

NOTICE OF MEETING

The special meeting of the Incline Village General Improvement District will be held starting at **12 noon** on Monday, November 9, 2020 in the Boardroom at 893 Southwood Boulevard, Incline Village, Nevada. **REVISION 1**

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 10:30 a.m. on Monday, November 9, 2020) or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. ROLL CALL OF TRUSTEES*
- B. 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.*
- C. 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.

- D. GENERAL BUSINESS (*for possible corrective action*)
 - 1. Review, discuss, clarify and potentially ratify the Board of Trustees' October 27, 2020 action to authorize the General Manager to execute a contract with Tyler Technologies for implementation of a new Human Resources Management/ Payroll Processing System and concurrent implementation of new Finance and Accounting System for a combined up-front capital project cost of \$391,438 (CIP#1315CO1801) via a five-year service agreement with annual maintenance costs of \$125,000 per year (years two through five), resulting in a total not-to-exceed cost of \$891,438 **and** amend Five-Year Capital Improvement Plan to provide supplemental funding (Requesting Staff Members: Director of Human Resources Dee Carey, Director of Information Technology Mike Gove and Director of Finance Paul Navazio) **Pages 003 - 0012**

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 November 9, 2020 - Page 2

REVISION 1

E. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

F. ADJOURNMENT (for possible action)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Wednesday, November 4, 2020 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of November 9, 2020) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Building
2. Incline
3. Crystal
4. Raley's
5. Incline County
6. IVGID's
7. The Chateau at Incline Village

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT, DECLARATION
OF EMERGENCY, DIRECTIVES 006, 016, 018,
021, 026, AND 029.**

Anne Vorderbruggen
(Administrative Offices)
Village Post Office
Bay Post Office
Shopping Center
Village Branch of Washoe
Library
Recreation Center

/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 Peter Morris.

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. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

*NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ...10. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
District General Manager

FROM: Directors Carey (Human Resources), Gove (Information Technology) and Navazio (Finance) and District General Counsel Joshua Nelson

SUBJECT: Review, discuss, clarify and potentially ratify the Board of Trustees' October 27, 2020 action to authorize the General Manager to execute a contract with Tyler Technologies for implementation of a new Human Resources Management/ Payroll Processing System and concurrent implementation of new Finance and Accounting System for a combined up-front capital project cost of \$391,438 (CIP#1315CO1801) via a five-year service agreement with annual maintenance costs of \$125,000 per year (years two through five), resulting in a total not-to-exceed cost of \$891,438 and amend Five-Year Capital Improvement Plan to provide supplemental funding

DATE: November 5, 2020

I. RECOMMENDATION

Staff recommends that the Board of Trustees clarify its action of October 27, 2020 by making the following motion:

The Board of Trustees ratifies the Board of Trustees' October 27, 2020 action to authorize the General Manager to execute a contract with Tyler Technologies for implementation of a new Human Resources Management/ Payroll Processing System and concurrent implementation of new Finance and Accounting System for a combined up-front capital project cost of \$391,438 (CIP#1315CO1801) via a five-year service agreement with annual maintenance costs of \$125,000 per year (years two through five), resulting in a total not-to-exceed cost of \$891,438 and amend Five-Year Capital Improvement Plan to provide supplemental funding

II. BACKGROUND

Upon review of the motion made at the October 27, 2020 Board of Trustees meeting, Staff recognized that the motion might not have been as concisely made as possible. Therefore, Staff recommends that the Board of Trustees take action to clarify and ratify that prior action as outlined above.

III. COMMENTS

District Staff and Legal Counsel have been made aware that a member of the public may file an Open Meeting Law complaint over the aforementioned meeting and the motion made. Upon a review of the motion and agenda item, Staff strongly disagrees that the agenda was not clear and complete. That being said, transparency is a core

Review, discuss, clarify and potentially ratify the -2-
Board of Trustees' October 27, 2020 action to authorize
the General Manager to execute a contract with Tyler
Technologies for implementation of a new Human
Resources Management/ Payroll Processing System and
concurrent implementation of new Finance and Accounting
System for a combined up-front capital project cost of
\$391,438 (CIP#1315CO1801) via a five-year service
agreement with annual maintenance costs of \$125,000 per
year (years two through five), resulting in a total not-to-
exceed cost of \$891,438 and amend Five-Year Capital
Improvement Plan to provide supplemental funding

value of the District, and Staff strives to ensure that the Board of Trustees and community clearly understand all agenda items and related actions.

In light of the concerns expressed, District Staff and District Legal Counsel recommended, and the District General Manager and Board of Trustees Chairman agreed, to call a special meeting of the Board of Trustees to discuss, clarify and potentially ratify the October 27, 2020 action. This will allow staff to clarify the action so there is no question regarding what the Board is approving and in the hopes of avoiding an Open Meeting Law complaint filing.

