

## **MINUTES**

### **REGULAR MEETING OF SEPTEMBER 2, 2021**

Incline Village General Improvement District

### **AS AMENDED**

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Tim Callicrate on Tuesday, September 2, 2021 at 6:13 p.m. This meeting was conducted via Zoom with a viewing area set up at 893 Southwood Boulevard, Incline Village, Nevada.

#### **A. PLEDGE OF ALLEGIANCE\***

The pledge of allegiance was recited.

#### **B. ROLL CALL OF TRUSTEES\***

On roll call, present were Trustees Tim Callicrate, Sara Schmitz, Michaela Tonking and Kendra Wong. Trustee Matthew Dent was absent.

Members of Staff present were Director of Finance Paul Navazio, Director of Public Works Brad Underwood, Director of Human Resources Erin Feore, General Manager Diamond Peak Ski Resort Mike Bandelin and Marketing Manager Paul Raymore.

#### **C. INITIAL PUBLIC COMMENTS\***

Dick Warren said General Business Item H.6.b – Policy 15.1.0, District General Manager Winquest, why are you commenting on the Audit Committee? You don't know a damn thing about auditing, or accounting for that matter. He suggests you stay out of areas in which you know nothing. A few comments on pages 491-494: Page 491 Preamble – District General Manager Winquest recommends that the AC should be viewed as “advisory” to the Board with respect to fiscal management. Of course, let the Board make all financial calls since the District General Manager controls the Board. That's what's nice about the AC, they are not controlled by the District General Manager. Page 491 Policy Statement – The District General Manager thinks the working relationship between the BOT, the independent auditors & Management needs to improve, it's too adversarial. This fits right in with the District General Manager's slogan “...Can't we all just get along...?”. Page 491 Organization – This is great District General Manager Winquest, the Board can remove an AC member by a majority vote of the Board...is this how you intend to get rid of a pesky AC member like Cliff? I'll bet Wong would love to get this inserted into the Policy! Why do you need 2 Trustees on the AC? The AC must be independent, period. Quite frankly, only Sara is qualified to be on the AC, why introduce incompetency to the AC with the addition of Callicrate, Wong or Tonking?

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Page 492 Policy Section 2.4 – The AC has the right to review both interim & final drafts of the financials including the MD&A, period. Page 493 Meetings 3.2 & 3.3 – District General Manager Winqest, by trying to limit the number of meetings by the AC, plus only allowing them oversight of issues brought to their attention, you are purposely reducing their effectiveness. He could go on & on, but he has a 3-minute limit. District General Manager Winqest, it has been quite obvious that you do not like the AC, and it's because you can't control them. You hate the independence of the AC, but it's the independence of the AC that makes them efficient, plus the competency & honesty of the current members. Like I said at the top District General Manager Winqest, stay out of Policy 15.1.0, you don't know what you're talking about. Page 494 Trustee Tonking's Comments – Trustee Tonking, you take direction well from the District General Manager. As with the District General Manager's comments, the whole purpose here is to rein in the independence & objectivity of the AC, make them subservient to the Board, and basically reduce them to a "nothing Committee". You don't know what you're talking about Trustee Tonking, so I suggest you clam up and only discuss areas in which you have a shred of expertise. General Business Item H.7 – Appointment of a Trustee to the AC. As mentioned above, Trustee Schmitz is the only Trustee qualified to be on the AC. Keep the AC as independent as possible, and find another candidate with the background & knowledge (expertise) necessary to be on the AC. Do not dumb it down by adding a Trustee totally unfit to serve on the AC. Competency is not a dirty word, okay? Thank you.

Linda Newman said please remove item G.1., the effluent pond lining project, from the Consent Calendar as the information contained in the packet is incomplete and incorrect and violates Board Policy 13.1 and Practice 13.2. the proposed contract with Jacobs cannot be approved. IVGID has two wastewater storage ponds. Pond #1 is adjacent to the treatment plant and Pond #2 is vastly larger and directly above the utility administrative facility. Since 2014, both properties were closed by NDEP and Staff only considered lining Pond #1. In 2018, Jacobs provided four alternatives and estimated construction costs ranging from \$500,000 to \$3.2 million. The Board determined Pond #1 would be lined and identified an alternative however no project summary was completed, no funding sources identified, and no budget was provided on the 5-year capital plan – nothing was done. In early 2020, the Board established the pond as a separate project. All funding for the pond would not come from the future effluent pipeline set aside money. In June, the Board awarded Jacobs another \$36,000 to again study lining Pond #1 only to be abandoned five weeks later in favor of reviewing the feasibility and cost to line larger Pond #2. That new review was due at the end of August but it is not in the packet. So without any review of a yet to be reviewed study, Staff wants this Board to approve a \$425,339 contract with a 10% contingency to proceed into final design of Pond #2. Addendum #2 contains incorrect information. It states the 2 ponds

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have storage capacity of 2,000,015 gallons. In June, Staff claimed that Pond #1 had a 2.4-million-gallon storage capacity. In July, they claimed the storage capacity is only 1.1 million gallons which the 2018 Jacobs report did not indicate any capacity. Staff has not clarified capacity but wants 6 million gallons. The project summary sheet has incorrect information. It describes Pond #1 rather than Pond #2 which the contract is for. The budget for the entire project is only \$1,550,000. however the total estimated costs of lining Pond #2 including funds needed to cover additional requirements excluded from this contract are unknown. Lots of unknowns including concrete funding sources. Approving this contract violates your fiduciary responsibilities and obligations under Board policies and practices. Thank you.

