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 2 INCLINE VILLAGE  
 3 GENERAL IMPROVEMENT DISTRICT  
 4 BOARD OF TRUSTEES  
 5  
 6  
 7  
 8  
 9 TRANSCRIPT OF HEARING  
 10 PUBLIC MEETING  
 11 Live and Via Zoom  
 12  
 13  
 14 Held at the Boardroom  
 15 893 Southwood Boulevard  
 16 Incline Village, Nevada  
 17  
 18 Wednesday, November 13, 2024  
 19  
 20  
 21  
 22  
 23  
 24 Reported by: Brandi Ann Vianney Smith  
 25 Job Number: IVGID 57

1 APPEARANCES  
 2  
 3 **BOARD MEMBERS PRESENT**  
 4 SARA SCHMITZ, CHAIR (via Zoom)  
 5 MATTHEW DENT, VICE CHAIR  
 6 MICHAELA TONKING, SECRETARY  
 7 RAY TULLOCH, TREASURER  
 8 DAVID NOBLE, MEMBER (via Zoom)  
 9  
 10 **ALSO PRESENT**  
 11 SERGIO RUDIN, LEGAL COUNSEL  
 12 HEIDI WHITE, DISTRICT CLERK  
 13  
 14 -o0o-  
 15  
 16  
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1 Incline Village, Nevada - 11/13/2024 - 4:30 P.M. 4  
 2 -o0o-  
 3  
 4  
 5 TRUSTEE DENT: All right. It is 4:30.  
 6 I'd like to call the regular meeting of Incline  
 7 Village General Improvement District to order. We  
 8 are located in the Boardroom at 893 Southwood  
 9 Boulevard, Incline Village, Nevada, and via Zoom.  
 10 Item A is the Pledge of Allegiance.  
 11 A. PLEDGE OF ALLEGIANCE  
 12 (Pledge of Allegiance.)  
 13 TRUSTEE DENT: Thank you for that.  
 14 Item B.  
 15 B. ROLL CALL OF TRUSTEES  
 16 TRUSTEE DENT: Chair Schmitz?  
 17 CHAIR SCHMITZ: Here.  
 18 TRUSTEE DENT: Trustee Noble?  
 19 TRUSTEE NOBLE: Here.  
 20 TRUSTEE DENT: Trustee Tulloch?  
 21 TRUSTEE TULLOCH: Here.  
 22 TRUSTEE DENT: Trustee Tonking let me know  
 23 she was going to be a few minutes late. I'm Trustee  
 24 Dent, so we do have a quorum. We will get started.  
 25 Item C.

