

NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at **6:00 p.m.** on **September 15, 2021** in the Chateau at 955 Fairway Boulevard, Incline Village, Nevada.

In accordance with the Governor's Emergency Directive, all those in attendance will be required to wear a mask. Thank you, in advance, for your compliance

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF TRUSTEES*
- C. INITIAL PUBLIC COMMENTS* - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*
- D. APPROVAL OF AGENDA (for possible action)
- The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.*
- OR-**
- The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.*
- E. DISTRICT GENERAL MANAGER UPDATE (for possible action) – **pages 4 - 14**
- F. REVIEW OF THE LONG RANGE CALENDAR (for possible action) – **page 15**
- G. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.
1. Treasurers Report (for possible action) – **page 16**
 - A. Payment of Bills (for possible action) (For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy) (Requesting Trustee: Treasurer Michaela Tonking)
 2. Fiscal Year 2020/21 Fourth Quarter Budget Update: Fourth Quarter Financial Report Through June 30, 2021 (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 17 - 46**
 3. Fiscal Year 2020/21 Fourth Quarter Budget Update: Popular CIP Status Report Through June 30, 2021 (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 47 - 50**
- H. CONSENT CALENDAR (for possible action) (In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar". 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. Any member of the Board may request the removal of a particular item from the Consent Calendar and that the matter shall be removed and addressed in the General Business section of the meeting. A unanimous affirmative vote shall be recorded as a favorable motion and approval of each individual item included on the Consent Calendar.)

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of September 15, 2021 - Page 2

1. Review, discuss and possibly approve the Mathis Group Pre-Contract Board and Executive Team Interviews Proposal in the total amount of \$8,000 (Requesting Trustee: Board Chairman Tim Callicrate) – **pages 51 - 53**
- I. GENERAL BUSINESS (*for possible action*)
 1. Review, discuss and possibly approve augmentations to the FY2021/22 approved budget to reflect carry-over of available appropriations from the FY2020/21 capital budget to support ongoing capital improvement projects (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 54 - 57**
 2. Review, discuss, and potentially approve a scope of work for special legal counsel related to the beach deed and authorize the General Manager to execute a contract with counsel not-to-exceed \$25,000 (Requesting Staff Member: District General Counsel Joshua Nelson) – **pages 58 - 62**
 3. Review, discuss and possibly approve the District's Strategic Plan for 2021-2023 (Requesting Staff Member: District General Manager Indra Winquest) – **pages 63 - 124**
 4. Review, discuss, and possibly provide direction on next steps to further discuss and/or recommended revisions to Policy 16.1.1 Recreation Roll Policy (Requesting Staff Member: District General Manager Indra Winquest) – **pages 125 - 206**
 5. Policy 15.1.0: Accounting, Auditing and Financial Reporting, Audit Committee: Review and update from the September 2, 2021 Board Meeting – continuing discussion (Requesting Trustee: Board Chairman Tim Callicrate) – **pages 207 - 252**
 6. Review, discuss and provide to the District General Manager: (Requesting Trustee: Board Chairman Tim Callicrate) – **pages 253 - 309**
 - (a) Performance Evaluation (in accordance with the District General Manager's Employment Agreement, Section 7, PERFORMANCE EVALUATION)
 - (b) Merit Salary Increase
Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in accordance with the District General Manager's Employment Agreement, Section 3. SALARY, subparagraph 3.3 and Section 7. PERFORMANCE EVALUATION, subparagraph 7.3)
 - (c) Contract Extension
Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in accordance with the District General Manager's Employment Agreement, Section 2, TERM OF AGREEMENT)
 - (d) Phone/Technology Allowance
Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in accordance with the District General Manager's Employment Agreement, Section 4, BENEFITS, subparagraph 4.4)
- J. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.
- K. ADJOURNMENT (*for possible action*)



NOTICE OF MEETING

Agenda for the Board Meeting of September 15, 2021 - Page 3

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, September 10, 2021 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of September 15, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were e-mailed to those people who have requested; and a copy was posted, physically or electronically, at the following locations in accordance with Assembly Bill 253:

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoeplace.com/Board of Trustees/Meetings and Agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: *Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Michaela Tonking.*

Notes: *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. **IVGID'S agenda packets are available at IVGID's website, www.yourtahoeplace.com; go to "Board Meetings and Agendas".***

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
District General Manager

SUBJECT: Review, discuss and provide direction on possible revisions to Board Policy 15.1.0 – Audit Committee

DATE: September 9, 2021

I. RECOMMENDATION

It is recommended that the Board of Trustees:

- a) Review, discuss and provide direction on possible revisions to Board Policy 15.1.0, and
- b) Direct Staff to return to the Board with a draft of revised Policy 15.1.0 incorporating Board feedback and direction.

II. BACKGROUND

This agenda item has been prepared to facilitate the Board's continued discussion and direction on possible revisions to Policy 15.1.0 – Audit Committee.

Board Chairman Callicrate had requested that the discussion be continued to allow for all Trustees to provide input as well as to allow for any Trustee who so desired to provide written comments or suggested revisions, adding to the materials that were provided to the Board as part of the September 2, 2021 agenda packet.

Included in with this agenda item are comments provided by Trustee Wong as well as a revised version of the Audit Committee's recommended revisions prepared by Audit Committee Chair Tulloch.

Attachments:

- Board Policy 15.1.0 – adopted May 6, 2020
- Trustee Comments (Tonking and Wong)
- Update of Recommended Revisions from Audit Committee Chair Tulloch
- Board Memo – September 2, 2021 agenda : Board Policy 15.1.0

Attachment

Board Policy 15.1.0 –
adopted May 6, 2020



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

The Incline Village General Improvement District is committed to be proactive, informed, and providing the highest form of financial accountability to its parcel owners. Achieving this goal requires clear rules and procedures for making decisions and their impact on financial results.

The Government Finance Officers Association encourages the effective use of an audit committee in the public sector and considers this committee an integral element of public accountability and governance. The Audit Committee plays a key role with respect to the integrity of the District's financial information by ensuring those responsible for financial management (management, auditors, and the Board of Trustees) meets their respective responsibilities for internal controls compliance and financial reporting.

To be effective, an audit committee should be formally established by the Board of Trustees, be adequately funded, and properly documented.

POLICY: The Audit Committee ("Committee") is to assist the Board of Trustees fulfill its responsibilities in accordance with Nevada Revised Statutes, District Policies, Practices, Ordinances, and Resolutions by providing oversight over the District's financial reports, the systems of internal controls including the internal audit plans and reports, and the independent external auditor's assessment of financial statements.

The Committee will ensure open communication and maintain strong working relationships with the IVGID Board of Trustees, the General Manager, Director of Finance, and internal/external auditors.

The Audit Committee Charter shall be reviewed periodically with recommended changes submitted to the Board of Trustees for approval.

ORGANIZATION: The Committee shall consist of five (5) voting members. This includes two Board appointed Trustees and three Board appointed qualified At-Large Members. The Committee can be expanded to an odd number. Recommendations for expanding the number of voting members will be approved by the Committee and submitted to the Board of Trustees for approval. The Committee is to retain a financial advisor, potentially a resource from the external audit firm, to attend meetings, provide guidance and training, as needed.

Members of the Audit Committee should obtain an understanding of accounting, auditing, financial reporting, and internal control to be able, with the assistance of



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

a financial advisor, to deliberate on issues for which the Committee is responsible. Therefore, the Board of Trustees may need to budget for an outside financial advisor to assist the Committee with the independent conduct of its work. The financial advisor will be responsible for ensuring the Committee members receive training relative to internal controls, understanding of financial reports, internal audit processes, governmental regulations, and other pertinent information. The advisor should possess the following qualifications:

- A thorough understanding and experience with Generally Accepted Accounting Principles (GAAP), Government Accounting Standard Board (GASB), and financial reporting for the public sector
- Experience either preparing or auditing financial statements for similar entities
- Experience with accounting estimates and accruals
- Experience with financial internal controls
- An understanding of the function of an audit committee

Committee members shall be independent. They shall not accept any consulting, advisory, or other compensatory fee from the District. All members shall not be an affiliated person with the District.

- Annually, the Board of Trustees will appoint two Trustees to be voting members. Appointing Trustees to serve successive years increases the consistency and allows for knowledge retention. In the event a Trustee is removed or resigns, the Board of Trustees shall appoint a new member to the committee.
- At-Large Members shall be appointed by the Board of Trustees from applicants with appropriate expertise with staggering two-year terms.
 - For the first appointment, one member will serve a one-year term and the other two will serve a two-year term.
 - Each subsequent appointment will serve two-year terms.

One voting member of the Committee shall be appointed by the Committee to be the Chair. The Chair will schedule all Committee meetings and provide Committee members with a written agenda for each meeting. Committee Members may request agenda items for the Chair's consideration and approval.

The voting Committee members are limited to two 2-year terms which may be extended in the event there are no interested and qualified applicants.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

1.0 Independent auditor reports directly to the Audit Committee

The independent auditor reports directly to the Audit Committee. The Audit Committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication may include periodic executive sessions with each of these parties. The independent auditor is to bring to the attention of the Committee any additional work required, beyond the scope of work contained in the engagement agreement, to fulfill their responsibilities.

2.0 Scope of Audit Committee's Authority and Responsibilities

It is the responsibility of the Committee to provide independent review and oversight of:

1. Financial reporting
2. Internal controls
3. The independent audit of financial statements

To fulfill these responsibilities, the Committee must:

- 2.1 Be independent, effectively communicate, and reinforce accountability.
- 2.2 Manage the external independent audit procurement process.
 - 2.2.1 Ascertain that the Request For Proposal (RFP) for a firm to be retained by the District for the annual financial audit is no more than five fiscal years with those directly supervising audit staff rotating at least every two years and audit engagement partners rotating at least every three years.
 - 2.2.2 Select the independent external auditor.
- 2.3 Make recommendations to the Board of Trustees and take subsequent action to engage an external auditor for the District's Comprehensive Annual Financial Report (CAFR)
 - 2.3.1 Make recommendations on the scope of work including the identification of funds to be audited.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.3.2 If deemed necessary, identify and recommend additional services to be performed.
- 2.3.3 By March 31st of each year, the Board of Trustees is to formally designate an external audit firm and inform the Nevada Department of Taxation.
- 2.3.4 When appropriate replace the independent external auditors or auditing firms doing work for the District and initiate the procurement process (2.2).
- 2.3.5 Approve the scope of work and audit plans by June of each year.

- 2.4 Facilitate the external audit process.
 - 2.4.1 Review and approve formal reports or letters to be submitted to the external auditor.
 - 2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.
 - 2.4.3 Review the auditors' report of findings and recommendations with management and the auditor.
 - 2.4.4 Review the CAFR in its entirety, including unaudited sections and letters.
 - 2.4.5 Follow -up on any corrective action identified.
 - 2.4.6 Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
 - 2.4.7 Assess the performance of the independent auditors.

- 2.5 Review the financial statements; quarterly and annually for fair and accurate reporting.
 - 2.5.1 Review any changes in accounting policy.
 - 2.5.2 Ensure accounting policies are followed.
 - 2.5.3 Review any off-balance sheet financings.

- 2.6 Review the framework of internal controls; ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.6.1 Review the annual internal control audit plan(s).
- 2.6.2 Review management's annual assessment of their internal controls for prior year's audit plan.
- 2.6.3 Evaluate management's identification of fraud risks, ensure the implementation of anti-fraud measures and that management is setting the tone at the top that fraud will not be accepted in any form.
- 2.6.4 The Committee may identify a need to engage an external Internal Auditor to address a specific area of concern.
 - 2.6.4.1 The Committee will review and approve or modify Management's proposal for the scope of work and selection of the resource.
 - 2.6.4.2 Management is responsible for engaging the resource to perform the scope of work and overseeing contract deliverables.
 - 2.6.4.3 Management will have the responsibility for implementation of identified internal control changes or enhancements.
 - 2.6.4.4 Management will report the findings and resolutions to the Committee.
- 2.7 Periodically review the District's code of conduct that promotes honest and ethical conduct; full, fair, accurate, timely, and understandable disclosure in periodic reports; and compliance with applicable policies to ensure it is adequate and up-to-date.
- 2.8 To review and refine as necessary the procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud.
 - 2.8.1 Review and refine as needed the procedures for educating employees on their individual role in ensuring the District's financial integrity.
 - 2.8.2 Ensure employees of the District have an anonymous method for concerns to be submitted.
 - 2.8.3 Publicize the means for the public and employees to submit concerns to the Audit Committee.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.8.4 Review any submissions received, monitor the status of all submissions, ensure their timely resolution, and the document handling or disposition.
- 2.9 The Audit Committee is to submit an annual report to the Board of Trustees assessing the results of its fulfillment of its duties and responsibilities.

3.0 Meetings

- 3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241. The Board of Trustees will be emailed a copy of the meeting minutes. Meeting minutes will be posted on the District website.
- 3.2 The committee will hold meetings at a minimum of once per quarter. All members are expected to attend on a regular basis.
- 3.3 Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern.
- 3.4 Review all past correspondence with action outstanding. Ensure responses and/or corrective action is taken in a timely manner.
- 3.5 The committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
- 3.6 The committee Chair shall establish the agenda for meetings and provide all briefing materials to members and the public in advance.
- 3.7 An annual meeting is to be held with the independent external auditors, the General Manager, the Director of Finance, legal counsel and anyone else as desired by the Committee to review the audited annual financial statements including the Comprehensive Annual Financial Report (CAFR) and the auditor's letter of findings.

Attachment

Trustee Comments (Tonking and Wong)

BOARD POLICY 15.1.0

Trustee Tonking Comments

Organization

Three options I would be ok with : 1. three member group (1 board member and 2 at-large) 2. a working group of two trustees 3. 5 members (2 trustees and 3 members of public. Have trustees who are not on committee each nominate the member of the public)

Look at GFOA

Consider adding language to clarify that all members serve at the pleasure of the Board and I think we need to put language around proper conduct of members

If each member nominates their members; I think the board of trustees should appoint the chair in line w. GFOA Policy

Policy Section

1.0 Independent Auditor Reports Directly to the Audit Committee

The Auditor should also bring issues directly to Board if it is something substantial

2.1 Be independent, effectively communicate and reinforce accountability

We need to discuss independence here to affirm that the same people who are bringing up issues are not also voting on them

2.4 Facilitate the external audit process

Make sure it says independent audit

2.4.4 Review CAFR in its entirety, including unaudited sections and letters

What is the purpose of the line - the A/C is not the auditor

2.4.5 Follow-up on any corrective action identified

this follow-up should pertain to correction action identified by the independent auditor, and not necessarily corrective action dictated by the Audit Committee.

2.5 Review financial statements; quarterly and annually for fair and accurate reporting

2.5.1 Review any changes in accounting policy

2.5.1 needs to be removed that is the role of the board

2.6 Review framework of internal controls; ensuring management establishes, implements

Need to think about what level of risk they are looking for here

3.0 Meetings

3.3 Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader.

Audit Committee members should be providing oversight to independent resolution of issues brought to their attention, and not dictating resolution of self-identified issues/cocnerns.

3.6 The Audit Committee Chair shall establish the agenda for meetings and provide all briefing materials to members of the public in advance.

With staff



**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

PROPOSED REVISIONS FOR DISCUSSION

The Incline Village General Improvement District is committed to be proactive, informed, and to provide the highest level of financial accountability and transparency to its parcel owners and other stakeholders (i.e., the State of Nevada).

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The Government Finance Officers Association (GFOA) encourages the effective use of an audit committee in the public sector and considers such a committee an integral element of public accountability and governance. An Audit Committee plays a key role with respect to overseeing the integrity of the District's annual financial statements (the "CAFR") by ensuring those responsible for financial management (Management, and the Board of Trustees) meet their responsibilities for maintaining an effective system of internal controls over financial reporting.

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An audit committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit committee helps to ensure that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the government's financial reporting practices¹.

Commented [KW1]: Is the objective to utilize best practices from the GFOA and industry or not? This policy deviates from both best practices and I think we need clear justification if we are not going to follow best practices (i.e. board member as AC members, scope of AC responsibilities)

An audit committee should be formally established by the Board of Trustees, be adequately funded, and be subject to a formally approved Audit Committee Charter.

POLICY: The Audit Committee (the "Committee") is to assist the Board of Trustees fulfill its responsibilities in accordance with Nevada Revised Statutes, District Policies, Practices, Ordinances, and Resolutions by providing oversight over the District's financial reports, the system of internal controls including the internal audit plans and reports, and the independent auditor's reports within the CAFR.

The Committee shall have open communication with and maintain strong working relationships with the IVGID Board of Trustees, the General Manager, Director of Finance, and the independent auditor.

¹ Source: GFOA Best Practices, Audit Committee

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**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

This Committee shall review the Charter annually with any recommended changes submitted to the Board of Trustees for consideration and approval.

ORGANIZATION: The Committee shall consist of five (5) voting members. This includes two Board members appointed annually by the Trustees and three members appointed by the Trustees to serve as qualified At-Large Members. Any recommendations for expanding the number of voting members will be recommended by the Committee and submitted to the Board of Trustees for approval. The Committee may retain financial or other appropriate advisors to attend meetings, provide guidance and training, as needed, and as approved by the Board of Trustees for financial expenditures.

Members of the Committee should have or shall obtain an understanding of accounting, auditing, financial reporting, and internal controls to be able, with the assistance of an advisor if needed, to deliberate on issues for which the Committee is responsible. Therefore, the Board of Trustees may need to budget for periodic training of the Committee members and an outside advisor to assist the Committee with the independent conduct of its work. Any advisor so engaged should possess the following qualifications:

- A thorough understanding and experience with Generally Accepted Accounting Principles (GAAP), Government Accounting Standard Board (GASB) statements, and financial reporting for the public sector
- Experience either preparing or auditing financial statements
- Experience with internal controls over financial reporting
- An understanding of the function of an audit committee

At-Large Committee members shall be independent. They shall not accept any consulting, advisory, or other compensatory fee from the District. All members shall not be an affiliated person with the District.

At-Large Committee members shall be expected to comply with all District policies that apply to volunteers as published on the District's website.

- Annually, the Board of Trustees will appoint two Trustees to be Committee members. In the event a Trustee is removed or resigns, the Board of Trustees shall appoint a new member to the Committee. In accordance with GFOA recommendations, Trustees considered for appointment to the

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Commented [KW2]: Does not conform to GFOA Best Practices AC should all be BoT members.