Cliff Dobler said “Smoke gets in your eyes” was a song written in 1933 for the musical “Roberta” later used in the 1952 film “Lovely to Look At” and then made famously again by the Platters in 1958. Now onto the IVGID stuff. He has kept an eye on the Burnt Cedar pool – it’s going to look great. The pathway between the beaches is cut in and has a nice feel. Some existing sewer lines were damaged which were not indicated on the plan. A good reason to have plans updated for as-builts. The Champ golf course is in excellent shape, best in many years. Reducing the amount of spurge weed and staking areas to allow growth helped tremendously. The men on the ground deserve extra credit for working in the smoke; help them out. Replacing the Mountain Golf Course cart paths is scheduled for 20 days. There is no indication of who will be inspecting the contract with a budget of \$40,000. In the past, he has observed, without inspections, the contractor has either not installed base materials or reduced the amounts. The inspection could not be by IVGID Staff because their work is under design, permits, internal Staff with a budget of \$65,000. There is no design needed as it was completed in fiscal 2021. So the budget is inflated. It is time for IVGID management to provide a capital plan for the effluent pipeline and the larger wastewater storage pond. Recently, it was decided to line Pond #2 seeking 6 million gallons of storage rather than the 2.4 million available in Pond #1. Based on the design cost increase from \$256,000 in February 2020 to \$425,000 today the project costs would proportionately be increased to \$4.5 to \$5 million. Jacobs was to provide a construction estimate by August 31 which is not in the packet. The capital budget is only \$1,550,000. In March, Marcus Faust reported only \$2.7 million maybe available from the Arms Corps of Engineers with nothing yet committed. The project summary indicates that Pond #1 is to be lined not Pond #2. It is hard to imagine how HDR Engineering could perform a utility rate study absent a plan for the effluent pipeline and the wastewater pond? According to the \$75,000 contract, the basic services are derived from two attachments – your original RFP and the undated HDR scope of services. There is no doubt in his mind that the two attachments will be in conflict. One example – how long is the rate study for? The

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RFP states 5 years and the HDR document states 10 years with an emphasis on 5 years. He could go on but will not. Lastly, the scope of works to review and update IVGID policy related to Dillion's Rule should not include community program as the Audit Committee has not reviewed his memorandum dated November 30, 2020 not has Josh Nelson provided an opinion.

Mike Abel said that District General Manager Winquest has responded to his email that was sent to the Trustees regarding irregularities on the Mountain Golf Course Phase one cart path replacement presentation. As usual - IVGID frustrates the public by providing massive amounts of mostly superfluous information - in this case 244 pages. Then management slams the item on the consent calendar so that no questions are asked - well he is asking questions – just for the record

1. The Lumos contract divided the project into three parts - nowhere does the packet show what the three parts are or if they are equal! (Yes - phase one is holes 3-9 - but what about phases 2 & 3) The project is going to be three phases (multi-year project). The phases will not be broken up into exactly 1/3 of the path. The phases are broken into logical start/stop points based on what makes the most sense as to which holes can be closed during construction. How was it decided that phase one would be holes 3-9 ? The Engineering Team consulted with the golf course staff as a client to help inform this decision. Again and as usual IVGID management does not delineate for the board the parameters of phase one two and three
2. Lack of any map in the 244 pages. There is no map shown in the 244 pages of the project information - even I can come up with a map of the course. Do you mean to tell me that the bids were put out there with no map? Plans and specifications were available to any and all interested bidders. Don't you think that that a map would be useful to the public and the board to understand the project. District General Manager Winquest responded that "A map is not necessary to be included in the Board packet as identification of the work as Holes 3 – 9 is enough for understanding." Really!
3. He asked -Lumos February estimate for construction only was \$7.00 per sq ft. - why did the budget come up with \$11.05 sq ft ?? Due to extreme cost variances in the construction industry, Lumos updated their cost estimate to what they believed the market would be at. Again a lack of information. Would it not be appropriate to provide the public and the board with the updated estimate.
4. The packet says that each phase will be 1/3 of 110,00 sq feet or 36,667 sq ft - The Carson Contract is for 31,896 total – actually 14% less than 1/3 -

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another informational slight of hand (see page 111) Not all three phases are broken up exactly to 1/3 of the total cart path length. Each phase will have a varied amount of replacement recommended based on logical start/stopping points associated with what holes can be closed during construction. Also Phase I is less than 1/3 because we only have a one month construction window.