<p style="text-align: right;">5</p> <p>1 C. INITIAL PUBLIC COMMENT</p> <p>2 MS. JEZYCKI: Good evening, Michelle</p> <p>3 Jezyski, Incline resident and trustee-elect.</p> <p>4 I'd like to speak this evening about the</p> <p>5 most important and only position the Board manages,</p> <p>6 the general manager. Despite calls from the</p> <p>7 community to postpone making a decision until the</p> <p>8 new board is seated, it's clear the current board</p> <p>9 has no intention of doing so. Neither trustee-elect</p> <p>10 Homan nor I were invited to participate in any</p> <p>11 conversation regarding the new hire that we would be</p> <p>12 responsible -- ultimately responsible for managing</p> <p>13 for the next few years. However, the top two</p> <p>14 candidates, Robert Harrison and Ana Cortez, took it</p> <p>15 upon themselves, knowing full well and having</p> <p>16 experienced the implications of a new board coming</p> <p>17 into the scene if hired by the former that their</p> <p>18 roles could be fragile and short-lived. I</p> <p>19 appreciate the initiative that they both took to</p> <p>20 reach out, and I found our conversations to be both</p> <p>21 enlightening and informative.</p> <p>22 While I was not asked to participate, I</p> <p>23 find this the only opportunity to provide my</p> <p>24 professional opinion.</p> <p>25 Although I was not contacted by</p>	<p style="text-align: right;">6</p> <p>1 Mr. Walrack, I appreciate his enthusiasm for the</p> <p>2 position and his extensive experience and influence</p> <p>3 in the food supply industry. I think he can make an</p> <p>4 excellent impact in an advisory capacity for our</p> <p>5 food and beverage operations.</p> <p>6 Ms. Cortez has years of experience in city</p> <p>7 and municipal government, and she has held roles in</p> <p>8 many communities, although some for a shorter period</p> <p>9 of time. She is enthusiastic about this position</p> <p>10 and demonstrates a focus on the business at hand.</p> <p>11 Mr. Harrison has a longstanding and</p> <p>12 far-reaching leadership experience. He's held</p> <p>13 numerous leadership roles within ICMA, the</p> <p>14 International Cities and Council Manager's</p> <p>15 Association, and has been actively involved with a</p> <p>16 Hispanic network, which demonstrates not only</p> <p>17 leadership competencies, but the trust of his</p> <p>18 professional colleagues in the field.</p> <p>19 In both his interview and our</p> <p>20 conversation, he seems the most focused on</p> <p>21 rebuilding staff, rebuilding public trust, and</p> <p>22 handling the behemoth in the room, our finances.</p> <p>23 Mr. Harrison has hands-on experience with Tyler</p> <p>24 Munis in multiple applications of his job history.</p> <p>25 He was instrumental in helping communities upgrade</p>
<p style="text-align: right;">7</p> <p>1 their bond ratings. His professional achievements</p> <p>2 are not only impressive, but applicable to the work</p> <p>3 that needs to be accomplished here. Further, his</p> <p>4 proficiencies in applying the HPO, high performance</p> <p>5 organization, and lean management models would be a</p> <p>6 refreshing opportunity for the development and</p> <p>7 growth of our team and our village.</p> <p>8 So if you will not wait for this very</p> <p>9 important decision to be made until after we are</p> <p>10 sworn in, I would recommend moving forward with</p> <p>11 Mr. Harrison as our next GM as, in my professional</p> <p>12 opinion, he would be the best fit of the given</p> <p>13 candidates, once he clears any requisite backgrounds</p> <p>14 or other hiring requirements.</p> <p>15 I would also recommend that if the Board</p> <p>16 intends to decide on the GM today, that the push to</p> <p>17 hire the next finance director of IVGID be paused</p> <p>18 until Mr. Harrison can lead that effort, as this</p> <p>19 will be his most important hire to begin his new</p> <p>20 role. There is no need to rush it through at this</p> <p>21 point, and given his experience and the additional</p> <p>22 incoming expertise joining this board, we have the</p> <p>23 opportunity to truly set up a team for the greatest</p> <p>24 chance of success.</p> <p>25 Thank you and I wish you a productive</p>	<p style="text-align: right;">8</p> <p>1 meeting.</p> <p>2 MS. HOWARD: Good evening. I'm here</p> <p>3 tonight to request that the Board of Trustees delay</p> <p>4 the selection of the general manager until after the</p> <p>5 first of the year to allow the newly elected</p> <p>6 trustees to participate in the selection process.</p> <p>7 The new general manager will be their only employee</p> <p>8 as well.</p> <p>9 Thank you.</p> <p>10 MS. WELLS: I'm going to ad hoc this a</p> <p>11 little since Michelle covered part of what I was</p> <p>12 going on to say. Kristie Wells, Incline Village</p> <p>13 resident.</p> <p>14 Tonight we're witnessing the ongoing</p> <p>15 interviews for the general manager position as the</p> <p>16 Chair pushes forward with a rushed decision that</p> <p>17 will deeply impact our district's leadership the</p> <p>18 future. Fast tracking such a critical hire feels</p> <p>19 not only reckless but also dismissive of the</p> <p>20 incoming board who will assume office in just a few</p> <p>21 weeks.</p> <p>22 On that note, congratulations are in</p> <p>23 order. I'm thrilled to welcome Mic and Michelle as</p> <p>24 our newly elected trustees. And to Michaela who was</p> <p>25 reelected to continue her great work. Mic,</p>

9

1 Michelle, and Michaela ran on a platform emphasizing  
2 transparency, financial responsibility, fair  
3 treatment of staff, and preserving the District's  
4 portfolio model. They each secured nearly 25  
5 percent of the total votes cast, achieving a  
6 decisive and, shall I say, a landslide win that  
7 sends a clear message about the value that this  
8 community upholds.