In addition to GFOA best practices, here are resources on public company independence definitions
 NASDAQ Definition of Independent Director: [Rules | The Nasdaq Stock Market](#)
 NYSE Independence Tests: [Microsoft Word - Document1 \(phco.com\)](#)

Based on these definitions of "independent" directors for public companies, all the BoT members are independent

Omitted AICPA Guide on Independence as it relates to auditor independence and not director/AC independence [plain english guide.pdf \(aicpa.org\)](#)

Commented [KW3R2]: Other resources: CGMA guide to Government Audit Committees [Government Audit Committees - Part 1 - Charter, Roles and Responsibilities \(cma.org\)](#)
 AICPA Governmental Audit Quality Center [Governmental Audit Quality Center \(GAQC\) \(aicpa.org\)](#)
 AICPA Center for Audit Quality [Center for Audit Quality \(CAQ\) \(aicpa.org\)](#)
 AICPA Audit Committee Effectiveness Center [Audit Committee Effectiveness Center \(aicpa.org\)](#)

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Commented [KW4]: The Audit Committee does not have authority to expend funds of the district

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Commented [KW5]: Need to identify minimum qualifications of At-Large Members. I recommend
 -Hold an active CPA license, preferably in Nevada, or have at least 15 years of progressive financial management experience as evidenced on a resume, CV, or LinkedIn
 -Experience on governing boards, either as a committee or board member
 -Provide at least 3 professional references who reported to the person

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**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

Committee shall not be exercising managerial responsibilities that fall within the scope of the audit of the District.² This recommendation would generally preclude the Treasurer from joining the Committee. (NRS 318.085 item 4)

- At-Large Members shall be appointed by the Board of Trustees from applicants with appropriate accounting, auditing and financial reporting expertise with staggered two-year terms.
 - For the first appointment, one member will serve a one-year term and the other two will serve a two-year term.
 - For each subsequent appointment the member will serve a two-year term.

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Commented [KW8]: Disagree, the Treasurer has no more managerial responsibility of district staff than any other member of the BoT.

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Commented [KW9]: Why are At-Large member terms longer than Trustee appointed terms? I think they should be the same

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One member of the Committee shall be appointed by the Committee to be the Chair. The Chair will schedule all Committee meetings and provide Committee members with a written agenda for each meeting. Committee Members may request agenda items for the Chair's consideration and approval.

Commented [KW10]: I think the Board should recommend who the Chair of the Committee should be for the AC to consider

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The Committee members are limited to two 2-year terms, which may be extended with the Board of Trustees approval in the event there are no interested or qualified applicants to fill any future vacancies.

Commented [KW11]: This statement is contradictory to the Trustee terms serving on the Committee

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1.0 Independent auditor reports directly to the Audit Committee

The independent auditor will be engaged by and report directly to the Committee. The Committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication may include periodic executive sessions with each of these parties. The independent auditor is to bring to the attention of the Committee any additional work required (and related fee impact), beyond the scope of work contained in the engagement letter and the audit plan, to fulfill their responsibilities before any such work is undertaken.

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2.0 Scope of the Committee's Authority and Responsibilities

² "To ensure the committee's independence and effectiveness, no governing body member who exercises managerial responsibilities that fall within the scope of the audit should serve as a member of the audit committee" Source: GFOA Best Practices, Audit Committee

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**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

It is the responsibility of the Committee to provide independent review, oversight and feedback on:

1. Financial reporting
2. Internal controls
3. The independent audit of the basic financial statements
4. The CAFR

To fulfill these responsibilities, the Committee shall:

- 2.1 Be independent, effectively communicate, and reinforce accountability.
- 2.2 Manage the external independent audit procurement process.
 - 2.2.1 Review and approve the Request For Proposal (RFP) for an independent auditor to be retained by the District. Such engagement should be for no more than five fiscal years in duration.
 - 2.2.2 Make recommendations on the scope of work including the identification of funds to be audited.
 - 2.2.3 Make recommendations to the Board of Trustees and take subsequent action to engage an independent auditor.
 - 2.2.4 Review and approve the engagement letter (i.e., contract) between the District and the independent auditor
 - 2.2.5 If deemed necessary, identify and recommend additional services to be performed.
 - 2.2.6 By March 31st of each calendar year, the Board of Trustees is to formally designate an external independent auditor and inform the Nevada Department of Taxation. (NRS 354.624 item 3)
 - 2.2.7 When appropriate replace the independent auditor and initiate the procurement process (2.2.1).
- 2.3 Facilitate the external audit process.
 - 2.3.1 Review and approve, in consultation with the independent auditor, the annual audit plan, the scope of audit activities and schedules by June of each year

Commented [KW12]: Not all the items below support this objective. See noted items

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Commented [KW13]: This inherently could impact the independence of the auditor.
Maybe we need to coordinate a conversation with Davis Farr?

Commented [KW14]: See comment above, independence issue?

Commented [KW15]: Need to define "When appropriate" This is too broad of a statement Also, the AC does not have any authority in the procurement process

Commented [KW16]: This section shows a lack of understanding of the roles of the auditor, AC, and management in the external audit process.

Also, again, not all the items below support this objective

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**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

- 2.3.2 Provide an independent forum for auditors to report findings or difficulties encountered during the audit
- 2.3.3 Review with the District management and the independent auditor all major issues regarding:
 - 2.3.3.1 Accounting Principles
 - 2.3.3.2 CAFR presentation
 - 2.3.3.3 Any significant changes in the selection or application of accounting principles
 - 2.3.3.4 Significant judgments made in the preparation of the CAFR and basic financial statements
 - 2.3.3.5 The effect of regulatory initiatives
 - 2.3.3.6 Off-balance sheet structures
 - 2.3.3.7 Changes to audit plan of independent auditor as a result of any additional issues identified by the auditor
 - 2.3.3.8 Any restrictions on the scope of the auditor's activities or on access to requested information or managements responses
- 2.3.4 To review with District management and the independent auditor any material conflicts or disagreements between District management and the independent auditor, whether or not resolved, regarding financial reporting, accounting practices or policies or other matters, that, individually or in the aggregate, could be significant to the District's financial statements or the independent auditors' report, and attempt to help resolve any conflicts or disagreements regarding financial reporting.
- 2.3.5 According to the approved work plan, conduct periodic meetings with the external auditor to review progress, issues identified, concerns and the audit timeline
- 2.3.6 Review and approve the Management Representation letter by the District's management prior to submittal of the letter to the independent auditor
- 2.3.7 The Committee shall submit a written report to the District's Board of Trustees in conjunction with the presentation of the CAFR to the Board of Trustees by the end of December.

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Commented [KW17]: This shouldn't be the responsibility of the Committee. Management should bring these issues to the auditor and AC

Commented [KW18]: This shouldn't be the responsibility of the Committee. It is the auditor's requirement to bring this to the attention of the Committee as part of their required communications, which is standard auditing practice, not Audit Committee practice

Commented [KW19R18]: Recommend revising to "Review auditor's required communications"

Commented [KW20]: This is Management's responsibility, not the Committee

Commented [KW21R20]: Recommend revising to "Review Management's Representation Letter"

2.4 Post External Audit Follow up



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- 2.4.1 Follow-up on any corrective actions identified by the external auditor, if any
- 2.4.2 Annually evaluate the work of the independent auditor and lead audit partner based on compliance with work plan and engagement letter
- 2.4.3 At least annually, obtain and review a report by the independent auditor that describes:
 - 2.4.3.1 the independent auditor's internal control procedures
 - 2.4.3.2 any material issues raised by the most recent peer review of the independent auditor
 - 2.4.3.3 any inquiry or investigation by governmental or professional authorities, within the preceding five years regarding any audit performed and any steps taken to deal with any such issues.
- 2.5 The Committee may identify a need to engage an external resource to address a specific area of concern.
 - 2.5.1 The Committee shall seek approval from Board of Trustees to obtain appropriate resources.
 - 2.5.2 The Committee shall agree the Scope of Work
 - 2.5.3 The Committee is responsible for engaging the resource to perform the scope of work.
 - 2.5.4 The external resource shall report findings to the Committee.
 - 2.5.5 The Committee will provide findings to the Board of Trustees and recommend implementation of the findings, if any.
 - 2.5.6 Management will have the responsibility for implementation of identified changes or enhancements.
- 2.6 The Committee shall review and provide oversight of the internal controls ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.
 - 2.6.1 Management will provide an annual schedule for the review of District Financial Practices (internal control) documents. These documents will be provided to the Audit Committee for their review and oversight.

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Commented [KW22]: I don't understand why this is included
This should be part of the RFP process to evaluate the professional credentials of the firm we are hiring

Commented [KW23]: Need to define parameters for this
Again, the AC does not have the authority to procure services

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**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
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2.7 Annually review the District's Code of Conduct that promotes honest and ethical conduct; full, fair, accurate, timely disclosures in periodic reports including the CAFR; and compliance with applicable policies and practices to ensure it is adequate and up-to-date.

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2.8 To annually review and refine as necessary the whistleblower procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud

2.8.1 Review and refine as needed the procedures for educating employees on their individual role in ensuring the District's financial integrity.

2.8.2 Ensure employees of the District have an anonymous method for concerns to be submitted.

Commented [KW24]: Whistleblower policy should be the responsibility of the BoT, not the AC

NOTE: This is predicated upon approval of the current whistleblower policy and may require to be updated dependent upon BoT changes to the whistleblower policy

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2.9 Reports to Board of Trustees.

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2.9.1 The Committee shall submit an annual report to the Board of Trustees assessing its fulfillment of its duties and responsibilities as described in the Charter

3.0 Meetings

3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241. The Board of Trustees will be emailed a copy of the meeting minutes. Meeting minutes will be posted on the District website.

3.2 The committee will hold meetings at a minimum of once per quarter. All members are expected to attend on a regular basis. Any member missing two consecutive meetings without due cause (i.e., illness) will be reviewed for continued membership on the Committee by the Chairs of the Committee and Board.

Commented [KW25]: Why? The district does not have quarterly reporting requirements



**Accounting, Auditing, and Financial Reporting
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- 3.3 The committee Chair shall establish the agenda for meetings and provide all briefing materials to members and the public in advance.
- 3.4 The District's management is to provide to the Committee at least 7 calendar days prior to a Committee's public meeting, copies of all materials which are to be presented by management
- 3.5 The Committee shall review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern.
- 3.6 The Committee shall review all past correspondence which contains outstanding action items. Ensure responses and/or corrective action is taken in a timely manner.
- 3.7 The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
- 3.8 An annual meeting is to be held with the independent auditor, the General Manager, the Director of Finance, legal counsel and anyone else as desired by the Committee to review the audited annual basic financial statements including the Comprehensive Annual Financial Report (CAFR) and the auditor's material written communications with the District

Commented [KW26]: Why include in policy as this is dictated by NRS?

Commented [KW27R26]: Suggest referencing relevant NRS

Commented [KW28]: Need to define what type of correspondence the BoT delegates to the AC to review. Not all correspondence should fall under the purview of the AC.

Deleted:

4.0 Annual Financial Risk Assessment and Risk Management.

The Committee shall review and discuss with District management and the independent auditor the District's major financial risk exposures, and the steps management has taken to monitor and control those exposures. It is the Board's responsibility to ensure the District has adequate controls and plans for risk mitigation for areas beyond finance.

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Attachment

Update of
Recommended
Revisions from Audit
Committee Chair
Tulloch (with
attachment)

MEMORANDUM

TO: Board of Trustees

FROM: Ray Tulloch
Audit Committee Chair

SUBJECT: Update to previous review, discuss and possibly adopt recommendations for changes to Board Policy 15.1.0 as recommended by the Audit Committee

DATE: September 15, 2021

I. UPDATE

As indicated to the Board at the September 2, 2021 Board meeting, I had inadvertently deleted a couple of sections around internal controls in the Audit Committee proposed revisions to policy 15.1.0. I have now reinstated these sections (2.6.2 – 2.6.4) and highlighted them in the attached document. I have also removed acronyms for clarity.

Following discussions with District General Manager Winqest and Director of Finance Navazio, I have added some clarifications in 2.3.3 and in 2.4.1 to reduce any concerns around potential scope creep; these changes are also highlighted.

Finally, also from discussions with District General Manager Winqest and Director of Finance Navazio, I have deleted Section 2.4.3 which required annual reporting from the Independent Auditor. As was also pointed out by some Board members, that language was more appropriate to the procurement process rather than an annual requirement.

I value the feedback for the Audit Committee from both the Board and from Staff which has been helpful. There were also several other potential changes discussed at the September 2, 2021 meeting. All changes discussed above have been highlighted. As the Board discussions are still ongoing I have deferred making any further changes at this stage other than those identified above which help with clarification and address some key concerns raised by staff.

I look forward to further discussions and a resolution by the Board.



**Accounting, Auditing, and Financial Reporting
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PROPOSED REVISIONS FOR DISCUSSION

The Incline Village General Improvement District is committed to be proactive, informed, and to provide the highest level of financial accountability and transparency to its parcel owners and other stakeholders (i.e., the State of Nevada).

The Government Finance Officers Association (GFOA) encourages the effective use of an audit committee in the public sector and considers such a committee an integral element of public accountability and governance. An Audit Committee plays a key role with respect to overseeing the integrity of the District's annual financial statements (the "CAFR") by ensuring those responsible for financial management (Management, and the Board of Trustees) meet their responsibilities for maintaining an effective system of internal controls over financial reporting.

An audit committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit committee helps to ensure that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the government's financial reporting practices¹.

An audit committee should be formally established by the Board of Trustees, be adequately funded, and be subject to a formally approved Audit Committee Charter.

POLICY: The Audit Committee (the "Committee") is to assist the Board of Trustees fulfill its responsibilities in accordance with Nevada Revised Statutes, District Policies, Practices, Ordinances, and Resolutions by providing oversight over the District's financial reports, the system of internal controls including the internal audit plans and reports, and the independent auditor's reports within the CAFR.

The Committee shall have open communication with and maintain strong working relationships with the IVGID Board of Trustees, the General Manager, Director of Finance, and the independent auditor.

¹ Source: GFOA Best Practices, Audit Committee



**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

This Committee shall review the Charter annually with any recommended changes submitted to the Board of Trustees for consideration and approval.

ORGANIZATION: The Committee shall consist of five (5) voting members. This includes two Board members appointed annually by the Trustees and three members appointed by the Trustees to serve as qualified At-Large Members. Any recommendations for expanding the number of voting members will be approved by the Committee and submitted to the Board of Trustees for consideration. The Committee may retain financial or other appropriate advisors to attend meetings, provide guidance and training, as needed.

Members of the Committee should have or shall obtain an understanding of accounting, auditing, financial reporting, and internal controls to be able, with the assistance of an advisor if needed, to deliberate on issues for which the Committee is responsible. Therefore, the Board of Trustees may need to budget for periodic training of the Committee members and an outside advisor to assist the Committee with the independent conduct of its work.. Any advisor so engaged should possess the following qualifications:

- A thorough understanding and experience with Generally Accepted Accounting Principles (GAAP), Government Accounting Standard Board (GASB) statements, and financial reporting for the public sector
- Experience either preparing or auditing financial statements
- Experience with internal controls over financial reporting
- An understanding of the function of an audit committee

At-Large Committee members shall be independent. They shall not accept any consulting, advisory, or other compensatory fee from the District. All members shall not be an affiliated person with the District.

At-Large Committee members shall be expected to comply with all District policies that apply to volunteers. District Management shall be responsible for providing copies of all relevant policies to Committee members..085

- Annually, the Board of Trustees will appoint two Trustees to be Committee members. Appointing Trustees to serve successive years increases continuity and allows for knowledge retention. In the event a Trustee is



Accounting, Auditing, and Financial Reporting Audit Committee Charter Policy 15.1.0

removed or resigns, the Board of Trustees shall appoint a new member to the Committee. In accordance with GFOA recommendations, Trustees considered for appointment to the Committee shall not be exercising managerial responsibilities that fall within the scope of the audit of the District.² This recommendation would generally preclude the Treasurer from joining the Committee. (NRS318.085 item 4)

- At-Large Members shall be appointed by the Board of Trustees from applicants with appropriate accounting, auditing and financial reporting expertise with staggered two-year terms.
 - For the first appointment, one member will serve a one-year term and the other two will serve a two-year term.
 - For each subsequent appointment the member will serve a two-year term.

One member of the Committee shall be appointed by the Committee to be the Chair. The Chair will schedule all Committee meetings and provide Committee members with a written agenda for each meeting. Committee Members may request agenda items for the Chair's consideration and approval.

The Committee members are limited to two 2-year terms, which may be extended in the event there are no interested or qualified applicants to fill any future vacancies.

1.0 Independent auditor reports directly to the Audit Committee

The independent auditor will be engaged by and report directly to the Committee. The Committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication may include periodic executive sessions with each of these parties. The independent auditor is to bring to the attention of the Committee any additional work required (and related fee impact), beyond the scope of work contained in the engagement letter and the audit plan, to fulfill their responsibilities before any such work is undertaken.

² "To ensure the committee's independence and effectiveness, no governing body member who exercises managerial responsibilities that fall within the scope of the audit should serve as a member of the audit committee" Source: GFOA Best Practices, Audit Committee



**Accounting, Auditing, and Financial Reporting
Audit Committee Charter
Policy 15.1.0**

2.0 Scope of the Committee’s Authority and Responsibilities

It is the responsibility of the Committee to provide independent review, oversight and feedback on:

1. Financial reporting
2. Internal controls
3. The independent audit of the financial statements and Comprehensive Annual Financial Report

To fulfill these responsibilities, the Committee shall:

- 2.1 Be independent, effectively communicate, and reinforce accountability.
- 2.2 Manage the external independent audit procurement process.
 - 2.2.1 Review and approve the Request For Proposal (RFP) for an independent auditor to be retained by the District. Such engagement should be for no more than five fiscal years in duration.
 - 2.2.2 Make recommendations on the scope of work including the identification of funds to be audited.
 - 2.2.3 Make recommendations to the Board of Trustees and take subsequent action to engage an independent auditor.
 - 2.2.4 Review and approve the engagement letter (i.e., contract) between the District and the independent auditor
 - 2.2.5 If deemed necessary, identify and recommend additional services to be performed.
 - 2.2.6 By March 31st of each calendar year, the Board of Trustees is to formally designate an external independent auditor and inform the Nevada Department of Taxation. (NRS 354.624 item 3)
 - 2.2.7 When appropriate replace the independent auditor and initiate the procurement process (2.2.1).
- 2.3 Facilitate the external audit process.



