

**MEMORANDUM**

**TO:** Board of Trustees

**FROM:** Josh Nelson  
General Counsel

**SUBJECT:** Reconsider Policy 22.1.0 Disclosure of Community Groups, Discuss and Potentially Adopt Edits to Policy 22.1.0, and Potentially Suspend Policy 22.1.0 as the Board Considers Potential Edits

**RELATED STRATEGIC PLAN INITIATIVES:** Long Range Principle #7 Governance

**RELATED DISTRICT POLICY:** Policy 22.1.0 Disclosure of External Entity Involvement  
Policy 3.1.0, 0.7 Reconsideration

**DATE:** July 1, 2023

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**I. RECOMMENDATION**

That the Board of Trustees reconsider Policy 22.1.0 Disclosure of Community Groups, discuss and potentially adopt edits to Policy 22.1.0, and potentially suspend Policy 22.1.0 as the Board considers potential edits.

**II. BACKGROUND**

At a series of meetings earlier this year, the Board discussed and ultimately approved Policy 22.1.0 requiring Trustees, Audit Committee Members, and certain staff members to disclose their involvement in certain entities. This currently defined incredibly broadly to include all entities regardless of their location and however they are organized.

Disclosures must be filed quarterly, and the first report is due July 15<sup>th</sup>. Staff distributed the disclosure form and has received concerns from some required filers. They have raised concerns that the Policy requires the disclosure of unrelated interests (i.e., partnerships to purchase a foreign vacation home, trusts formed to hold personal residences, interests in employer stock pension programs, and clients located in other states). These concerns echo similar issues raised during the consideration of Policy 22.1.0.

Legal Counsel asked the Board whether it wished to reconsider Policy 22.1.0 in light of these concerns, and Trustees Noble and Tonking provided email requests to do so.

In addition to the above, the Nevada Legislature adopted AB 258 during the prior legislative session. In part, this bill prohibited local governments like IVGID from requesting or requiring a current or prospective contractor or grantee to provide a list of nonprofit organizations to which the contractor or grantee has provided support. Any personal information that identifies a donor, member or volunteer of a nonprofit organization would be confidential. While the Governor ultimately vetoed this bill, it may reflect public policy considerations regarding personal privacy in this information.

This item is an opportunity for the Board to consider potential edits to Policy 22.1.0. Potential edits are included in the attached redline and discussed below. However, the Board could consider additional edits. It may also consider suspending Policy 22.1.0 and considering edits at a future meeting.

- Geographic Limitation: While the Board previously indicated it wished that the Policy applied to all entities whenever located, it may wish to consider limiting the Policy to those entities that have a connection to the Northern Nevada/Lake Tahoe community. Draft language is included for consideration.
- Organization: The current definition of entity to include all entities "for profit, not-for-profit, and non-profit associations, businesses, or entities, however organized" may be overbroad. Draft language to narrow this to certain specified types of entities is included.
- Excluding Members: The Board may wish to exclude those who are only members in an entity from disclosure. This edit may recognize the personal privacy interests at stake.

These edits are included for discussion. The Board ignore or modify them or include further edits.

**III. FINANCIAL IMPACT AND BUDGET**

No direct impact by amendment of the Policy.

**IV. ALTERNATIVES**

Below are alternatives to the recommended action:

1. Decline to consider edits to the Policy.
2. Suspend the Policy and consider edits to the Policy at a future Board meeting.

**V. BUSINESS IMPACT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

**VI. ATTACHMENTS**

1. Policy 22.1.0 Disclosure of Community Non-Profit Involvement
2. Proposed Redline Edits to Policy 22.1.0 Disclosure of Community Non-Profit Involvement



## Policy 22.1.0

### Disclosure of External Entity Involvement

**POLICY.** The Incline Village General Improvement District emphasizes transparency and understands that state law creates minimum standards. In some instances it may be appropriate to impose stricter requirements than those set forth in the Nevada Revised Statutes (NRS). While IVGID encourages Trustees and employees to be involved in local community groups, this involvement may result in real or perceived conflicts of interest. Various provisions of the NRS, including NRS 281A, prohibit IVGID officials from participating in decisions affecting their “commitments in a private capacity” and otherwise impose disclosure or recusal requirements on decisions impacting officials’ organizations.

While these requirements impose important minimum standards that avoid actual conflicts of interest, they do not provide transparency regarding potential conflicts of interest or otherwise ensure that officials are proactively disclosing potential conflicts of interest.

As defined in this Policy, “Qualifying Groups” shall be for profit, not-for-profit, and non-profit associations, businesses, or entities, however organized.

To provide additional transparency beyond state minimum requirements, IVGID Trustees, Audit Committee Members, and senior management employees shall report on a quarterly basis any Qualifying Groups to which they are an employee, member, or officer. Member of a Qualifying Group does not include simply listing a party affiliation as part of a voter registration or being a parishioner or regular attendee of a church, synagogue, mosque, or other religious group. Senior employees shall include the General Manager, department heads, and any supervisors with signature authority under Policies 20.1.0 or 21.1.0 as identified by the General Manager.

Reports shall be made quarterly due by January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup>, and October 15<sup>th</sup> and shall be included in the General Manager’s report or similar item in the next regularly scheduled Board of Trustees meeting after such dates.

**RESPONSIBILITY.** The District Clerk shall be responsible for developing reporting forms, notifying officials of their obligation to file reports, and maintaining such reports. All forms shall be public records.

The General Manager shall adopt and enforce personnel policies to ensure compliance with this Policy. The Board of Trustees shall enforce this Policy against Trustees, Audit Committee Members, and the General Manager.



## Disclosure of External Entity Involvement Policy 22.1.0

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While these requirements impose important minimum standards that avoid actual conflicts of interest, they do not provide transparency regarding potential conflicts of interest or otherwise ensure that officials are proactively disclosing potential conflicts of interest.

As defined in this Policy, “Qualifying Groups” shall be for profit, not-for-profit, and non-profit ~~associations, businesses, or entities, however organized~~ corporations, limited liability companies, partnerships, and sole proprietorships that are located in, operate on, or own or lease property within the Nevada counties of Douglas and Washoe, Carson City, or the California counties of El Dorado, Nevada, Placer, and Sierra.

To provide additional transparency beyond state minimum requirements, IVGID Trustees, Audit Committee Members, and senior management employees shall report on a quarterly basis any Qualifying Groups to which they are an owner, ~~employee, member,~~ or officer. ~~Member of a Qualifying Group does not include simply listing a party affiliation as part of a voter registration or being a parishioner or regular attendee of a church, synagogue, mosque, or other religious group.~~ Senior employees shall include the General Manager, department heads, and any supervisors with signature authority under Policies 20.1.0 or 21.1.0 as identified by the General Manager.

Reports shall be made quarterly due by January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup>, and October 15<sup>th</sup>. The report required to be filed for July 15, 2023 shall be due July 31, 2023.

**RESPONSIBILITY.** The District Clerk shall be responsible for developing reporting forms, notifying officials of their obligation to file reports, and maintaining such reports. All forms shall be public records.

The General Manager shall adopt and enforce personnel policies to ensure compliance with this Policy. The Board of Trustees shall enforce this Policy against Trustees, Audit Committee Members, and the General Manager.