9 The election results leave no doubt the  
10 community does not support the current board  
11 majority's direction. The voters clearly rejected  
12 candidates who align themselves with the existing  
13 majority of Schmitz, Dent, and Tulloch, and this  
14 outcome reaffirms the groundswell of community  
15 concerns that lead to recall efforts, efforts that  
16 likely would have succeeded had they been allowed to  
17 proceed.

18 Trustee Tulloch, I do hope it's clear to  
19 you now, your constituents are watching closely.  
20 They expect fair treatment of employees --  
21 (Trustee Tonking joined the meeting  
22 4:36 p.m.)  
23 MS. WELLS: -- thoughtful investment in  
24 our facilities and a focus on the needs of all  
25 residents, not just a few. As you enter your year

11

1 Lastly, I urge this board to learn from  
2 past missteps by including an opt-out clause in the  
3 contract. This would allow the incoming board to  
4 make necessary changes without incurring costly  
5 penalties if the new general manager doesn't align  
6 with the District's needs; a mistake we simply  
7 cannot afford to make again.

8 Thank you.

9 MR. KATZ: Good evening, Aaron Katz,  
10 Incline Village. I have several written statements  
11 to be attached to the minutes of the meeting.  
12 Initially, I request the Board terminate  
13 the meeting after public comment. We have a  
14 violation of Policy 3.10, thanks to Susan Herron,  
15 again. The policy says that if you're going to  
16 flood the packet with materials on the eve on the  
17 meeting, you defer the meeting.

18 You guys passed the policy, enforce it.  
19 If you refuse to enforce it, I don't want to hear  
20 you enforcing any other policy because it's  
21 meaningless.

22 Now, it seems like staff, again, is  
23 arrogant, incompetent, wrongdoing after wrongdoing,  
24 it's continuing today, it never changes, there's  
25 never a consequence, so ask I again you terminate

10

1 three on board, I hope you will take this mandate to  
2 heart.

3 Turning back to the immediate issue as the  
4 new board prepares to take office, it's critical  
5 that their vision be allowed to guide the future of  
6 our District. While Michaela, as a sitting trustee,  
7 will participate in the hiring decision, I  
8 understand -- and it was just confirmed -- the Chair  
9 has not reached out to Mick or Michelle for their  
10 feedback on the candidates. This feels like a  
11 blatant dismissal by the Chair, a screw-you move to  
12 both trustees as well as the voters who elected  
13 them.

14 Sadly, it's yet just another example of  
15 the leadership style that appears more focused on  
16 leaving a narrow, short-sided stamp on the District  
17 rather than building the consensus for long-term  
18 success.

19 Since it's clear the current board will  
20 not delay the general manager decision, I am glad to  
21 hear that Michelle used her public comment to share  
22 her perspectives on this critical hire. Given the  
23 Chair's exclusion, her voice and hopefully Mic's  
24 later if he calls in, are essential for the  
25 community to hear.

12

1 the meeting or you know what the consequences  
2 potentially are. The wrongdoing here the so  
3 pervasive. Anyone who is interested can read my  
4 statements. You can go back years and read them  
5 because they all turned out to be true.

6 But there is one thing I do want to  
7 discuss about specifically, and that's our GM's plan  
8 of correction proposed to the State Department of  
9 Taxation for our deficient 2023 audit, because the  
10 proposal doesn't correct the problem. What's real  
11 problem? It's the rec fee. Which is the problem to  
12 everything, because the rec fee is the product of  
13 something called "a non-exchanged transaction."  
14 Therefore under GASB, it's not operating  
15 income. And per GASB 33 -- right, Chris Nolet? --  
16 it's a tax. And per NRS 361.445, it's an invalid  
17 tax, so we're not in compliance. And if you're  
18 going to come up with a plan of compliance, that's  
19 what you need to address, and so far it's been  
20 addressed.

21 And if you can't comply, you can't  
22 correct. And I'm here to tell you you can't comply.  
23 So it's time to notify the county again. That is  
24 your only option.