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- 2.3.1 Review and approve, in consultation with the independent auditor, the annual audit plan, the scope of audit activities and schedules by June of each year
- 2.3.2 Provide an independent forum for auditors to report findings or difficulties encountered during the audit
- 2.3.3 Review with the District management and the independent auditor all major issues identified by the independent auditor regarding:
 - 2.3.3.1 Accounting Principles
 - 2.3.3.2 Comprehensive Annual Financial Report presentation
 - 2.3.3.3 Any significant changes in the selection or application of accounting principles
 - 2.3.3.4 Significant judgments made in the preparation of the Comprehensive Annual Financial Report and financial statements
 - 2.3.3.5 The effect of regulatory initiatives
 - 2.3.3.6 Off-balance sheet structures
 - 2.3.3.7 Changes to audit plan of independent auditor as a result of any additional issues identified by the auditor
 - 2.3.3.8 Any restrictions on the scope of the auditor's activities or on access to requested information or managements responses
- 2.3.4 To review with District management and the independent auditor any material conflicts or disagreements between District management and the independent auditor, whether or not resolved, regarding financial reporting, accounting practices or policies or other matters, that, individually or in the aggregate, could be significant to the District's financial statements or the independent auditors' report, and attempt to help resolve any conflicts or disagreements regarding financial reporting.
- 2.3.5 According to the approved work plan, conduct periodic meetings with the external auditor to review progress, issues identified, concerns and the audit timeline



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- 2.3.6 Review and approve the Management Representation letter by the District's management prior to submittal of the letter to the independent auditor
 - 2.3.7 The Committee shall submit a written report to the District's Board of Trustees in conjunction with the presentation of the Comprehensive Annual Financial Report to the Board of Trustees by the end of December.
- 2.4 Post External Audit Follow up
- 2.4.1 Follow-up on any corrective action identified by the Independent Auditor
 - 2.4.2 Annually evaluate the work of the independent auditor and lead audit partner based on compliance with work plan and engagement letter
 - ~~2.4.3 At least annually, obtain and review a report by the independent auditor that describes:
 - ~~2.4.3.1 the independent auditor's internal control procedures~~
 - ~~2.4.3.2 any material issues raised by the most recent peer review of the independent auditor~~
 - ~~2.4.3.3 any inquiry or investigation by governmental or professional authorities, within the preceding five years regarding any audit performed and any steps taken to deal with any such issues.~~~~
- 2.5 The Committee may identify a need to engage an external resource to address a specific area of concern.
- 2.5.1 The Committee shall seek approval from Board of Trustees to obtain appropriate resources.
 - 2.5.2 The Committee shall agree the Scope of Work
 - 2.5.3 The Committee is responsible for engaging the resource to perform the scope of work.
 - 2.5.4 The external resource shall report findings to the Committee.
 - 2.5.5 The Committee will provide findings to the Board of Trustees and recommend implementation of the findings, if any.
 - 2.5.6 Management will have the responsibility for implementation of identified changes or enhancements.



**Accounting, Auditing, and Financial Reporting
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- 2.6 The Committee shall review and provide oversight of framework of the internal controls ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.
 - 2.6.1 Management will provide an annual schedule for the review of District Financial Practices (internal control) documents. These documents will be provided to the Audit Committee for their review and oversight.
 - 2.6.2 Review management's annual assessment of their internal controls for prior year's audit plan.
 - 2.6.3 Review the annual internal control audit plan(s).
 - 2.6.4 Evaluate management's identification of fraud risks, ensure the implementation of anti-fraud measures and that management is setting the tone at the top that fraud will not be accepted in any form.

- 2.7 Annually review the District's Code of Conduct that promotes honest and ethical conduct; full, fair, accurate, timely disclosures in periodic reports including the CAFR; and compliance with applicable policies and practices to ensure it is adequate and up-to-date.

- 2.8 To annually review and refine as necessary the whistleblower procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud
 - 2.8.1 Review and refine as needed the procedures for educating employees on their individual role in ensuring the District's financial integrity.
 - 2.8.2 Ensure employees of the District have an anonymous method for concerns to be submitted.

NOTE: This is predicated upon approval of the current whistleblower policy and may require to be updated dependent upon BoT changes to the whistleblower policy

- 2.9 Reports to Board of Trustees.



**Accounting, Auditing, and Financial Reporting
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2.9.1 The Committee shall submit an annual report to the Board of Trustees assessing its fulfillment of its duties and responsibilities as described in the Charter

3.0 Meetings

- 3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241. The Board of Trustees will be emailed a copy of the meeting minutes. Meeting minutes will be posted on the District website.
- 3.2 The committee will hold meetings at a minimum of once per quarter. All members are expected to attend on a regular basis. Any member missing two consecutive meetings without due cause (i.e., illness) will be reviewed for continued membership on the Committee by the Chairs of the Committee and Board.
- 3.3 The committee Chair shall establish the agenda for meetings and provide all briefing materials to members and the public in advance.
- 3.4 The District's management is to provide to the Committee at least 5 calendar days prior to a Committee's public meeting, copies of all materials which are to be presented by management
- 3.5 The Committee shall review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern.
- 3.6 The Committee shall review all past correspondence which contains outstanding action items. Ensure responses and/or corrective action is taken in a timely manner.
- 3.7 The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
- 3.8 An annual meeting is to be held with the independent auditor, the General Manager, the Director of Finance, legal counsel and anyone



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else as desired by the Committee to review the audited annual basic financial statements including the Comprehensive Annual Financial Report (CAFR) and the auditor's material written communications with the District

4.0 Annual Financial Risk Assessment and Risk Management.

The Committee shall review and discuss with District management and the independent auditor the District's major financial risk exposures, and the steps management has taken to monitor and control those exposures. It is the Board's responsibility to ensure the District has adequate controls and plans for risk mitigation for areas beyond finance.

Attachment

Board Memo –
September 2, 2021
agenda: Board Policy
15.1.0 (with
applicable
attachments

MEMORANDUM

TO: Board of Trustees

THROUGH: Tim Callicrate
Board Chairman

FROM: Indra Winquest
District General Manager

SUBJECT: Review, discuss and provide direction on possible revisions to Board Policy 15.1.0 – Audit Committee

DATE: September 2, 2021

I. RECOMMENDATION

It is recommended that the Board of Trustees:

- 1) Review, discuss and provide direction on possible revisions to Board Policy 15.1.0, **and**
- 2) Direct Staff to return to the Board with a draft of revised Policy 15.1.0 incorporating Board feedback and direction.

II. BACKGROUND

Board Policy 15.1.0, establishing roles and responsibilities of the Audit Committee, was first adopted in 2009 and revised in 2017. The policy was again revised in May of 2020 to more specifically define the role and responsibilities of the Audit Committee as well as to reconfigure the Committee to be comprised of two Board-appointed Trustees and three Board-appointed At-Large members.

Under the current Board Policy 15.1.0, the Audit Committee serves to assist the Board of Trustees in fulfilling its fiduciary responsibilities by providing independent review and oversight over financial reporting, internal controls, and the independent audit of financial statements.

In addition to the scope of the Audit Committee's authority and responsibilities, Policy 15.1.0 provides that the Audit Committee is responsible for managing the procurement process for selection of the District's independent auditor, outlines the role of the Audit Committee through the annual independent audit, and charges the Audit Committee with oversight in ensuring a transparent process for

communicating and resolving complaints received by the District related to accounting practices, internal controls, auditing matters and suspected fraud.

Policy 15.1.0 also provides that the Audit Committee Charter shall be reviewed periodically with recommended changes submitted to the Board of Trustees for their consideration.

This agenda item has been prepared at the request of the Board of Trustees to serve as a starting-off point for discussion of possible revisions to Board Policy 15.1.0.

Note - This item originally appeared on the Board agenda for its meeting of July 13, 2021. However, the discussion of Board Policy 15.1 was deferred in order to allow the Audit Committee to provide its comments and suggested revisions to the existing policy. A discussion of Board Policy 15.1 was agendaized as part of a special meeting of the Audit Committee held on June 29th, as well as appearing on the agenda for Audit Committee meetings held on July 13th, August 10th and August 17th. The Audit Committee recommendations related to Board Policy 15.1 are include as part of this meeting agenda.

III. DISCUSSION

This agenda item seeks to provide the Board of Trustees with the opportunity to review Board Policy 15.1.0, following the first full year of the policy that was amended in May 2020, outlining the roles and responsibilities of the Audit Committee, modifying the structure of the Audit Committee, and providing for an Annual Report from the Audit Committee to the Board of Trustees in conjunction with the presentation of the annual audited financial statements.

Following adoption of the amended Board Policy 15.1.0 on May 6, 2020, a transition plan was developed that led to the appointment of new Committee members on June 23, 2020, followed by the convening of the first meeting of the newly re-constituted Audit Committee on July 29, 2020.

During the course of the past year, the Audit Committee was comprised of two Board-appointed Trustees (Dent and Schmitz) and three Board-appointed At-Large (public) members (Aaron, Dobler, Tulloch).

Through June of 2021 the Audit Committee held a total of 14 meetings, provided oversight to the independent external audit of the District's financial statements for the fiscal year ended June 30, 2020, provided a report to the Board of Trustees specific to the independent audit, served as a forum for review of issues and

concerns related to accounting practices, as well as past financial statements and audits, managed the procurement process for the District's new independent external auditor, and, most recently, has been developing a policy and procedure related to addressing Whistleblower complaints.

While each Board Trustee was appointed to serve a one-year term, the At-Large members were first appointed to provide for one member to serve a one-year term (Aaron) and two members to serve two-year terms (Dobler, Tulloch). Subsequently, committee member Aaron was re-appointed by the Board to serve a two year term, thus providing for staggered two-year terms for all At-Large members. At the same time, Trustee Dent chose not to seek re-appointment following completion of his one-year term, and while the Board of Trustees has re-appointed Trustee Schmitz to a new one-year term, the second Board-appointed seat on the Audit Committee remains vacant. *(Note: Committee member Derrek Aaron has since submitted his resignation, effective July 19, 2021).*

Consideration of Possible Revisions to Policy 15.1.0

The Board of Trustees' consideration of possible revisions to Board Policy 15.1.0 should appropriately focus on the extent to which the current policy and implementation thereof meets the intent of the Board in establishing the Audit Committee and, if not, how best can the policy be revised to improve alignment between Board intent and Committee expectations.

Broad areas for the Board of Trustees to consider include:

- Relationship between the Audit Committee and Board of Trustees
 - Advisory Role
 - Delegation of Authority
 - Independence
 - Final decision-making authority rests with Board of Trustees

- Scope and Responsibilities of the Audit Committee
 - Internal Controls
 - Financial Reporting
 - Independent Annual Audit of Financial Statements
 - Forum for addressing concerns/complaints

- Make-up of the Audit Committee
 - Two Board Trustees and three At-Large Members
 - Process for appointment of Committee Chair

- Meetings
 - Current policy:
 - No less than quarterly
 - Annual meeting to review audited financial statements
 - Practice: Meetings to be scheduled, as needed, to fulfill duties
- Role of Audit Committee through annual independent audit
 - Current Policy:
 - Recommendation for selection of Independent Auditor
 - Approval of Engagement Letter and Audit schedule / work plan
 - Review of “formal reports” provided to auditor by management
 - Practice / Expectation:
 - Review of draft financial statements and notes
 - Review of draft Transmittal Letter and Management Discussion and Analysis (MD&A) sections of annual financial report
- Role of Audit Committee in serving as an independent forum to resolve accounting and financial reporting issues/concerns.
 - Current Policy:
 - Issues are to be referred by Committee to appropriate organizational leader.
 - Practice:
 - Challenge in acting as “independent forum” for resolution of issues self-identified by member(s) of audit committee.
 - Conflict of interest arises when party raising issue or concern is also charged with resolving issue; erodes expectation of independence and objectivity

This report includes, via attachment, a summary table highlighting specific provisions of Board Policy 15.1.0 and related comments that the Board might consider in identifying specific areas where revisions (or clarification) could help to improve the policy and address concerns arising from interpretation of policy language or Board intent.

Audit Committee Recommended Revisions to Board Policy 15.1.0

As noted, the Audit Committee has recently held several meetings where recommended revisions to Board Policy 15.1 were included as agenda items for discussion. The most recent set of recommendations were discussed at the Audit

Committee meeting of August 17. The recommended revisions approved by the Audit Committee at their August 17 meeting have been transmitted to the Board via separate agenda item.

Provided as Attachment A to this Board memo is a table with an outline of existing Board Policy 15.1, with annotations related to sections or provisions where Board discussion and possible clarification may be helpful. These include comments provided by Board of Trustees, and was included in the July 13 agenda item.

In addition, included as supplemental attachments are documents requested by individual Trustees. These include: copies of both the current and prior versions of Board Policy 15.1 and copies of GFOA Best Practices referencing local government audit committees

IV. COMMENTS

Since this agenda item first appeared on the Board agenda for the meeting of July 13th the Audit Committee has also forwarded to the Board of Trustees a draft Whistleblower Policy for Board consideration. The Whistleblower Policy, which was agendized for discussion for the Board meeting of August 10, was removed from the agenda by a majority vote of the Board of Trustees, and has been deferred pending Board review and discussion of Board Policy 15.1.

Attachments:

- Table 1 - Comments Related to Selected Provisions of Board Policy 15.1.0
- Board Policy 15.1.0, adopted May 6, 2020
- Prior Board Policy 15.1.1, adopted November 11, 2017 (superseded by September 2020 update)
- GFOA Best Practices – Audit Committees
- GFOA Best Practices – Internal Control Environment

**ACCOUNTING, AUDITING and FINANCIAL REPORTING
AUDIT COMMITTEE
BOARD POLICY 15.1.0**

Board Policy 15.1 - as amended May 6, 2020	COMMENTS
<p>Preamble</p> <p>The Audit Committee plays a key role with respect to with respect to the integrity of the District's financial information by ensuring those responsible for financial management (management, auditors and Board of Trustees) meets their respective responsibilities for internal controls compliance and financial reporting.</p>	<p>The Audit Committee should be viewed as ADVISORY to the Board rather than given the role of "ensuring" that Board of Trustees meets its responsibilities for fiscal management.</p>
<p>Policy Statement</p> <p>The Audit Committee is to assist the Board of Trustees fulfill its responsibilities...by providing oversight over the District's financial reports, system of internal controls and the independent auditor's assessment of financial statements.</p> <p>The Committee will ensure open communication and maintain strong working relationship with the Board of Trustees, the General Manager, Director of Finance and internal/external auditors.</p>	<p>Emphasis to be placed on ensuring the Independent Auditor - through their own review - objectively assess the government's financial reporting practices. <i>(The AC does not perform the role of the auditor).</i></p> <p>Need to improve working relationship....independent oversight is hampered by adversarial positions versus the Board of Trustees, Independent Auditor(s) and management.</p>
<p>Organization</p> <p>The Committee shall consist of five (5) voting members. Includes two Board-appointed Trustees and three Board-appointed At-Large members.</p> <p>One voting member of the Committee shall be appointed by the Committee to serve as Chair.</p>	<p>There are variations in practice:</p> <ol style="list-style-type: none"> 1) Governing body as a whole (meeting as Audit Committee) 2) Board sub-committee (2 Trustees) 3) Trustees PLUS one or more members of the public 4) Independent public advisory body. <p>Consider establishing that Board Treasurer serve as ex-officio member of Audit Committee</p> <p>Consider adding language to clarify that all members serve at the pleasure of the Board of Trustees - and can be removed from the Committee by action of the Board.</p> <p>Board could consider requiring that Committee Chair be appointed from one of the two Board-appointed Trustees.</p>
<p>Policy Section</p> <p>1.0 Independent Auditor Reports Directly to the Audit Committee Independent Auditor reports directly to the Audit Committee</p> <p>The Audit Committee to maintain free and open communication with the independent auditor and staff</p> <p>The Independent Auditor is to bring to the attention of the Committee any additional work required, beyond the scope contained in the engagement agreement</p>	
<p>2.0 Scope of Audit Committee's authority and responsibilities</p> <p>It is the responsibility of the Audit Committee to provide independent review and oversight of:</p> <ol style="list-style-type: none"> 1) Financial Reporting 2) Internal Controls 3) The independent audit of financial statements 	
<p>2.1 Be independent, effectively communicate and reinforce accountability</p>	
<p>2.2 Manage the external independent audit procurement process</p>	

**ACCOUNTING, AUDITING and FINANCIAL REPORTING
AUDIT COMMITTEE
BOARD POLICY 15.1.0**

Board Policy 15.1 - as amended May 6, 2020	COMMENTS
2.3 Make recommendations to the Board of Trustees and take subsequent action to engage the external auditor for the District's CAFR	Per GFOA recommendations - substitute Annual Financial Report for CAFR (no acronym)
2.3.5 Approve the scope of work and audit plans by June of each year	Clarify to include approval of annual Engagement Letter and audit schedule / work plan
2.4 Facilitate the external audit process	Empahsis on external INDEPENDENT audit process.
2.4.1 Review and approva formal reports or letter to be submitted to the external auditor.	
2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.	
2.4.3 Review auditor's findings and recommendations with management and the auditor	
2.4.4 Review CAFR in its entirety, including unaudited sections and letters	CLARIFY - does review pertain to final annual report or interim drafts? AC expressed concern this past year that they did not review drafts of Transmittal Letter and Management's Discussion and Analysis (MD&A) sections of the CAFR prior to receiving final document.
2.4.5 Follow-up on any corrective action identified	CLARIFY - this follow-up should pertain to correction action identified by the independent auditor, and not necessarily corrective action dictated by the Audit Committee.
2.4.6 Submit a written annual Audit Committee Report to the Board of Trustees in conjunction with the presentation of the annual audit.	CLARIFY - is this the same annual report referenced in section 2.9? The latter speaks to broader scope of report.
2.5 Review financial statements; quarterly and annually for fair and accurate reporting	Currently, quarterly financial reports are presented to Board of Trustees. No formal review by AC Board MAY refer review of changes to Board Policies
2.5.1 Review any changes in accounting policy	
2.5.2 Ensure accounting policies are followed	
2.5.3 Review any off-balance sheet financings.	
2.6 Review framework of internal controls; ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.	
2.6.3 Evaluate management's identification of fraud risks, ensure the implementation of anti-fraud measures and that management is setting the tone at the top that fraud will not be accepted in any form.	Note - requires understanding of management's role to manage fraud risks, as well as independent auditor's role in assessing risk.
2.7 Periodically review the District's Code of Conduct that promotes honest and ethical conduct	Code of Conduct is contained in the District's Personnel Policy Manual (Chapter 2.10).
2.8 To review and refine, as necessary, the procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud.	Need to reconcile this section with scope of Whistleblower procedures under development
2.9 The Audit Committee is to submit an annual report to the Board of Trustees assessing the results of its fulfillment of its duties and responsibilities.	CLARIFY - is this a separate report than the Annual Report identified in section 2.4.6, to be presented to the Board in conjunction with the annual audit? Only annual report related to audit process was presnted to the Board (to date).
3.0 Meetings	
3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241	While NRS 241 requires that actions of bodies consisting of only elected officials require a majority vote of members, if body includes non-elected a majority of members (present) is sufficient to pass a motion. The Board of Trustees could modify Policy 15.1 to require that a majority of appointed members is required to pass motions.