5. Page 63 of The packet does not say anything about the 3,688s/f ("additional") in the Carson bid. The 3,688 sf refers to removing and replacement of asphalt pavement only. There is a section of path that has been determined to have adequate subsurface material that does not need to be removed and replaced. This was determined during the geotechnical investigation phase of design.

To expect Board members to peruse 240+ pages in the packet on one item is absurd. Why our chair and the Trustees tolerate this kind of sloppy presentation and twisted numbers boggles my brain! Wow - even I could come up with a picture/map of the course. How about blowing this up and making a map - maybe staff is too busy for that and want to keep the public and the Board in the dark!



Aaron Katz said he has several written statements to be attached. Earlier today, he provided black and white evidence of public records concealment and the best the District General Manager could do is to ask Staff to provide an apology. Mr. Katz then went over several outstanding records request. Why are we paying Staff for anything on the pond liner when we are paying a CMAR – he just doesn't get it.

Yolanda Knaak said she is calling in a request to get a compliance opinion for Dillon's rule and get it done by outside counsel. H.6.1 – please support the adoption of changes to Policy 15.1.0 particularly the provision about appointing the Chair by the committee.

**D. APPROVAL OF AGENDA (for possible action)**

Board Chairman Callicrate said that General Business Item H.2. and General Business Item H.5. are pulled from this agenda because he wants Trustee Dent to be present when these items are discussed. Trustee Schmitz said she would like to request that the Board combine General Business Items H.6.a. and H.6.b. and

that this is because of the issues/concerns that have been addressed and it would be of benefit to address both items together. As to the items on the Consent Calendar, do we have the ability to request Staff to address those concerns without pulling those items into General Business? District General Counsel Nelson said yes, Staff can respond to questions, as long as no discussion ensues. Trustee Schmitz said she is hopeful that Director of Public Works Underwood will address public comments. Trustee Schmitz said on Consent Calendar item regarding blanket purchase orders – can there be some clarification on that item as there is some clarification needed?

**E. REVIEW OF THE LONG RANGE CALENDAR (for possible action)**

District General Manager Winqest said that the Ordinance 7 Committee is working hard and he hopes to have a special meeting date soon. He then went over the long range calendar included in the packet.

**F. REPORTS TO THE BOARD\* - Reports are intended to inform the Board and/or the public.**

**F.1. Verbal report from Audit Committee Chairman Raymond Tulloch about their August 18, 2021 meeting**

Audit Committee Chairman Tulloch said that the last Audit Committee meeting was a special meeting that was to review Policy 15.1.0 and we have put together a very good recommendation. He has reached out to all of the Trustees to discuss the changes.

**G. CONSENT CALENDAR (for possible action)**

- 1. Review, discuss, and possibly authorize Additional Services Amendment #2 for the Effluent Pond Lining Project – 2599SS2010 – Fund: Utility; Division: Sewer; Vendor: Jacobs Engineering, Inc., in the amount of \$425,339.00 for the Effluent Pond Lining Project - Phase II Pond Lining Preliminary and Final Design Professional Services, plus up to approximately 10% contingency (Requesting Staff Member: Director of Public Works Brad Underwood)**
- 2. Review, discuss and possibly approve a Professional Services Contract for Public Utility Rate Study for Provision of Water and Sewer Services; Vendor: HDR Engineering, Inc.; Amount:**



**\$74,935; Fund 200 (Utilities) (Requesting Staff Member: Director of Public Works Brad Underwood)**

- 3. Review, discuss, and possibly authorize or approve a construction contract for the Mountain Golf Course Cart Path Replacement Phase I Project - 3241LI2001 - Fund: Community Services; Division: Mountain Golf; Vendor: F. W. Carson Co., in the amount of \$357,138.80; plus 10% contingency (Requesting Staff Member: Director of Public Works Brad Underwood)**
- 4. Authorization to Transact Under Blanket Purchase Orders for Fiscal Year 2021/22, Pursuant to NRS 332.115 and Board Policy 3.1.0 (Requesting Staff Member: Director of Finance Paul Navazio)**
- 5. Review, discuss, and possibly authorize a purchase contract in the amount of \$87,545.08 for the purchase of 40 Verkada Security Cameras and their associated licenses; FY2021/22 CIP Project – Security Cameras (CIP#1213CE2105); Vendor: SHI; Fund: General Fund; Division: Administration – Information Services (Requesting Staff Member: Director of Information Technology Mike Gove)**

District General Counsel Nelson recommended that Staff provide clarity on each item and see how that works out and then have that discussion followed by a motion.

Director of Public Works Underwood said, regarding Consent Calendar Item G.1., in July when we came to the Board, we discussed the need to line Pond #1 in order to get a four-day work week for the pipeline work. There is no change to the scope of work. Happy to answer other specific questions. Trustee Schmitz said that the project summary needs to be updated to go to the larger pond, some deliverables were requested that weren't contained in the packet; there was final design criteria that was due in August - have you received everything and it is just not included in the packet? Director of Public Works Underwood said yes, received a draft and the cost estimate is being reviewed tomorrow. Trustee Schmitz said it is something that the Board should review prior to approving the next phase? Director of Public Works Underwood said we are trying to meet a timeline in order to get permitting and this would slow us down. He then asked what the Board's concern would be and that the cost estimate is around \$3 million. Trustee Schmitz asked if those final deliverables can be posted so the Trustees and



public can see them? Director of Public Works Underwood said yes, those can be posted. Trustee Schmitz said that would be great.