25 Thank you.

13

1 MS. SHACKFORD: Kay Shackford, Donna  
 2 Drive.  
 3 I want to raise with you another reason  
 4 why it's important not make a decision about hiring  
 5 a general manager at this time. I'm especially  
 6 directing this request to Trustees Tulloch, Noble,  
 7 and Tonking, because you'll remain on the Board. If  
 8 you care about helping ensure the future health of  
 9 IVGID going forward and being able to work with an  
 10 experienced, competent general manager, please  
 11 listen to what I have to say.  
 12 The simple reason is this: The grapevine  
 13 is alive and well throughout the west about various  
 14 municipalities, what it's like to work there, and  
 15 whether it might make sense to uproot your family to  
 16 move there. Over the last 18 months, it became  
 17 clear to competent people across the west that they  
 18 should avoid responding to any job posting from the  
 19 Incline Village Board of Trustees, that individual  
 20 board members intrusively and inappropriately  
 21 micromanage in such a way as to make it nearly  
 22 impossible to do your job.  
 23 You've seen this in the drift of qualified  
 24 candidates in recent postings. It's the only time  
 25 in 13 years that Aaron Katz and I have agreed on

14

1 anything. It will quickly become clear that the  
 2 grapevine, that with the recent election, there's  
 3 been a changing of the guard at the Incline Village  
 4 Board of Trustees.  
 5 If you repost the role, competent people  
 6 will apply for it. I urge you to give this a try.  
 7 If I'm wrong, the worse that can happen is the  
 8 decision is delayed for a month. And if I'm right,  
 9 there will be a crop of far better candidates to  
 10 choose from and ultimately the right one to work  
 11 with.  
 12 Thank you.  
 13 MR. CARS: Trustees, the community  
 14 appreciates your hard work in moving your many tasks  
 15 forward, one of which is selecting and filling the  
 16 GM position. I know that you're very anxious to  
 17 close this.  
 18 Please allow me to caution you that  
 19 selecting a candidate now that this board will not  
 20 be managing is questionable. Either waiting for the  
 21 new board to be installed or somehow seeking the new  
 22 board's full concurrence would be a wise decision.  
 23 Please be encouraged to permit a measured selection  
 24 process that incorporates steps Michelle Jezycki has  
 25 mentioned for your support for the new board in this

15

1 process is paramount.  
 2 Thank you for your consideration.  
 3 MS. CARS: Linda Cars, Lariat Circle.  
 4 We are only six weeks away from the  
 5 seating of the new Board of Trustees.  
 6 Congratulations. Many of us feel the selection  
 7 should wait until the new board is seated in  
 8 January, giving the new board the ability to make  
 9 their selection or interview other candidates.  
 10 Should the newly elected trustees, Homan  
 11 and Jezycki, be in agreement with the BOT's top  
 12 choice candidates, the current board could move  
 13 forward with contract preparation, not selection.  
 14 If not, the candidate selection should wait for the  
 15 new board to be seated.  
 16 There have been many unkind comments  
 17 pertaining to the people who were involved in the  
 18 recall. We can look back today and say that the  
 19 tireless work of many community members with the  
 20 driving force which started the process of  
 21 successfully getting new candidates to run for  
 22 office. Thank you, everyone, and thank you to the  
 23 candidates who truly care about our community, Mic  
 24 and Michelle for joining Michaela and Dave and make  
 25 the betterment of the community a top priority. We

16

1 look forward to Ray working with the team. There  
 2 will never be agreement on all the time, but respect  
 3 is requested.  
 4 I want to take a moment to speak to the  
 5 candidates for GM, if you're listening or in ear  
 6 sight of what I'm saying. Please understand that  
 7 many of us in the community never wanted the  
 8 disruptions we have experienced over the past  
 9 two years under the direction and micromanagement of  
 10 the current Chairman of the Board. We expect that  
 11 the vitreal will subside under the new board.  
 12 Thank you.  
 13 MR. WRIGHT: Frank Wright, former  
 14 candidate, a defeated candidate, unfairly defeated  
 15 candidate. I'm not yelling or taking a shots at  
 16 people because I lost; I'm taking shots because of  
 17 the way it's run.  
 18 The three people who won promise to give  
 19 away all our facilities to the golfers, to make sure  
 20 the employees keep their high wages, to make sure  
 21 that they keep taking and using the poor people in  
 22 this town's money for exercising of their own  
 23 recreation. It's gone on way too long. They ran a  
 24 cabal, they lied, they said they weren't running  
 25 together; they did, they're all running together,

