

**WRITTEN
PUBLIC COMMENT
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Public comment for Committee on Local Government Finance 08/07/24 meeting

Besides notifying Washoe County that IVGID is not properly managed, please ask the Department to use a bill draft request to better define the fees included on a property tax bill that a GID can charge for services and facilities for people, rather than properties. The current statutes were designed for utilities and included a standby service charge as a permissible fee. If a GID can charge a service fee (when no service is received or taken) or standby service fee for something like a high-quality golf course (not your typical modest public course), why can't cities charge this type of fee for a city hall or a jail? It's absurd. When a law is absurd, it needs to be modified. Please consider a modification of 318.197 in the Department's Bill Draft Requests.

I believe the mismanagement cited in the forensic due diligence audit is, for the most part, a direct result of the District's so-called facility fees. Set by just 3 trustees they're only limited by what those trustees believe the property owners will bear. They're collected on our property tax bills and really are taxes, but no one will dare ask the Court to determine the validity. They never sunset, even when citizens were told fees were for bonds that have long since been retired. They're not just for facilities; they also subsidize operating costs. They have allowed the District to buy properties, build facilities and operate money-losing businesses as prioritized by 3 of 5 trustees, not the public. No thought was ever given to sustainability.

These facility fees have subsidized the expansion of and compensation for staff. Staffing for a district with fewer than 10,000 residents has been as high as 1000 full and part time employees, many of whom reside in the district. Employees and their families, who can use District facilities for free or half off our resident rate, have become a considerable voting block capable of influencing local politics. Some call it the IVGID swamp. Staff has openly backed 2 recent nearly successful recall petitions. Staff monitors and dominates the largest social media group in the community, banning or badgering anyone who criticizes the district.

So how does this fee tie in to the gross mismanagement you have been asked to act upon by a number of the most knowledgeable members of the community?

- 1) Despite directives from the Board to classify the fee as non-operating revenue, it is listed as operating revenue. Our Board is unable to control staff.
- 2) These unlimited fees eliminate any incentive to control costs. They allow the District to run money-losing operations that unfairly compete with, not supplement, private sector businesses that must be profitable or they would go out of business. Many of the facilities are nearing the end of their useful life or have costly deferred-maintenance. The District has no dedicated reserves for replacement of these aging facilities (more mismanagement).
- 3) The unlimited fee allows the District to budget for capital projects (with no resolution committing the funds for those projects) that are never pursued. Excess fees have been just rolled over to create a huge slush fund available for staff/the Board to re-purpose.
- 4) The unlimited fee allows unlimited giveaways of the District facilities and services with little or no internal controls. In addition to employee discounts allowing free or half off the taxpayer's rate, facility fees are used to shore up operating losses incurred from free

use by non-profits and others who have no obligation to offer any service related to the District's powers. Taxpayers' funds specifically intended for recreation must replace the revenue lost by these giveaways. And, of course, these giveaways engender the faithful support of the recipients.

- 5) The unlimited fee has been used to repay bonds issued for "Board priorities" without the necessity of a bond election. Voters have no say in how much they are assessed or what the bond funds are used for.

The legislature has allowed this financial and political morass. We hope the Department of Taxation will inform the legislature to take the necessary steps to control limitless taxation and this unmanageable GID.

Respectfully submitted,

Judith Miller
Incline Village resident and homeowner

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