Board Chairman Callicrate asked about Consent Calendar Item G.2. Trustee Schmitz said that she did read and has heard that we have been flipping back and forth between five and ten years. It is important for the scope to be clear thus she wants to make sure the language is clarified; five years or ten years? Director of Public Works Underwood said Staff is focused on the initial five years and HDR will look 10 years and that the scope that is attached is the expected scope of work. Trustee Schmitz said they will be taking into consideration all the pond lining and pipeline projects? Director of Public Works Underwood said yes, he needs to review with HDR and Granite, and then Staff will update the project summary once we have those in place.

Board Chairman Callicrate asked about Consent Calendar Item G.3. Underwood said we have competent Staff to do that part of the work and then we will have a Project Manager onboard 10/1 and then a testing firm for impaction. Schmitz said the \$40K for construction management that will not be used for internal Staff time. Underwood said no, part of that will be utilized for Staff time. Those are just budget figures for the entire project. Winqest said that is a budget number and Staff will manage and we may not spend all of that.

Board Chairman Callicrate asked about Consent Calendar Item G.4. Trustee Schmitz said that the Director of Finance received her e-mail so can you walk through those things or should she ask about those things? Director of Finance Navazio said this is about routine transaction over \$50,000 during the fiscal year. In the past, these transactions were deemed approved by the District General Manager and to ensure compliance with Board Policy and Purchasing policy, we are asking for Board approval to exceed \$50,000. Staff would be bringing a similar item forward, each year, to ensure we have proper spending authority, if approved, and that this doesn't supersede the process we have in place. Starting on agenda packet page 311 and 312, more information is included, and included are some items that are within the District General Manager's authority but they are in here for transparency. There are a couple of vendors, particularly utility providers, assumed to be approved through the adoption of the budget and that he provided, to Trustee Schmitz, those amounts. Trustee Schmitz said, for clarification, agenda packet page 308, amounts to NTE - if you go onto agenda packet pages 311 and 312, column 2021/2022 estimate is that supposed to say NTE? Director of Finance Navazio said it could say

estimates of not to exceed here. Attachment A and agenda packet page 311, the purchase order within District General Manager's authority is excluded, on page agenda packet 312 as are insurance and utilities - those two groupings are to be excluded and that there are Y's and N's. Trustee Schmitz said so Attachment A is for only those items that require Board approval.

Board Chairman Callicrate asked about Consent Calendar Item G.4.; there were no questions from the Trustees.

Trustee Wong made a motion to, noting the clarifications regarding blanket purchase orders as stated by Trustee Schmitz, a motion to approve the Consent Calendar. Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question and the motion was passed unanimously.

#### **H. GENERAL BUSINESS (for possible action)**

**H.1. Review, discuss and possibly approve an agreement for media buying services for 2021/22; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities; Vendor: EXL Media; Agreement Amount: Up to \$201,500 in paid media spending, \$10,000 in trade media spending, and up to \$53,500 in agency fees – a grand total of up to \$265,000 (Requesting Staff Member: Director of Golf/Community Services Darren Howard)**

Director of Golf/Community Services Darren Howard turned the item over to Marketing Manager Paul Raymore who gave an overview of the submitted materials. Trustee Schmitz said she appreciates how cost effective we were last year; we don't have the return on investment (ROI) evaluation this year, we spent \$89,000 total on Diamond Peak and what are we trying to accomplish by increasing it this year? Marketing Manager Raymore said last year was an anomaly with COVID-19 effecting everything. Due to the effects, we have transitioned over to doing as much marketing as we can to get to our customers the information regarding COVID-19 such as pre-purchase etc. It changed dramatically last year due to COVID-19. What is being purposed for this year, is to get closer to normal, they are not-to-exceed dollar amounts, and being able to change quickly. Depending on how the ski and golf seasons shape up, along with weddings and events, we will be paying a lot of attention to those needs, especially with getting back to normal at the ski resort as a lot of them were put on hold. Trustee