17

1 and they're all sitting together. It's sad.  
2 There's a movie out once, it's called  
3 "Back to the Future." In our community, you would  
4 have to call that "back to failures."  
5 Year after year after year, we fail. We  
6 fail the community members. We fail the people who  
7 don't have representation. When a person like me  
8 steps forward and starts to tell things are not  
9 going right, we get a bunch of people like Kristie  
10 Wells and all of her followers that stand up and  
11 scream and badmouth the people who are trying to  
12 tell this community that things are not right.  
13 Wonderful people have come forward with a  
14 lot of factual information, and they seem to get on  
15 social media and discredit everyone. She has a way  
16 of saying "What are your qualifications for  
17 running?" Well, we had a candidate running which I  
18 think is the most qualified person we've ever had  
19 run for a board member, and that was Harry Swenson.  
20 He was spectacular. Spectacular.  
21 Why didn't he get elected? Because he  
22 wasn't going to give away everything. He was going  
23 to run this place like it should be run, like a  
24 business, a community, governing for the people who  
25 live here, taking care of those who don't have a

19

1 trustees. The four-year journey will be  
2 interesting.  
3 The agenda for this evening is quite  
4 goofy. To begin with, item H 4, which is a proposed  
5 plan of correction addressed to the State of Nevada,  
6 the problem is a proposed plan to implement  
7 correction to the 2023 fiscal audit is not included.  
8 Five items are on the agenda having  
9 expenditures totaling 152,000 and consume 100 pages.  
10 All are within the approval of the general manager  
11 and do not require Board approval. Why waste the  
12 time?  
13 Ms. Crocker has put forth 56 pages of  
14 documents regarding Practice 16.2 related to budget,  
15 fiscal management, and pricing for products and  
16 services at the community services and beach venues.  
17 She is not qualified to engage in such a large group  
18 of venues.  
19 On agenda item F 1, treasurer's monthly  
20 status report for July and August, have the  
21 following errors which should be noted:  
22 Eight and a half million was paid to  
23 Granite Construction for the pipeline, of which two  
24 and a half million was listed as administration.  
25 Why? Within an expenditure of that size, a report

18

1 voice.  
2 Now they are very happy, they are bragging  
3 that they really cleaned up. Well, how can you not  
4 clean up when you're using public facilities to get  
5 votes? Using public facilities to get votes. The  
6 golf courses. All the golfers, eight to a thousand  
7 golfers are going to vote to have low rates,  
8 specific tee times, at the loss of the poor people  
9 in town who don't play golf. That's not fair.  
10 That's not right.  
11 I will continue to fight for the people  
12 who live here who don't have a voice. I will  
13 continue to stand up to people like Kristie Wells  
14 and her entourage of people who are trying to get  
15 something for free, like Ms. Shackford, who wants to  
16 start her smile campaign again at the Granlibakken  
17 and suck our money out of us for her own personal  
18 use. But don't buy into what they're saying, think  
19 about what they are doing.  
20 Thank you.  
21 TRUSTEE DENT: Public comment on Zoom,  
22 please.  
23 MR. DOBLER: Yeah, this is Cliff Dobler,  
24 down here the Palm Desert.  
25 Congratulations to the new future

20

1 on the pipeline should have been included.  
2 In the list of checks, which consumed  
3 several pages, for July, there were four and a half  
4 pages of charges listed as "division unclassified,"  
5 and seven and a half pages in August.  
6 There are probably 50 or more charges for  
7 AT&T, which is paid through PayPal. Why so many?  
8 The August source and use statement and  
9 the statement of revenue, expenses, and changes in  
10 financial balance are useless and worthless.  
11 Accrual accounting is required, not cash accounting.  
12 For example, utility fund revenue had a budget of  
13 75,000 for August, but expenses were 441,000, six  
14 times. Utility fund revenues had a budget of  
15 1.2 million, but actual revenues were 1.7 million, a  
16 45 percent increase over budget. Probably  
17 impossible.  
18 You can have no faith in anything that is  
19 being put out with this treasurer's report, it's an  
20 entire waste of time.  
21 Thank you.  
22 MR. HOMAN: Hi. Mic Homan, Incline  
23 resident and trustee-elect.  
24 First I want to thank the residents with  
25 their support at the polls. I will do my best to