**ACCOUNTING, AUDITING and FINANCIAL REPORTING
AUDIT COMMITTEE
BOARD POLICY 15.1.0**

Board Policy 15.1 - as amended May 6, 2020	COMMENTS
<p>3.2 The Committee should hold meetings at a minimum once per quarter. All members are expected to attend on a regular basis.</p>	<p>Early discussion of policy 15.1 considered setting a meeting schedule (4 x per year PLUS a special meeting dedicated to review of annual audit report. Board could consider requiring that special meetings (ex more than quarterly) be limited in number and scope. Particularly if attendance at committee meetings is to be "required."</p>
<p>3.3 Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader.</p>	<p>1) Majority of correspondence generated by Audit Committee member(s); this poses a challenge as it relates to "independent" review by AC of concerns received. 2) Audit Committee members should be providing oversight to independent resolution of issues brought to their attention, and not dictating resolution of self-identified issues/concerns.</p>
<p>3.6 The Audit Committee Chair shall establish the agenda for meetings and provide all briefing materials to members of the public in advance.</p>	<p>CLARIFY - AC Chair works with Board Clerk in the preparation of the agenda and supporting materials.</p>
<p>3.7 An annual meeting is to be held with the independent external auditor, the GM and the Director of Finance, legal counsel and anyone else as desired by the Committee to review the annual financial statements, including the CAFR and auditor's letter of findings.</p>	<p>It is recommended that this annual meeting be a dedicated single-topic meeting and be held following completion of the annual audit and presentation of final audited financial statements.</p>



BEST PRACTICES

Audit Committees

Establish audit committees, made up of appropriate audit committee members, that are responsible for review, oversight, establishing procedures, and providing a written report.

Three main groups are responsible for the quality of financial reporting: the governing body,¹ financial management, and the independent auditors. Of these three, the governing body must be seen as first among equals because of its unique position as the ultimate monitor of the financial reporting process.² An audit committee is a practical means for a governing body to provide much needed independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. An audit committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the government's financial reporting practices.³

GFOA makes the following recommendations regarding the establishment of audit committees by state and local governments:

- The governing body⁴ of every state and local government should establish an audit committee or its equivalent;
- The audit committee should be formally established by charter, enabling resolution, or other appropriate legal means and made directly responsible⁵ for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services.⁶ Likewise, the audit committee should be established in such a manner that all accountants thus engaged report directly to the audit committee. The written documentation establishing the audit committee should prescribe the scope of the committee's responsibilities, as well as its structure, processes, and membership

requirements. The audit committee should itself periodically review such documentation, no less than once every five years, to assess its continued adequacy;⁷

- Ideally, all members of the audit committee should possess or obtain a basic understanding of governmental financial reporting and auditing.⁸ The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of audit committee functions;⁹
- All members of the audit committee should be members of the governing body. To ensure the committee's independence and effectiveness, no governing body member who exercises managerial responsibilities that fall within the scope of the audit should serve as a member of the audit committee;
- An audit committee should have sufficient members for meaningful discussion and deliberation, but not so many as to impede its efficient operation. As a general rule, the minimum membership of the committee should be no fewer than three;¹⁰
- Members of the audit committee should be educated regarding both the role of the audit committee and their personal responsibility as members, including their duty to exercise an appropriate degree of professional skepticism;
- It is the responsibility of the audit committee to provide independent review and oversight of a government's financial reporting processes, internal controls and independent auditors;¹¹
- The audit committee should have access to the reports of internal auditors, as well as access to annual internal audit work plans;
- The audit committee should present annually to the full governing body a written report of how it has discharged its duties and met its responsibilities. It is further recommended that this report be made public and be accompanied by the audit committee's charter or other establishing documentation;
- The audit committee should establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Such procedures should specifically provide for the confidential, anonymous submission by employees of the government of concerns regarding questionable accounting or auditing matters.¹² The audit committee also should monitor controls performed directly by senior management, as well as controls designed to prevent or detect senior-management override of other controls¹³;

- The audit committee should be adequately funded and should be authorized to engage the services of financial experts, legal counsel, and other appropriate specialists, as necessary to fulfill its responsibilities¹⁴; and
- In its report to the governing body, the audit committee should specifically state that it has discussed the financial statements with management, with the independent auditors in private,¹⁵ and privately among committee members,¹⁶ and believes that they are fairly presented, to the extent such a determination can be made solely on the basis of such conversations.

Notes:

1. For the purposes of this recommended practice, the term "governing body" should be understood to include any elected officials (e.g., county auditor, city controller) with legal responsibility for overseeing financial reporting, internal control, and auditing, provided they do not exercise managerial responsibilities within the scope of the audit. The term governing body also is intended to encompass appointed bodies such as pension boards.
2. *Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, Overview and Recommendations.*
3. Securities and Exchange Commission (SEC) Regulation 33-8220, Background and Overview of the New Rule and Amendments. ☒
4. For the purposes of this recommended practice, the term "governing body" should be understood to include any other elected officials (e.g., county auditor, city controller) with legal responsibility for overseeing financial reporting, internal control, and auditing, provided they do *not* exercise managerial responsibilities within the scope of the audit. The term "governing body" also is intended to encompass appointed bodies such as pension boards.
5. Nothing in this recommended practice should be interpreted so as to limit the full governing body from exercising ultimate authority.
6. Sarbanes Oxley Act, Section 301.
7. *Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, Recommendation 4.*
8. *Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, Recommendation 3.* Continuity typically is a positive factor in achieving this goal, a fact that should be kept in mind when considering the appropriate length of service for audit committee members.

9. Sarbanes–Oxley Act, Section 407.
10. In certain limited instances, as noted later, the audit committee will need to meet privately to achieve its goals. If the audit committee constitutes a majority of the governing body, such private meetings may be hampered by sunshine laws and similar open meetings legislation.
11. SEC Regulation 330-8220, Background and Overview.
12. Sarbanes Oxley Act, Section 301.
13. *Internal Control Integrated Framework: Guidance on Monitoring Internal Control Systems* (Discussion Document of the Committee of Sponsoring Organizations COSO, 2007), page 10.
14. Nothing in this recommended practice should be interpreted so as to limit the full governing body from exercising ultimate authority.
15. It is important that the audit committee be able to meet privately with the independent auditors, as needed, to ensure a full and candid discussion. Governments are urged to amend sunshine laws and similar open meetings legislation to permit such encounters in these limited circumstances.
16. It is important that audit committee members be able to meet privately among themselves, as needed, to ensure a full and candid discussion. Governments are urged to amend sunshine laws and similar open meetings legislation to permit such an encounter in these limited circumstances.

Board approval date: Friday, October 17, 2008



BEST PRACTICES

Internal Control Environment

Governments should demonstrate a commitment to the framework, assume responsibility for overseeing internal control, develop organization structures and accountability, commit to attracting and retaining competent employees, and hold individuals accountable.

In its *Establishing a Comprehensive Framework for Internal Control (Framework)* best practice, GFOA recommended that state, provincial, and local governments adopt the Committee of Sponsoring Organizations' (COSO) *Internal Control—Integrated Framework* (2013) as their conceptual basis for designing, implementing, operating, and evaluating internal control so as to provide reasonable assurance that they are achieving their operational, reporting, and compliance objectives. To support governments' efforts in this area, GFOA is developing best practices that explain how to implement each of the five components of that framework. This best practice focuses on the first of those five components, the control environment, which the COSO has defined as a set of standards, processes, and structures that provide the basis for carrying out internal control.

GFOA recommends that governments do all of the following to establish a strong internal control environment:

1. The governing body, upper level management, and all levels of staff throughout the organization should demonstrate a commitment to the framework, as follows:
 - Officially adopt the framework (governing body);
 - a. Adopt a policy to incorporate the implementation, maintenance, and updating of the framework into the government's strategic goals (governing body);
 - b. Develop standards of conduct for employees and provide training on those standards;
 - c. Require management and employees to sign a statement that they will follow the standards of conduct and to reaffirm that commitment periodically; and

- d. Include compliance with standards of conduct as part of employee evaluations to ensure accountability.
2. The governing body should assume responsibility for overseeing internal control by:
 - a. Actively overseeing management's development and implementation of the framework;
 - b. Actively monitoring the performance of the framework;
 - c. Obtaining training about the nature and purpose of internal control sufficient to allow members of the governing body to meaningfully perform their oversight function with the assistance of an expert;
 - d. Obtaining expert advice, independent of management, to help it perform its oversight function if no member of the audit committee possesses that expertise;
 - e. Establishing an audit committee made up of members of the governing body;
 - f. Documenting that it has reviewed the framework and its updates;
 - g. Approving significant control-related policies; and
 - h. Determining how often policies and procedures need to be reviewed, reaffirmed, and updated.
 3. Management should develop organizational structures and ensure staff accountability by:
 - a. Creating a formal organizational chart for both the government as a whole and for each of its departments;
 - b. Requiring written procedures for important government processes (for example, payroll);
 - c. Developing flowcharts of each significant process;
 - d. Maintaining electronic copies of process flowcharts to facilitate updating;
 - e. Identifying responsibilities for workflow approvals in their systems; and
 - f. Making sure systems incorporate compensating controls.
 4. Governments should commit to attracting and retaining competent employees by:
 - a. Developing comprehensive job descriptions;
 - b. Ensuring that hiring panels include experts in the desired skill sets;
 - c. Providing opportunities for employees to gain continuing professional education to stay current in their field;
 - d. Encouraging membership in professional organizations to develop networking;
 - e. Supporting the development of succession planning;

- f. Cross-training staff;
 - g. Thoroughly documenting the responsibilities of each position and appropriate processes for succession planning;
 - h. Providing managerial training, in addition to technical training, for staff members who will be promoted;
 - i. Requiring that supervisors give staff members hands-on training on key responsibilities; and
 - j. Developing an ongoing mentoring program to enhance employees' skills.
5. Governments should hold individuals accountable for their internal control responsibilities by:
- a. Preparing comprehensive, fact-based performance appraisals;
 - b. Providing performance appraisals on a timely basis;
 - c. Taking disciplinary action if conduct is not consistent with expected performance;
 - d. Including internal control goals as part of employee performance reviews;
 - e. Identifying zero-tolerance policies (e.g., theft) and adhering to them; and
 - f. Ensuring that union agreements clearly delineate responsibilities up front.

Notes:

- 1. If the governing body is elected, rather than appointed, the term *governing body* would apply to both members of the governing body and the elected officials to whom they report

This best practice was previously titled Framework for Internal Control: The Control Environment.

Board approval date: Friday, January 22, 2016

General Business

Item 1.6.(a)

Performance Evaluation

MEMORANDUM

TO: Board of Trustees

FROM: Erin Feore
Director of Human Resources

SUBJECT: Incline Village General Improvement District's General Manager Indra S. Winquest Annual Performance Evaluation

DATE: September 8, 2021

Staff received five out of five evaluations from the Board of Trustees which are included in the packet. Below is the summary evaluation for each competency from the Board of Trustees:

Competency	Chairman Callicrate	Vice Chairman Dent	Treasurer Tonking	Trustee Wong	Secretary Schmitz
Policy Facilitation and Board Relationship	ER	MR	MR	ER	MR
Leadership Effectiveness	ER	MR	ER	ER	MR
Planning, Initiative, Risk-Taking	MR	MR	MR	MR	MR
Functional and Operational Management	MR	MR	ER	ER	MR
Representation, Advocacy & Citizen Participation	ER	MR	ER	ER	MR
Integrity, Communications & Personal Development	MR/ER	MR	ER	ER	MR
Human Relations Skills	ER	ER	ER	ER	MR
Overall Evaluation	ER	MR	ER	ER	MR

NI = Needs Improvement
MR = Meets Requirements
ER = Exceeds Requirements

The following is the Nevada Revised Statutes reference under which the General Manager's performance evaluation falls:

NRS 241.031 Meeting to consider character, misconduct or competence of elected member of public body or certain public officers.

1. *Except as otherwise provided in subsection 2, a public body shall not hold a closed meeting to consider the character, alleged misconduct or professional competence of:*

(a) *An elected member of a public body; or*

(b) *A person who is an appointed public officer or who serves at the pleasure of a public body as a chief executive or administrative officer or in a comparable position, including, without limitation, a president of a university, state college or community college within Nevada System of Higher Education, a superintendent of a county school district, a county manager and a city manager.*

2. *The prohibition set forth in subsection 1 does not apply if the consideration of the character, alleged misconduct or professional competence of the person does not pertain to his or her role as an elected member of a public body or an appointed public officer or other officer described in paragraph (b) of subsection 1, as applicable.*

(Added to NRS by 1993, 2336; A 2005, 2245)

Attached, as a reference document that was provided to the Board of Trustees prior to the completion of their evaluations, is the General Manager Goals for FY2020-2021 report.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Chairman Tim Callicrate**

A. POLICY FACILITATION AND BOARD RELATIONSHIP

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Facilitative Leadership – Builds cooperation and consensus among and within diverse groups helping them identify common goals and act effectively to achieve them, recognizing interdependent relationships and multiple causes of community issues and anticipating the consequences of policy decisions.	ER
Facilitation of Board Effectiveness – Assists elected officials in developing policies that can be implemented effectively and that serves the best interests of the community.	ER
Preparation - Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.	MR
Professionalism – Displays a professional attitude/image that assures public confidence.	MR
Accessibility – Is accessible and responsive to Board member requests and communications.	ER
Planning – Plans effectively to address upcoming issues. Identifies needs, studies issues and provides alternative solutions.	ER
Responsiveness – Responds in a timely manner to issues and opportunities that arise.	ER

Comments: GM Winqest has shown himself to be an effective team builder as evidenced by the Ordinance 7 committee and Golf Advisory committees as two examples. He has worked closely with Board members to help revamp policies and procedures used in the District's governance. He strives for high levels of professionalism through his willingness to outreach to varied Community members and groups, presents himself as being knowledgeable and well prepared. He has been working continuously to plan for current and future capital projects (Burnt Cedar Pool renovation and the Effluent Pipeline as well as the Beaches Master Plan, The Dog Park, Golf Course Cart Paths) and additionally Internal Controls, Enterprise Fund Accounting to name just a few.

B. LEADERSHIP EFFECTIVENESS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement - NI

	Rating
Coaching/Mentoring – Provides direction, support, feedback and recognition to enable others to meet their potential.	MR/ER
Team Leadership – Facilitates teamwork between departments, with the Board of Directors, and with the community.	ER
Empowerment – Creates a work environment that encourages responsibility and decision-making at all levels.	MR
Delegation – Assigns responsibility to others effectively. Supports innovative problem-solving by involving others in implementing better methods and procedures.	MR
Role Model – Sets a professional example and strong work ethic in and out of the workplace. Inspires others to achieve results.	ER
Fairness - Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER

Comments: GM Winqest worked with our prior HR Director to implement an effective coaching and mentoring culture. His leadership through the COVID pandemic showed his resolve to tackle unforeseen issues head-on. With the emergency shutdown of District facilities in an unproven

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Chairman Tim Callicrate**

environment Mr Winqest took control, established effective working relationships with all our first responders, District personnel, Community stakeholders and communicated in real time important safeguards and protocols throughout our District venues.

C. PLANNING, INITIATIVE, RISK-TAKING

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Strategic planning – Facilitates planning processes for the District to anticipate future needs and trends. Articulates a vision to the District and the community.	MR
Plan implementation - Creates implementation plans which follow the adopted direction of the Board.	MR
Initiative – Demonstrates a personal orientation toward action and accepting responsibility for results. Resists the status quo and removes barriers which delay progress toward goals.	ER
Risk-taking – Develops new ideas or practices. Urges the District toward initiative, change, and prompt action.	MR

Comments: Mr Winqest is strong in his strategic planning and initiative through his clear, concise goals and objectives for 2020/2021. Due to the pandemic it proved more problematic in implementation and risk taking in relation to Internal Controls, Enterprise Fund Accounting.

D. FUNCTIONAL AND OPERATIONAL MANAGEMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Financial Management – Plans, implements and directs a comprehensive financial program for the District’s long-range goals. Effectively communicates financial information to the Board and the public. Anticipates financial needs or potential impacts and addresses them in advance.	MR
Management of Resources – Maintains a high level of quality and quantity in staff work and facilitates operational procedures and service delivery that maximize effectiveness. Sets standards and measures results.	MR/ER
Service Delivery – Understands the basic principles of service delivery in the District’s service areas: water, sewer, trash, recreation, and capital project delivery. Promotes efficiency and effectiveness in delivery of services.	ER
Operational Knowledge – Understands the basic principles of operational needs including: revenue sources, budgeting, financial tracking, human resources, staffing, work operations, and technological advancements. Promotes efficiency and effectiveness in all operations.	MR/ER
Responsiveness - Follows-ups recommendations, concerns or complaints as promptly as possible.	MR

Comments: GM Winqest has shown a willingness to learn new procedures and roles through his growth from the Director of Parks and Recreation, through his appointment as the Assistant GM, then Interim GM and finally as the General Manager; these last three taking place in the course of 2 years. His ability to hire professionals attendant to the particular needs of the District has shown to be an ability to put the appropriate individuals into the right positions; specifically our Director of Finance Paul Navazio, Our Director of Public Works Brad Underwood and our Director of Human Resources

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Chairman Tim Callicrate**

Erin Feore. Each of these individuals has been able to effectively transition through a very difficult last 18 months guided by Mr Winqest and his knowledge of the Board's direction, the needs of the District and the concerns of the Community.

