountain. Golf course. The contract was not in accordance with the specifications in the bid packet. When caught management of IVGID gave false statements on their authority to modify the contract. The budget was for \$550,000 but actual costs were \$574,000 exceeding the budget with no Board approval.

In 2022, Public Works convinced the Board that patch work, crack filling and slurry coating would be adequate for the remaining cart paths (10 holes) for a contract price of \$187,000. The contract documents had severe errors in quantities. In 2023, Public Works requested and obtained an additional \$160,000 for extra work. Without Board approval the contract was amended for a \$262,649 an increase \$102,649 higher. One par three hole was repositioned under as separate contract for \$216,000 and within the budget. The original budget for the entire budget was \$550,000. Total actual costs are estimated at approximately \$1,500,000.

In April 2023. A design and build contract for \$576,390 was issued to improve the Diamond Peak kitchen. The contract was fixed, however, IVGID had to pay \$26,643, for equipment



which was claimed to be excluded from the contract. An additional \$255,875 change order was issued for expanded work. Final costs are unknown.

Two contracts were issued to Granite Construction under maximum prices of \$9,365,500 and \$46,744,705 for the Effluent Pipeline Project. Granite was to receive a "Construction Manager Fee Percentage" based on costs. The first contract did not include the required percentage, but IVGID staff proceeded to pay 14%. Apparently, no paperwork existed and attorneys were brought in for no purpose. When the second contract was issued the contract also did not include a required percentage, but IVGID staff continued to insist that the fee should be 14%. Trustee Tulloch was successful in reducing the fee to 10%. In addition, Granite would receive 20% of any unused project risk reserve in the contract. These were the largest contracts ever issued by IVGID but management failed to ensure the contract was properly documented. It is assumed that IVGID paid a 14% fee on the first contract.

While the current engineering personal was not here in 2019, the management, at that time, completed a baseball field for \$1,723,052 with a budget of only \$1,208,071 causing a project overrun of over \$500,000. A grant for \$1,308,001 was agreed with Duffield but management never requested a budget amendment from the Board of Trustee. In addition Duffield was required to pay an additional \$50,000 for a storm drainage addition. but management never asked for the reimbursement.

In 2022, IVGID decided to put the effluent storage pond in the larger pond and proceeded to design the project. With the IVGID Staff, Granite Construction, HDR engineering and others apparently did not realized that the pond would require TRPA coverage and study of the current dam would be required. The larger pond was never required and \$413,026 was spent on design which had no value. The lower pond with a concrete storage tank was determined to be the best alternative.

Because of the absent of a contract management, stakeholders of IVGID were required to pay excess amounts on contracts, several contract disputes arose and substantial cost overruns of the budget was never brought to the board for approval.

T

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM C – PUBLIC COMMENT – THE BOARD'S  
REFUSAL TO CLARIFY WHETHER PART OF OUR COMMUNITY  
IS BENEFITTING FROM PREFERENTIAL UTILITY RATES**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff unethical conduct, lack of professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's preferential assessment of utility rates. And no one on the Board will come clean to clarify. And that's the purpose of this written statement.

**My July 27, 2027 E-Mail to The Board<sup>2</sup>:** At the Board's July 10, 2024 meeting Public Works Director Kate Nelson complained that the steel hazardous waste building had to be replaced, and there had been no budgeting for the same when the 2024-25 budget was approved. At Ms. Nelson's urging, the Board approved a one-time \$14.74 modification to our sewer rates. But the question remains is that \$14.74 per user? Or \$14.74 per account? Let me explain the difference.

There are a series of utility accounts made up of many individual dwelling units. Examples would include the roughly 100 condominium projects in town. Or the several apartment complexes where the water/sewer requirements are billed to the complexes as a whole. So when this one time \$14.74 charge is assessed, will it be based on the number of users represented by an account, or simply one account – one assessment? You'd think this would be an easy and straightforward answer to provide. Yet as you can see, it isn't. Rather than recounting more of the substance of my comments on this subject, I refer the reader to said Exhibit "A."

**Conclusion:** This behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated staff get replaced by even more unqualified, incompetent and over compensated staff. And look at the results. No effort to eliminate wasteful expenditures, and complete denial. And continuation of preferential pricing to favored collaborators. As I've pointed out so many times before, these are all the red flags of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and they and

---

<sup>1</sup> 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.>

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

<sup>3</sup> 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)."

your water/sewer rates are as high as they are high? And how more and more households are unable to afford expenditures such as this one?

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

## EXHIBIT "A"

## SECOND Request For Clarification of New One Time Charge to Fund Hazardous Waste Bldg

---

**From:** <s4s@ix.netcom.com>  
**To:** "Schmitz Sara" <schmitz\_trustee@ivgid.org>  
**Cc:** "Dent Matthew" <dent\_trustee@ivgid.org>, "Tonking Michaela" <tonking\_trustee@ivgid.org>, "Noble Dave" <noble\_trustee@ivgid.org>, "Tulloch Ray" <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>  
**Subject:** SECOND Request For Clarification of New One Time Charge to Fund Hazardous Waste Bldg  
**Date:** Jul 27, 2024 4:00 PM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board -

Can I not please get a response to my question? How many times do I have to ask?

Kate Nelson's request for a one time \$14.74 charge on our monthly utility bills for a replacement hazardous waste building has now appeared on our latest utility bills. And no one can tell me if the charge is being assessed to all 8,200+ parcel owners or District water customers or District sewer customers? Or just the approximate 4,400+ District water/sewer accounts?

And BTW, are any of the 200+ unimproved buildable lots in town being billed this \$14.74? Or do they escape assessment because they don't receive District water and/or sewer bills?

Thank you for your cooperation.

Aaron Katz

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

**From:** <s4s@ix.netcom.com>  
**Sent:** Jul 10, 2024 9:19 PM  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>  
**Subject:** Request For Clarification of New One Time Charge to Fund Hazardous Waste Bldg

Chairperson Schmitz and Other Honorable Members of the IVGID Board -

Ms. Nelson's proposal for a one time charge getting added to each utility bill was confusing. And here's the confusion.

Board members should know that condo ass'ns and apartment buildings receive a single account bill even though there are many other users. So when this new one time charge is assessed, is it going to be assessed to each account or each unit encompassed in an account?

For example, if there are "x" units encompassed within a single account, typically one defensible space charge is assessed per unit encompassed. In contrast, one admin fee is typically charged per account.

So what is it going to be for this new hazardous waste bldg charge? One charge per account? Or one charge per each unit encompassed within an account?

Thank you for the clarification. Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM C – PUBLIC COMMENT – THE GRIM  
REALITIES OF THE DISTRICT'S FINANCIAL *UNSUSTAINABILITY*  
JUST SO NO ONE CAN SAY HE/SHE DIDN'T SEE IT COMING!**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff unethical conduct, lack of professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's the road we're on for financial Armageddon. And the need to prepare for return of the District to Washoe County. And that's the purpose of this written statement.

**My July 24, 2024 E-Mail to The Board<sup>2</sup>:** On July 24, 2024 I wrote to the Board to warn of what I see as financial Armageddon. Projected negative operational financials; tens of millions of capital improvements; unsustainable personnel costs; and, insolvency. The only saving grace being the invalid financial subsidy we know as the Rec Fee. Which future Boards will have to harness because there is no other possible white knight. Rather than recounting the substance of my comments on this subject, I refer the reader to said Exhibit "A."

**Conclusion:** This behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated staff get replaced by even more unqualified, incompetent and over compensated staff. And look at the results. No effort to eliminate wasteful expenditures, and complete denial. As I've pointed out so many times before, these are all the red flags of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and they are as high as they are?

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

---

<sup>1</sup> 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.>

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

<sup>3</sup> 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"



## Wake Up and Smell The Coffee Mrs. 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>, "Tulloch Ray" <tulloch\_trustee@ivgid.org>, "Noble Dave" <noble\_trustee@ivgid.org>, <bma@ivgid.org>, "Homan Mick" <homan\_audit@ivgid.org>, <jezycki4ivgid@gmail.com>  
**Subject:** Wake Up and Smell The Coffee Mrs. Bueller!  
**Date:** Jul 24, 2024 11:35 PM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board -

You and past boards have refused to come to grips with the grim realities I and others have been warning about...for years. And now most of you are complaining of financial unsustainability without any realistic plan to get us out of the mess we're in. Because there is no plan other than to drastically downsize.

I keep telling you that we can't rely upon the professionalism and competence of our staff to come up with any realistic number for anything. I have decades of evidence to point to in support of this truism.

So according to our staff, their estimate of the District's capital improvement project ("CIP") expenditure requirements over just the next five (5) years totals a whopping \$108,113,912 (see page 28 of the Board's March 6, 2024 Board packet)! Even if we subtract the \$51,314,200 of estimated Utility Fund CIP expenditures (see page 25 of the of the Board's March 6, 2024 Board packet) from this number, we're still left with an unbelievable \$56,799,712 or \$11,359,942 per year. Every year!

And what's a joke is this number doesn't include four of Trustee Noble's "wish list" priority projects! Like reconstruction of Ski Way. And reconstruction of Snowflake Lodge. And construction of a spiffy new Beach House. And development of a dedicated dog park. Right Mr. Noble? So you'd better add another \$18 million or so to the pot. Now putting us at nearly \$75 million for your perceived bonding! Plus costs of bonding. Or roughly \$15.6 million per year. For each of the next five (5) years.

According to your most recent operational budget for the current fiscal year, we're budgeted to generate an estimated:

1. \$23,906,450 in Community Services Fund revenues (less facility fee subsidies of \$1,233,150 and inclusive non-operating interest income of \$439,800), and \$22,885,685 of expenditures (see Schedule F1 page 12). For a net \$1,020,465 of positive income; and,
2. \$1,498,100 in Beach Fund revenues (less facility fee subsidies of \$2,328,600 and inclusive non-operating interest income of \$96,400), and \$2,384,530 of expenditures (see Schedule F1 page 14). For a net \$55,930 of negative income.

We already know these numbers are fantasy because we can't generate anything near the revenue we've budgeted for in these two funds. Nor are we able to operate our recreation/other facilities at the "low ball" numbers included in the budget. And each of you knows this.

But let's say for purposes of argument these numbers are accurate. Combining operation and CIP expenses, we've estimated to require \$14,800,000 per year. So where's the number going to come from?

Do you think any of our 3M trustee candidates plus Trustee Noble will be able to reduce the number of vital employees?

Or reduce payroll?

Or increase revenues?

Or decrease expenditures other than payroll?

Or do you think you can find a new GM? At a compensation package of less than \$500K/annually?

No Trustee Tonking. It's not "water under the bridge." We need a serious, serious conversation of where to go from here. If anyone, and I'm talking to the 3 M's up for election in particular, really think you're going to be able to turn this ship around, you're dreaming. Your only option is going to be bonding which will shackle local parcel owners/their successors with markedly higher Rec Fees for years? Even though you know our Rec Fee is not a standby service charge for the alleged availability make our recreation and beach facilities available to be used by those properties, rather than their occupants. If not, what else?

If we have to spend money like this on infrastructure of replacements, don't you think the time has come to go out of business? It's not worth it, and it's as simple as this.

For whom are we really doing all of this? And at these fantasy numbers?

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM F(1) – OBJECTION TO APPROVAL OF  
THE PROPOSED MINUTES OF THE BOARD'S JUNE 12, 2024  
MEETING GIVEN THEY OMIT WRITTEN REMARKS  
REQUESTED TO BE INCLUDED**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of professionalism, wasteful spending, and a flagrant disregard for the financial sustainability of the District. This time it's whoever prepares Board packets in anticipation of Board meetings where matters like this one are voted upon by the Board. Normally I would assume that staff would be Board Clerk Heidi White. But recently we've learned that Susan Herron has unilaterally interjected herself into the process. Oftentimes inserting other persons' names as if they were the originator of content when in truth and in fact, the originator is Ms. Herron. So we can't jump to conclusions the culprit here is Ms. Herron. But regardless, that's the purpose of this written statement.

**My July 27, 2024 E-Mail to The Board<sup>2</sup>:** On July 27, 2024 I wrote to the Board voicing my objections to approval of the proposed minutes for the Board's June 12, 2024 meeting. I was present at that meeting. I addressed the Board, submitted written remarks, and asked they be included in the minutes of that meeting. Yet those proposed minutes have come out, and my written remarks are nowhere to be found. Is this simply negligent? Or something more nefarious? Does staff want to silence me so members of the community are kept in the dark insofar as matters of concern to them? But rather than recounting the substance of my comments, I simply refer the reader to said Exhibit "A."

Even though I asked that the matter be taken off the calendar and continued to another date and time when corrected minutes could be presented and approved, I can only speculate what the Board will actually do. Based upon my experience, I expect my objections will be ignored and the defective minutes will be approved. Depriving future readers of the several wrongs I attempted to preserve. If that takes place, I will be forced to file an Open Meeting Law ("OML") complaint. But I guess we'll wait and see what happens.