21

1 serve the best interest of the community. I'm  
 2 commenting on three items tonight. First, the GM  
 3 hiring.  
 4           The next thing I am going to work on is  
 5 the direction of the new board, anticipate  
 6 priorities. Though I would prefer the new board to  
 7 lead the hire, but that's not happening. As a  
 8 trustee-elect, I hoped the board would seek my  
 9 counsel on the candidates. Two candidates did reach  
 10 out to me before -- after the election, so we had a  
 11 chance to talk directly.  
 12           Trustees Noble and Tonking individually  
 13 reached out to get my thoughts. Other trustees have  
 14 not. So I'm giving you my feedback now because it's  
 15 the only chance I have before the Board votes.  
 16           Based on what I've seen and heard, I think  
 17 one candidate has the best background, experience,  
 18 and demonstrated skills to lead the District at this  
 19 time, Robert Harrison. He's a proven leader with  
 20 long-term, sustained results in multiple cities.  
 21 He's built highly effective collaborative teams,  
 22 he's lead a Tyler Munis system conversions, and he's  
 23 improved the financial standing in multiple cities.  
 24           With our top priorities with (inaudible)  
 25 our organization and working through accounting

22

1 control systems and regulatory issues, he has the  
 2 most relevant and directly transferable skills to  
 3 lead IVGID.  
 4           I appreciate Kent Walrack's interest in  
 5 the position. While he's a proven leader with  
 6 creative experience in the food supply business, I'm  
 7 concerned about the lack of critical skills needed  
 8 on day one to rectify our regulatory and financial  
 9 situations. He could be an entreating option if our  
 10 situation was different.  
 11           Second, on hiring the finance manager, I  
 12 would delay this agenda item. It's premature. The  
 13 GM should drive the hiring process after they are in  
 14 place. The finance manager is usually the GM's  
 15 right hand. More so in our case which are critical  
 16 accounting systems, controls, and regulatory issues.  
 17           But if you do press forward, I would offer  
 18 up some help. We have two trustees-elected who  
 19 would be fantastic resources for the Board to use to  
 20 screen the candidates. Michelle and I bring a  
 21 proven combination of HR, finance, accounting  
 22 leadership, strategy, and organization development  
 23 skills. Why not tap into that to help you narrow  
 24 the field? And if you're not willing to do that,  
 25 then Michaela with either Trustee Noble or general

23

1 counsel should take the lead.  
 2           We're in the middle of a regulatory and  
 3 financial reporting minefield. Our finance manager  
 4 needs skills to correct these issues and effectively  
 5 work with the regulators. Michaela's accounting  
 6 expertise and Dave's legal expertise are best  
 7 equipped to assess those skills in a candidate.  
 8           Third, Practice 6.2 on pricing policies  
 9 for district venues, I would encourage you to drop  
 10 this item also. It doesn't address an immediate  
 11 pressing need, and I think the suggested changes  
 12 represent an attempt to micromanage via policy  
 13 development. They go well beyond the pricing  
 14 framework and incorporate needless, inflexible, and  
 15 potentially harmful rules that could prevent our  
 16 venue managers from options that optimize their  
 17 financial performance.  
 18           Thank you and I look forward working with  
 19 Dave, Michaela, Ray, and Michelle on the new board.  
 20           MR. BELOTE: That was our last public  
 21 comment online.  
 22           TRUSTEE DENT: Thank you. That will  
 23 closeout item C, initial public comment. Moving on  
 24 to item D.  
 25 D. APPROVAL OF THE AGENDA

24

1           TRUSTEE DENT: Any concerns or issue with  
 2 the agenda as presented?  
 3           CHAIR SCHMITZ: So there are a number of  
 4 items -- I wanted to highlight the supplemental  
 5 material that was delivered.  
 6           On consent item G 6, it was -- that  
 7 particular agenda item was for the Flaik RTP  
 8 conversion, which is imperative that we get this  
 9 moving forward. What was missing from that was an  
 10 identification of where the budget was coming from  
 11 and a discussion about how staff was planning to  
 12 minimize risk.  
 13           So I had asked staff to provide that. We  
 14 can remove any agenda item where supplemental  
 15 material was delivered. This particular one, I  
 16 don't advise that because this is to support all of  
 17 the financial needs.  
 18           As it relates to supplemental material for  
 19 item H 2, the only thing that was provided was  
 20 the -- were the rate sheets for the Rec Center and  
 21 the rate sheets for the beaches. And that was done  
 22 to intentionally have a complete and comprehensive  
 23 gathering of all of the rates across the District so  
 24 that the next board, when setting the budget, will  
 25 have the information to work from.