E. REPRESENTATION, ADVOCACY, AND CITIZEN PARTICIPATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
District Representation - Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Develops cooperative working relationships with outside governmental agencies and other outside groups.	ER
Democratic Advocacy – Fosters the values and integrity of local government. Enhances community understanding of District's goals, objectives and processes.	ER
Citizen Participation – Recognizes the rights of citizens and promotes individual involvement in the District's processes. Responds to issues and concerns promptly. Handles individual citizen's complaints well.	ER

Comments: GM Winqest has spent the last 18 years striving to continuously improve public participation in all aspects of the District's operations. This last year was no exception. He has shown a very strong ability to include a diverse cross section of the Community even if he, himself, disagrees with an individuals own bias.

F. INTEGRITY, COMMUNICATIONS, AND PERSONAL DEVELOPMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Integrity – Demonstrates fairness, honesty, ethical and legal awareness in relationships and activities, and personal accountability for actions.	MR/ER
Verbal Communication - Promotes and engages in two-way communication. Facilitates the flow of ideas, information and understanding between the District and among individuals.	ER
Verbal Communication – Clearly and concisely communicates ideas, information, problems and questions using language appropriate to the listener.	MR
Accessibility - Is accessible to Board, staff and citizens. Is open and accepting of new ideas, suggestions and concerns.	ER
Written Communication - Writes clear and concise memos, letters and reports which convey all relevant information using words and phrases appropriate to the audience.	MR
Personal development – Demonstrates a commitment to continuous learning, improvement, education, and self-development.	MR

Comments: GM Winqest has proven to be a consistent and effective communicator through his Board Updates, written communiques and personal integrity by taking full responsibility for his actions. Personal development through education and self-development have been difficult this past year but are goals he has expressed on a number of occasions when the time and environment lend themselves to hands-on place based learning.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Chairman Tim Callicrate**

G. HUMAN RELATIONS SKILLS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER
Is straight-forward in communications, and is capable of being firm when circumstances warrant. Uses criticism constructively and objectively, while demonstrating sensitivity to the feelings of others.	ER
Follows-ups recommendations, concerns or complaints as promptly as possible.	MR

Comments:

H. SUMMARY EVALUATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
A. Policy Facilitation and Board Relationship	ER
B. Leadership Effectiveness	ER
C. Planning, Initiative, Risk-Taking	MR
D. Functional and Operational Management	MR
E. Representation, Advocacy and Citizen Participation	ER
F. Integrity, Communications and Personal Development	MR/ER
G. Human Relations Skills	ER

Overall Evaluation:

Exceeds Requirements Meets Requirements Needs Improvement

Board Chair

Board Vice Chair

Board Secretary

Board Treasurer

Board Trustee

General Manager

Date

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Vice Chairman – Matthew Dent**

A. POLICY FACILITATION AND BOARD RELATIONSHIP

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Facilitative Leadership – Builds cooperation and consensus among and within diverse groups helping them identify common goals and act effectively to achieve them, recognizing interdependent relationships and multiple causes of community issues and anticipating the consequences of policy decisions.	NI
Facilitation of Board Effectiveness – Assists elected officials in developing policies that can be implemented effectively and that serves the best interests of the community.	ER
Preparation - Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.	MR
Professionalism – Displays a professional attitude/image that assures public confidence.	NI
Accessibility – Is accessible and responsive to Board member requests and communications.	ER
Planning – Plans effectively to address upcoming issues. Identifies needs, studies issues and provides alternative solutions.	MR
Responsiveness – Responds in a timely manner to issues and opportunities that arise.	ER

Comments:

Lead by example and display the communication you want to see your staff using with others. The GM report to the board has greatly increased under your leadership and your team has eliminated many issues left from previous leadership. Continue to move things forward.

B. LEADERSHIP EFFECTIVENESS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement - NI

	Rating
Coaching/Mentoring – Provides direction, support, feedback and recognition to enable others to meet their potential.	MR
Team Leadership – Facilitates teamwork between departments, with the Board of Directors, and with the community.	NI
Empowerment – Creates a work environment that encourages responsibility and decision-making at all levels.	MR
Delegation – Assigns responsibility to others effectively. Supports innovative problem-solving by involving others in implementing better methods and procedures.	MR
Role Model – Sets a professional example and strong work ethic in and out of the workplace. Inspires others to achieve results.	ER
Fairness - Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	MR

Comments:

Overall great job, one area for improvement would be leading by example when it comes to written/verbal, your team will follow your lead. You do admit when you have made a mistake and take ownership for that. We need to settle all inherited litigation and create a fresh start.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Vice Chairman – Matthew Dent**

C. PLANNING, INITIATIVE, RISK-TAKING

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Strategic planning – Facilitates planning processes for the District to anticipate future needs and trends. Articulates a vision to the District and the community.	MR
Plan implementation - Creates implementation plans which follow the adopted direction of the Board.	MR
Initiative – Demonstrates a personal orientation toward action and accepting responsibility for results. Resists the status quo and removes barriers which delay progress toward goals.	MR
Risk-taking – Develops new ideas or practices. Urges the District toward initiative, change, and prompt action.	ER

Comments: Indra does a great job in this area. I appreciate his understanding to take calculated risks and be bold with some management practices. An example of this is implementing new practices at the Beaches, sometimes they don't work and other times they are a great success.

D. FUNCTIONAL AND OPERATIONAL MANAGEMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Financial Management – Plans, implements and directs a comprehensive financial program for the District's long-range goals. Effectively communicates financial information to the Board and the public. Anticipates financial needs or potential impacts and addresses them in advance.	MR
Management of Resources – Maintains a high level of quality and quantity in staff work and facilitates operational procedures and service delivery that maximize effectiveness. Sets standards and measures results.	MR
Service Delivery – Understands the basic principles of service delivery in the District's service areas: water, sewer, trash, recreation, and capital project delivery. Promotes efficiency and effectiveness in delivery of services.	MR
Operational Knowledge – Understands the basic principles of operational needs including: revenue sources, budgeting, financial tracking, human resources, staffing, work operations, and technological advancements. Promotes efficiency and effectiveness in all operations.	MR
Responsiveness - Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments:

The District has made huge steps forward to lower the standby services charge, delivered a budget with many line items, and began to make corrections where weaknesses have been exposed in internal controls.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Vice Chairman – Matthew Dent**

E. REPRESENTATION, ADVOCACY, AND CITIZEN PARTICIPATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
District Representation - Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Develops cooperative working relationships with outside governmental agencies and other outside groups.	MR
Democratic Advocacy – Fosters the values and integrity of local government. Enhances community understanding of District’s goals, objectives and processes.	ER
Citizen Participation – Recognizes the rights of citizens and promotes individual involvement in the District’s processes. Responds to issues and concerns promptly. Handles individual citizen’s complaints well.	MR

Comments:

Overall good job. Make sure to keep a laser focus on what matters and not spend lots of time on the items that aren’t a priority.

F. INTEGRITY, COMMUNICATIONS, AND PERSONAL DEVELOPMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Integrity – Demonstrates fairness, honesty, ethical and legal awareness in relationships and activities, and personal accountability for actions.	MR
Verbal Communication - Promotes and engages in two-way communication. Facilitates the flow of ideas, information and understanding between the District and among individuals.	MR
Verbal Communication – Clearly and concisely communicates ideas, information, problems and questions using language appropriate to the listener.	MR
Accessibility - Is accessible to Board, staff and citizens. Is open and accepting of new ideas, suggestions and concerns.	ER
Written Communication - Writes clear and concise memos, letters and reports which convey all relevant information using words and phrases appropriate to the audience.	NI
Personal development – Demonstrates a commitment to continuous learning, improvement, education, and self-development.	MR

Comments:

Too much time spent writing or responding to long emails that distract resources from actual priorities. I would like to see resources allocated for the general managers professional development along with senior staff. Make sure to guard your time and allocate issues or projects to staff in order to staff focused.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Vice Chairman – Matthew Dent**

G. HUMAN RELATIONS SKILLS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER
Is straight-forward in communications, and is capable of being firm when circumstances warrant. Uses criticism constructively and objectively, while demonstrating sensitivity to the feelings of others.	MR
Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments:

No comment.

H. SUMMARY EVALUATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
A. Policy Facilitation and Board Relationship	MR
B. Leadership Effectiveness	MR
C. Planning, Initiative, Risk-Taking	MR
D. Functional and Operational Management	MR
E. Representation, Advocacy and Citizen Participation	MR
F. Integrity, Communications and Personal Development	MR
G. Human Relations Skills	ER

Overall Evaluation:

___ Exceeds Requirements ___X___ Meets Requirements _____ Needs Improvement

Board Chair

Board Vice Chair

Board Secretary

Board Treasurer

Board Trustee

General Manager

Date

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Treasurer – Michaela Tonking**

A. POLICY FACILITATION AND BOARD RELATIONSHIP

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Facilitative Leadership – Builds cooperation and consensus among and within diverse groups helping them identify common goals and act effectively to achieve them, recognizing interdependent relationships and multiple causes of community issues and anticipating the consequences of policy decisions.	MR
Facilitation of Board Effectiveness – Assists elected officials in developing policies that can be implemented effectively and that serves the best interests of the community.	MR
Preparation - Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.	MR
Professionalism – Displays a professional attitude/image that assures public confidence.	ER
Accessibility – Is accessible and responsive to Board member requests and communications.	ER
Planning – Plans effectively to address upcoming issues. Identifies needs, studies issues and provides alternative solutions.	MR
Responsiveness – Responds in a timely manner to issues and opportunities that arise.	ER

Comments: Indra is working on managing the board and the various changes the board has requested in terms of communication and planning for the upcoming meetings and I feel as though this has improved over the last year. Indra is faced with a challenge of board effectiveness by the board needing to provide better direction. Indra is always very responsive to the community and to board members.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Treasurer – Michaela Tonking**

B. LEADERSHIP EFFECTIVENESS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement - NI

	Rating
Coaching/Mentoring – Provides direction, support, feedback and recognition to enable others to meet their potential.	ER
Team Leadership – Facilitates teamwork between departments, with the Board of Directors, and with the community.	ER
Empowerment – Creates a work environment that encourages responsibility and decision-making at all levels.	ER
Delegation – Assigns responsibility to others effectively. Supports innovative problem-solving by involving others in implementing better methods and procedures.	MR
Role Model – Sets a professional example and strong work ethic in and out of the workplace. Inspires others to achieve results.	ER
Fairness - Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER

Comments: Indra has created a very new senior team with all employees feeling very invested in the community and in the district. He is an easy leader to follow and gives employees support and proper feedback.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Treasurer – Michaela Tonking**

C. PLANNING, INITIATIVE, RISK-TAKING

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Strategic planning – Facilitates planning processes for the District to anticipate future needs and trends. Articulates a vision to the District and the community.	MR
Plan implementation - Creates implementation plans which follow the adopted direction of the Board.	MR
Initiative – Demonstrates a personal orientation toward action and accepting responsibility for results. Resists the status quo and removes barriers which delay progress toward goals.	ER
Risk-taking – Develops new ideas or practices. Urges the District toward initiative, change, and prompt action.	ER

Comments: Indra and team have begun the process of strategic planning and working with the board to update proper documents. Indra has been working to change the status quo and has made great improvements in the district

D. FUNCTIONAL AND OPERATIONAL MANAGEMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Financial Management – Plans, implements and directs a comprehensive financial program for the District's long-range goals. Effectively communicates financial information to the Board and the public. Anticipates financial needs or potential impacts and addresses them in advance.	MR
Management of Resources – Maintains a high level of quality and quantity in staff work and facilitates operational procedures and service delivery that maximize effectiveness. Sets standards and measures results.	ER
Service Delivery – Understands the basic principles of service delivery in the District's service areas: water, sewer, trash, recreation, and capital project delivery. Promotes efficiency and effectiveness in delivery of services.	ER
Operational Knowledge – Understands the basic principles of operational needs including: revenue sources, budgeting, financial tracking, human resources, staffing, work operations, and technological advancements. Promotes efficiency and effectiveness in all operations.	MR
Responsiveness - Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments: Indra is well versed in the operations of the districts and has the ability to wear multiple hats. Indra has created a senior team that he can rely on especially in terms of financial management. As a new GM and these trying times Indra has and to address and change many of the operations across the district.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Treasurer – Michaela Tonking**

E. REPRESENTATION, ADVOCACY, AND CITIZEN PARTICIPATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
District Representation - Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Develops cooperative working relationships with outside governmental agencies and other outside groups.	ER
Democratic Advocacy – Fosters the values and integrity of local government. Enhances community understanding of District’s goals, objectives and processes.	ER
Citizen Participation – Recognizes the rights of citizens and promotes individual involvement in the District’s processes. Responds to issues and concerns promptly. Handles individual citizen’s complaints well.	ER

Comments: Indra does a lot of work to engage the members of the community. He is well respected in the community; as well as an engaged member in it.

F. INTEGRITY, COMMUNICATIONS, AND PERSONAL DEVELOPMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Integrity – Demonstrates fairness, honesty, ethical and legal awareness in relationships and activities, and personal accountability for actions.	ER
Verbal Communication - Promotes and engages in two-way communication. Facilitates the flow of ideas, information and understanding between the District and among individuals.	ER
Verbal Communication – Clearly and concisely communicates ideas, information, problems and questions using language appropriate to the listener.	
Accessibility - Is accessible to Board, staff and citizens. Is open and accepting of new ideas, suggestions and concerns.	ER
Written Communication - Writes clear and concise memos, letters and reports which convey all relevant information using words and phrases appropriate to the audience.	MR
Personal development – Demonstrates a commitment to continuous learning, improvement, education, and self-development.	MR

Comments: There has been a push for different information to be recorded and developed in terms of contracts, board packets and other written communications which Indra has been working to address those needs. Indra is very honest and ethical and is well aware of the impact of his actions and those of the districts.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Treasurer – Michaela Tonking**

G. HUMAN RELATIONS SKILLS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER
Is straight-forward in communications, and is capable of being firm when circumstances warrant. Uses criticism constructively and objectively, while demonstrating sensitivity to the feelings of others.	ER
Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments:

H. SUMMARY EVALUATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
A. Policy Facilitation and Board Relationship	MR
B. Leadership Effectiveness	ER
C. Planning, Initiative, Risk-Taking	MR
D. Functional and Operational Management	ER
E. Representation, Advocacy and Citizen Participation	ER
F. Integrity, Communications and Personal Development	ER
G. Human Relations Skills	ER

Overall Evaluation:

Exceeds Requirements Meets Requirements Needs Improvement

Board Chair

Board Vice Chair

Board Secretary

Board Treasurer

Board Trustee

General Manager

Date

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Trustee Kendra Wong**

A. POLICY FACILITATION AND BOARD RELATIONSHIP

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Facilitative Leadership – Builds cooperation and consensus among and within diverse groups helping them identify common goals and act effectively to achieve them, recognizing interdependent relationships and multiple causes of community issues and anticipating the consequences of policy decisions.	ER
Facilitation of Board Effectiveness – Assists elected officials in developing policies that can be implemented effectively and that serves the best interests of the community.	MR
Preparation - Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.	ER
Professionalism – Displays a professional attitude/image that assures public confidence.	ER
Accessibility – Is accessible and responsive to Board member requests and communications.	ER
Planning – Plans effectively to address upcoming issues. Identifies needs, studies issues and provides alternative solutions.	ER
Responsiveness – Responds in a timely manner to issues and opportunities that arise.	MR

Comments: Indra effectively manages a board with diverse perspectives. He does a good job of balancing the policy needs of the district with the current board's over attention to detail.

B. LEADERSHIP EFFECTIVENESS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement - NI

	Rating
Coaching/Mentoring – Provides direction, support, feedback and recognition to enable others to meet their potential.	ER
Team Leadership – Facilitates teamwork between departments, with the Board of Directors, and with the community.	ER
Empowerment – Creates a work environment that encourages responsibility and decision-making at all levels.	ER
Delegation – Assigns responsibility to others effectively. Supports innovative problem-solving by involving others in implementing better methods and procedures.	ER
Role Model – Sets a professional example and strong work ethic in and out of the workplace. Inspires others to achieve results.	ER
Fairness - Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER

Comments: Indra has maintained a high level of employee morale despite a high level of turnover and lack of staffing. Indra did an outstanding job navigating the ever changing landscape of COVID to keep employees and members of the public safe.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Trustee Kendra Wong**

C. PLANNING, INITIATIVE, RISK-TAKING

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Strategic planning – Facilitates planning processes for the District to anticipate future needs and trends. Articulates a vision to the District and the community.	MR
Plan implementation - Creates implementation plans which follow the adopted direction of the Board.	MR
Initiative – Demonstrates a personal orientation toward action and accepting responsibility for results. Resists the status quo and removes barriers which delay progress toward goals.	MR
Risk-taking – Develops new ideas or practices. Urges the District toward initiative, change, and prompt action.	MR

Comments: Due to COVID, a lot of Indra's time was spent reacting to new mandates and public safety initiatives. While I would have liked to spend more time moving the district's priority projects forward, the fact that Indra accomplished all his stated goals while managing during COVID is laudable.

D. FUNCTIONAL AND OPERATIONAL MANAGEMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Financial Management – Plans, implements and directs a comprehensive financial program for the District's long-range goals. Effectively communicates financial information to the Board and the public. Anticipates financial needs or potential impacts and addresses them in advance.	ER
Management of Resources – Maintains a high level of quality and quantity in staff work and facilitates operational procedures and service delivery that maximize effectiveness. Sets standards and measures results.	ER
Service Delivery – Understands the basic principles of service delivery in the District's service areas: water, sewer, trash, recreation, and capital project delivery. Promotes efficiency and effectiveness in delivery of services.	ER
Operational Knowledge – Understands the basic principles of operational needs including: revenue sources, budgeting, financial tracking, human resources, staffing, work operations, and technological advancements. Promotes efficiency and effectiveness in all operations.	ER
Responsiveness - Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments: Given Indra's experience with the district, he understands the operations of the district and expectations of the community better than anyone.