**Conclusion:** Employee behavior like this just keeps happening over and over and over again. Unqualified, less than competent, less than ethical and grossly over compensated staff get replaced

---

<sup>1</sup> 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.>

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

by even more unqualified, less than competent, unethical and more over compensated staff. And look at the results. No effort to comply with the NRS when staff's intent is to shield the public from my more criticism. As I've pointed out so many times before, these are all the red flags/earmarks of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees and water/ sewer rates, tolls and charges are as high as they are? And going higher?

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

---

<sup>3</sup> 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"

## **P.S. Re: July 31, 2024 IVGID BOT Meeting - Agenda Item F(1) - Approval of Minutes of The IVGID Board's June 12, 2024 Meeting - DO NOT Approve These Minutes as Present as They are DEFICIENT - Where Are My Written Statements?**

---

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>  
**Subject:** P.S. Re: July 31, 2024 IVGID BOT Meeting - Agenda Item F(1) - Approval of Minutes of The IVGID Board's June 12, 2024 Meeting - DO NOT Approve These Minutes as Present as They are DEFICIENT - Where Are My Written Statements?  
**Date:** Jul 27, 2024 2:21 PM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District disfunction) -Sorry to bother you with a P.S. to the e-mail below. But.I thought the omission to include my written statements in the minutes of the subject meeting might be innocent. And it might be Heidi.However, upon reflection, the thought struck me our culprit may be the same cancer in our community I wrote to you about before.Ms. Cancer has a history of preparing official documents which reflect the name of persons other than herself.And with her recent rebuttal to the RubinBrown Report, she has a history of protecting the District without instruction or oversight. So here she might have desired to protect the District from criticism by omitting my written statements from the minutes of the June 12 BOT meeting.So if anyone chooses to investigate, you might want to investigate who assembled the Board packet with the intent, opportunity and motivation to omit my written statements?Just a thought. Aaron Katz

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

**From:** <s4s@ix.netcom.com>  
**Sent:** Jul 27, 2024 11:54 AM  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>  
**Subject:** July 31, 2024 IVGID BOT Meeting - Agenda Item F(1) - Approval of Minutes of The IVGID Board's June 12, 2024 Meeting - DO NOT Approve These Minutes as Present as They are DEFICIENT - Where Are My Written Statements?

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District disfunction) -

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is hell no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

And here it's the minutes of the BOT June 12, 2024 Meeting ("the 6/12/2024 Board packet"). In particular see pages 36-37 of the Board packet for our upcoming July 31, 2024 BOT Meeting. Let me quote:

1. "Initial Public Comment.

Mr. Katz: Thank you. Good evening, Trustees. Aaron Katz, Incline Village. I have several written statements that were given (to Heidi White who was present) to be included in the minutes..."

2. Attachments to those minutes - starting at page 67 of the 6/12/2024 Board packet. THERE ARE NO ATTACHMENTS!

3. Even if you assume pages 69-82 of the 6/12/2024 Board packet represent attachments to the minutes of that meeting, WHICH I DO NOT ASSUME, NONE consist of the written statements I presented for inclusion in the minutes of that meeting.
4. Copies of my written statements (there were six of them), absent the attached exhibits to those written statements, are attached to this e-mail. Look at them for yourselves. Do you see any attached to the proposed minutes of that meeting? Of course you don't.
5. NRS 241.035(1)(d): "Each public body shall keep written minutes of each of its meetings including...The substance of remarks made by any member of the general public who addresses the public body if the member of the general public requests that the minutes reflect those remarks or, **if the member of the general public has prepared written remarks, a copy of the prepared remarks if the member of the general public submits a copy for inclusion.**"
6. Did I submit prepared written remarks for inclusion in the minutes of that meeting? Was I present to give my remarks to the Board? Did I request those remarks be included in the minutes? SO WHERE ARE THEY?

I ask this matter be removed from the agenda and only return once staff have presented proposed minutes which include the written statements I presented. If this doesn't take place, then I will file an OML violation.

Moreover, now staff is forcing me to go back and review all proposed minutes to ensure they include written remarks I requested be included in those minutes. Because I can't trust staff to follow the NRS.

And since I have now identified ANOTHER NRS violation, I again ask the Washoe County Board of Commissioners be notified pursuant to NRS 318.515 that: (a) the District is not being properly managed; and, (b) the IVGID Board is not following NRS 241.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM G(5) – THE FUTURE OF THE BEACH  
PROJECT RECOUNTED BY AN EMPLOYEE WHO IS OUT OF  
HIS LEAGUE ON THE SUBJECT BECAUSE HE NEEDS  
TO JUSTIFY HIS FULL TIME EMPLOYMENT**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of professionalism, wasteful spending, and a flagrant disregard for the financial sustainability of the District. This time it's Tom Sands and his rendering of opinions about the beaches, beach F&B and food trucks. Even though he has little expertise in any of these areas. So why do we rely upon someone like this as opposed to outsourcing the matter? And that's the purpose of this written statement.

**My July 30, 2024 E-Mail to The Board**<sup>2</sup>: On July 30, 2024 I wrote to the Board voicing my objections to the conclusions raised by Golf GM Tom Sands to District matters out of his wheelhouse of expertise; our beaches, F&B, F&B at the beaches, and the advisability of our purchasing and operating food trucks at the beaches. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

**Conclusion:** Employee behavior like this just keeps happening over and over and over again. Unqualified, less than competent, less than ethical and grossly over compensated staff get replaced by even more unqualified, less than competent, unethical and more over compensated staff. And look at the results. No effort to eliminate wasteful expenditures like the one the subject of this written statement not having anything directly to do with furnishing the mere availability of facilities for public recreation and. Here the Board asked to examine F&B financial operations at the beaches, and it hasn't received what it requested. Meaning the Board knows little more about this subject than it did when request was first made. As I've pointed out so many times before, these are all the red flags/earmarks of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees and water/sewer rates, tolls and charges are as high as they are? And going higher?

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

---

<sup>1</sup> 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.>

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

<sup>3</sup> 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"**

## July 31, 2024 IVGID BOT Meeting - Agenda Item G(5) - The Future of Incline Beach Food And Beverage aka "The Incline Beach Project"

---

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <jezycki4ivgid@gmail.com>, <homan4ivgid@gmail.com>  
**Subject:** July 31, 2024 IVGID BOT Meeting - Agenda Item G(5) - The Future of Incline Beach Food And Beverage aka "The Incline Beach Project"  
**Date:** Jul 30, 2024 9:34 AM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District disfunction) -

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

Here our Golf GM, Tim Sands, has agendized a matter regarding "The Incline Beach Project."

Well what exactly is this project? I've never heard of it before. Have you? And if you have, have you ever directed staff to do anything towards its prosecution? Bueller? Bueller?

And BTW, why do I have to hear from someone like Mr. Sands about beach matters? Let alone non-golf beach matters? HE'S NOT QUALIFIED.

Here we go again. Mr. Sands is a glorified golf pro. His responsibilities are with our golf courses. Not food and beverage. Certainly not the beaches. Not the pro shop. Not facility sales. Just our golf courses.

And just like our buddy Paul Raymore, this position is not worthy of a full time benefited position either. Rather than seasonal. At max of six (6) months of seasonal work.

But we couldn't attract a vital employee like Mr. Sands if we only offered him a seasonal, unbenefited position. Right? So staff are forced to create another unnecessary position just like Susan Herron's. And put someone in charge who is out of his league when it comes to food and beverage sales. And retail merchandising. And beach matters. What our wonderful staff have done is create a position which overall is "garbage" and then we're surprised when the net result is "garbage." Or as I like to refer to it, GIGO or "garbage in, garbage out."

So let's start reading Mr. Sands' staff memo (pages 338-344 of the Board packet) in support of "the beach project."

First, Mr. Sands refers to some "milestone" insofar as the Beach Capital Plan for FY 2024/25 is concerned. What does this have to do with food and beverage ("F&B") sales at our beaches? And what qualifications does Mr. Sands possess to be dealing with F&B? Let alone at our beaches. He's presumably a golf guy.

Next, Mr. Sands refers to schematic design contracts for the Incline Beach House and improved beach access. What does this have to do with food and beverage sales at our beaches? And what qualifications does Mr. Sands possess to be dealing with schematic design of a CIP project? Or engineering? Or traffic flow? Why isn't our crack in house engineering department handling these matters?

Finally, Mr. Sands refers to the analysis of historical F&B data as well as food truck costs. To make the case we're better off doing what we have done for decades, in house, insofar as beach F&B sales are

concerned. And what qualifications does Mr. Sands possess to be dealing with F&B and food truck costs? Why does he even mention the subject?

## BUT IT GETS WORSE!

1. Mr. Sands tells us that on June 12, 2024 staff sought amendments to the 30% schematic design contracts for the Beach House and Beach Access projects referring to page 740 of the Board packet. I have gone to that packet and THERE IS NO PAGE 740!

2. Yes there is an agenda item G(1) but where does it mention food trucks?

3. Notwithstanding, yes the Board asked staff for F&B data. But as you will see, Mr. Sands hasn't provided what was requested. Listen to the garbage justification propaganda spewed by Mr. Sands in support of more money losing commercial business enterprises: "Creat(ion of)...a community benefit (over the current Incline Beach snack shack) through updating aesthetics;" "provid(ing)...new services (at increased costs of course) to residents and their guest(s);" "boost(ing) staff morale." What does any of this have to do with addressing money losing F&B operations?

The Board asked for substantive data. And not deceitful data. HOW MUCH MONEY DID WE LOSE Mr. Sands? Not gross revenues. Revenues less expenses. And less all expenses like the ones staff never report (like central services costs assigned to F&B operations). When you consider all of the costs, FOR A SNACK SHACK no less; or capital costs LIKE A \$2M KITCHEN to serve pre-made sandwiches; and at the end of the day you can't even tell us how much money we lost; nor as a result of sales on what days of the season; so the Board can make an intelligent decision re continued operation of this money losing black hole business; it kind of says it all, doesn't it? And as if you were even qualified to undertake an analysis like this in the first place.

4. And no, the Board didn't ask for an investigation of a food truck option, let alone one run in house rather than being outsourced. Yet here Mr. Sands went off on a tangent...again. Purchasing and operating a food truck instead of the Beach House. No Mr. Sands. We OUTSOURCE food truck sales. Someone else's food truck(s). Not ours. And someone else's employees. Not ours. And someone else's losses caused by employee theft. Not our losses due to employee theft. So the public doesn't have to incur the many costs you have outlined. Where exactly is this option?

What we have here is more "busy work." To justify full time employment for a seasonal job. Conducted by someone without real expertise. Let alone higher priced lack of expertise inasmuch as the costs of Mr. Sands are far in excess of comparable qualified outsourced costs. And at the end of the day, what value has the Board and the public received as a result of Mr. Sands' report and request for direction? Like I said. Bueller? Bueller?

So what is the future of beach F&B sales? Here's my recommendation. Cease in house run F&B sales. They generate a loss at everywhere we run them in the District. Grille Restaurant? Bar cart sales? Mountain golf course light kitchen options? Beach F&B? Catering? Loss, loss, loss. Furthermore, government shouldn't be in any of these businesses. That's not what you're here for. And each of you knows this.

How about this one? IVGID is NOT the equitable owner of the beaches. Local parcel owners with beach access are. IVGID is nothing more than a fiduciary for the benefit of we local parcel owners. To advance our recreation and nothing more (meaning no F&B sales. Nor \$8M or greater beach houses). And you've demonstrated you're incapable. So how about giving us our beaches back? The only reason the District secured bare legal title in the first place was so that public bonding could take place so funds could be generated to pay Crystal Bay Development Co. for the beaches. But now that those bonds have been paid off, what exactly do we need IVGID for? You don't think we can do a better job of managing our beaches?

Why don't you ask us rather than people like Mr. Sands? Why don't you ask our non-resident owners who can't vote for trustees who manage their beaches because they're not qualified electors? Why don't you ask our resident owners who own multiple Incline Village properties with beach access, yet only get one vote even though they pay multiple BFFs? Why don't you ask our resident corporate,

partnership or trust owners who can't vote for trustees who manage their beaches because they're not qualified electors? Why don't you ask local parcel owners who don't have beach access (like Frank Wright) who suffer from your lack of 100% loyalty when it comes to beach issues? Or are forced to post security for beach general obligation bond borrowing, even though they are denied access? Exactly why are you here and for who's benefit do you act?

When does the Board get it? Stop hiring boys to do a man's job. And don't hire a golf GM for a full time position when we only need him/her for a 5-6 months seasonally. If you continue to refuse to do this, you are destined to repeat our history of failure. Violating the Einstein rule of insanity. Why? Because you guys know better and dummies like me don't. But remember, I'm not the cause of your inability to generate revenue neutral operations.

Like I said. So much for this propaganda!