Attached is a copy of the Board memorandum from October 27, 2020. This memorandum explains the basic nature and scope of the services. Stated simply, Staff recommends that the Board approve the award of a contract to Tyler Technologies for Human Resources Management, Payroll Processing, and Finance and Accounting software services.

This contract includes two components: an up-front implementation and on-going services. As explained in the October 27, 2020 Board memorandum, funding for the up-front costs for concurrent implementation is estimated to be \$391,438, and is proposed to be funded via \$300,000 included in the current year (FY2020/21) capital budget - CIP#1315CO180, and \$91,438 that will be included in the FY2021/22 CIP budget, per Board action on October 27, 2020. Annual service costs over the five-year term of the contract will be \$125,000 per year (for years two through five). Staff has estimated the total not-to-exceed amount of the contract with Tyler Technologies to be \$891,438. This estimate is based on the scheduled implementation timeline for the various phases of the total project. (i.e. prorated annual service costs through the first year of implementation). Please note that this amount is lower than the summary provided by Tyler Technologies as an exhibit to the contract. This is due to the fact that the exhibit contains some optional services that Staff does not anticipate utilizing. Moreover, the travel expenses identified in the exhibit are not anticipated to be incurred due to COVID-19 and remote work capabilities. If the actual amount invoiced amount exceeds \$891,438, Staff would obtain additional purchasing authority for the overage consistent with Board purchasing policy.

Memorandum
from the
October 27,
2020 Board of
Trustees
meeting

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
General Manager

FROM: Dee Carey
Director of Human Resources

Paul Navazio
Director of Finance

Mike Gove
Director of Information Systems and Technology

SUBJECT: Review, discuss and possibly approve authorizing the District's General Manager to execute a contract with Tyler Technologies for implementation of a new Human Resource Management and Payroll Processing Software system in the amount of \$257,308. (approved CIP Project #1315CO1801 - \$300,000), **and** consider authorizing expanded scope for concurrent implementation of new Finance and Accounting system, **and** amending Five-Year Capital Improvement Plan to provide supplemental funding, for a combined capital project cost of \$391,438.

DATE: October 16, 2020

I. RECOMMENDATIONS

That the Board of Trustees make a motion to:

- a) Authorize the District General Manager to enter into a contract with Tyler Technologies/Munis Software for Human Resource Management System and Payroll implementation and software licensing agreement, with an up-front cost of \$257,308 (approved CIP project #1315CO1801), and
- b) Review, discuss and possibly authorize expanded project scope to include concurrent implementation of Finance and Accounting system resulting in combined upfront costs of \$391,438, and, if approved,

- c) Authorize staff to amend the Five-Year Capital Improvement Plan (FY2021/22) to provide supplemental funding of \$91,438 from available General Fund reserves for full system implementation.

II. BACKGROUND

One of the District's largest single budgetary items is payroll at nearly 15 million dollars. Management of the District's workforce, one of the most important assets to its operations, is critical to its on-going success.

Since mid-2016, Staff has been seeking a replacement solution for the current HR/Payroll system. Implemented in 2010 and provided by Harris, the current system is no longer being developed. As of 2020, District Staff was made aware of the need to upgrade the backend software engine to continue its use. This would cost the District an estimated \$25,000 in Fiscal Year 2020. This upgrade does not address any functionality or improvements rather it simply allows continued antiquated usage for an undisclosed amount of time. To support this project, the Board approved CIP Project #1315CO1801, funded in the current Capital Budget at \$300,000.

As communicated to the Board of Trustees in March of 2019, Staff narrowed the search to four systems based on extensive review of viable solutions. At that time, Director of Human Resources Dee Carey, presented how unique the District's Human Resource Management System (HRMS) and Payroll needs are. The Human Resource (HR), Information Technology (IT) and Finance teams have made the decision to select Tyler Technologies as the best option for the District's needs. Though it would be difficult to identify all potential efficiencies, some key components and improved functionalities the District would receive moving forward with Tyler, from a high level HR and IT overview, are:

- Improved efficiencies to current manual processes;
- Natively Integrated Payroll, timekeeping, HRMS, and Financial Management System (FMS) software;
- Digital on-boarding of new and rehired employees;
- Reduction in manual processes increasing accuracy of data;
- Recruiting Data Analytics;
- Enhanced Data Security;
- Improved reporting capabilities;
- Manager & Supervisor real-time monitoring of labor; and
- Paperless Benefit enrollment;

Tyler is the largest HRMS, Payroll, and FMS Software Company dedicated exclusively to the public sector. Tyler's solution has the ability to handle the Districts' vast payroll complexities and dramatically improve inefficiencies to our current manual processes. Tyler allows the District to maintain full control of all of the processes performed by Staff including applicant tracking, recordkeeping, 30-year data retention, zero cost check cutting, Federal and State filings, and talent management.