Schmitz said as she recalls it, there wasn't a negative performance for Diamond Peak. She understands we need to market it however she doesn't see why we would increase that. What did we spend on the Championship and Mountain golf courses this year? One of the things that the District General Manager is working on, with the golfers, is that the focus that is wanted is to be more on residents and so she is curious to how this compares to last year and the difficulty in getting tee times as well as the ROI on this expenditure. Marketing Manager Raymore said what we saw with skiing was this was one of the safe activities that could be done outdoors. We were able to cut back on our advertising without any effect. For the golf courses, we didn't have approved monies therefore we didn't spend any. Golf has been very popular during COVID-19 and if that changes, we are seeing a need to go back to our more traditional marketing efforts. We are always monitoring and if the tee sheet is truly full, we won't spend any of the money. Trustee Tonking said if we don't need the money for advertising at golf then it won't be spent. Have we looked at who else is out there, etc. as she is trying to get a feel for it? Marketing Manager Raymore recapped the last bidding process and noted that if we went to bid today, we would likely get the same bidders. That aren't that many qualified agencies and we do like working with the local agencies who can come up and work with this. He doesn't think that there are large agencies that could compete on quality and cost. Staff has been extremely happy with the services EXL Media provides but it is at the Board's pleasure. District General Manager Winqest said the last normal year marketing spend was \$425,000. For the last several years, there has been a lot of discussion about marketing spends and then went over the history. Trustee Wong said thank you for the hard work you have put in as this was a difficult year to navigate. She appreciates the proposal that you have put forward and seeing our marketing spend and balancing promoting Diamond Peak with their spend and what you were able to accomplish with that spend. Board Chairman Callicrate said he does appreciate the reduction and does see the value in marketing the golf courses as well as the other venues.

Trustee Wong made a motion to authorize Staff to enter into an agreement with EXL Media for 2020/21 Fiscal Year media buying services for Diamond Peak Ski Resort, the Championship and Mountain Golf Courses, and the Facilities Department, for a not-to-exceed total amount of \$265,000. Trustee Tonking seconded the motion. Board Chairman Callicrate asked for any further comments, receiving none, he called the question and Trustees Wong, Tonking, and Callicrate voted in favor of the motion and Trustee Schmitz voted opposed. The motion passed.

- H.2. 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) *(REMOVED FROM THE AGENDA IN ITS ENTIRETY)***
- H.3. 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)**

District General Counsel Nelson gave an overview of the submitted materials. Board Chairman Callicrate said he wants to emphasize that this is for outside counsel, that this is not for our current firm of Mr. Nelson and BB&K, and that this will not be hiring Mr. Nelson or his firm to review the beach deed. Trustee Tonking said her question should be really quick, District General Counsel Nelson, just a quick question – do you feel that \$25,000 is an appropriate number to get some good bids from firms across the state? Is that correct? District General Counsel Nelson said that is sufficient to get a pool of opinions on employee access issues as well as on Ordinance 7 and 16.1. Trustee Tonking said perfect so we can get both of those with that, thank you. Trustee Schmitz said she just has some things on the scope of work that she thinks need to be clarified that were missing. When we talk about the historic practice of providing beach access to non-resident employees, it should say non-resident employees and their guests. Other thing that is missing from here is that we had questions about gold and silver cards for non-residents. Some of the gold and silver aren't employees, some of them are former Trustees, she believes and are there any other classifications employees and Trustees - would that be the only two that would have silver or gold? Yes, okay. Lastly, she just have a question that in Policy 16.1 one of the things that jumped out at her was in 1982 that commercial parcels were charged a Rec Fee and with that in mind, should that also be looked at because she believes the beach deed talks about residents and their guests and commercial property is/are different so that's something that we have never really discussed and it cropped up because we were reviewing, or she was reviewing, 16.1 and that came as a question in her mind as it relates to the beach deed. District General Counsel Nelson said we absolutely could add that to the draft scope of work if the Board would like and that could be, he thinks, pretty easily accomplished Trustee Schmitz by just deleting any proposed edits and stating just to

review Ordinance Number 7 or Policy 16.1 to ensure compliance with the deed and then as appropriate, we could assign special counsel to look at those issues and in more detail. And he doesn't think we have talked about how this would happen but it is at least his anticipation that the special counsel would present at a future meeting and would provide work products, some probably confidential, some probably public, so that the Trustees questions are answered in these areas. Trustee Wong said she doesn't support this item because we have already gotten an opinion from BBK, a detailed opinion, and this is a waste of money and we should be focusing on larger items regarding our strategic plan and accomplishing more of our priority projects.

Trustee Schmitz made a motion to approve a scope of work for special legal counsel related to the beach deed with modifications as discussed today and authorize the General Manager to execute a contract with counsel not-to-exceed \$25,000. Board Chairman Callicrate second the motion. Board Chairman Callicrate asked for any further comments, receiving none, he called the question and Trustees Schmitz and Callicrate voted in favor of the motion and Trustees Tonking and Wong voted opposed. The motion dies.

Board Chairman Callicrate asked about when this item could come back to the Board; District General Counsel Nelson said he will would have to look at Policy 3.1.0 in order to provide guidance.