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM F(6) – FREEBIES FOR ANOTHER STAFF  
FAVORED COLLABORATOR WITHOUT REGARD TO THE COST  
OF LOCAL PARCEL OWNERS?**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of professionalism, wasteful spending, and a flagrant disregard for the financial sustainability of the District. This time it's Paul Raymore and his parsing out of free recreation privileges to his favored collaborator Lila Lapanja. Who does essentially nothing to promote Incline Village or IVGID, and is now representing a foreign country; Slovenia. And that's the purpose of this written statement.

**My July 29, 2024 E-Mail to The Board**<sup>2</sup>: On July 29, 2024 I voiced my opposition to this giveaway at local parcel owners' expense. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

**Conclusion:** Employee behavior like this just keeps happening over and over and over again. Unqualified, less than competent, less than ethical and grossly over compensated staff get replaced by even more unqualified, more less than competent, more unethical and more over compensated staff. And look at the results. No effort to eliminate wasteful expenditures like the one the subject of this written statement not having anything directly to do with furnishing the mere availability of facilities for public recreation and utilities. And the fabrication of false justification to support more and more giveaways. As I've pointed out so many times before, these are all the red flags/earmarks of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees and water/sewer rates, tolls and charges are as high as they are? And going higher?

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

---

<sup>1</sup> 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.>

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

<sup>3</sup> 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"**

## Re: July 31, 2024 IVGID BOT Meeting - Agenda Item F(6) - Freebies For Another Staff Favored Collaborator - And on The Consent Calendar No Less! - P.S.

---

**From:** <s4s@ix.netcom.com>  
**To:** "Schmitz Sara" <schmitz\_trustee@ivgid.org>  
**Cc:** "Dent Matthew" <dent\_trustee@ivgid.org>, "Tonking Michaela" <tonking\_trustee@ivgid.org>, "Noble Dave" <noble\_trustee@ivgid.org>, "Tulloch Ray" <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <jezycki4ivgid@gmail.com>, <homan4ivgid@gmail.com>  
**Subject:** Re: July 31, 2024 IVGID BOT Meeting - Agenda Item F(6) - Freebies For Another Staff Favored Collaborator - And on The Consent Calendar No Less! - P.S.  
**Date:** Jul 29, 2024 11:53 AM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District disfunction) -

Well I guess it couldn't get any worse. But then we're talking about IVGID. So those of us in the know, know that of course it can get worse! And here we go.

So you will recall below that I asked for Paul Raymore current job title and pay grade? And this morning I received a written response the subject of PRA No. 24-96 (look it up for yourselves). Bottom line, Paul Raymore's job title is "Marketing Manager." Okay. So why is he calling himself "Marketing Director?" And if he's not telling the truth to the Board and the public, do you think he might not be telling the truth to non-IVGID employee colleagues and vendors? To make himself look to be more important than he really is?

Let's finish the inquiry, shall we? So I asked for Mr. Raymore's compensation salary grade, and I was told it is 27. So what does that mean in the real world? Between a low of \$78,149, and a high of \$109,409. Now what do you want to bet his actual compensation is under \$100K annually? In other words, here it's summer time so we don't need to be paying him to market DP. Yet we're paying him over \$100K annually in salary plus benefits! We're overspending millions on worthless endeavors, and Mr. Raymore is Exhibit "A" when it comes to worthless endeavors. As exemplified by the current agenda item.

Whiner Riner, Kristie Wells and others like them in our community are so critical of me when I call out dysfunctional employees like this one who are so grossly overpaid and under qualified. Well I'm sorry. If the glove doesn't fit you must acquit! But here, we see the glove actually fits.

Just say no to this inappropriate request. And start being financially responsible. Respectfully, Aaron Katz

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

**From:** <s4s@ix.netcom.com>  
**Sent:** Jul 29, 2024 12:22 AM  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <jezycki4ivgid@gmail.com>, <homan4ivgid@gmail.com>, Feore Erin <ekf@ivgid.org>  
**Subject:** July 31, 2024 IVGID BOT Meeting - Agenda Item F(6) - Freebies For Another Staff Favored Collaborator - And

on The Consent Calendar No Less!

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District disfunction) -

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

Here our marketing manager (or has he been promoted to Director of Marketing? - read below), who I have criticized many times before, has agendized this matter regarding the giveaway of recreational venue use, and for what? And more bothersome, on the consent calendar no less. When are these people going to get it? We're not here to use tools such as these to market our over burdened recreation/other facilities to the world's tourists. But what do I know?

Let's start with Policy and Procedure Resolution No. 141 which appears at pages 250-51 of the Board packet. Paragraph 5. "Fee Waivers:"

"The Board of Trustees may authorize additional complimentary or discounted use of District facilities...in its discretion." So I guess this is the justification for Mr. Raymore putting this matter on a BOT agenda. But you would think that our professional staff would know better. Wishful thinking.

Now let's move on to the IVGID position Paul Raymore holds.

I want you to go to page 7 of the May 23, 2023 Board packet. There you will find "budget highlights" for the 2023-24 budget. Under "personnel/staffing" we learn that "the Marketing Team consists of a full-time year-round Marketing Manager..." I emphasize the word "Manager." No "Director." Was that a mistake? Has Mr. Raymore been promoted since then? And if so by whom? Whomever that person is should be fired.

Next go to page 112 of the September 27, 2023 Board packet. Here you will find a staff memo prepared by Mr. Raymore where he argues for a new and expanded advertising program. More crap of course. But on this page he refers to himself as BOTH a "Marketing Director" and "Marketing Manager." Which is it Mr. Raymore? Is he just sloppy or has been promoted to Director?

Next go to page 132 of the June 12, 2024 Board packet. Here you will find another staff memo prepared by Mr. Raymore where he pushes for a new agreement with CC Media for publishing of the IVGID Magazine. More crap of course. In fact, this seems to be a recurring theme with Mr. Raymore - more crap of course. But on this page he again refers to himself as BOTH a "Marketing Director" and "Marketing Manager." Again, which is it Mr. Raymore? Is he just sloppy or has been promoted to Director?

Finally, go to pages 123-126 of the May 20, 2024 Board packet. These are the pages where the BOT approved personnel funding for 2024-25 as part of the 2024-25 budget. Go to page 125. There you will find that Mr. Raymore's job title was changed from something below marketing manager to "Marketing Manager." NOT Marketing Director. But Marketing Manager. If this guy has been promoted to a directorship, you need to get to the bottom. Because the Board never, never approved this position. And Mr. Raymore should know this. Shouldn't he know this?

So I and others want to know if Mr. Raymore has been promoted to a directorship? Or is he simply sloppy in his reference to himself as director or manager. What is it Mr. Raymore? And if his job position has changed, we want to know his pay grade level. What is it Ms. Feore? Consider this a records request which explains why I have forwarded you a copy of this e-mail.



Now let's move onto Mr. Raymore's memo OMISSION and arrogant disregard of Policy 3.1.0.4. Again, more crap when it comes to Mr. Raymore. This is where the Consent Calendar is discussed. Let me quote it for Mr. Raymore's benefit because obviously he's not familiar with Board policies:

"A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section."

So where is the discussion re justification for placing this matter on the consent calendar Mr. Raymore? Where is the discussion under paragraph II Background of the staff memo? Sloppy or intentional?

Let's continue: "Any member of the Board may request the removal of a particular item from the Consent Calendar, at the time of the agenda approval, and that the matter shall be removed and addressed in the General Business section of the meeting." I therefore ask that at least one Board member request this matter be removed from the Consent Calendar. It never should have been placed there AND YOU SHOULD KNOW THIS Mr. RAYMORE!

Am I being too hard on poor old Mr. Raymore? You know the thought strikes me Mr. Raymore may not have prepared this staff memo and caused placement on the consent calendar. Perhaps someone else did this and simply placed Mr. Raymore's name on the memo? Do we have any other employees who have a propensity for doing this very thing? Because their pay grades are higher than Mr. Raymore's. Could it be the cancer in our community? I request you Board members investigate and report back to the community.

Let's move on to the proposed agreement. And let's call it what it is. Another local TAKER in our community which cares more about herself than the community she allegedly loves so much. Yes she's the taker and local parcel owners (aka sapps) are the givers. When she came to Mr. Raymore and made her request, he should have politely replied thanks but NO! Don't you Board members get it? Because every Tom, Dick and Harry can go to our wonderful staff and ask for benefits personal to themselves, and to the prejudice of their neighbors, the word is out! Why not? Right Ms. Lapanja?

BTW, Mr. Raymore doesn't tell the Board that Ms. Lapanja has been reaping the benefit of a free DP and Rec season pass for some number of years. It's just that she and Mr. Raymore have hidden this from the Board and the public. Right Mr. Raymore? But it's worse. One free DP and another free Rec Center season pass hasn't been sufficient for Ms. Lapanja. So she twisted Mr. Raymore's arm and guess what? She was successful in getting the same benefit for her father. Isn't this right Mr. Raymore? Why didn't you include this little tibit in your staff memo? Sloppy or intentional?

Okay, for some years Ms. Lapanja and her father have been taking from local parcel owners, and exactly what have they given back to the community? DP Ambassador? Any reference to Incline Village in her travels around the world? How about an IVGID logo patch sewn to her race suit or other ski team gear? Nada, nada, nada. So don't tell me it's about giving back to us. And BTW, has the District sent Ms. Lapanja and her father 1099s for the "in kind" value of these complimentary season passes? What is it Ms. Feore? Consider this a records request which explains why I have forwarded you a copy of this e-mail.

Next, how much did you incur on our behalf with attorney Rudin to negotiate and draft the proposed "agreement for services" attached to your staff memo? Have you added this cost to the \$2,564 - \$2,820 of in kind consideration which appears at page 248 of the Board packet? Of course you haven't. Yet still local parcel owners have been shackled with the cost! Right Mr. Raymore?

And where did you get the authority to incur a cost like this? Since when do you have the authority to ask the Board's attorney to do your legal work? And shame on Mr. Rudin for even giving Mr. Raymore the time of day! We've discussed this before. Mr. Rudin in the Board's attorney and not staff's. If you need an attorney to assist you in your marketing

efforts, budget for it, and hire your own attorney! Again, the arrogance!

You would have been better off using your District procurement card Mr. Raymore to purchase these passes on Ms. Lapanja's behalf, labeling them as "marketing." That way no one would have been the wiser and this matter wouldn't be before the Board for approval.

Next, what does the District get for this valuable partnership with Ms. Lapanja? A DP video shoot; a Rec Center video shoot; and, a 2 hour "meet and greet" at DP. Well surely we will have right to use her name and picture in any IVGID marketing. And surely Ms. Lapanja will wear the logo patch of IVGID on her official ski team uniform. Or a Diamond Peak baseball hat when she is interviewed on TV during a race. Right Mr. Raymore?

What about advertising Ms. Lapanja as the District's "marketing ambassador?" WRONGO Mr. Raymore. Paragraph 4(a) of the proposed agreement states that "this agreement...for...services...is limited to the (three) services described." Right Mr. Raymore? That means Ms. Lapanja's obligations under the agreement are expressly limited to the three items referenced above.

Paragraph 4(c) does grant the District an exclusive license to use "all photo and video content." But that would be photo and video content arising from Ms. Lapanja's DP and Rec Center shoots, and no other content whatsoever. Meaning nothing in a press package representing to the world that Ms. Lapanja is DP's marketing ambassador. Right Mr. Raymore? Because if it meant anything more, it would be included in the contract under "obligations of Lila." Right Mr. Raymore. Boy you're a hell of a negotiator. And speaking of negotiating, wait till we get to the zinger below that involves Slovinea!

Regardless, please explain to us exactly how this relationship with Ms. Lapanja will "be mutually beneficial for...the District's marketing programs?" If you can't use Ms. Lapanja's picture and name as official ambassador of DP, then what good is it Mr. Marketing Manager? Me thinks you speak with forked tongue! In fact, me knows it! Like I said. Everything this guy does is founded in crap.

Okay, now we're ready for the zinger. Right Mr. Raymore?

At page 247 of the Board packet Mr. Raymore tells us that Ms. Lapanja's "goal is to qualify for and race in the 2026 Winter Olympics." Okay. Qualifying for and racing for whose ski team in the 2026 Winter Olympics? If you guessed the USA, of course, you'd have guessed WRONG! Ms. Lapanja can't qualify to be a member of the U.S. Ski Team. Just like Mr. Raymore doesn't have the skillset to qualify to be a Marketing Manager for anyone other than IVGID! So she has jumped ship to become a member of the Slovenia Ski Team! That's right! Ms. Lapanja has zero interest in promoting the District, and every interest in promoting Slovinia! Don't believe me? Why don't you Board members go to . Read all about it there! Oh, take a look at the nice picture of Ms. Lapanja in her flashy ski suit. Do you see anywhere the logo of IVGID? But it gets better. Ms. Lapanja has her own web site ( ( ( (<https://skiracing.com/lila-lapanja-from-usa-to-slovenia-a-new-alpine-skiing-chapter/> (<https://www.lilalapanja.com/>)))))).