IVGID's historically complex seasonal staffing fluctuation was exemplified in 2018 with 982 W2's processed and, in 2019, with 1012 W2's processed. These figures represent W2's belonging to employees that could potentially hold multiple positions across several departments resulting in various rates of pay for any given day. Although the District holds a high standard for low turnover, the lion's share of our workforce is seasonal, therefore many employees will be on-boarded and off-boarded multiple times throughout the year. Due to this complexity, one employee may have as many as six manual interactions for one W2/employee. In conclusion, the District's number of employee held positions is typically 45-65% higher than our processed W2's. For additional perspective, the District's seasonal employee turnover rate is about 800 individuals.

The current HRMS system is roughly 15 to 20 years out of touch with current technology. With the "paperless" revolution of the early 2000's, organizations began transitioning to electronic applicant tracking and onboarding. The current process of on boarding an applicant is, on average, 30 minutes. Moving to the proposed solution, staff estimates a 75% reduction in this time. In addition to this, placing the data entry workload on the applicant will increase the accuracy of data entered.

Another technology standard amongst organizations is the ability for employees to engage with their employer via digital devices from anywhere at any time. Allowing employees to view or interact with paystubs, W2's, address changes, leave requests, benefit balances, schedules, handbooks, employee history, employer to employee communications and life event changes is the standard expectation of today's workforce. Included, with the proposed Tyler solution, is a fully functional globally accessible employee self-service portal that provides this functionality.

Regarding internal controls improvements, with the proposed solution, internal HR documents will be moved to a digitally generated and controlled workflow that will track all changes and/or approvals. In addition, this level of tracking allows Staff to

report on analytics for ongoing improvements to efficiency, accuracy, and transparency.

Though it would be difficult to identify all potential efficiencies with this new solution, some of these relating to payroll processing are:

- Time clocks are readily available, manufacture supported and use state of the art technology for multifactor authentication. These improved devices also have built in functionality for access to benefit balance, schedule checking, mid shift position transfer;
- Automated calculations of overtime, Rec Exempt, Non Exempt, Regular Rate of pay following FLSA regulations;
- Automated calculations for position and salary changes mid-week and mid pay period;
- Accessibility to information for Federal and State reporting;
- Readily available Affordable Care Act tracking and reporting;
- Employee capability to transfer positions at the time clock;
- Managers reporting capabilities through a dashboard system for real time information on labor costs and budget; and
- Automated uploading from time clocks to HRMS to the General Ledger.

After much education and discussion with the Information Technology team, Staff have made the decision to move from an on premise solution to a SaaS or Cloud Based solution. Staff believes the ability to access the solution from anywhere with an internet connection regardless of the District's power, weather, or internet accessibility conditions is a massive benefit to the District. In addition, the nature of the SaaS relationship will allow the District to stay current on all new security/product enhancements through the duration of our partnership.

Tyler's offering of an integrated Finance and Accounting system continues to support the District's goal of consolidating and unifying its technology. Having one integrated system eliminates the possibility for human interaction, systems incompatibility issues and minimizes opportunities to manipulate data.

As previously stated, it would be difficult to identify all potential efficiencies with this new solution, some of these relating to Finance and Accounting processing are:

- Completely integrated, comprehensive Financial Management platform - Accounting, General Ledger (GL), Accounts Payable (AP), Budgeting, Fixed

Assets, Contract Management, Inventory, Project & Grant Accounting, and Purchasing;

- Payroll integration with Munis financial budgeting will allow the ability to monitor the personnel cost to budget;
- Integrated work flow allows comprehensive internal control over the approval structure defined by the District’s intricate purchasing policies;
- Capital Management module allows reporting of budget to actuals which eliminates the need for the current extensive manual process;
- Direct integration to GL by venue Point of Sale (POS) systems eliminates the need for manual processes and error correction;
- Improved reporting capabilities allows management to monitor their department financial performance in a timely manner;
- Intuitive ad hoc reporting and data query based on any field at the user level without the need for interaction from an administrator.

III. BID RESULTS

The proposed purchase is exempt from competitive bidding requirements under NRS 332.115, is a sole source purchase for software for computers and hardware and associated peripheral equipment. Therefore, staff did not seek competitive bids. Staff did extensive research on viable software providers that could provide the functionality desired for the District’s payroll and Human Resources needs and determined the proposed solution met or exceeded said needs.

IV. FINANCIAL IMPACT AND BUDGET

Implementation of the combined HRMS/Payroll System and Finance and Accounting platform would require up-front implementation costs (\$391,438) over two-plus fiscal years, as well as increased ongoing software licensing and support costs ranging from \$68,000 (FY2021/22) to \$61,400 (FY2025/26). As illustrated in the chart below labeled Option 2 you can see the five year Capital plan for both HR and Finance.