25

1 As it relates to item H 3, that  
2 supplemental material was simplified and clarified  
3 janitorial contract with, I think it's CC services,  
4 and that was the result of General Manager Crocker  
5 working on Monday with legal counsel to get that  
6 reduced in complexity and get it to a point where it  
7 is more clear.  
8 If the Board chooses to defer any of those  
9 agenda items, we have that option, but I wanted to  
10 at least cover the supplemental material, why it was  
11 provided, and the purpose of it.  
12 As it relates to item G 5, that is also on  
13 the consent calendar. It is a contract for CC  
14 Services and Diamond Peak. And I brought to  
15 Mr. Bandelin's attention along with legal counsel  
16 that the contract language has two different numbers  
17 of not to exceed, and the Board is being asked to  
18 approve or appropriate \$45,955, but in terms 3.1,  
19 which is found on page 377, it says, "An amount not  
20 to exceed \$48,000."  
21 So I'll ask legal counsel whether we have  
22 to remove that from consent to make that  
23 modification or whether legal counsel been informed  
24 that that correction has been made.  
25 MR. RUDIN: I think that the Board needs

27

1 things that you had mentioned at the Town Hall was  
2 that you wanted to this board to have input into  
3 that policy.  
4 So the reason why it's being moved forward  
5 is specifically because you had requested that this  
6 board have some discussion on it --  
7 TRUSTEE TONKING: And that's fine. It can  
8 be at the next meeting. I'm pulling all the items  
9 that had supplemental, so H 2 and H 3, other than  
10 the one you said has to go through.  
11 CHAIR SCHMITZ: What about the janitorial  
12 contract that --  
13 TRUSTEE DENT: That was H 3.  
14 CHAIR SCHMITZ: I'm asking Ms. Crocker  
15 what the impact is of pulling H 3, because that is  
16 the contract for the needed janitorial services.  
17 MS. CROCKER: It will be an impact. I'll  
18 have to bring it back. Right now, as the Board may  
19 recall at the last board meeting on October 30th,  
20 there was two issues. One was the financial part of  
21 it. And then the other was a more delineated  
22 responsibility regarding who supplies the supplies,  
23 the contractor or the District, and so when I met  
24 with legal on Monday, what had happened was we were  
25 using a Public Works contract, and to simplify

26

1 to vote on it, so, yeah, it should be reflected in  
2 the Board's vote on approving the agenda item.  
3 CHAIR SCHMITZ: Okay. I don't know why we  
4 would have a contract that has gone through the  
5 process and is in our board packet that has two  
6 different not-to-exceed numbers in it, and this  
7 particular number on page 377 is more than what the  
8 Board is actually authorizing. I will request that  
9 item G 5 be removed from the consent calendar.  
10 As it relates to the other agenda items  
11 where supplemental material was provided, that is up  
12 to the Board to decide how they choose to address  
13 those agenda items.  
14 TRUSTEE DENT: Thank you for that.  
15 TRUSTEE TULLOCH: I'd just like to point  
16 out, I don't see any hard copies of the supplemental  
17 material.  
18 TRUSTEE DENT: Yeah. Could we get hard  
19 copies of the supplemental material printed out?  
20 Okay. That would be good for us to have that.  
21 TRUSTEE TONKING: I asked that we pull H 2  
22 and H 3.  
23 CHAIR SCHMITZ: H 2 was specifically put  
24 on the agenda -- oh, I'm sorry, Trustee Tonking. I  
25 -- H 2 was put on the agenda because one of the

28

1 things I just ended up doing a more template  
2 contract.  
3 Going with that said, if we pull it -- I  
4 really don't want to pull it tonight because we  
5 really need our janitorial services, and if we do  
6 pull it, then I would still like to ask the Board if  
7 we can do a month-to-month approval for a  
8 month-to-month contract until it comes back. I need  
9 a contract to continue our janitorial services.  
10 Those are really the two items that were  
11 cleaned up on that item. I'm not sure why you don't  
12 have the hard copy of the supplement, but those were  
13 the two issues. The cost is \$77,138, and it is  
14 appropriated in our budget.  
15 Thank you.  
16 CHAIR SCHMITZ: I have another follow-up  
17 question on that if I may.  
18 TRUSTEE DENT: Go ahead.  
19 CHAIR SCHMITZ: If we defer this, does  
20 this contract have the ability to go through our CRP  
21 process or not because it is a multi-year contract?  
22 MR. RUDIN: So the agreement is it  
23 automatically renews for up to five years, so the  
24 total contract price would exceed the general  
25 manager's authority to sign.