The first thing we notice is a professional video of Ms. Lapanja running gates in her flashy race suit. Do you see any reference thereon to Incline Village or IVGID? Bueller? Bueller? Okay, let's look at the video itself. We see that she's sponsored by the "Northstar Team Foundation." What? Northstar and not Diamond Peak? But I thought she was our marketing ambassador? WRONGO Mr. Raymore. It says she's Northstar Ski Team Ambassador! I think you've lied to us Mr. Raymore. But what else would be new? Like I said, everything this guy does is founded in crap. Right Mr. Magee?

Look at the pretty still picture of Ms. Lapanja below the race video. She's wearing a baseball cap! Just NOT Diamond Peak's. It says DPST across the top. Now what's that?

I have a thought and a question Mr. Marketing Guru Paul Raymore. Have you contacted the government of Slovenia and requested a financial contribution because she's using our facilities at no cost to Slovenia to train to be a member of the Slovenia Ski Team? Come on. It's not fair for them to not pay their fair share. Right Mr. Magee? After all, she's OUR marketing ambassador. But stupid me. Mr. Raymore is trying to attract the world's tourists. You know, all those recreation goes in Slovenia he wants to attract to Diamond Peak! Well of course he hasn't! That would take a brain. And like most of our wonderful employees, this is a qualification for employment which seems to be lacking here in IVGIDville.

So bottom line we get essentially nothing. And Ms. Lapanja gets to laugh at us all the way to the bank. Probably located in Slovenia. A real "give and take" relationship. Thank you again Mr. Raymore!

BTW, please remind me why you have a full time, fully benefited job with the District? Is it so you can spend your off ski season time advancing crap like this? Want to save some money Board members? Reclassify Mr. Raymore's position as what it should be. Ski seasonal and non-benefited. Or better yet, eliminate it altogether. Remember, he and his 20 mule team are admittedly costing us \$1.25 million + annually. That means that if we eliminate his position, we can afford to lose \$1.25 million of gross revenues annually and not miss a beat. I'm thinking the actual loss might be NOTHING! What a concept to improve our bottom line!

Finally, let's look at Mr. Raymore's staff memo paragraph V Alternatives? Only two? (1) Limit the freebies to only a partial list of IVGID venues requested. I.e., DP for instance. (2) Limit the time frame for the proposed agreement to less than two years. How about alternative number three Mr. Raymore? Couldn't you think of that one? You know, JUST SAY NO! Why haven't you proposed NO as a possible alternative for consideration? Who exactly are you working for? Who is the recipient of your 100% loyalty?

When does the Board get it? This despicable conduct needs to end. Don't tell me about other private ski areas and what they do. Tell me about ski areas owned by local governments who are the ones that who are prejudiced! Just say no. Trust me, we will do just fine without Ms. Lapanja's video shoots and meet and greet. In fact, we'll profit! How you may ask? Ms. Lapanja will have to pay user fees like the rest of us if she wants to partake in our oh so wonderful recreation privileges. Heaven forbid! You know she's going to pay us because when she comes to visit her family, she's going to have to stay in ski shape. And that mean either the Rec Center or High Altitude Fitness. Pick your poison Ms. Lapanja!

I keep telling you it's essentially everything you people do. EVERYTHING! Give me a subject and about half an hour to do a little research. And I'll discover that at the end of the day, it's dirty to the core. Nothing good. Nothing in local parcel owners' interests. Everything wasteful. And then you have the gall to continue losing millions and millions and millions of dollars each year running your plethora of money losing commercial business enterprises!

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM F(4) – APPROVAL OF A \$17,400 P.O.  
FOR THE REPAIR OF AN EFFLUENT PUMP MOTOR ENGAGING  
THE BOARD'S ATTORNEY TO COVER OUR PUBLIC WORKS  
DIRECTOR'S PERFORMANCE INADEQUACIES AT AN  
ADDITIONAL AND UNNECESSARY COST TO  
LOCAL PARCEL OWNERS?**

**Introduction:** Well here's yet "another one" as my friend DJ Khaled would say<sup>1</sup>. More evidence of staff lack of professionalism, wasteful spending, and a flagrant disregard for the financial sustainability of the District. This time it's Kate Nelson and her systemic use of the Board's attorney to the prejudice of local parcel owners. And that's the purpose of this written statement.

**My July 30, 2024 E-Mail to The Board**<sup>2</sup>: Ms. Nelson doesn't feel competent enough to fill out a purchase order for routine public works repairs without having the same reviewed and approved by the Board's attorney, Sergio Rudin. So she engages the same, as a matter of course, regardless of whether it makes financial sense. And here we have another example. A simple \$17,400 repair contract augmented by how much additional in attorney's fees? Who gave Ms. Nelson the unilateral authority to do this? Where are the internal controls? And now we have other staff (Paul Raymore) watching what Ms. Nelson does, and thinking it's appropriate for them to unilaterally engage the services of the Board's attorney. Where does this end?

For this reason I directed an e-mail on the subject matter to the IVGID Board on July 30, 2024. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "A."

**Conclusion:** Employee behavior like this just keeps happening over and over and over again. Unqualified, less than competent, less than ethical and grossly over compensated staff get replaced by even more unqualified, more less than competent, more unethical and more over compensated staff. And look at the results. No effort to eliminate wasteful expenditures like the one the subject of this written statement not having anything directly to do with furnishing the mere availability of facilities for public recreation and utilities. As I've pointed out so many times before, these are all the

---

<sup>1</sup> 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.>

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

red flags/earmarks of a criminal syndicate<sup>3</sup>. And you wonder why your Recreation (“RFF”) and Beach (“BFF”) Facility Fees and water/sewer rates, tolls and charges are as high as they are? And going higher?

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

---

<sup>3</sup> 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"

## **July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - When is The Board Going to Stop Employees Like Kate Nelson And Paul Raymore From Wasting Tens of Thousands of Dollars a Month With an Outsourced Attorney Who is The Board's Attorney And Not Staff's Attorney?**

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <jezycki4ivgid@gmail.com>, <homan4ivgid@gmail.com>  
**Subject:** July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - When is The Board Going to Stop Employees Like Kate Nelson And Paul Raymore From Wasting Tens of Thousands of Dollars a Month With an Outsourced Attorney Who is The Board's Attorney And Not Staff's Attorney?  
**Date:** Jul 30, 2024 11:02 AM

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the extent of District dysfunction) -

Well the time has come to STOP holding back punches when it comes to the sustainability of the District. So I won't.

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

Here it's our Director of Public Works who I and others are of the opinion is not qualified to act in that capacity. Again. And BTW, she's grossly over compensated for her skillset as each of you should know.

Ms. Nelson is not capable of functioning in the business world without an attorney looking over her shoulder and providing back up support. I've raised this issue to the Board before, and here I raise it again. Because you're not listening. Or you think you know better.

Take a look at item F(4) of the agenda for this meeting. Approval of a routine, \$17,400 purchase order to repair an effluent pipeline pump motor at Spooner Pump Station.

First of all, isn't \$17,400 well under the GM's spending authority? So why is the matter before the Board for approval? How much wasted time and effort has Ms. Nelson expended to bring this matter before the Board? And then she complains her department is grossly under staffed? DUH!

Second of all, isn't Ms. Nelson capable of drafting a simple purchase order without help from a parent? If so, why the need for review and approval by anyone else? Let alone the Board's attorney?

If not, why is Ms. Nelson the Director of Public Works? She's not qualified!

And BTW, why didn't the District at least interview the GM of Kingsbury GID for the position of Public Works Director? When he applied for our vacant GM position, it was obvious from his resume that he was legions more qualified than Ms. Nelson. And why didn't staff at least advertise the position of Public Works Director so as to attract the most qualified employees? Rather than promoting less than qualified personnel from within? Bueller? Bueller?

Continuing, look at Ms. Nelson's item VI Comments: "The purchase order...has been reviewed and approved by District Legal Counsel." This is Ms. Nelson's demonstrated m.o. for nearly any agreement she makes with anyone. So magnify the costs associated there with by how many times? Bueller, Bueller?

Fourth of all, Mr. Rudin is NOT the District's legal counsel. He's the Board's counsel. So where does Ms. Nelson get off subjecting the District's resources to payment for Mr. Rudin's review efforts? And BTW, how much as Mr. Rudin charged the District? Why don't you get the number and set it up as a percentage of the proposed \$17,400 cost? And then evaluate the cost effectiveness of Ms. Nelson's efforts.

Fifth of all, I want Board members to take a look at page 15 of the Board packet. Here we see that staff issued a payment on May 31, 2024 to Mr. Rudin's firm of \$53,934.44. I can't tell you the nature of the work performed without examining one or more invoices which from past experience I predict staff will redact descriptions of exactly what he did based upon disingenuous claims of privilege, but I predict one of the major reasons why it is as outrageous as it is, will be because of the conduct I describe perpetrated by Ms. Nelson and her 20 mule team.

Sixth of all, if staff need their own attorney, why not hire one the way we hire engineers, HR, IT or finance professionals? If we had a full time attorney on staff, the productivity compared to Mr. Rudin, would be off the charts greater. And the cost would be off the charts lower. And then there would be no conflict of interest between Mr. Rudin's representation of his client #1 (the Board), and his real client (staff).

But it's not just Kate Nelson? Because of her actions, Paul Raymore has become beholden to do the same thing. That's right. Look at agenda item F(6). As I wrote to the Board independently on this matter, there Mr. Raymore seeks approval to give away free use of our facilities for FABRICATED promotional efforts.

Look at page 248 of the Board packet. Here Mr. Raymore tells us HE has commissioned a proposed agreement with Lila Lapanja. Well thank you very much Mr. Raymore! And he also tells us that "the proposed agreement between the District and Lila Lapanja has been reviewed and approved by District Legal Counsel." That's right. The same wrongs and wrongful expenditures attributed to Kate Nelson. Which now can be equally attributed to Paul Raymore! But for one exception. Mr. Raymore isn't even a Director like Kate Nelson. In fact, he's not even part of the District's 20 mule senior management team. So where does he get off directing the Board's attorney to do work for him? Or are you going to tell me he has been promoted to directorship because he identifies himself in his staff memo as Marketing "Director?" And how much has this misadventure cost local parcel owners? Bueller? Bueller?

Like I said, the District is not being properly managed.

Normally I wouldn't give a rat's behind insofar as your staff's unnecessary and wasteful spending. However here in IVGIDville, the people who are directly prejudiced are NOT the incompetent employees we have. Nor their supervisors. It's we local parcel owners. Which is why I have every bit of standing to complain and criticize. Right Trustee Nobel?

And let me give another example of what I am talking about. The Board knows it has budgeted to overspend at least \$1.5M this year insofar as utility costs are concerned. And that doesn't even include the extra \$14.74 per user to replace your hazardous waste building charge which appears on our most recent utility bills. Yet the typical residential user's monthly utility bill now exceeds \$200/month! And why? Because every time Ms. Nelson and her crew tie their shoelaces, or apparently Paul Raymore does the same, they rack up more untold thousands on attorney's fees!

Just like you the Board need to pull every employee's procurement card, you need to pull Ms. Nelson's and Mr. Raymore's authority to incur attorney's fees. And you need to pull EVERY OTHER EMPLOYEE'S AUTHORITY as well. Because both have proven they can't be trusted.

Respectfully submitted, Aaron Katz



**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM C – PUBLIC COMMENT – THE GM'S  
\$25K EMPLOYEE APPRECIATION BBQ BASH AT LOCAL  
PARCEL OWNER'S EXPENSE**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff unethical conduct, lack of professionalism, and a flagrant disregard for the financial sustainability of the District. This time it's our departing General Manager's ("GM") over the top (pricewise) shindig at local parcel owners' expense. And that's the purpose of this written statement.

**Our GM's Contract With a Pit Master Buddy to Provide Catering For an Employee Appreciation BBQ Bash:** When I learned of this one, I couldn't believe. And I suspect neither will you. On June 7, 2024 our roughly three-month-on-the-job GM tendered his resignation effective October 5, 2024. In anticipation, Mr. Magee entered into a "catering agreement" with his buddy from Azusa, CA., Jesse Collett, for the latter to furnish "all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the (BBQ) catering services necessary" for a June 24, 2024 BBQ lunch for 400 of our most valuable employees. Nothing so out of the ordinary here except: Mr. Collett is located in another state (California); about an hour (62.5 miles) from Victorville, CA. (Mr. Magee's old stomping grounds); and the contract price was \$42.50 per meal; with an additional \$4,883.10 for Mr. Collett to travel to Incline Village! Don't believe me?

In the Spring 2024 edition of IVGID Magazine<sup>2</sup>, Mr. Magee told us a couple of salient facts. First, that his "hobby is professional competition BBQ. (He is) an award-winning Pitmaster, and (he is)...certified by the Kansas City BBQ Society<sup>3</sup> as a BBQ Master Judge and also as a Table Captain. It is (his) form of relaxation, and (he) believe(s) BBQ is a true conduit for bringing together families, friends and communities." And second, he is of the firm view that "the number one asset of this District is our employees."