Review, discuss and possibly approve CIP budget -6- approved project # 1315CO1801 Human Resources Capital Management and Payroll Processing Software in addition, review, discuss and possibly approve additional funds to include the Accounting & Finance Software

October 16, 2020

Option 2 - Tyler hosting off-site (HR & Finance)	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	Totals
Finance Annual Maintenance	54,127	54,127	54,127	54,127	54,127	270,635
Finance Implementation	20,426	81,704				102,130
total	74,553	135,831	54,127	54,127	54,127	372,765
HR/Payroll Annual Maintenance	65,811	65,811	65,811	65,811	65,811	329,055
Time Clocks (21) - Maintenance	-	5,061	5,061	5,061	5,061	20,244
HR/Payroll Implementation	91,808	22,952				114,760
Time Clock/VPN (purchase 21)	54,610					54,610
total	146,418	22,952				452,858
Total Annual Maintenance	119,938	124,999	124,999	124,999	124,999	619,934
Total Implementation	166,844	104,656	-	-	-	271,500
total	\$ 286,782	\$ 124,999	\$ 124,999	\$ 124,999	\$ 124,999	891,434
Variance from current annual / ongoing		\$ 68,470	\$ 66,209	\$ 63,857	\$ 61,412	
Up-Front Implementation Costs	\$ 391,438					

Option 3 - Tyler hosting off-site (HR Only)	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
HR/Payroll Annual Maintenance	67,398	67,398	67,398	67,398	67,398	336,990
Time Clocks (21)		5,061	5,061	5,061	5,061	20,244
HR/Payroll Implementation	108,240	27,060				135,300
Time Clock/VPN(purchase 21)	54,610					54,610
Total Annual Maintenance	67,398	72,459	72,459	72,459	72,459	357,234
Total Implementation	162,850	27,060	-	-	-	189,910
total	\$ 230,248	\$ 99,519	\$ 72,459	\$ 72,459	\$ 72,459	547,144
Variance from current annual / ongoing		\$ 14,343	\$ 12,082	\$ 9,730	\$ 7,294	
Up-Front Implementation Costs	\$ 257,308					

The approved **FY2020/2021** Capital Improvement Budget includes a total of \$300,000 in General Fund appropriations, based on earlier estimates of the up-front cost for the HR/Payroll system only. If approved by the Board of Trustees, funding is available through the General Fund fund balance to provide for the additional funding needed for full project implementation, although additional funding (\$91,438) would not be required until Fiscal Year 2021/2022.

The recommended implementation model for the new HR/Payroll and Finance and Accounting system, through Tyler Technologies, is for the system to be hosted by the vendor as a licensed SaaS solution. Staff will adjust the annual General Fund operating budget accordingly to reflect the ongoing licensing and maintenance cost of \$124,999 per year (beginning in FY2021/2022), which is an increase of approximately \$75,000 per year. Staff chose the SaaS model based on the importance of these systems and the District's requirement to have them available and operational 100% of their usable time. The increased security and developmental longevity were also factors during this process.

V. ALTERNATIVE

Not authorize the proposed software licensing agreement for the approved budget CIP item for the Human Resource/Payroll and Finance.

VI. COMMENTS

District Staff is also encouraging the Board of Trustees to consider the affect a delay would have on the District paying one of its most valuable assets, the employees, due to the current vendor phasing out the current software platform, the continued inefficiencies, manual processes and outdated software.

The question has been asked, by Board of Trustees members, “why not outsource payroll.” It really comes down to the complexities of the District and its payroll. Staff continually looks at cost, control, compliance, internal and external reporting and our overall complexities of the District’s payroll. It is important for the District to remain in control of our costs and in-house HR and Payroll processing due to our seasonality and the amount of payrolls we process at different times. One large expense, with outsource payroll companies, is the charge for each check and the restriction on when checks can be processed. With the amount of checks processed and our seasonality, this cost will increase quickly. Staff believes in less annual cost and more control is important to the District. Efficiency in reporting taxes, compliance regulations, District knowledge, communication for employees, continued need for Staff to be the boots-on-the-ground will still be required and won’t decrease significantly enough to balance the cost of the service. There will still be the need for boots-on-the-ground to carefully review the data before it is transmitted or updated to the outsourced company and the information that is then returned from the outsourced company would have to be carefully reviewed for errors by Payroll Staff. While Staff may be relieved of some of the more menial tasks of data entry, the Payroll Coordinator will still be responsible for the accuracy of the data received back from the Service provider. Staff is confident the outsourcing cost will far exceed any benefits and is not the appropriate answer to the District’s payroll needs.

Lastly, the Tyler Munis software agreement has been reviewed by General Counsel.