**H.4. Review, discuss, and potentially approve a scope of work to review and update IVGID policies related to Dillon's Rule (Requesting Staff Member: District General Counsel Joshua Nelson)**

District General Counsel Nelson and District General Manager Winquest gave an overview of the submitted material. Board Chairman Callicrate said he appreciates the cost estimates and that some of the policies are 30 years old so we want to make sure they are compliant. Trustee Schmitz said on agenda packet page 390, under schedule and budget, on October 31, Board Workshop on potential edits on employee policies and then Policy 132, Resolution 1701, it shows \$795 twice – is that correct? District General Counsel Nelson said yes, covered once for his visit and that is an estimate for everything that is needed. He is hopeful that he can beat those budgets. One of the things that was mentioned in public comment is that there is a feeling, in the community, that we seek outside counsel so there is no conflict and he is bringing that up to your fellow Trustees for thoughtful

consideration. Trustee Tonking asked what is the conflict? Trustee Schmitz said there is an impact of reducing employee benefits, he is here to facilitate employees, and that we should have a concern about that thus this request. Trustee Tonking said, as a point of clarification, that you serve the Board and protect District interest. District General Counsel Nelson said yes, he is hired and fired by the Board of Trustees and is not a member of Staff although he does work closely with the Staff on a daily basis. Board Chairman Callicrate said he doesn't think there is a conflict of interest because he does work for the Board and he thinks he has put together a valid scope of work and that he is comfortable with moving ahead. Trustee Wong said she is torn on this one as she appreciates the analysis that District General Counsel and his team has already done. She understands about updating the policies however she is extremely hesitant to touch anything about employee policies – knowing the situation we are in and understanding the District hiring. She is fine if we want to discuss non-profits and the discounts and clearly define framework but she is extremely hesitant with employees given where we are it. District General Counsel Nelson and his firm are more than qualified, given his original analysis on Dillon's Rule, we are in the best position. Trustee Tonking said she feels ok on this one, unfortunately, it has become a very prominent position, she is ok with this one. Trustee Schmitz said she wanted to acknowledge Trustee Wong's concern regarding employees. We are all sensitive and we must be responsible and we have an obligation to make sure our policies comply with the law. In this case, it will be helpful for management as presently it is loose and ambiguous and lacks clarity. She has been discussing this issue with District General Manager Winqest and she thinks that he thinks the clarity would be valuable. We do need to be concerned about retention of employees etc. but we also need to make sure our policies are in alignment with the law. Board Chairman Callicrate said all of us are concerned with employee retention as it is a volatile time everywhere. It is incumbent upon us to move forward as some of our policies are in need of help and he thinks we all see that.

Trustee Tonking made a motion to approve the submitted scope of work to review and update IVGID policies related to Dillon's Rule. Trustee Schmitz seconded the motion. Board Chairman Callicrate asked for any further comments, receiving none, he called the question and the motion was passed unanimously.

Board Chairman Callicrate called for a break at 7:43 p.m.; the Board of Trustees reconvened at 7:55 p.m.

- H.5. Review, discuss and possibly approve the District's Strategic Plan for 2021-2023 (Requesting Staff Member: District General Manager Indra Winquest) (*REMOVED FROM THE AGENDA IN ITS ENTIRETY*)**
- H.6. Policy 15.1.0: Accounting, Auditing and Financial Reporting, Audit Committee**
- (a) Review, discuss and possibly adopt recommendations for changes to Board Policy 15.1.0 as recommended by the Audit Committee (Requesting Audit Committee Member: Audit Committee Chairman Raymond Tulloch)**
  - (b) Review, discuss and provide direction on possible revisions as recommended to Board Policy 15.1.0 – Audit Committee (Requesting Trustee: Board Chairman Tim Callicrate)**

Board Chairman Callicrate thanked Audit Committee Chairman Tulloch and his team for their recommendations. In light of the fact that Trustee Dent is not here, he would like to receive the Audit Committee recommendations, have some robust discussion and then at the next meeting, when Trustee Dent is back, come back with improvements, etc. and then at either the September 30 meeting or at the first meeting in October, adopt it. There is no stonewalling going on and that he wants to make sure it is best practice and leave it for the future Audit Committee to work with. Audit Committee Chairman Tulloch said thank you for the reassurance as it is important to have clear direction. It is drafted up with an excellent start by Trustees Schmitz and Dent. We have tried to beef up the charter and be clear on delegation of duties as the Audit Committee is to provide an objective viewpoint. We serve at the pleasure of the Board and we need to be objective and independent. At his first meeting, he laid down some fairly strong rules and if there was any conflict, he would ask them to abstain. Hopefully what the Board has seen is to keep the Audit Committee more disciplined and on track and he thinks that has been successful. The rewrite is to streamline it and provide reassurance to the public so as to provide objective oversight. There have been some assumptions that we can address whatever we want and he knows it is fairly well laid out. The Audit Committee has taken external advice and incorporated it appropriately. The Audit Committee forms this work themselves as they don't have any Staff. He is not sure that everyone understands the work that has been produced and anything that gets more people involved, the better. We have a huge