And insofar as this catering contract is concerned, a copy is attached as Exhibit "A" to this written statement.

---

<sup>1</sup> 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.>

<sup>2</sup> Go to [https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID\\_Magazine\\_April2024.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Magazine_April2024.pdf).

<sup>3</sup> In 2013, Mr. Collette joined...the KCBS (Kansas City BBQ Society)...becoming a professional BBQ Competition Team" (go to <https://www.7sinsbbq.com/about-us-and-resume>).

**My July 30, 2024 E-Mail to The Board<sup>4</sup>:** When I read Mr. Collette's contract with the District, negotiated by our Bobby Magee, I was flabbergasted! 400 meals at \$4250/each? Nearly \$5,000 in travel costs for Mr. Collette and his crew to make it up here? How many thousands of dollars with the Board's attorney's lawfirm BBK? So on July 30, 2024 I sent the Board an e-mail wherein I alerted members to this inappropriate contract; especially in light of the recent run up in insurance, food, IVGID rec fee costs, etc. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "B."

**Conclusion:** This behavior just keeps happening over and over and over again. Unqualified, incompetent and over compensated staff get replaced by even more unqualified, more incompetent and more over compensated staff. And look at the results. No effort to eliminate wasteful expenditures like the one the subject of this written statement not having anything directly to do with furnishing the mere availability of facilities for public recreation and utilities. As I've pointed out so many times before, these are all the red flags of a criminal syndicate<sup>5</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and they are as high as they are?

The Lake Tahoe Hyatt recently offered local parcel owners a complimentary \$30,000) BBQ lunch on Incline Beach for 4<sup>th</sup> of July. Judy and I went there and were given an overcooked hamburger patty on an untoasted bun and a bag of Lay's chips. No side dishes, no lettuce, tomato or onion slices to accompany our burger, and no drink. IMO, this wonderful lunch was worth about \$1.67/meal. But if you're one of our valued employees, you get a gourmet BBQ spread valued at \$42.50! Just our way of saying thanks. There's something very, very wrong here.

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

---

<sup>4</sup> That e-mail is attached as Exhibit "B" to this written statement.

<sup>5</sup> 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)."

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

## EXHIBIT "A"

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT CATERING SERVICES AGREEMENT

## 1. PARTIES AND DATE.

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the Incline Village General Improvement District, a Nevada general improvement district (“District”) and Jesse Collett d/b/a 7 Sins BBQ, a SOLE PROPRIETORSHIP with its principal place of business at 426 West 1<sup>st</sup> Street, Azusa, CA 91702 (“Vendor”). The District and Vendor are sometimes individually referred to as “Party” and collectively as “Parties.”

## 2. RECITALS.

2.1 District. District is a general improvement district organized under the laws of the State of Nevada, with power to contract for services necessary to achieve its purpose.

2.2 Vendor. Vendor desires to perform and assume responsibility for the provision of certain catering services required by the District on the terms and conditions set forth in this Agreement. Vendor represents that it is experienced in providing the catering services, is licensed in the State of Nevada, and is familiar with the plans of District.

2.3 Project. District desires to engage Vendor to render catering services for the following event: June 25, 2024 Employee appreciation event (“Project”).

## 3. TERMS.

### 3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Vendor promises and agrees to furnish to the District, all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the catering services necessary for the Project (“Services”). The types of services to be provided are more particularly described in Exhibit A, Scope of Services, attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. The District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit A.

3.1.2 Term. The term of this Agreement shall be from May 24, 2024 to June 25, 2024, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project.

### 3.2 Responsibilities of Vendor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Vendor or under its supervision. Vendor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement and such directions and amendments from District as herein provided. The District retains Vendor on an independent contractor basis and not as an employee. No employee or agent of Vendor shall become an employee of District. Any additional personnel performing the Services under this Agreement on behalf of Vendor shall also not be employees of the District and shall at all times be under Vendor's exclusive direction and control. Vendor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Vendor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Vendor shall perform its services in a prompt and timely manner within the term of this Agreement, to be completed on June 25, 2024.

3.2.3 Conformance to Applicable Requirements. All work prepared by Vendor shall be subject to the District's approval.

3.2.4 [Reserved.]

3.2.5 District's Representative. The District hereby designates Bobby Magee, or his or her designee, to act as its representative for the performance of this Agreement ("District's Representative"). The District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Vendor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.6 Vendor's Representative. Vendor hereby designates Jesse Collett or his or her designee, to act as its representative for the performance of this Agreement ("Vendor's Representative"). Vendor's Representative shall have full authority to represent and act on behalf of the Vendor for all purposes under this Agreement. The Vendor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Vendor agrees to work closely with the District staff in the performance of Services and shall be available to the District's staff, Vendors and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Vendor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by those in Vendor's profession. Vendor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Vendor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to

perform the Services, including a Washoe County Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Vendor shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Vendor's failure to comply with the standard of care provided for herein. Any employee of the Vendor or its sub-Vendors who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Vendor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Vendor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, and shall give all notices required by law. If required, Vendor shall assist District, as requested, in obtaining and maintaining all permits required of Vendor by federal, state and local regulatory agencies. Vendor shall be liable for all violations of local, state and federal laws, rules and regulations in connection with the Project and the Services. If the Vendor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Vendor shall be solely responsible for all costs arising therefrom. Vendor shall defend, indemnify and hold the District, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

#### 3.2.10 Insurance.

3.2.10.1 Time for Compliance. Vendor shall not commence the Services under this Agreement until it has provided evidence satisfactory to the District that it has secured all insurance required under this Section. In addition, Vendor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this Section.

3.2.10.2 Minimum Requirements. Vendor shall, at its expense, procure and maintain for the duration of the Agreement insurance meeting the requirements set forth herein. Vendor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Limits of Insurance. Vendor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 combined single limit (each accident) for bodily injury and property damage; and (3) *Industrial Insurance*: Workers' Compensation limits, as required by the

Labor Code of the State of Nevada, with Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

Requirements of specific coverage or limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as additional insured pursuant to this Agreement. Defense costs shall be payable in addition to the limits.

3.2.10.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Vendor shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

(A) Commercial General Liability. The commercial general liability policy shall be endorsed to provide the following: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds; (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Vendor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Vendor's insurance and shall not be called upon to contribute with it in any way; and (3) the insurance coverage shall contain or be endorsed to provide waiver of subrogation in favor of the District, its directors, officials, officers, employees, agents and volunteers or shall specifically allow Vendor to waive its right of recovery prior to a loss. Vendor hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(B) Automobile Liability. The automobile liability policy shall be endorsed to provide the following: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Vendor or for which the Vendor is responsible; (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Vendor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Vendor's insurance and shall not be called upon to contribute with it in any way; and (3) the insurance coverage shall contain or be endorsed to provide waiver of subrogation in favor of the District, its directors, officials, officers, employees, agents and volunteers or shall specifically allow Vendor to waive its right of recovery prior to a loss. Vendor hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(C) Industrial (Workers' Compensation and Employers Liability) Insurance. The insurer shall agree to waive all rights of subrogation against the District,



its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Vendor.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Vendor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its directors, officials, officers, employees, agents and volunteers; or (2) the Vendor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.6 Acceptability of Insurers. Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The District in no way warrants that the above-required minimum insurer rating is sufficient to protect the Vendor from potential insurer insolvency.

3.2.10.7 Verification of Coverage. Vendor shall furnish the District with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the District if requested. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.8 Subcontractors. Vendor shall not allow any subcontractors to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this Section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Vendor, District may approve different scopes or minimum limits of insurance for particular subcontractors.

3.2.10.9 Compliance With Coverage Requirements. If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not

comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Vendor or District will withhold amounts sufficient to pay premium from Vendor payments. In the alternative, District may terminate this Agreement for cause.

3.2.11 Safety. Vendor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Vendor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Vendor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement in accordance with the Schedule of Charges set forth in Exhibit A, attached hereto and incorporated herein by reference. The total compensation to be provided under this Agreement shall not exceed **\$21,883.10**. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Vendor shall submit to District a monthly itemized invoice which indicates work completed and hours of Services rendered by Vendor. The invoice shall describe the amount of Services and supplies provided since the initial commencement date of Services under this Agreement, and since the start of the subsequent billing periods, through the date of the invoice. Invoices shall be sent to [ap@ivgid.org](mailto:ap@ivgid.org). District shall, within forty-five (45) days of receiving such invoice, review the invoice and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Vendor shall not be reimbursed for any expenses unless authorized under Exhibit A, or otherwise in writing by the District prior to being incurred.

3.3.4 Extra Work. At any time during the term of this Agreement, the District may request that Vendor perform Extra Work. As used herein, "Extra Work" means any work which is determined by the District to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Vendor shall not perform, nor be compensated for, Extra Work without written authorization from the District's Representative. Where Extra Work is deemed merited by the District, an amendment to the Agreement shall be prepared by the District and executed by both Parties before performance of such Extra Work, or the District will not be required to pay for the changes in the scope of work. Such amendment shall include the change in fee and/or time schedule associated with the Extra Work. Amendments for Extra Work shall not render ineffective or invalidate unaffected portions of this Agreement.

### **3.4 Accounting Records.**

3.4.1 Maintenance and Inspection. Vendor shall maintain accurate and complete books, documents, accounting records and other records pertaining to the Services for six (6) years (or longer as required by applicable law) from the date of final payment under this Agreement. Vendor shall make such records available to the District for inspection, audit, examination, reproduction, and copying at Vendor's offices at all reasonable times. However, if requested, Vendor shall furnish copies of said records at its expense to the District, within seven (7) business days of the request.

### 3.5 General Provisions.

#### 3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. The District may, by written notice to Vendor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Vendor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Vendor shall be compensated only for those services which have been adequately rendered to the District, and Vendor shall be entitled to no further compensation. Vendor may not terminate this Agreement except for cause. Vendor shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation for termination of this Agreement by District except for the amounts authorized herein.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, the District may require Vendor to provide all finished or unfinished Documents and Data (defined below) and other information of any kind prepared by Vendor in connection with the performance of Services under this Agreement. Vendor shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, the District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**District**

Incline Village General Improvement  
District  
893 Southwood Blvd.  
Incline Village, NV 89451  
Attn: **Bobby Magee**

**Vendor**

**Jesse Collett**  
C/O 7 Sins BBQ  
426 West 1<sup>st</sup> Street, Azusa, CA  
91702  
Attn: **Jesse Collett**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to

the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### 3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data. All source code, reports, programs, manuals, disks, tapes, and any other material prepared by or worked upon by Vendor for the Services shall be the exclusive property of the District, and the District shall have the right to obtain from Vendor and to hold in District's name copyrights, trademark registrations, patents, or whatever protection Vendor may appropriate to the subject matter. Vendor shall provide District with all assistance reasonably required to perfect the rights in this subsection.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Vendor in connection with the performance of this Agreement shall be held confidential by Vendor. Such materials shall not, without the prior written consent of the District, be used by Vendor for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Vendor which is otherwise known to Vendor or is generally known, or has become known, to the related industry shall be deemed confidential. Vendor shall not use the District's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the District.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. To the fullest extent permitted by law, Vendor shall defend, indemnify and hold the District, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or relating to any negligence or willful misconduct of Vendor, its officials, officers, employees, agents, Vendors, and contractors arising out of or in connection with the performance of the Services, the Project, or this Agreement, including without limitation the payment of all consequential damages, expert witness fees, and attorney's fees and other related costs and expenses. Vendor shall defend, at Vendor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against District, its directors, officials, officers, employees, agents, or volunteers. Vendor shall pay and satisfy any judgment, award or decree that may be rendered against District or its directors,

officials, officers, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Vendor shall reimburse District and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided, including correction of errors and omissions. Vendor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials officers, employees, agents or volunteers. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the District, its officials, employees, agents and authorized volunteers for losses arising from the work performed by the Contractor for the District.

3.5.6.1 [Reserved.]

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of Nevada. Venue shall be in Washoe County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 District's Right to Employ Other Vendors. The District reserves right to employ other Vendors in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party.

3.5.12 Assignment or Transfer. Vendor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Subcontracting. Vendor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.14 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Vendor include all personnel, employees, agents, and subcontractors of Vendor, except as otherwise specified in this Agreement. All references to the District include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The

captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.15 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.16 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.17 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.18 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.22 Authority to Enter Agreement. Vendor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.23 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.24 Limitation of Liability. The District does not and will not waive and expressly reserves all available defenses and limitations contained in Chapter 41 of the Nevada Revised Statutes. Contract liability of both parties shall not be subject to punitive damages.

3.5.25 Non-Appropriations. The District may terminate this Agreement, effective immediately upon receipt of written notice on any date specified if for any reason the District's funding source is not appropriated or is withdrawn, limited, or impaired.