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021**

E. REPRESENTATION, ADVOCACY, AND CITIZEN PARTICIPATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
District Representation - Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Develops cooperative working relationships with outside governmental agencies and other outside groups.	ER
Democratic Advocacy – Fosters the values and integrity of local government. Enhances community understanding of District’s goals, objectives and processes.	ER
Citizen Participation – Recognizes the rights of citizens and promotes individual involvement in the District’s processes. Responds to issues and concerns promptly. Handles individual citizen’s complaints well.	ER

Comments: Since becoming GM, Indra has gone above and beyond to engage as many members of the public as possible. Going forward, I would like to see Indra spend more time engaging with members of the public who bring different perspectives and constructive recommendations and less time with individuals who have repeatedly harass our staff.

F. INTEGRITY, COMMUNICATIONS, AND PERSONAL DEVELOPMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Integrity – Demonstrates fairness, honesty, ethical and legal awareness in relationships and activities, and personal accountability for actions.	ER
Verbal Communication - Promotes and engages in two-way communication. Facilitates the flow of ideas, information and understanding between the District and among individuals.	ER
Verbal Communication – Clearly and concisely communicates ideas, information, problems and questions using language appropriate to the listener.	ER
Accessibility - Is accessible to Board, staff and citizens. Is open and accepting of new ideas, suggestions and concerns.	ER
Written Communication - Writes clear and concise memos, letters and reports which convey all relevant information using words and phrases appropriate to the audience.	ER
Personal development – Demonstrates a commitment to continuous learning, improvement, education, and self-development.	ER

Comments: Indra has maintained a high level of professionalism and integrity amongst repeated unwarranted and unsubstantiated attacks from members of the Audit Committee and public. Indra continues to provide detailed status updates and regularly communicates with the Board. Indra has surrounded himself with a strong Senior Team and engages mentors, both formally and informally.

G. HUMAN RELATIONS SKILLS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating

**Incline Village General Improvement District
 General Manager Evaluation Form
 Performance Review Period: 2020-2021
 Trustee Kendra Wong**

Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	ER
Is straight-forward in communications, and is capable of being firm when circumstances warrant. Uses criticism constructively and objectively, while demonstrating sensitivity to the feelings of others.	ER
Follows-ups recommendations, concerns or complaints as promptly as possible.	ER

Comments:

H. SUMMARY EVALUATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
A. Policy Facilitation and Board Relationship	ER
B. Leadership Effectiveness	ER
C. Planning, Initiative, Risk-Taking	MR
D. Functional and Operational Management	ER
E. Representation, Advocacy and Citizen Participation	ER
F. Integrity, Communications and Personal Development	ER
G. Human Relations Skills	ER

Overall Evaluation:

 X Exceeds Requirements Meets Requirements Needs Improvement

Board Chair

Board Vice Chair

Board Secretary

Board Treasurer

Board Trustee

General Manager

Date

**Incline Village General Improvement District
General Manager Evaluation Form
Performance Review Period: 2020-2021
Secretary Sara Schmitz**

A. POLICY FACILITATION AND BOARD RELATIONSHIP

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Facilitative Leadership – Builds cooperation and consensus among and within diverse groups helping them identify common goals and act effectively to achieve them, recognizing interdependent relationships and multiple causes of community issues and anticipating the consequences of policy decisions.	MR(1)
Facilitation of Board Effectiveness – Assists elected officials in developing policies that can be implemented effectively and that serves the best interests of the community.	MR-(2)
Preparation - Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.	NI(3)
Professionalism – Displays a professional attitude/image that assures public confidence.	NI(4)
Accessibility – Is accessible and responsive to Board member requests and communications.	MR(5)
Planning – Plans effectively to address upcoming issues. Identifies needs, studies issues and provides alternative solutions.	MR(6)
Responsiveness – Responds in a timely manner to issues and opportunities that arise.	MR(7)

Comments:

1. Indra has taken the initiative and a leadership role with the Ordinance 7 Committee. The committee is made up of a diverse group of people brought together to formulate recommendations to the Board. He facilitates building cooperation with the Board, community members and with Washoe County. Additionally, he has brought a committee together to address the fees and operational costs of the golf courses. Having community members involved will help shape the pricing structures and help address the operational costs impacting the golf rates.
2.
 - a. Indra has been building a new culture in the organization, one based on adherence to Board Policies and Practices. More details are covered on this in comments in Section D.
 - b. As it relates to management responses contained in the Moss Adams Construction Advisory Fact Validation Report (contained in the January 13th, 2021 Board Packet), Recommendation #4 was to agendaize for Board of Trustees discussion and direction a policy with procedures for competitive solicitation of profession services including scope definitions and requires, schedule, format and threshold considerations. This has not been accomplished.
3. Delivering accurate and complete Board of Trustees meeting packets has been an ongoing challenge. This continues to be an area for improvement. It has been requested that legal counsel review contracts prior to the completion of Board packets so that fewer revisions are needed during board meetings.
4. Indra is very passionate about his role as the General Manager, however at times negative emotional reactions are demonstrated. Being a leader, it's important for Indra to temper his emotional and defensive responses. Over the course of the year I've seen an improvement in this area, however it remains an area for thoughtful and continued development.

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Performance Review Period: 2020-2021
Secretary Sara Schmitz**

5. Indra is very accessible and as the year has progressed and we've developed a good working relationship. In addition to being accessible, he also reaches out for support and ideas. He effectively shares information. I believe he is accessible in the same manner to the community and all of staff.
6. The challenges of COVID have made planning both difficult and extremely important. Indra and his team worked to anticipate the impacts of COVID while continuing to move forward with other crucially important projects such as the Effluent Pipeline project.
7. I have observed Indra being responsive to his staff, community members as well as with me as Trustee. A suggestion is to call people when a situation appears to be frustrating or confusing. Email isn't the best way to resolve confusion or dampen frustrations.

B. LEADERSHIP EFFECTIVENESS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement - NI

	Rating
Coaching/Mentoring – Provides direction, support, feedback and recognition to enable others to meet their potential.	(1)
Team Leadership – Facilitates teamwork between departments, with the Board of Directors, and with the community.	MR(2)
Empowerment – Creates a work environment that encourages responsibility and decision-making at all levels.	(1)
Delegation – Assigns responsibility to others effectively. Supports innovative problem-solving by involving others in implementing better methods and procedures.	MR-(3)
Role Model – Sets a professional example and strong work ethic in and out of the workplace. Inspires others to achieve results.	MR(4)
Fairness - Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	MR(5)

Comments:

1. I recommend HR conduct at peer review to provide Indra feedback on his leadership effectiveness. As a Trustee, I have not been able to observe his coaching/mentoring or empowerment. What I have observed is that Indra has been building a management team and working to bring the newer members of his team and newer managers up to speed with their roles and the responsibilities. Indra has implemented changes in venue managers' responsibility to budgets and financial results. Indra demonstrates appreciation for his organization. While I believe he is coaching his team toward continued improvement, openly acknowledging the need for improvement is as important as openly praising his staff.
2. Indra works to build relationships with the community and is continually implementing new ideas and approaches. His Ordinance 7 and Golf Committees are two examples. He works with his staff and the Board in a constructive manner; that of being open and forthright which builds trust.
3. As Indra builds the knowledge of his new team members, it will be important for him to delegate and hold them responsible and accountable.
4. Indra has worked very long hours over the past year. Some due to COVID, but some perhaps could be offloaded to his managers or delegated to other community members. At times, he expends time and energy on issues beyond the jurisdiction of the District that could be reduced.

**Incline Village General Improvement District
General Manager Evaluation Form
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Secretary Sara Schmitz**

or avoided. The issues beyond include things that are important to the community like the transit hub. His intentions are good, but it has an impact on his focus and time.

5. Indra shows great appreciation of his team and staff. Being fair also means holding people accountable which is at times more challenging.

C. PLANNING, INITIATIVE, RISK-TAKING

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Strategic planning – Facilitates planning processes for the District to anticipate future needs and trends. Articulates a vision to the District and the community.	MR
Plan implementation - Creates implementation plans which follow the adopted direction of the Board.	MR
Initiative – Demonstrates a personal orientation toward action and accepting responsibility for results. Resists the status quo and removes barriers which delay progress toward goals.	ER
Risk-taking – Develops new ideas or practices. Urges the District toward initiative, change, and prompt action.	MR

Comments:

Indra has had many challenges over the past year, so the fact the Strategic Plan is behind schedule is understandable.

Indra has exceeded expectations in his team’s management of the various venues with the changing COVID protocols and his efforts to change the culture to one of openness and fiscal responsibility. He initiated and implemented reductions of signing authority, reduced expenditures to adhere to Dillion’s Rule, and made changes to the procurement card use policy. He engaged Moss Adams on two projects that identified areas for improvement and contracted Raffelis to provide recommendations related to asset management and public works performance.

His management team has taken on the implementation of the Tyler software, the updating of the District’s outdated and insufficient internal controls, the change of financial reporting, the implementation and review of the popular report on a quarterly basis and other large projects that continue move forward all while having an incomplete management team. Resource constraints need to be evaluated to ensure these important projects are delivered in a timely manner.

D. FUNCTIONAL AND OPERATIONAL MANAGEMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Financial Management – Plans, implements and directs a comprehensive financial program for the District’s long-range goals. Effectively communicates financial information to the Board and the public. Anticipates financial needs or potential impacts and addresses them in advance.	NI(1)
Management of Resources – Maintains a high level of quality and quantity in staff work and facilitates operational procedures and service delivery that maximize effectiveness. Sets standards and measures results.	MR-(2)

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General Manager Evaluation Form
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Service Delivery – Understands the basic principles of service delivery in the District's service areas: water, sewer, trash, recreation, and capital project delivery. Promotes efficiency and effectiveness in delivery of services.	MR(3)
Operational Knowledge – Understands the basic principles of operational needs including: revenue sources, budgeting, financial tracking, human resources, staffing, work operations, and technological advancements. Promotes efficiency and effectiveness in all operations.	NI(4)
Responsiveness - Follows-ups recommendations, concerns or complaints as promptly as possible.	ER(5)

Comments:

1. Indra has worked with the Board, the finance department and the Nevada Department of taxation to implement the change of accounting for the Community Services and the Beach Funds. For the first time in many years, the Board is receiving and reviewing quarterly financial report and investment updates. This demonstrates Indra's motivation to adhere to Board Policies and Practices, something that has been missing for many years.
 - a. The category of Financial Management doesn't have any reference to internal controls and they are a critically important responsibility of the General Manager. After a year of discussing the needed improvements to the financial internal controls, the updates provided to the Audit Committee still had references to long out of date Board policies, capitalization policies that are known to be incorrect such as capitalizing feasibility studies, and a lack of specificity for separation of duties.
 - b. This was rated as Needs Improvement because of the importance of accurate and complete financial internal controls. They are being worked on, but the progress and results have been slow. I have encouraged Indra and the Director of Finances request additional resources from the Board. Since the Board is ultimately responsible, I would assume all would be supportive of the funds for resources.
2. The District has experienced a larger than typical turn over. This turnover came during a challenging time due to COVID. Indra has worked to fill positions, however the project manager role and position has been an identified need for more than a year while budget was available and the Board was expressing support for this important role. The Moss Adams report documented a number of issues due to project management and change control. These were identified as high risk issues and the position would be responsible for resolving and managing to these issues. Filling this role should remain a priority.
3. Indra has many years of experience managing the Recreation Center and the Beaches. Being promoted to the role of General Manager, he is now responsible for the management of all of the venues, Public Works, information technology, finance and human resources. This is a significant expansion from his previous role and experience. He has worked to understand and at the same time build a management team.
 - a. He is working to understand operational costs and the pricing structure of the various venues. Having a clear Board policy for pricing would be helpful for budgeting and for the management team.
 - b. As it relates to the Moss Adams Construction Advisory Fact Validation Report Recommendation #7, identified as a high risk issue, it is unclear how current policies are sufficient to ensure payment is not made for services not delivered.
 - c. Indra has moved the effluent pipeline and pond lining projects forward. Something that has been needed for years, but wasn't accomplished.
 - d. The Tyler Software project was initially brought forward to address the outdated and unsupported payroll system. This project was expanded in scope without going out to

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bid. The schedule for payroll being implemented is some time in 2022. Given the expansion of scope and costs, this project should have been better vetted with outsourcing being considered as an option for payroll processing.

- e. The Burnt Cedar Pool project is another long overdue project that was moved forward.
 - f. The Tennis Center renovations were delivered within the project schedule and budget.
 - g. Indra brought forward recommendation on the deferment of some projects/expenditures and changing of others to better address the needs of the community. Examples include the deferment of new golf carts during COVID and converting tennis courts into additional pickle ball courts.
 - h. While the Recreation Center restrooms were moved forward outside of Board Practice 13.2.0 (3.8.6.0) in that the Board of Trustees didn't award or execute the design contract, Indra and his team adjusted and redirected the locker room renovation project which was of financial benefit to the District and to staff in meeting their needs. While this resulted in a reduction of costs and scope while meeting the needs identified by key staff members, the restroom project wasn't allowed that same opportunity. This was a lesson learned for all involved.
 - i. Other projects have been completed or are in progress and are reported on using the popular report. The projects referenced here are ones with significant costs and/or significant impact for parcel owners. Having a construction project manager will be a benefit going forward.
4. Indra has been working to expand his knowledge and understanding of public works, finance and the financial management of the District. I recommend he attend continuing education to improve his knowledge of strategic planning, financial management and internal controls.
5. Indra demonstrates responsiveness. He has had to manage through the ever changing landscape of COVID requirements, made changes to the punch cards and daily use beach passes, quickly resolved the problem with the foundation beneath the kitchen floor at the Chateau and managed through the turnover of staff. He has been confronted with many operational challenges and the District has managed to keep venues open and available to the parcel owners.

E. REPRESENTATION, ADVOCACY, AND CITIZEN PARTICIPATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
District Representation - Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Develops cooperative working relationships with outside governmental agencies and other outside groups.	MR
Democratic Advocacy – Fosters the values and integrity of local government. Enhances community understanding of District's goals, objectives and processes.	MR
Citizen Participation – Recognizes the rights of citizens and promotes individual involvement in the District's processes. Responds to issues and concerns promptly. Handles individual citizen's complaints well.	MR

Comments:

Indra has been working to help community members understand the scope of the District's jurisdiction and has made some difficult community interface changes due to his understanding of Dillion's Rule. He works effectively with TRPA and Washoe County on issues impacting the District. He's currently

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also working with the US Forest Service on the potential acquisition of property for a dedicated dog park.

A suggestion for Indra in the coming year is to conduct quarterly virtual town halls to share information and also answer questions. I believe the ‘fireside chats’ during COVID were helpful. Now that we have the survey results and can read how many community members don’t understand their recreation privileges, having periodic zoom meetings would perhaps reduce the confusion. Using technology will give more parcel owners the ability to participate.

F. INTEGRITY, COMMUNICATIONS, AND PERSONAL DEVELOPMENT

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Integrity – Demonstrates fairness, honesty, ethical and legal awareness in relationships and activities, and personal accountability for actions.	MR-(1)
Verbal Communication – Promotes and engages in two-way communication. Facilitates the flow of ideas, information and understanding between the District and among individuals.	MR-(2)
Verbal Communication – Clearly and concisely communicates ideas, information, problems and questions using language appropriate to the listener.	MR-(2)
Accessibility – Is accessible to Board, staff and citizens. Is open and accepting of new ideas, suggestions and concerns.	MR(3)
Written Communication – Writes clear and concise memos, letters and reports which convey all relevant information using words and phrases appropriate to the audience.	MR-(2)
Personal development – Demonstrates a commitment to continuous learning, improvement, education, and self-development.	NI

Comments:

1. Staff should never tolerate or be placed in an environment where they feel harassed or threatened. It is important to continually educate staff on the policies and the process for reporting harassment. Personal accountability of the public and community members needs to be clear as it relates to the treatment of staff members.
2. Indra overall does a great job communicating both verbally and in writing. At times, he can react with negative emotions allowing a missed opportunity for better understanding or reduced frustration.
3. Indra is easily accessible to me as a Board member, community members and other agencies such as Washoe County, TRPA, etc. He addresses concerns and is mostly willing to listen to new ideas and suggestions. A development opportunity would be for Indra work on responding calmly and professional in stressful situations rather than becoming defensive. Defensiveness doesn’t appear as listening or seeking to understand the perspective of others. When he takes time to think before responding, he does demonstrate a willingness to accept suggestions. I suggest he enroll in executive leadership education.
4. This past year has been a very busy one. Continuing education, given that Indra has not had experience in the role of a GM, is important. I would encourage the District to be supportive of his continued education in strategic planning, financial management, internal controls, and

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executive leadership. Continuing education is important part of an effective leadership team. In the past, this may not have been supported, however as one Trustee I would support such plans and related expenditures.

G. HUMAN RELATIONS SKILLS

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
Consistently strives to be fair and consistent in working relationships, and shows respect for others. Shows appreciation for the contributions of staff.	MR
Is straight-forward in communications, and is capable of being firm when circumstances warrant. Uses criticism constructively and objectively, while demonstrating sensitivity to the feelings of others.	MR-
Follows-ups recommendations, concerns or complaints as promptly as possible.	MR

Comments:

Indra is supportive, appreciative and protective of staff. When constructive criticism is shared, at times, Indra will react with emotion becoming defensive and dismissive. As a leader, it is important to think strategically and acknowledge when something could have been done differently with potentially better results. To improve, one must first acknowledge there could have been a better way to accomplish something. Becoming defensive may cause his staff members to avoid providing him with valuable insights. Responding to stressful situations calmly and professionally would benefit Indra, the board and may also Indra and his team operate more effectively.

H. SUMMARY EVALUATION

Exceeds Requirement – ER; Meets Requirement – MR; Needs Improvement – NI

	Rating
A. Policy Facilitation and Board Relationship	MR-
B. Leadership Effectiveness	MR-
C. Planning, Initiative, Risk-Taking	MR
D. Functional and Operational Management	MR-
E. Representation, Advocacy and Citizen Participation	MR
F. Integrity, Communications and Personal Development	MR-
G. Human Relations Skills	MR

Overall Evaluation:

Indra has taken on a very large and challenging role as GM. While he has knowledge and experience interacting with the community the operational aspects of the Recreation Center, programming and the beaches, having responsibility for the District has placed Indra in areas of responsibility and situations whereby he is inexperienced. He has done a good job given all of the challenges, but I recommend he seek to further his education in the coming year. My overall rating is a MR- due to a few areas where improvements have been identified.