talent pool within the community. Trustee Schmitz said on agenda packet page 482 at the bottom and at the top of agenda packet page 483, there were some bullet points that were accidentally removed. She has requested that it be added as one bullet point as everyone was fine with the language. She wants to add 2.6.1. and suggested that we review the documents that are provided. Audit Committee Chairman Tulloch said he accidentally deleted a couple of bullet points that he would be happy to add back. Board Chairman Callicrate said that giving flexibility on the membership, however the committee decides to make it up, he would like to have flexibility. Trustee Tonking said are we only talking about Audit Committee Chairman Tulloch's edit or what can we discuss? Board Chairman Callicrate said both and stated that they are pretty close. He was pretty adamant on having one of the Chairs being a Trustee and Trustee Schmitz pointed out that it would be difficult to chair and getting ready for the meeting as an example. He wants the Audit Committee to be independent, has no intention of shutting down, and that we have want to have the best management practices as this has grown to a much larger scope. Audit Committee Chairman Tulloch said on the organization – we haven't made any changes there. Board Chairman Callicrate said that there might some flexibility for future Audit Committees for that membership. Trustee Schmitz said on agenda packet page 502 there are the bullet points that were removed so that's the language and it was supposed to be an addition. The other thing we changed, on agenda packet page 478, toward bottom, we reviewed the volunteer policies section and that was a recent addition that was really an important one. Board Chairman Callicrate said that he agrees. Trustee Tonking said she appreciates what has been done and that this was a hard task to do the changes. The biggest things to keep in mind are the responsibilities of the Audit Committee and that it is only that three things and then the whistleblower policy and making sure there is no scope creep. It is recommended by GFOA, that the Board nominate the Chair, so if we want it to be independent then those of us that aren't serving get to choose their own person. She also noticed the GFOA statement about the Treasurer and that it needs to include the whole statement. She likes the code of conduct as well as the risk management inclusion and the one other area is the committee added a section about the review of external auditor every year – she is not sure that should be occurring every year. Trustee Schmitz said on agenda packet page 402, right in the middle of the page, 2.4.3.1 through 2.4.3.3, believes that those were the things that Trustee Tonking was talking about. It should be in an engagement letter that the Auditor needs to provide. She has asked the Audit Committee Chairman to consult with Ms. Farr from Davis Farr to understand if this was reasonable; outstanding question that she had. Her understanding, from District General Manager Winqest, is

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that we need to change CAFR to have it written out in full detail as we are supposed to be moving away from using that acronym which is a simple change. Please go to agenda packet page 380 which is the scope and those three things; number 4 was added and that she reviewed this against GFOA. Trustee Tonking said that it should be those three things only. Trustee Schmitz said yes, these are the three things and our annual report was helpful to help us fix the language. Trustee Tonking said if we approve this that she wants those three things only and she was making suggestions for consideration for some changes. Board Chairman Callicrate said he does want to keep this moving forward and that he would like to have this in a larger font and in redline that is actually red. He is looking at this at being two more meetings with work being done in between. He thinks the Audit Committee chooses their own Chair and stays autonomous. Trustee Wong said we have three versions in this Board packet and it is not clear where the starting point is. If our objective is to align with GFOA Best Practices, and when she reads the three policies, it is not exactly rather it is the November 2017 policy thus she is not clear on objective and what the starting point is. Board Chairman Callicrate said it would be the original one which was reworked, and then here is what the Audit Committee came up with. It is important to have Trustee Dent weigh in as he was involved in the reinvigorated committee. We need clearer copies as the Audit Committee has done a really good job. Trustee Wong said we should be starting from the November 2017 policy and then bring in the May policy. Board Chairman Callicrate said there is a way to bring together all three policies; do understand what you are asking, and for the next Board meeting, we need something that is more manageable as it is confusing. Audit Committee Chairman Tulloch said he understands. District General Counsel Nelson said there has been a lot of effort by the Audit Committee and that he doesn't want to de-emphasize that effort however it appears that there are some bigger issues that need to be weighed out such as how big should the committee be, Chair, etc. We need the foundation and that would be one option and then take it from there. Trustee Schmitz said that we need to move forward and not backwards. This policy is much more detailed and part of the reason for making it detailed is that it gives an Audit Committee a roadmap on what they are supposed to do and ensure consistency so if you have new members move on and off you have the nicely laid out expectations. She doesn't want to go back to the November 2017 policy as this is much more robust. Let's move it forward as we have worked with this for an entire year and made some great strides and by having this and these edits, it only makes it more consistent, more clear, and therefore everyone clearly understands the role and expectations whether you are an Audit Committee member, Staff member or Board member. She doesn't think that