3.5.26 Compliance with Laws. Vendor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services. Vendor shall not discriminate against any person on the grounds of race, color, creed, religion, sex, sexual orientation, gender identity or gender expression, age, disability, national origin or any other status protected under any applicable law.

3.5.27 Prohibited Interests. Vendor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Vendor, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Vendor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of

this Agreement, no member, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.28 Whistleblower Provisions. This Agreement is not intended to and will not preclude Vendor's employees from exercising available rights under the District's Whistleblower Policy and associated procedures for reporting suspected misconduct, as that term is defined in the Whistleblower Policy. All reports of suspected misconduct will be handled by the District in accordance with the Whistleblower Policy.

**[Signatures on Following Page]**

SIGNATURE PAGE  
TO  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
CATERING SERVICES AGREEMENT

INCLINE VILLAGE GENERAL JESSE COLLETT D/B/A/ 7 SINS BBQ  
IMPROVEMENT DISTRICT

Approved By:

Bobby Magee

Bobby Magee  
District Manager

6/4/24  
Date

Jesse Collett  
Signature

Jesse Collett  
Name

OWNER  
Title

6/4/2024  
Date

Reviewed as to Form:

Sergio Rudin

Sergio Rudin  
District General Counsel

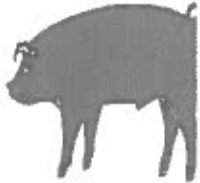
June 4, 2024  
Date



**CATERING SERVICES AGREEMENT**

**EXHIBIT A**

**SCOPE OF SERVICES AND COMPENSATION**



**7 SINS  
BBQ**

[Company Name]  
sevensinsbbq@hotmail.com

**DATE: MAY 15, 2024**

Please makes checks payable as follows to: JESSE COLLETT OR 7 SINS BBQ

**RE: EMPLOYEE APPREATION EVENT**

<u>QTY</u>	<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>LINE TOTAL</u>
400	FS/OS	Full service, on-Site catering for 400 guests to include 25 vegan servings and 15 K.C.B.S competition quality turn in boxes. Menu to included the following.	\$ 42.50	\$17,000
	Bbq chicken	BBQ Chicken and Legs		
	Brisket	Smoked Beef Brisket		
	Pulled pork	Pulled Pork		
	Ribs	St. Louis cut Pork Ribs		
15	Comp	15 competition quality boxes to include Chicken, Ribs, Pork, Brisket		
25	Vegan	Smoked Portabello Mushroom caps and veg. skewers		
400	Sides	Sides to Include: Bbq Beans, Coleslaw and Bacon Wpapped Meatballs		

Exhibit A

<b>400</b>	<b>Bev</b>	<b>Iced Tea, Lemonade, and Mixture of Sodas</b>	
	<b>Serv.</b>	<b>Service to Include On-site Cooking, Providing Plates, Cups, Utinsils.</b>	
	<b>Staff</b>	<b>Staff includes 1 pitmaster, 1 pit boss, 3 prep cooks Set up, Assist Volunteers with serving and clean up.</b>	
	<b>Travel</b>	<b>Travel Expenses</b>	<b>\$4,883.10</b>
		<b>Sub-Total</b>	<b>\$21,883.10</b>
		<b>50% Deposit Required upon Approval</b>	<b>\$10,941.55</b>
		<b>Balance due at end of event on 6/25/2024</b>	<b>\$10,941.55</b>

## **EXHIBIT "B"**

## Re: July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - Can You Believe Nearly \$25K of Our Rec Fee Spent on an Employee Appreciation BBQ?

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <homan4ivgid@gmail.com>, <jezycki4ivgid@gmail.com>  
**Subject:** Re: July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - Can You Believe Nearly \$25K of Our Rec Fee Spent on an Employee Appreciation BBQ?  
**Date:** Jul 30, 2024 2:08 PM  
**Attachments:** [employee.BBQ.6.24.2024.pdf](#)

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the cancer in our community which requires eradication) -

It's time to address the sustainability of the District head-on. Management Concerns Is the District being properly managed? According to NRS 318.515(1), this is a crucial step in determining if supervision should revert to Washoe County. And this is one of the most disgusting things I have ever seen in the name of our wonderful employees. A nearly \$25,000 employee BBQ!

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

Apparently our GM, as a parting gift to the community, contracted with 7 Sins BBQ, at \$42.50/person, for 400 employees/their guests, plus \$4,883.10 in travel expenses, and plus some unknown additional amount for attorney Rudin's attorney's fees, for an employee appreciation event to take place on June 25, 2024! \$21,883.10 total plus attorney's fees. DID YOU KNOW ABOUT THIS ONE TRUSTEES TONKING AND NOBLE?

In case you don't believe me, and you haven't seen the contract, I've attached the same to this e-mail.

1. The financial wherewithal of the District is UNSUSTAINABLE!
2. Our water and sewer bills have DOUBLED.
3. The District is secretly taxing local residents some \$400,000 annually in the form of an invalid solid waste franchise fee charged to Waste Management and passed through as a direct cost to all trash customers.
4. And now this!
5. How about a \$25,000 appreciation dinner for local parcel owners who are involuntarily financing this crap?
6. To all of you "Takers" out there who complain when I and others criticize the District's wonderful employees, now you see they ain't so wonderful!
7. What an absolute WASTE! And having nothing to do with making our recreation and other facilities available for our use (the justification for our Rec Fee).

8. You people should be embarrassed of yourselves. ALL of you.

So as I have concluded so many times before, it's time to close shop and turn this train wreck we know as IVGID, and its wonderful staff, back over to the County. That's my answer. What's yours Board members?

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S REGULAR JULY 31, 2024  
MEETING – AGENDA ITEM C – PUBLIC COMMENT – WHEN IS  
THE BOARD GOING TO TERMINATE THE EMPLOY OF THE  
CANCER IN OUR COMMUNITY?**

**Introduction:** Well here's yet "another one" as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff unethical conduct, lack of professionalism, wasteful spending, and a flagrant disregard for the financial sustainability of the District. This time it's worthless Director of Administrative Services, Susan Herron. And that's the purpose of this written statement.

**Susan Herron's Memorandum to The Board Marginalizing The Forensic Due Diligence Report of RubinBrown:** At the Board's July 10, 2024 the Board made public RubinBrown's commissioned "Forensic Due Diligence Accounting Services Review<sup>2</sup>." This Report is highly damning of staff and the lack of internal control. So while our GM Bobby Magee was on vacation, employee Susan Herron took it upon herself, during the IVGID workday, and utilizing the assets of IVGID, to draft a response complimentary of staff and challenging to the independent findings of RubinBrown. Bottom line, to cast doubt on RubinBrown's conclusions<sup>3</sup>. When I learned of this one, I did an inquiry as to whether the memorandum represented a consensus of the District's senior management, or were senior management's names unilaterally affixed to the memorandum by Ms. Herron. And I learned the latter. I also learned that when our GM learned of what Ms. Herron had done in his absence, he became livid. That being the case, I e-mailed our Board.

**My July 30, 2024 E-Mail to The Board<sup>4</sup>:** This community has a long history with Susan Herron. Insofar as many members of the public are concerned, including myself, it's not complimentary. We have many, many problems here in IVGIDville. And in my opinion the genesis of many, sits at the feet of Ms. Herron. Because I and others have asked for her termination of employment with the District, it seemed to me an appropriate time to again ask the Board to terminate this cancer in our community's grossly over compensated and benefited employment. Hence this e-mail. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "B."

---

<sup>1</sup> 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>.

<sup>2</sup> Although that review is too long (68 pages) to attach to this written statement, it can be accessed at [https://www.yourtahoepalace.com/uploads/pdf-ivgid/2024-0710\\_BOT\\_Supplemental\\_Material\\_ItemG1\\_IVGID\\_Forensic\\_Due\\_Diligence\\_Report\\_-\\_Draft\\_7.9.24.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/2024-0710_BOT_Supplemental_Material_ItemG1_IVGID_Forensic_Due_Diligence_Report_-_Draft_7.9.24.pdf).

<sup>3</sup> That memorandum is attached as Exhibit "A" to this written statement.

<sup>4</sup> That e-mail is attached as Exhibit "B" to this written statement.

**Conclusion:** Employee behavior like this just keeps happening over and over and over again. Unqualified, incompetent, less than ethical and grossly over compensated staff get replaced by even more unqualified, more incompetent, more unethical and more over compensated staff. And look at the results. No effort to eliminate wasteful expenditures like the one the subject of this written statement (paying a glorified secretary as if she were an IT, Finance or HR professional) not having anything directly to do with furnishing the mere availability of facilities for public recreation and utilities. As I've pointed out so many times before, these are all the red flags of a criminal syndicate<sup>5</sup>. And you wonder why your Recreation ("RFF") and Beach ("BFF") Facility Fees continue as involuntary subsidies, and they are as high as they are? And going higher?

We've done a pretty good job of removing many of the dirty employees of the past. And now we're down to just a handful. And at the top of the list is Susan Herron. Save local parcel owners a good chunk of change and aggravation, and send Ms. Herron along the pathway traveled by former employees Indra Winquest and Sheila Leijon.

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

---

<sup>5</sup> 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"**



## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Senior Team (Director of Human Resources Erin Feore, Director of Information Technology Mike Gove, General Manager of Golf Timothy Sands, Director of Administrative Services Susan Herron, General Manager, Diamond Peak Ski Resort Mike Bandelin, Director of Public Works Kate Nelson and Assistant Director of Finance Adam Cripps)

**SUBJECT:** Senior Team's Partial Response to the Forensic Due Diligence Accounting Services Review as presented by RubinBrown on July 10, 2024

**DATE:** July 19, 2024

---

### Opening Comments

The forensic due diligence audit by RubinBrown, when initially discussed by the Board of Trustees, caused a significant amount of angst within the Staff of IVGID. The Senior Team did their very best to assure their Staff that this review would only make us better. The Senior Team gave these assurances because the Senior Team was promised that they would have the opportunity to review the draft report prior to it becoming a public document; this did not occur which was a disappointment. While the aforementioned issue is unfortunate, the Senior Team stands ready to work alongside the members of the Board in order to better understand the issues identified by RubinBrown, identify those that have already been taken under consideration for corrective actions, those which have been corrected, and those issues which may need additional resources. While the Senior Team works to gather data to support a diligent analysis of next-steps, this is a tall order and one that will need some time in order to fully present to the Board and members of the public the answers to the questions being asked.

### Executive Summary of Observations (report page 7)

The Senior Team acknowledges that internal controls (development of, writing of, implementing of and training on) remains an outstanding task as identified by Moss Adams. This task has already started, utilizing Baker Tilley Staff, to review current IVGID policies and procedures (including internal controls) to provide IVGID Staff with recommendations based on best practices and industry standards on policy updates and changes. It is our intent to outline what resources are needed in more detail in the following weeks to address this outstanding task.

The Senior Team, specifically the Assistant Director of Finance who started with the District in November 2023, has extensive experience with the Tyler Munis system and is working diligently on being able to have all Senior Team members and Management Staff have the access they need to the reports they need as well as have the training and configurations on their computers in order to run the reports they need to conduct their operations. During the Assistant Director of Finance's short time with the District, to note some of the work that has already been done; Reviewed and revised access and permission levels to staff district-wide in order to separate ability to initiate and approve (Observation #2), trained appropriate staff on processes while separating the duties through permission levels, began process of creating additional user level access roles to leverage the Tyler system to provide access to reports for departments outside of Finance, revised Accounts Payable process utilizing Tyler's full AP suite utilizing Tyler Content Manager for supporting documentation and no longer manually booking disbursements which will maintain check sequence (Observation #2, #3, and #23), trained staff district-wide on Tyler's budget entry district-wide pivoting on this training to help staff better identify repairs and maintenance vs. capital expense vs. capital projects (Observation #8, #9). Even with the steps already taken, this is another outstanding task that will be outlined as to the resources needed to accomplish this effort.

The Senior Team is ready to make the necessary adjustments once we have a complete team (our new Director of Recreation joins our team on July 22, 2024). We are posed and ready to work together with the District General Manager and the Board of Trustees to ensure that we have clear direction and guidance. The Senior Team believes that one key to setting the tone is our mantra "One District – One Team".

Following are the Senior Team's comments on some of the observations. We felt it was very important to begin this dialogue sooner rather than later with our Board of Trustees, who set policy, and with our community, who are financial contributors to our offerings as well as benefactors of our offerings. We do not see this memorandum as the end all be all rather as the beginning and the start to improvement.

On page 7 of the report, it is noted that RubinBrown "reviewed and performed testing on five whistleblower complaints that related to the accounting and/or finance functions and that were not already being tested within a different scope area." The footnote of this statement indicates that "any findings from this area are denoted in our observations within this report"; however, there is no further discussion of the whistleblower complaints within this report.