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_____ Exceeds Requirements __MR-__ Meets Requirements _____ Needs Improvement

Board Chair

Board Vice Chair

Board Secretary

Board Treasurer

Board Trustee

General Manager

Date

General Business
Item 1.6.(a)
Fiscal Year 2020-
2021 Review of
Annual Goals

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: General Manager's Fiscal Year 2020-2021 Review of Annual Goals
Prepared for the meeting of September 15, 2021

DATE: September 8, 2021

Year End Review of District General Manager Goals for Fiscal Year 2020-2021

The past year has been life changing for all of us and these are unprecedented times. I feel this has certainly been the case for IVGID and the Incline Village and Crystal Bay communities (Community). My first year as General Manager has been both extremely challenging and rewarding at the same time. Fortunately, I believe that the District and Community has done an outstanding job of managing through the impacts of the pandemic. There have been challenges almost daily and our success is a testament to the collaboration between the Board of Trustees, District Staff, and the Community. I feel we have learned quite a bit about how to operate our venues, facilities, and services in a safer and more efficient manner with an increased focus on public health and safety which will be important as we navigate through and hopefully away from the impacts of this pandemic.

The IVGID Community Services Venues have all been both successful and challenged in different ways. Diamond Peak, the Championship and Mountain Golf Courses, the Tennis and Pickleball Center, and many of our outdoor recreation programs and events have been very successful and in very high demand. However, the Recreation Center, Food and Beverage, and Facilities (weddings, events), and some community programs have been seriously impacted. Although never perfect, District Staff has done an outstanding job managing and operating the venues and services through a constantly changing environment.

Over the past year, we have experienced significant turnover which can be both a challenge and an opportunity. The District is focused on succession planning and, most recently, we have had several promotions at the management and upper management level. We have also been fortunate to recruit several new Staff coming from other agencies and industries. In the past year, we have a new Director of Finance, Director of Public Works, Director of Human Resources (internal), Director of Information Technologies (internal), Parks & Recreation Superintendent (internal), Communications Coordinator (internal), Controller, Engineering Manager and other key positions in the Engineering and Public Works Department. IVGID is transitioning as a District and I am confident that we have a strong management team that is committed to necessary change and maintain a high level of service to the community.

Additional highlights from the past year include but are not limited to:

(Please note that the review of the 2020-21 GM Goals begins on page 3 of this memorandum and as is provided for additional reference)

- Effective management of the 2020-21 Fiscal Year Budget
- Advancement of the effluent pipeline and pond lining project.
- Third party reviews of District policies, financial practices, and contract/project management.
- Implementation of heightened restrictions at IVGID beaches for public health and safety and overall parcel owner experience.
- Completion of priority projects such as the Tennis Center Renovation, Pickle Ball court conversion, and the ongoing Burnt Cedar Pool Project, Recreation Center Restroom Renovation, Mountain Course Pathways Project, as well as several Public Works projects.
- Ordinance 7 Committee review including community wide parcel owner survey.
- Public Works Asset & Infrastructure Study
- Focus on Internal Controls within the District including revising internal district staff spending authority, purchasing, and procurement.
- Creation and recruitment of new District Project Manager position
- Transition to new District Legal Counsel

Although I feel it has been a successful year overall, there is still plenty of room for improvement and enhancement. Areas of continued focus will be:

- Internal Controls
- Contract and Project Management
- Utility rate Study
- Utility Fund Stability
- Policy review and revision including pricing
- Finalize phase 1 of the revisions to Ordinance 7
- Continued focus on the Effluent Pipeline and Pond Lining Project
- Effectively manage the 2021-23 District Strategic Plan
- Define expectations as they relate to how the District collaborates with local non profits
- Continued focus on the Board Priority Projects and align with recommendations in the various venue and community master plans
- Work with GM Resident Golf Advisory Committee

I am excited about the future of the District and the Community and look forward to continuing to work together with the Board of Trustees, the Community and the District Staff to continue to improve in areas needed while enhancing the overall experience of parcel owners and customers across District venues, facilities, and services. Our biggest challenges we are anticipating in the next year are recruitment and retention of the District workforce, and transitioning through and out of the pandemic. I feel that the District is both in healthy financial and operational shape and well prepared for the continued transition.

Following are the accepted goals for the District General Manager for Fiscal Year 2020-2021 (September 30, 2020) and a year-end update on each goal:

GOAL	UPDATE
<p>1. Effectively manage through COVID crisis to have an outcome that is favorable to the adopted District's budget and the overall health and safety of staff and the community members at IVGID venues & Facilities</p>	<p>District's financial results through the 2020/21 fiscal year are favorable to the approved budgets across most program areas. Shortfall in revenues – due to curtailment of venue access and activities during the COVID pandemic - are more than offset by lower than budgeted expenditures as a result of aggressive cost-saving measures. Diamond Peak operations yielded over \$2.0 million in net revenues in excess of the budgeted contribution to supplement Recreation Facility Fee revenues. Beach fund revenues exceeded budget by over \$260,000 while operating expenses ended the fiscal year under budget by over \$200,000. The one program area that experienced unfavorable results relative to the budget was Facilities/Events where revenues fell nearly \$650,000 below budget, offset by expenditures ending the year \$500,000 under budget. Non-critical capital project expenditures were also reviewed throughout the fiscal year and several budgeted projects were deferred to future years.</p> <p>Constant oversight to the changing OSHA, State of Nevada, and Federal regulations ensured continued compliance with all health, safety and business regulations. Introduced new communication opportunities to provide regular updates to the community and foster conversation to assure resident knowledge of changing operations related to closures or reductions.</p>

<p>2. Improve financial reporting by ensuring that the CIP Popular Report on capital is issued in a timely manner, capital data sheets are updated and accurate, and provide quarterly budget updates to the Board of Trustees</p>	<p>Quarterly CIP Popular Report and Budget update due for quarter ending September 2020 was provided to the Board on November 18, 2020; quarterly budget update for quarter ending December 2020 was provided to the Board on February 24, 2021; quarterly budget update for quarter ending March 2021 was provided to the Board on May 12, 2021; and quarterly budget update for quarter and year ending June 2021 will be provided to the Board in September. The report format was updated to include adjustments to project budgets through augmentation or re-allocations; in addition, for FY2020/21, amounts approved for capital project carry-overs with approval of the District's budget were adjusted at mid-year to reflect actual carry-over amounts available for these projects.</p>
<p>3. Conduct and complete a Public Works Performance Management and Asset Management Study</p>	<p>This contract was awarded by the Board of Trustees at their January 13, 2021 Board meeting with Raftelis. The final draft of the report was presented to the Board of Trustees on July 13, 2021. Final document being prepared after final feedback from Trustees.</p>
<p>4. Bring forward to the Board of Trustees (via Audit Committee) for consideration improved District Internal Control policies, procedures and practices based on Director of Finance recommendations along with input from outside consultant(s).</p>	<p>Framework for system of Internal Controls was presented to the Audit Committee on multiple occasions, with the most recent update provided at the August 10th meeting. Finance staff is reviewing existing policies and procedures, and presented to the Audit Committee initial draft revisions for identified priority areas. Staff has also updated delegated spending authority for managers and supervisors and provided guidance to staff regarding the District's purchasing policy and applicable Board policy and NRS requirements. Staff is also implementing recommendations from the external independent auditor regarding internal controls impacting financial reporting as well as recommendations from outside consultants related to contract management. This past year, new staff has been hired with direct expertise in developing and implementing internal controls. Staff continues to work with the Audit Committee, via assigned internal control liaison, on ongoing updates to internal control documents.</p>

<p>5. Manage transition to Enterprise Fund Accounting once consultant has rendered their recommendation and that recommendation is approved by the Board of Trustees and concurred to by the State of Nevada</p>	<p>The District had a hearing with the Department of Taxation on January 28, 2021. The FY 2021-22 Budget is has been developed and approved by the Board of Trustees (May 26, 2021) implementing Enterprise Fund reporting for Community Services and Beach activities.</p>
<p>6. Work with the Board of Trustees and community to evaluate and bring forward to the Board of Trustees proposed amendments to Ordinance 7</p>	<p>The GM's Committee on Ordinance 7 began meeting on September 29, 2020. The committee has met 21 times over the past 11 months. Additionally, 3 virtual community forums were held and a parcel owner survey has been successfully implemented with over 4,300 responses. The committee is currently in the final stages of formalizing recommendations to present to the board of trustees.</p>
<p>7. Review and recommend to the Board of Trustees punch card utilization and accounting improvements</p>	<p>On September 9, 2020, there was a Board workshop on punch card accounting. Additionally, a contract was issued to Moss Adams that included a review and opinion on Punch Card Accounting. As a result, the accounting for punch card contra revenue transactions has been updated to eliminate the transfer of contra-revenues between Community Services and Beach fund(s). The accounting for punch cards will also be reviewed by the District's new external auditor in conjunctions with the audit of the FY2020/21 financial statements. Lastly, the Ordinance 7 General Manager's Committee is discussing the future of Recreation Punch Cards.</p>
<p>8. Develop and bring forward to the Board of Trustees a 2021/2022/2023 Strategic Plan for their approval</p>	<p>Staff presented a draft 2021-23 Strategic Plan at the May 26th, June 9th, July 13th Board of Trustees Meetings. Feedback has been received and the final draft will be presented at the September 15, 2021 meeting for final approval.</p>

<p>9. Transition to a new firm to provide legal services to the District once selected by the Board of Trustees</p>	<p>The legal services agreement with Best Best & Krieger (BB&K) was discussed at the Board's December 2020 meeting and it was reviewed by outside independent counsel. The Board of Trustees formally approved a 3-year contract for BB&K's legal services at the February 10, 2021 Meeting.</p>
<p>10. The Board of Trustees agreed to setting a date for the District General Manager's performance evaluation no later than September 30, 2021 and conduct that evaluation at a meeting closest to that date but not later than that date.</p>	<p>Districts General Managers Performance Evaluation is currently scheduled as part of the September 15, 2021 Board of Trustees Meeting Agenda.</p>

General Business
Item 1.6.(b)
Merit Salary Increase

M E M O R A N D U M

TO: Board of Trustees

FROM: Erin Feore
Director of Human Resources

SUBJECT: District General Manager's Merit Salary Increase

DATE: September 8, 2021

On September 15, 2021, the Board of Trustees will give the General Manager his performance evaluation. Should the Board of Trustees desire to provide the District General Manager with a merit salary increase, based on his performance evaluation, the Board of Trustees will be required to make a motion on the merit salary increase to be awarded, if any, and the date of effectiveness.

As a courtesy, below is a template for the motion to be made:

Merit Salary Increase Motion

"I make a motion to approve a ___% merit salary increase for District General Manager Winquest retroactive back to July 1, 2021.

General Business
Item 1.6.(c)
Contract Extension

MEMORANDUM

TO: Board of Trustees

FROM: Erin Feore
Director of Human Resources

SUBJECT: District General Manager's Employment Agreement: Term Extension of employment agreement for 1, 2, or 3 years

DATE: September 8, 2021

On September 15, 2021, the Board of Trustees will give the General Manager his performance evaluation. This is an appropriate time to review the District General Manager's Employment Agreement and make any necessary changes. Following is the specific paragraph from the employment agreement:

SECTION 2. TERM OF AGREEMENT

2.1 General Manager shall serve as the IVGID Manager effective July 1, 2020 ("the Effective Date"). This Agreement shall thereafter continue in full force and effect for a three (3) year term or until such time as either party terminates this Agreement pursuant to the provisions hereof. General Manager's employment as IVGID General Manager shall be at will. This means that General Manager may be terminated from his employment with IVGID at any time, without cause, and without notice, subject to the provisions hereof.

The current employment agreement expires June 30, 2023. A request has been received to extend the employment agreement by 2 years; a new expiration date of July 30, 2025.

As a courtesy, below is a template for the motion to be made:

I move that the District General Manager's Employment Agreement be changed as follows:

SECTION 2. TERM OF AGREEMENT

*2.1 General Manager shall serve as the IVGID Manager effective July 1, 2020 ("the Effective Date"). This Agreement shall thereafter continue in full force and effect for a **five (5) year term** or until such time as either party terminates this Agreement pursuant to the provisions hereof. General Manager's employment as IVGID General Manager shall be at will. This means that General Manager may be terminated from his employment with IVGID at any time, without cause, and without notice, subject to the provisions hereof.*

The time period could be changed as deemed appropriate by the Board of Trustees.

Employment Agreement

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
AGREEMENT
GENERAL MANAGER

This Employment Agreement ("Agreement") is made and entered into this 1st day of July, 2020, by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT ("IVGID") and INDRA WINQUEST ("General Manager").

SECTION 1. DUTIES

1.1 IVGID hereby employs General Manager full-time to uphold and abide the laws of the State of Nevada, District Ordinances, written Policies, Practices, and Resolutions enacted by IVGID Board of Trustees ("Board of Trustees"), as well as the applicable job description attached hereto as **Exhibit A (Job Description)**, and to perform such other duties and functions as the Board of Trustees shall from time to time assign.

1.2 General Manager shall faithfully, diligently, and to the best of General Manager's abilities, perform all duties that are required under this Agreement. General Manager agrees that General Manager has a duty of loyalty and a fiduciary duty to IVGID.

1.3 General Manager shall devote the whole of General Manager's working time, skill, experience, knowledge, ability, labor, energy, attention, and best effort exclusively to IVGID's business and affairs.

1.4 General Manager shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of General Manager's duties. General Manager shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture or non-profit conducting business in the established boundaries of Incline Village and Crystal Bay.

1.5 The General Manager is an exempt employee as defined and consistent with the FAIR Labor Standards Act. General Manager is hired with the understanding that he is responsible for accomplishing the duties required of General Manager. General Manager does not have set work hours, he is expected to be available at all times. It is recognized that the General Manager must devote a great deal of time to the business of IVGID outside of IVGID's customary office hours, and to that end General Manager's schedule of work each day and week shall vary in accordance with the work required to be performed in accordance with any specific direction provided by the Board of Trustees.

1.6 General Manager shall abide by the Nevada Ethics in Government Law (NRS Chapter 281A), related regulations, and ethics opinions issued by the Nevada Ethics Commission. The Nevada Ethics Law establishes the public policy and standards of

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AGREEMENT
GENERAL MANAGER**

conduct necessary to ensure the integrity and impartiality of government, free from conflicts of interest between public duties and private interests of state and local public officers and employees.

SECTION 2. TERM OF AGREEMENT

2.1 General Manager shall serve as the IVGID Manager effective July 1, 2020 ("the Effective Date"). This Agreement shall thereafter continue in full force and effect for a three (3) year term or until such time as either party terminates this Agreement pursuant to the provisions hereof. General Manager's employment as IVGID General Manager shall be at will. This means that General Manager may be terminated from his employment with IVGID at any time, without cause, and without notice, subject to the provisions hereof.

SECTION 3. SALARY

3.1 IVGID agrees to pay General Manager an annual base salary for services rendered in the amount of one hundred ninety five thousand dollars (\$195,000) ("Base Salary").

3.2 General Manager shall receive annual compensation cost of living increases provided to other management-level IVGID employees.

3.3 In accordance with Section 7 below, the Board of Trustees shall conduct annual evaluations of General Manager's performance and the Board of Trustees shall consider the results of these performance evaluations when deciding whether to provide additional compensation. However, all salary increases and/or performance incentives shall be provided in the sole discretion of the Board of Trustees.

SECTION 4. BENEFITS

4.1 General Manager shall receive the health, dental, and vision insurance and recreational benefits provided to other management-level IVGID employees.

~~4.2 IVGID shall provide one hundred percent (100%) of the cost for life and disability insurance for the General Manager. The life insurance policy shall not be for less than \$1,000,000.00.~~

4.3 IVGID shall contribute that percentage of the employer's share defined contribution (457) program provided to other IVGID employees with same years of service and shall further contribute that percentage of the General Manager's income toward retirement benefits provided to other IVGID employees with the same years of

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service. Retirement benefits shall be provided by the way of IVGID's existing 401(a) plan or such other mechanisms as IVGID may implement in the future.

4.4 General Manager shall receive a phone/technology allowance of fifty dollars (\$50.00) per month.

SECTION 5. LEAVE

5.1 Annual Vacation Leave. IVGID shall include General Manager in its Annual Leave Program and provide him with an annual accrual of two hundred (200) hours of Annual Vacation Leave. General Manager shall accrue Annual Vacation Leave in the manner described in the IVGID's Personnel Policies and shall be subject to the cap on accrual of such leave as described therein. The General Manager shall be entitled to retain any existing Annual Vacation Leave existing as of the Effective Date.

5.2 General Manager shall be entitled to sell back to IVGID up to one hundred (100) hours of Annual Vacation Leave at the end of each calendar year.

5.3 Paid Holiday Leave. IVGID shall include General Manager in its Paid Holiday Leave program as described in IVGID's Personnel Policies and General Manager shall be paid for the designated Holidays.

5.4 Sick Leave. IVGID shall include General Manager in its Sick Leave program as described in IVGID's Personnel Policies. Subject to any changes to such policies, the General Manager shall accrue four (4) hours of sick leave in the first and second pay periods each month.

SECTION 6. TERMINATION OF AGREEMENT & SEVERANCE

6.1 Termination by IVGID. General Manager understands and agrees that General Manager has no constitutionally-protected property or other interest in General Manager's employment as IVGID General Manager.

6.2 General Manager understands and agrees that General Manager works at the will and pleasure of the Board of Trustees, and that General Manager may be terminated, or asked to resign, at any time, with or without cause or advance notice.

6.3 Notice of termination shall be provided to General Manager in writing. "Termination," as used in this Agreement, shall also include: (i) a request by a 4/5's super majority vote of the Board of Trustees that General Manager resign occurring within ninety days before or after an election for the Board of Trustees; (ii) a request by the majority vote of the Board of Trustees that General Manager resign occurring

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
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GENERAL MANAGER

at any other time; or (iii) any material reduction in the powers and authority of the IVGID General Manager including but not limited to the existing terms of Resolution 1480.

6.4 Termination by General Manager. General Manager may voluntarily terminate employment at any time by giving not less than thirty (30) days' notice.