there are many changes that are needed to this document. Audit Committee Chairman Tulloch would be able to make those changes rather quickly and then get it in front of the full Board of Trustees very soon. Board Chairman Callicrate said he agrees that it can be tightened up, he likes non-Audit Committee Trustees appointing, he would like to have Trustee Dent present, and understands the formatting is tough. Trustee Tonking asked how we are going to make sure that the Audit Committee Chairman gets specific input? Trustee Wong said that the Board of Trustees makes the changes, Staff is the keeper of the document, and that she gets the changes. Board Chairman Callicrate said he would like to keep it with the Audit Committee and asked about how to move legally move forward? District General Counsel Nelson said at the next meeting, Staff can provide a list of questions to facilitate consensus and then turn that into a revised policy. Trustee Schmitz asked if there was a problem we are trying to fix – members, etc. as she needs clarity there. Trustee Tonking said she proposed that we each appoint our own person if not appointed to the committee and that Board Chairman Callicrate brought up 3 to 5 on the committee so these are some of the big changes that have been brought up. Then there is her concern about internal audit is another area to look at and that it follows the three points. Trustee Schmitz said she doesn't feel it is appropriate to just pick someone as we have a responsibility and a duty as a Board. The people who are appointed need to have some qualifications and experience that they are going to bring so she doesn't think we should just pick someone rather we should act as a Board. Trustee Tonking said it is done by multiple places and all have brought up the independence. It is not willy nilly as we pick from a pool, we are responsible for their actions, and if we are going to veer away from GFOA, then we work that independence. Board Chairman Callicrate said it would not be out of thin air. Trustee Wong said she is furthest away from all of you – GFOA should be our starting point, it should be from the Board, and we are independent as we only manage the District General Manager and he manages his Staff. Trustee Tonking made a really good point as the Board hasn't passed anything that the Audit Committee has offered up because the Audit Committee isn't working in concert with the Board. We need to narrow the scope because they are looking at things we aren't going to approve. She is not against at-large members however we created an Audit Committee that grew a little too fast so we need to bring it back internally to the Board and maybe a year from now we can address at-large members. The fact that it is this complex means that we need to clean it up. District General Manager Winqest said if the Board of Trustees doesn't have enough information, this item can be brought back. Board Chairman Callicrate said at the next meeting let's review it and hopefully move it forward. Audit Committee Chairman Tulloch said he is a little bit confused;

based on suggestions made we can appoint our own members – he is not sure about that; he heard a lot of references to GFOA and because of our revenue basis, he doesn't understand that. If we were in a private situation, the Audit Committee would be independent and just to have an appointee by each Board member, it would be like having another Board. Trustee Wong said that is following the corporate model. This Board is made up of Trustees and they are independent. Audit Committee Chairman Tulloch said this is a decision for the Board. Board Chairman Callicrate said let's have this question for the next Board meeting and let's have some pointed questions and get answers. The document put forth is a huge improvement and he wants to see a few tweaks as well as he wants to hear from Trustee Dent, as former Chair, so at the next meeting, let's have the questions that have been gleaned from tonight's robust discussion with a goal of September 30 to complete this task. Trustee Schmitz said so the Audit Committee will continue to operate by the newer version? Board Chairman Callicrate said yes, as if it was adopted and unless until things are changed.

**H.7. Audit Committee: Discuss and possibly appoint a Trustee to the Audit Committee (Requesting Trustee: Board Chairman Tim Callicrate)**

Board Chairman Callicrate said that Trustee Dent has expressed a desire to serve until the end of the year and that Trustee Tonking has said she was available. Trustee Tonking said, if Trustee Dent said he will serve until the end of the year, she is willing to step aside.

Trustee Tonking made a motion to appoint Trustee Matthew Dent to the Audit Committee to fill a current Trustee vacancy on the Audit Committee. Trustee Schmitz seconded the motion. Board Chairman Callicrate asked for further comments, none were received, so he called the question and the motion was passed unanimously.

**H.8. Discussion regarding framework for a future Board training; discussion will be led by Board Chairman Tim Callicrate**

Board Chairman Callicrate said that Dr. Bill Mathias has agreed to come up and do various interviews, he is a great facilitator, has worked with the District before, and is well qualified. No paperwork has been signed as this hasn't been discussed with the Board. District General Manager Winquest confirmed that the process would be interviews, then scope of work for review by the Board, and then get a proposal for doing the training. This funding will most likely come out of the District General Manager's

contingency. Trustee Tonking said she is fine with it; sounds good. Trustee Wong said she had no comments. Trustee Schmitz said that one of things we are missing is clearly defined roles, duties and responsibilities and she thought that she was working on them and that, as a Board, we have to work to have that clearly defined. Board Chairman Callicrate said he agrees and that he reached out to Trustee Dent and we can reach out to Dr. Mathias for a scope of work.

**I. MEETING MINUTES (for possible action)**

**I.1. Meeting Minutes of August 10, 2021**

Chairman Callicrate said the minutes are approved with the one changes as requested by Audit Committee Chairman Tulloch.

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

There were no public comments made at this time.

**K. ADJOURNMENT (for possible action)**

The meeting was adjourned at 9:04 p.m.

Respectfully submitted,

Susan A. Herron  
District Clerk

**Attachments\*:**

\*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Items H(2) – Proposed revisions to Policy No. 16.1.1.

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Items H(3) & H(4) – Legal opinions re beach deed and reviewing Board policies to ensure compliance with Dillon’s Rule

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Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Item C – Public Comment – Assessing 659 Cristina Drive an additional Recreation Facility Fee

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Item H(1) – Giving Staff authorization to enter into another wasteful media buying contract with EXL Media

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Item G(4) – Giving Staff authorization to enter into contracts/make expenditures without Board approval where public bidding is not required

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 2, 2021 regular IVGID Board Meeting – Agenda Item C – Public Comments – The tens of thousands of dollars of our Recreation (“RFF”) and Beach (“BFF”) facility fees which are needlessly spent on membership dues in all sorts of third party organizations – Here the National Association for Catering and Events (NACE”)