**Observation #1: Tyler Munis Implementation (report page 8)**

The Assistant Director of Finance is leading this effort and the Senior Team will be providing an outline of the resources needed and the time it will take to have this implementation complete in the coming weeks.

**Observation #2: Initiators and Approvers of Vendors Disbursements (report page 9)**

A delegation of authority list is available and the Senior Team is working on updating that document. The Senior Team, in order to more fully understand what the figures are sharing with us, would like to ask for the respective data behind the figures and that it be delivered as soon as possible by RubinBrown to the District General Manager who in turn will share it with the Senior Team so we can dive into the areas of concerns and put in place a plan for correction.

**Observation #3: Insufficient Support for Vendor Disbursements (report pages 10-11)**

Each of the disbursement amounts in Figures 5 and 6, with the exception of the Board of Regents item, are under \$5,000 which is the purchase order threshold within IVGID therefore a match to the invoice and purchase order is not applicable. The Senior Team is presently trying to determine if support material has been overlooked and so far we do have support material for the disbursement to Troy Akin and DNV Trust. This support material has been provided to the Finance Team so that they can attach it to the disbursement record.

**Observation #4: Operating Bank Account and Bank Reconciliations (report page 12)**

The bank reconciliations that were delayed were a known task that was deferred due to a) lack of Staff and b) other more pressing projects assigned to the Finance Team mainly by the Board of Trustees. The former Director of Finance, in concert with the former District General Manager, were aware of this deferral and while it was necessary, it wasn't conducted due to other more pressing matters. This circumstance has been rectified as noted by RubinBrown in its narrative and an employee in Finance has been trained to do the bank reconciliations. From July 2023 to May 2024, the bank reconciliations for the operating account have been conducted within the 30 day recommended time frame. As to the recommendation for the quarterly package, Assistant Director of Finance and the Controller are working with the Board of Trustees Treasurer to determine if this is feasible, necessary and how it will be accomplished; more to come on this observation.

**Observation #5: Other Bank Accounts and Bank Reconciliations (report page 13-14)**

The recommendation is to provide a quarterly package; Assistant Director of Finance and the Controller are working with the Board of Trustees Treasurer to determine if this is feasible, necessary and how it will be accomplished; more to come on this observation.

**Observation #6: Operating Bank Account Reconciliations Have Unreconciled Differences (report pages 14 – 15)**

Assistant Director of Finance and the Controller are working to ensure these are accomplished as recommended.

**Observation #7: Cash Entries Posted to General Ledger (report page 15)**

Assistant Director of Finance is accessing this recommendation; more to come in the weeks ahead.

**Observation #8: Treatment of Capital Costs (report pages 15 – 16)**

Assistant Director of Finance is accessing this recommendation; more to come in the weeks ahead.

**Observation #9: Capitalization of Projects Relating to Repairs and Maintenance (report page 16)**

CIP Project #3141LI1201 – Pavement Maintenance of Parking Lots – Champ Course & Chateau. This project was completed in FY 2021/22. This was prior to when the previous Finance Director began to identify Capital Expense Projects separately from the Capital Improvement Projects. This practice was done in FY 2022/23 through FY 2023/24. Under the new Finance team, all expense projects have all been moved within the operation budgets of each division for FY 2024/25.

**Observation #10: Green Fee Pricing Schedules Not Followed (report pages 16 – 17)**

Staff has identified that this issue is related to the use of GolfNOW for booking tee times and Vermont for getting those booked tee times onto the tee sheet. Presently, Staff is working to address this matter through the Active Networks scope of works that was recently approved by the Board of Trustees. More information to come in the weeks ahead. Golf operations staff in coordination with the revenue department created a stronger training program at the beginning of the season to ensure the correct fee structure is being used.

Observation #11: Green Fee Play Passes (report page 17)

As to the suggestion of a free golf play pass being given to a user who is a friend of the IVGID golf employee, Staff would appreciate more detailed information and/or back up data to support this statement prior to making any comment.

Observation #12: Personal Use of Procurement Cards (report page 18)

Staff respectfully requests that this Fraud Risk category be changed to low. As the narrative states, the employees reimbursed IVGID. Mistakes do happen and while we do our best to avoid them, IVGID employees are human. The Senior Team will work with the Finance Team to ensure that individual department refresher trainings are held in the coming weeks.

Observation #13: Insufficient and Inappropriate Support for Procurement Card Transactions (report page 18)

Staff respectfully requests the more detailed information and/or back up to support the samples so we can better understand what transacted prior to making any comment.

Observation #14: Sales Tax Charges (report page 18)

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

Observation #15: Oversight of Procurement Card Program and Related Expense Reports (report page 19)

When Staff reviewed this recommendation some questions were asked; why shouldn't a P-Card be used at a gas station? Isn't that where you refuel a rental vehicle as an example? Retail box stores? Isn't that where you go if a laptop needs a new charger on the weekend? Liquor store? Senior Team would like to see an example of this purchase because gas, water, soda, food can be bought at a liquor store. Online retailers? Is this an Amazon reference? Therefore, Staff would like to understand the background of how this recommendation came about. In addition, Staff is working on revamping how P-cards are used and who can use them; more information on that piece in the weeks to come.

Observation #16: Physical Inventory Observations and Reconciliations (report pages 19-20)

Various members of the Senior Team dispute this finding as we are all well aware of inventory counts being conducted by the Finance Team. As to the utilization within Tyler Munis, the Assistant Director of Finance and Controller will review and provide their recommendations in the weeks to come. This may require additional resources in order to purchase the inventory module from Tyler Munis.

**Observation #17: Inappropriate User Access in Point-of-Sale Systems (report page 20)**

Staff is working to address this matter through the Active Networks scope of work that was recently approved by the Board of Trustees. More information to come in the weeks ahead. As of the writing of this report, user account audits are being performed and are regularly scheduled.

**Observation #18: Contracts Awarded May Exceed Board of Trustees Funding Approval (report pages 20-21)**

It appears that what occurred was that an award was made on 3/31/2021 (\$264,840.48) and that the CIP Popular Report was not updated with that purchase. The remaining funds were awarded at a meeting on 3/9/2022. (\$170,488.50). RubinBrown should also be made aware that while Staff prepares a 5-year CIP plan, the Board only awards year one of the CIP plan at budget time.

**Observation #19: Expenses Incurred Prior to Board of Trustees Funding Approval (report page 21)**

**CIP #2299WS1704 Watermain Replacement – Martis Peak Road**

The Board of Trustees approved this project at the May 22, 2019, Board meeting (page 213 of the Board packet) with a budget of \$50,000. Based on the CIP Data Sheet, the \$50,000 was for Internal Planning & Design. At the Board of Trustees meeting on May 27, 2020, the Board approved the budget for construction of \$990,000 (page 84 of the Board packet). This has been a common practice at IVGID to fund design in one year and follow with construction funding.

The waterline design was completed in-house and was approved by the Board on 5/22/2019, so no costs were incurred related to this project that were not approved by the Board. That being said, without having the backup information that Rubin Brown used to determine that \$53,776 (of which \$939 was external) was incurred prior to May 27, 2020; it is difficult to know if there is an acceptable reason for exceeding the approved \$50,000 budget and what the origins of the external expense of \$939. The external expense was most likely a permit fee.

**Observation #20: Yearly Budget Allocations by Board of Trustees May Not be Used (report pages 21 – 22)**

Senior Team respectfully requests that this observation be removed from the report in its entirety. The philosophy of the budget is that is a plan and the amounts are as accurate as can be determined at the time in which the budget must go before the Board of Trustees for approval. Staff believe the way this observation is worded would encourage a "Spend it all" mentality. As each year cycles into the actual budget, these numbers are refined to reflect more closely to what the Staff can accurately project.

In the case presented, past practice was that a percentage amount was added in the 5-Year CIP Plan year over year.

Any funds that are not spent are automatically returned to the fund balance and each Staff member understands that they are working with the public's monies so getting the best pricing is a goal. Carryforwards are approved by the Board of Trustees each and every year.

Observation #21: Community Programs and Funding Not Approved by Board of Trustees (report page 22)

Senior Team respectfully requests that this observation be removed from the report in its entirety. Not all benches are memorial benches. The District has installed benches at its Skate Park which do not have a plaque and are simply installed for the comfort and relaxation purposes of the community and public members using the amenity. Park benches are included in the budgets of the Parks Department. Further, there is a Policy and Procedure Resolution No. 141, Resolution 1895 that addresses Rotary Benches (aka Memorial Benches). As to the Skate Park and Ball Fields, both of those programs came before and were approved by the Board of Trustees. If RubinBrown desires to review those memorandums, agendas, meeting minutes, etc. please contact the Director of Administrative Services.

Observation #22: Informal Process for Receiving Grants and Funding (report page 22)

The Senior Team is working on a response to this observation and we may need additional detail in order to prepare a complete response.

In the recommendation, RubinBrown recommend that all employees review the outside employment/outside business policy annually. We respectfully submit to RubinBrown that each quarter each and every Senior Team member as well as the Audit Committee members and the Board of Trustees are required to submit entity involvement sheets that are included in a Board packet for public consumption. To date, no employee has been counselled on any participation. This information has been made available to the public for approximately the past 2 years and the Director of Administrative Services is checking to see when this process began.

Observation #23: Sequential Gaps within Disbursement Checks (report page 26)  
Assistant Director of Finance and Controller are using the Tyler Munis system to issue disbursement checks therefore this observation and recommendation is considered closed.

**Observation #24: Vendor & Employee Master Files – Duplicative and Overlapping Record Data (report pages 27 – 28)**

Senior Team respectfully request the back up data/information used in Figure 15 and will provide a response once that back up data/information is provided.

**Observation #25: Projects Relating to Private Funding or Donations (report pages 28 – 29)**

Senior Team respectfully requests that this observation be removed from the report in its entirety. The Duffield Foundation partnered with IVGID for the CIP #4884BD2201 Rec Center Expansion project. The expansion of the Rec Center was going to allow IVGID to plan improvements within the existing Rec Center and as such, IVGID was to fund this portion of the project. The Board of Trustees approved \$110,000 to award a design contract with H+K Architects for the Tenant Improvements of the existing Rec Center (Board of Trustees meeting June 29, 2022, Item H.1). The design for the Tenant Improvements portion of the project included renovation of 7,700 square feet of the existing office space, child-care space, pro-shop area, massage room, upgrading the lighting, and addition of a 4-sided elevated walking track to the existing gymnasium. The funding deficit of \$72,613 cited in the RubinBrown report reflects the IVGID funds that were approved by the Board of Trustees for the Tenant Improvements portion of the design.

In RubinBrown's recommendation, they recommend that projects utilizing pledged funds from private donors not incur expenses prior to obtaining the pledged funding. Private donors often have stipulations included in the Memorandum of Understanding that contradict this recommendation.

**Observation #26: North Lake Tahoe Fire Protection District Agreement with IVGID (report pages 29 – 30)**

To date, the agreement with the North Lake Tahoe Fire Protection District (NLTFPD) has worked very well. The increases in the funding for defensible space work on IVGID lands has been approved with utility rate increases. While the agreement itself does merit refreshing, it hasn't been a top priority for Staff because it has been and continues to work well between the two collaborative partners. The Director of Public Works is leading the effort of rewriting the agreement between the two agencies and it is anticipated that it will come before the Board of Trustees in the coming months. The defensible space billing rate was just approved with the utility rates and remains at a total of \$200,000 per fiscal year.



**Observation #27: Petty Cash (report pages 30-31)**

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

**Observation #28: Physical Access to Vault (report page 31)**

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

**Observation #29: Project Numbers are Reused (report page 31)**

When a capital project is created, there may be several layers and contracts associated with that one capital project. Using the project cited within the report, there was a contract to build and construct the pool and that amount was X of the total capital project budget. There was a contract to do landscaping and that amount was Y of the total capital project budget. It has always been the objective of the District to keep all project costs together in order to satisfy the Board of Trustees hunger for total project cost summaries. If each component of a capital project is to have its own unique identifier then that will require research by the Assistant Director of Finance to see if the Tyler Munis applicable module exists and/or can be utilized.

**Observation #30: Capital Expenditure Approval Process (Initial and Overruns) (report page 32)**

Senior Team would like to know if RubinBrown was provided with the two policies on Capital.

**Observation #31: Review Capital Projects for Potential Bid Splitting (report pages 32- 33)**

The Tyler Munis system is the District's central depository for all contracts/purchase orders issued. A report can be run from this system and then those enabling documents can be tied back to a Board of Trustees agenda and/or contract approval spreadsheet maintained by the designated Trustee for emergency contracts/purchase orders. Further, the District is in the process of trying to hire a Purchasing/Contracts Manager. Lastly, the Director of Administrative Services does maintain a list of recurring contracts and that has been shared with the Board of Trustees, within their Board packets, numerous times.

**Observation #32: Seasonal Discounts at Merchandise Stores Not Approved by Appropriate Level (report page 33)**

The observation states that "No documentation records of these approved discounts during the scope period are available". The Senior Team respectfully requests more information on this observation in order to prepare a task.