6.5 Severance Benefit. If General Manager is terminated by the Board of Trustees without cause, then General Manager shall receive a one-time, lump sum cash payment equivalent to the sum of (i) General Manager's then-current monthly salary multiplied by twelve (12), (ii) the cash value of General Manager's then-current monthly medical premiums multiplied by twelve (12) as of the effective date of termination of employment and (iii) the cash value of his Annual Vacation Pay balance.

6.6 Eligibility for such severance payment is expressly conditioned upon General Manager's execution of (i) a waiver and release of any and all of General Manager's claims against IVGID, and (ii) a covenant not to sue. All normal payroll taxes and withholdings as required by law shall be made with respect to any amounts paid under this Section.

6.7 Ineligibility for Severance (Termination for Cause; Voluntary Resignation). Notwithstanding the terms in this Section 6, General Manager shall not be eligible to receive, and IVGID shall not be obligated to pay, and shall not pay, any severance amounts or continue any benefits, if General Manager is terminated for Cause.

6.8 "Cause," as used herein, shall mean, and be limited to, a termination for any of the following reasons: (i) conviction of a felony or other crime involving moral turpitude (ii) fraud, material dishonesty, or gross negligence in the General Manager's performance of his duties as IVGID General Manager; or (iii) civil liability for a violation of statute or law constituting misconduct in office or ethical violation.

6.9 In the event the Board of Trustees terminates General Manager for Cause, General Manager's sole remedy shall be a judicial action in declaratory relief to determine whether there was Cause. If the court determines there was no Cause, General Manager shall receive the severance pay provided in this Section 6, but no other damages, litigation costs or expenses, or attorneys' fees. Further, IVGID shall not be obligated to pay any severance amounts or continue any benefits in the event General Manager voluntarily resigns his employment.

6.10 In the event of discharge of General Manager from his employment hereunder or any termination of this Agreement, General Manager shall return to IVGID as soon

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GENERAL MANAGER**

as reasonably practicable after said discharge or termination all documents, materials, equipment, machines, procurement cards, employee identification card, keys, and all other tangible property of IVGID and shall maintain confidential any information of IVGID which cannot be returned.

6.11 In the event of General Manager's death, this Agreement shall terminate immediately and any and all compensation then due the General Manager shall be paid and delivered in his named beneficiary or the representative of his estate or trust, as the case may be.

SECTION 7. PERFORMANCE EVALUATION

7.1 Annually, or at such other time as desired by the Board of Trustees, the Board of Trustees and General Manager shall meet to evaluate the performance of General Manager on a date mutually determined by both parties.

7.2 The Board of Trustees may, in its sole discretion, use any professional assistance in establishing standards, including but not limited to an agreed-upon facilitator.

7.3 Nothing in this provision shall be construed to require the Board of Trustees to grant General Manager pay increases based on the performance standards, if any, mentioned above nor to limit in any manner the discretion of the Board of Trustees to grant or not grant increases.

7.4 Nor shall anything in this Agreement be construed to require the Board of Trustees to evaluate General Manager solely upon the performance standards, if any, mentioned above, nor to limit the discretion of the Board of Trustees to evaluate General Manager as it deems necessary in the sole discretion of the Board of Trustees.

**SECTION 8. PROFESSIONAL DEVELOPMENT, PROFESSIONAL ASSOCIATIONS,
AND OUTSIDE ACTIVITIES**

8.1 IVGID shall pay General Manager's annual membership dues and/or other similar professional organizational dues as approved by the Board of Trustees through the budgetary process.

8.2 During appointment as IVGID General Manager, and subject to the Board of Trustees budgetary approval of funds for such purpose, General Manager may attend and/or participate in professional activities, including, but not limited to, General Manager conferences and events, the League of Cities conferences and events, and

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
AGREEMENT
GENERAL MANAGER**

such other national, regional, and local associations, provided that General Manager's ability to perform his duties as IVGID General Manager is not compromised.

8.3 General Manager shall be paid his regular salary and benefits while traveling to, attending, or participating in professional activities, and shall be entitled to expense advances and/or reimbursement in accordance with IVGID's Personnel Policies or other applicable policy.

8.4 General Manager shall be entitled to reimbursement for the actual costs of the following expense categories that he incurs as a result of the professional development activities authorized in this section: airfare, rental car, conference fees, meals, and lodging, consistent with IVGID's Personnel Policies or other applicable policy and subject to annual budget appropriations.

8.5 General Manager shall notify the Board of Trustees in writing in advance of any absences of more than one day related to such professional development activities.

8.6 If General Manager wishes to engage in other outside professional activities (e.g. teaching, consulting, expert witness testimony, speaking, or other non-IVGID connected business for which compensation is paid), he shall seek and obtain express prior consent of the Board of Trustees. Notwithstanding the foregoing, the Board of Trustees authorizes General Manager to (i) coach middle/high school basketball and (ii) act as a board member for a charter school provided that the time for such endeavors does not interfere with his General Manager job duties as of the Effective Date.

8.7 General Manager will take paid or unpaid leave time for all such outside activities of this nature should such activities interfere with the General Manager's regular IVGID duties.

SECTION 9. REIMBURSEMENT FOR EXPENSES

General Manager shall be entitled to reimbursement of reasonable business-related expenses subject to the requirements and restrictions of IVGID's Personnel Policies or other applicable policy.

SECTION 10. BONDING/INDEMNIFICATION

10.1 IVGID shall bear the full cost of any fidelity or other bonds required of General Manager under any law or ordinance. IVGID shall defend, hold harmless, and indemnify General Manager against any tort, civil rights, personnel, discrimination, professional liability claim or demand or other legal action, whether groundless or

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
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otherwise, arising out of an alleged act of omission occurring in the performance of General Manager's duties, excepting any claim or demand arising out of (i) an alleged felony or other crime involving moral turpitude; (ii) fraud, material dishonesty, willful misconduct or gross negligence by the General Manager; or (iii) a violation of statute or law constituting misconduct in office or ethical violation.

10.2 IVGID may compromise and settle any such claim or suit and pay the amount of any settlement or judgment therefrom.

10.3 This Section 10 shall survive any termination or resignation of the General Manager or expiration of this Agreement. This section is not intended to provide any rights in excess of those rights provided by state law.

SECTION 11. MISCELLANEOUS

11.1 IVGID Board of Trustees, in consultation with General Manager, shall fix any other terms and conditions of employment as IVGID may determine from time to time, relating to the performance of General Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, IVGID Ordinances, Policy, Practices or Resolution, or any applicable law. No such terms and conditions shall be binding upon the parties to this Agreement unless and until they are reduced to writing and signed by both parties. Neither party may rely upon such terms and conditions without such an executed writing.

11.2 Unless otherwise specifically provided herein, all provisions of the policies and rules of IVGID relating to vacation and sick leave, retirement contributions, health benefits, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to General Manager as they would to other IVGID employee. Except for terms expressly addressed by this Agreement, all other terms of IVGID's Personnel Policies and benefits programs shall apply. To the extent there is an inconsistency between the Personnel Policies or benefits programs, the terms of this Agreement shall apply.

SECTION 12. NOTICES

Notices pursuant to this Agreement shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

Incline Village General Improvement District
893 Southwood Blvd, Incline Village NV 89451
P: 775-832-1323
F: 775-832-1380

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
AGREEMENT
GENERAL MANAGER

GENERAL MANAGER

Indra Winquest

893 Southwood Blvd, Incline Village NV 89451

P: 775-832-1323

F: 775-832-1380

or

General Manager's home address on file with the IVGID's Human Resources Department.

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to the civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service or into a traceable overnight delivery service (e.g. Federal Express or similar).

SECTION 13. GENERAL PROVISIONS

13.1 The text herein shall constitute the entire agreement between the parties, and supersedes any and all other writings, documents, correspondence, agreements or understandings, either oral or in writing, between the parties hereto with respect to the employment of General Manager by IVGID. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding on either party.

13.2 This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of General Manager.

13.3 If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

13.4 General Manager may not assign this Agreement in whole or in part.

13.5 This Agreement shall be governed by the laws of the State of Nevada. The venue for any and all litigation arising from this Agreement shall be in the state district or federal courts located in Washoe County, Nevada.

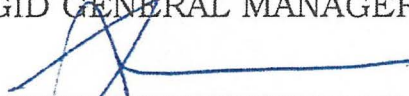
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
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GENERAL MANAGER

13.6 This Agreement may be modified or amended, or any of its provisions waived, only by a subsequent written agreement executed by each of the parties. The parties agree that this requirement for written modifications cannot be waived and any attempted waiver shall be void.

13.7 General Manager and IVGID agree and acknowledge that the provisions of this Agreement have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel, and that both parties agree that they either have had the provisions of this Agreement reviewed by legal counsel or have voluntarily chosen not to do so. IVGID expressly agrees and acknowledges that IVGID General Manager was not representing IVGID regarding the terms of this Agreement. The parties agree any ambiguities in construing or interpreting this Agreement shall not be resolved against the drafting party. The titles of the various sections are merely informational and shall not be construed as a substantive portion of this Agreement.

IT IS SO AGREED:

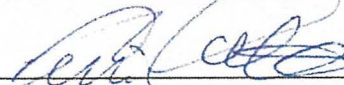
IVGID GENERAL MANAGER



Indra Winqest


IT IS SO AGREED:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT




Tim Callicrate, IVGID Board Chairman

APPROVED AS TO FORM:

By: 

Joshua Nelson, IVGID General Counsel

ATTEST:



Susan Herron, IVGID District Clerk



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

Job Title: General Manager
Job Number: 1110A
Salary Grade: Contract
Department: Administration
Reports to: Board of Trustees
FLSA Status: Exempt - Executive
Salary Range: \$182,000 to \$230,000 (which includes measurable incentives)

SUMMARY

Under the general direction of the District's Board of Trustees, assumes full responsibility for the operation and management of the Incline Village General Improvement District (IVGID).

ESSENTIAL DUTIES AND RESPONSIBILITIES

Not necessarily in order of priority, include the following. Other duties may be assigned by the Board of Trustees.

1. Provides excellent customer service to parcel owners, local businesses, government agencies and visitors to Incline Village/Crystal Bay.
2. Oversees the operation and management of the District, including the supervision and control of all of the District's property, activities, personnel, business, and operations. The General Manager is the chief executive officer of IVGID, responsible for all services, programs, budgets, and the overall operational and financial performance of the District.
3. Recommends, supports the development of, and implements policies and directives set by the Board of Trustees.
4. Directs operation and management of the District in compliance with Ordinances, Resolutions, Regulations, Long Range Principles, Policies and Practices.
5. Directs and participates in the development and implementation of long and short range goals, objectives, policies, practices, and procedures for the District.
6. Implements all personnel rules and regulations, recommends staffing levels, and maintains authority to hire, discipline, or discharge employees as may be necessary to carry out District business.
7. Leads, manages, mentors, empowers and coaches direct reports such as, but not limited to, the Senior Team.
8. Negotiates a variety of contracts and agreements on the District's behalf including labor negotiations with various union bargaining units.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

9. Prepares and coordinates preparation of and administers the annual operating budget, long range financial planning, and capital improvement programs for approval by the Board of Trustees.
10. Coordinates preparation and presents to the Board of Trustees agenda packages as requested by the Board of Trustees.
11. Controls, monitors, and reports on programs, projects, and activities in collaboration with Department Heads and Directors.
12. Participates in the development of departmental strategic management and business plans.
13. Leads and supports District wide efforts and training to provide excellent customer service with a focus on retention and loyalty building service.
14. As supported and guided by the Board of Trustees, represents IVGID to the community, media, and other entities, organizations, and government agencies at the local, regional, state, and federal levels.
15. Confers with and responds to District stakeholders and their requests for services, suggestions, and complaints.
16. Supports District managers in identifying day-to-day and IVGID organization-wide departmental operating issues and problems; analyzes alternatives and initiates solutions through effective leadership, collaboration and communication.
17. Directs Staff in the preparation, award, and administration of service, maintenance, construction, concessionaire, material, and other contracts.
18. Assists, advises, and supports the Board of Trustees on special projects, problems, and initiatives.
19. In support of the Board of Trustees, acts as primary interface with the District's General Counsel.
20. Adheres to and enforces stated safety policies and procedures.

LEADERSHIP AND SUPERVISORY RESPONSIBILITIES

1. Leads and manages a staff of Directors and Department Heads who, in turn, lead and supervise a total of approximately 750 employees (including seasonal employees) in the General Manger Department, Administrative, Internal Services, Community Services and Public Works areas.
2. Responsible for the overall leadership, direction, coordination, and evaluation of these units.
3. Carries out leadership responsibilities in accordance with the organization's policies, practices and procedures and applicable laws.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

4. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.
5. Works closely with the Senior Staff which is defined as Director of Human Resources, Executive Assistant/District Clerk, Director of Finance, Ski Resort General Manager, Director of Parks & Recreation, Director of Public Works, Director of Asset Management and Director of Information Systems & Technology.
6. Is responsible for fostering a positive and productive organizational culture.

QUALIFICATIONS

1. To perform this job successfully, an individual must be qualified to perform each essential duty satisfactorily.
2. The requirements listed below are representative of the knowledge, skill, and/or ability required.
3. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION

1. A Bachelor's degree in Public Administration, Business, Finance, Accounting, Engineering or other related field from an accredited four year college or university is required or relevant work experience with increasing responsibilities which include the management and leadership of a sizable organization.
2. A Master's Degree in Public Administration or Business Administration is strongly preferred.

EXPERIENCE

1. A minimum of ten (10) years of related, increasingly responsible, management experience within a customer-service driven and multi-functional environment is required.
2. Experience must also include successful leadership and management of disparate disciplines, i.e., finance, engineering, operations, administration, recreation, and marketing.
3. Experience within a municipal, governmental, community based organization, or recreational service environment is strongly preferred.
4. Experience reporting to a publically elected Board and experience in providing public services subject to public scrutiny is also strongly preferred.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

COMPREHENSION/COMMUNICATIONS SKILLS

1. Ability to read, analyze, and interpret complex documents.
2. Ability to understand, use, and effectively communicate to a diverse audience financial, technical, regulatory, and operational data.
3. Ability to respond effectively to sensitive inquiries or complaints and to establish and maintain effective working relationships with a broad variety of people.
4. Ability to develop presentations and write articles to address a community-wide audience.
5. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to employees, management, public groups, and the Board of Trustees.
6. Ability to effectively communicate in a one on one environment, where emotions may run extremely high.
7. Ability to influence others through persuasion, leading by example and team decision-making skills as opposed to the authority of rank is essential.
8. Overall, must be an extremely effective communicator, orally and in writing, with an open and approachable style.
9. The duties and responsibilities of this position necessitate the use of a cellular phone/mobile communication device for District business reasons.

MATHEMATICAL SKILLS

1. Ability to apply advanced mathematical concepts and mathematical operations to tasks such as development of budgets, review of budgets, operating statements and other financials, and analysis of strategy/policy making decisions and related economic impacts.

COLLABORATION ABILITY

1. Must have validated strong collaborative and consensus building skills to be applied in leadership and problem solving situations.
2. Ability to create a climate in which people want to do their best and encourage participation and open dialogue at all levels.

REASONING ABILITY

1. Ability to apply principles of logical or scientific thinking to a wide range of intellectual and practical problems.
2. Ability to deal with a variety of abstract and concrete variables.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

CERTIFICATES, LICENSES, REGISTRATIONS

1. Valid and current drivers' license, acceptable to the State of Nevada, with a driving record which ensures insurability is required.
2. Successful completion State of Nevada/Federal background check through fingerprinting because position has unsupervised access to children, the elderly or individuals with disabilities and/or has access to their records. Pursuant to National Child Protection Act (NCPA) of 1993 as amended by the Volunteers for Children Act (VCA).

It is the employee's responsibility to maintain all required certifications and licenses and to report any changes to the supervisor

OTHER SKILLS AND ABILITIES

1. Well developed and proven leadership skills, especially in the use of delegation, collaboration, participation and example; and strong interpersonal and customer 'retention' service skills; excellent organizational, planning, analytical and problem solving skills; ability to set priorities, but also remain flexible.
2. Must be ethical, trustworthy, self-confident, open and approachable, decisive, responsible, dependable, resourceful, enthusiastic, highly motivated, community oriented, and goal and results-oriented.
3. Ability to ski/snowboard and golf is preferred.
4. Experience or ability to turn enterprise(s) from loss to profit/breakeven.

PHYSICAL DEMANDS

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability who require and request such accommodations. Applicants and incumbents are encouraged to discuss potential accommodations with the employer.
2. While performing the duties of this job, the employee is regularly required to sit; use hands to finger, handle, or feel; and talk or hear. The employee frequently is required to reach with hands and arms. The employee is occasionally required to stand; walk; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

WORK ENVIRONMENT

1. The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is occasionally exposed to outside weather conditions. The noise level in the work environment is usually moderate.
3. Requires mental dexterity to handle emergency situations and be on call twenty four hours per day/seven days per week.

TRAVEL REQUIREMENTS

1. Should be able to travel, as required, to further the interests and needs of the District.

RESIDENCY

1. The District General Manager must reside within forty five (45) miles of the Incline Village General Improvement District service area boundaries (Incline Village and Crystal Bay, Nevada) and within the State of Nevada during the term of this employment contract.

I have read and understand this explanation and job description.

Employee Signature: _____ Date: _____

Employee Name: _____

General Business
Item 1.6.(d)
Phone/Technology
Allowance

MEMORANDUM

TO: Board of Trustees

FROM: Erin Feore
Director of Human Resources

SUBJECT: District General Manager's Employment Agreement: Phone/Technology Allowance

DATE: September 8, 2021

On September 15, 2021, the Board of Trustees will give the General Manager his performance evaluation. This is an appropriate time to review the District General Manager's Employment Agreement and make any necessary changes. Following is the specific paragraph from the employment agreement:

SECTION 4. BENEFITS

4.4 General Manager shall receive a phone/technology allowance of fifty dollars (\$50.00) per month.

The District General Manager has expressed a desire to have the flexibility within his employment agreement to make a switch, at his determination, to a District-issued cellular telephone and discontinue the monthly allowance. Therefore, a contract change is being requested as follows:

I make a motion that the District General Manager's Employment Agreement be changed as follows:

SECTION 4. BENEFITS

4.4 General Manager shall receive either a District-issued phone or a phone/technology allowance of fifty dollars (\$50.00) per month and that this determination can be made by the General Manager's at a time determined by the General Manager. No pro-rated allowance will be issued therefore the General Manager should make the determination by or before the end of the month.