Observation #33: Employee Clothing Allowance (report page 33)

The Senior Team requests supporting data from Appendix 2 "Expenses Related to Clothing Allowance Descriptions by Employee during Scope Period" prior to responding to this observation.

As noted in the IRS Publication 5137 (Rev 10-2022): "Clothing or uniforms are excluded from wages of an employee if they are:

- Specifically required as a condition of employer; and
  - Are not worn or adaptable to general use as ordinary clothing.
- <https://www.irs.gov/pub/irs-pdf/p5137.pdf>

This is a negotiated item with the Operating Engineers Local 3 contracts and is reviewed each contract period by the District's General Counsel.

Observation #34: Manual Financial Statement Consolidation Process (report page 34)

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

Observation #35: Disbursements Reconciliation to the General Ledger (report pages 34 – 35)

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

Observation #36: Consolidated List of Executed Contracts is not Readily Available (report page 35)

The Director of Administrative Services is looking into this recommendation; more information to come in the weeks ahead. An earlier mention in this memorandum was made to a listing of all purchase orders/contracts that the Tyler Munis system is able to produce which could be the source document to be used.

Observation #37: Prevailing Wages Evidence for Contracts not Retained (report page 35)

Senior Team respectfully requests that this observation be removed from the report in its entirety. The construction contracts that require prevailing wage and/or Davis Bacon wages be used are reviewed by District Counsel or specialized outside Counsel. The burden of proof for providing evidence of wage postings and/or evidence of communication to workers lies with the Contractor per the contract. IVGID also requires the Contractor to provide weekly payroll reports be submitted by utilizing the LCP Tracker software. IVGID is responsible for reviewing

and confirming that the Contractor is complying with reporting the wages accurately and on time. LCP Tracker interfaces with the Nevada Department of Labor and IVGID has not received any notice from the Nevada Department of Labor that the District is not in compliance with their regulations.

**Observation #38: Frequency of Cash Collections (report page 35)**

The Senior Team recalls when the District did have daily cash pick ups. As cash purchases began to decline and as the District moved to a cashless environment, the determination was made to utilize the safes in a more effective manner and decrease the daily cash pick ups by a third party to reduce costs. The Senior Team finds that the present schedule of weekly cash pick ups within our environment is sufficient.

**Observation #39: Security of Cash During Cash Collections (report page 36)**

Assistant Director of Finance and the Controller are looking into this recommendation; more information to come in the weeks ahead.

**Observation #40: Lack of Internal Controls and Oversight at IVGID Golf Courses (report page 36)**

The General Manager of Golf is looking into this recommendation; more information to come in the weeks ahead.

**Observation #41: Customer Credit Card Processing Errors (report pages 36 – 37)**

The Director of Information Technology is aware of this concern and has advised that it is being fixed and that he will update this recommendation in the coming weeks.

**Closing Comments**

It is the collective opinion of the Senior Team that this report does identify areas for improvement which we all consider a top priority. As we hope this response has proven, many of these observations have already been addressed. The Senior Team also note that there are some inaccuracies within the report and have made our best attempt, to address them in this response. The Senior Team will provide updates as we have them and look forward to the opportunity to share our response publicly.

## **EXHIBIT "B"**

## July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - More Evidence Employee Susan Herron (a Cancer in Our Community) Needs to Be Terminated; YESTERDAY

---

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, <bma@ivgid.org>, <homan4ivgid@gmail.com>, <jezycki4ivgid@gmail.com>  
**Subject:** July 31, 2024 IVGID BOT Meeting - Agenda Item C - Public Comment - More Evidence Employee Susan Herron (a Cancer in Our Community) Needs to Be Terminated; YESTERDAY  
**Date:** Jul 30, 2024 11:22 AM

---

Chairperson Schmitz and Other Honorable Members of the IVGID Board (trustee candidates Mick and Michelle also because I want the two of you to be aware of the cancer in our community which requires eradication) -

It's time to address the sustainability of the District head-on. Management Concerns Is the District being properly managed? According to NRS 318.515(1), this is a crucial step in determining if supervision should revert to Washoe County.

Is the District being properly managed? As you know this is one of the first steps under NRS 318.515(1) in returning supervision over the District to Washoe County. And the answer to this question is no. And here's more evidence. Or as my friend DJ Kahled instructs, "another one!"

Susan Herron - TERMINATE HER.

Let's take a stroll down memory lane.

1. Ms. Herron is basically a glorified secretary. Her experience with the District has primarily been as past Board Clerk and admin ass't to our GM. You know. Putting together notices of public meetings, assembling Board packets, preparing minutes of meetings, acting as a point person for communications between the public and the Board, assisting the GM in his/her duties, etc.
2. Several years ago former GM Indra Winqest began parsing out promotions and massive pay increases to members of our staff as a means of saying "thank you" for prior allegiance. And who was number two recipient on his list? Susan Herron.
3. Ms. Herron's compensation was already at the top of the District's Board approved pay scale for admin persons like her. So Indra couldn't give her much of a pay raise without getting "creative." So he created a new position never before recognized by the District along with its own elevated pay scale. Director of Admin Services. Director?
4. So what were the duties of someone occupying this allegedly vital position, and what was its pay scale?
5. Let's answer the second question first. \$160K-\$205K annually plus benefits plus yada yada, plus yada yada!
6. Now let's answer the first question. I did a public records request to discover what those duties were. And the answer provided was basically, "we don't have a list, but Indra and I are going out to breakfast every morning and discussing what they should be - stay tuned."
7. Wake up Incline Village and smell the coffee! Nothing more than a wasteful and expensive thank you "pay off" for years of allegiance to our revered "Grand Wizard," or "Grand Master," or "Grand Master Flash." Take your pick.

So now we're learning what some of Ms. Herron's "vital" job responsibilities are. You know,

8. Leaking confidential personal information about fellow resident Cliff Dobler to her buddy and former co-worker Dee Carey so Ms. Carey could initiate a character assassination of Mr. Dobler;

9. Conspiring with former co-worker Sheila Leijon to grant all sorts of hidden "favours" at public expense to special interest collaborators in our community who could and can deliver votes for preferred trustee candidates (like Trustee Nobler) who are committed to keeping the free flow of gravy at local parcel owners' expense. Because it's not about what she can do for the benefit of our community. But rather, what our community can do to benefit her personally;

10. Instigating co-worker Brie Waters to initiate an harassment petition against poor ole little me (a petition which was rejected by Incline Village Justice Court) because I voiced criticism of Ms. Waters' job performance during public comment at a BOT meeting. And then taking time off of work during the IVGID work day, with another four or so of her co-worker colleagues, to give moral support to Ms. Waters in court during the Justice Court hearing. And then taking her cabale out to lunch afterwards, likely using her IVGID procurement card to make payment (not certain about this one, but I have asked that the District conduct an investigation to learn if this in fact took place);

11. And now most recently, conspiring with a "cognitively challenged" Whiner Riner to create an unauthorized response to the recent damning RubinBrown forensic due diligence report which marginalizes the validity of that report and its conclusion that the District is guilty of improper management. Who physically prepared this memorandum response Susan Herron? How many hours of your IVGID work day did it take Susan Herron? What help if any did you get from the other senior management employee names included in the memorandum response, if any? Did you just insert their names to make it look as if this was a senior staff decision as opposed to a Susan Herron decision? Who asked you to prepare a response Susan Herron?

12. And now I open up last Friday's Tahoe Daily Tribune, on page 11, and what do I see? An announcement for open positions on the District's audit committee. Nothing strange about this one. Except who prepared it. And who is identified as the "point person" for applications. You've got it. Reverred Susan Herron. Why is she involved with this? Who directed her to undertake this vital District endeavor? Even though we have a GM (Bobby Magee), it turns out Ms. Herron doesn't think she needs to run anything by her presumptive boss because she beats to her own drum. Right Ms. Herron?

These low level ministerial duties could have easily been performed by a volunteer interim. Or our Board Clerk Heidi White. Rather than a Director earning \$200K+ annually in compensation plus benefits. And all of you know this! So why is Ms. Herron permitted to participate in matters such as these? Where's the internal control?

Please do something productive before the end of this trustee term Trustees Schmitz and Dent. Please. Rid the cancer in our community. And please don't tell me you as trustees don't have the power. NRS 318.180 (the power to hire and retain employees) combined with NRS 318.210 (the incidental to or implied from power to fire and terminate employees) gives you the power you require. So exercise it!

Thank you. Respectfully, Aaron Katz

My comments today are to address the question of ..... Why do we even need an IVGID Board of Trustees when IVGID staff does whatever they want?

Fact – For the Mountain Golf Cart pathways, the staff without any board approval spent \$102K over the authorized budgeted amount for that project. This by unapproved contract amendment. The budget for Mtn Course tree removal and cart paths was \$550K – taxpayer cost \$1.5 million – again no board approval of a cost over-run of almost \$1 million.

Fact – Effluent pipeline - Way back round 2010 the Board authorized water rate increases of \$2 Million per year for the project. With then estimates of the replacement then costing \$23 million. The US Army Corp of Engineers said build a new parallel pipeline in the road. But our brilliant boards run by Callicrate, Wong, and even Mr. Dent here, diddled around for years with ideas like slip lining and colocation in a new bike pathway. Bottom line – the pipeline which should have been done in 2020 is still underway at a cost of \$55-60 million. Our little 5-unit condo association has seen our water bill go from \$500 per month to \$788 this month. Plus, from what I have heard on the grapevine, I can expect the association's bill to go to \$1000 within 2 years.

Oh yes, how about Mr. McGee's wonderful BBQ for the employees. As his swan song, McGee arranged with his pal in Azusa, CA to spend \$17k on an employee luncheon at Diamond Peak. Plus, we had to pay Mr. McGee's buddy Collett an additional \$4800 in travel costs. As if his overblown salary was not enough, he had to stick it to the Incline taxpayers for even more. Do I smell corruption here Mr. McGee? I would love to be a fly on your wall looking at your recent bank statement Mr. McGee.

In the wake of the Rubin-Brown report, the staff under Ms. Herron issued a 16-page report in an apparent attempt to trash the damning findings in the report and blow smoke up the anal tract of our trustees. But the report remains as a solid testimony to the corruption, and fraud at IVGID and the staff's dishonesty.....You folks diddle around on nonsense like the stupid Lapanja contract while the staff and McGee piddle away millions while blowing smoke up your posteriors. And you Ms. Tonking, and Mr. Noble do you and your candidate friends have the desire or ability to fix the IVGID mess – No. And you, Mrs. Schmitz, why don't you just quit now. With your home listed for sale what is your future investment in our community? Zero. Your legacy is to leave the taxpayers with a corrupt staff and ever-increasing utility bills.

Mt. Noble's noble solution is to float bonds and tax IVGID into solvency rather than fix the problem by hiring competent and honest staff and clearing out the deadwood.

As for me, I intend to stand in Mr. Noble's way of crapping on the taxpayer.

Finally, as I do not want to be seen just as a complainer, I am giving each Trustee my seven point program for fixing IVGID.

*Please include these comments in the permanent record of this meeting*

## **Do You really want to fix it – and what to do**

### **So, what are you going to do about it Trustees – PROBABLY NOTHING**

I ran a successful wholesale office supply business for 30 years. I made a profit every year and I paid all of my loyal employees well including health care benefits, vacation benefits and a 401K pension plan. **None of you except Mr. Tulloch have any business experience or ever had to meet a payroll on Friday afternoon.** IVGID is essentially a group of businesses that you are supposed to manage. Lacking business experience, you 4 trustees lack the skill set to run IVGID. Because he rankles you with his impertinent questions and comments, you do not like Mr. Tulloch. But he is the only one here with real business experience.

But.....So that I am not painted with a broad brush as a do-nothing whiner or a charter member of the hateful eight, I will tell you what you need to do.

If you want to change the paradigm here you must:

1. Hire Tulloch as a temporary GM and/or organize a blue-ribbon committee with Tulloch and citizens that know accounting like Dobler and Nolet, and people who have run businesses like myself who can effectively interview and hire a new GM. You cannot depend on yourselves or a non-business HR person to do this.
2. Commit to out sourcing all of the money losing activities, with food and beverage services – just as a starter and maybe golf in the near future.
3. Demand honesty and integrity from your employees or fire them.
4. Show some responsibility to spending the taxpayer's money and put their needs ahead of the desires of the staff.
5. Kill stupid budget busters like the snack shack at the beach when you can hire a food truck to do the service in the 12-16 weeks of summer to do the same job at no cost to the taxpayer.
6. Hire people that absolutely qualify for their positions unlike McGee, Cripps, and Winquest and get the books in order.
7. Finally, Mrs. Schmitz or any board president show some cajones and control the staff and do not let them bring stupid crap to the board agenda.

But, because I was not raised in the la la land of letting rogue employees run my show, I know that this board will do none of the bullet items shown above.

*Please include these comments in the permanent record of this meeting*