29

1 So, yeah, you couldn't approve it under  
 2 CRP; however, you could do a one-year agreement  
 3 under CRP.  
 4 CHAIR SCHMITZ: What is the direction?  
 5 Would the Board like to leave that agenda item on or  
 6 direct staff to put together a single-year contract  
 7 that can be put through the emergency contract  
 8 review process? What direction would the Board like  
 9 to give on this item?  
 10 TRUSTEE NOBLE: I would at least like to  
 11 discuss item H 3 and leave it on for now.  
 12 Especially given Ms. Crocker's concerns about not  
 13 addressing it tonight.  
 14 TRUSTEE DENT: Anyone else?  
 15 CHAIR SCHMITZ: We need to vote on that or  
 16 how do we handle it?  
 17 TRUSTEE TULLOCH: I think it's -- sounds  
 18 like it is required. I think the question is really  
 19 down to Trustee Tonking if she wishes to withdraw  
 20 the removal of H 3.  
 21 TRUSTEE TONKING: I don't know because I  
 22 don't have supplementals and I have not seen them.  
 23 I did not check my email in the last four hours, so  
 24 I -- I guess I'm --  
 25 TRUSTEE DENT: Are you okay revisiting

30

1 this when we do get to the item?  
 2 TRUSTEE TONKING: Yeah. That sounds  
 3 perfect, yeah.  
 4 TRUSTEE DENT: And once you've had a  
 5 second to look at the material?  
 6 TRUSTEE TONKING: Yeah.  
 7 TRUSTEE DENT: Sounds like we will be  
 8 leaving item H 3. The -- and H 2. And it sounds  
 9 like we would be removing Item G 5 from consent and  
 10 moving that to general business.  
 11 Is there any opposition making item G 5, H  
 12 5?  
 13 CHAIR SCHMITZ: It's G 6, I believe.  
 14 TRUSTEE DENT: G 6?  
 15 CHAIR SCHMITZ: Oh, I'm sorry. G 5.  
 16 TRUSTEE DENT: G 5. Anyone opposed to  
 17 that?  
 18 Okay. Item G 5 becomes item H 5. Any  
 19 other discussion on this item?  
 20 All right. The agenda will be approved.  
 21 Item G 5 moving from consent to item H 5. That  
 22 closes out approval of the agenda. Moving on to  
 23 item E.  
 24 E. GENERAL MANAGER SELECTION  
 25 TRUSTEE DENT: Interview candidates Ana

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1 Cortez, Robert Harrison, and Kent Walrack for IVGID  
 2 general manager position.  
 3 MS. FEORE: I've noted kind of what we are  
 4 going to be doing tonight, with one quick change.  
 5 In my memo I noted that following discussion, the  
 6 Board will proceed to verbally nominate their top  
 7 candidate. In fact, I've provided all of you with  
 8 little slips of paper where you can mark down your  
 9 top candidate. We're going to do a one-and-done, so  
 10 everybody's going to nominate their top candidate  
 11 and the majority is the candidate selected. Once  
 12 you have selected your candidate, you will hand me  
 13 the forms, and I've got Chair Schmitz and Trustee  
 14 Noble emailing me their documents, I will read those  
 15 aloud, and then we'll move forward.  
 16 It's sounds like we're going to start with  
 17 Kent Walrack, he'll be the first candidate. I am  
 18 recommending that you limit the conversation to 30  
 19 minutes, if possible, 30 to 40 minutes, just so we  
 20 have time for the rest of the items.  
 21 TRUSTEE DENT: Understood. Thank you.  
 22 CHAIR SCHMITZ: I just wanted to clarify,  
 23 we'll handle it like we did last time where we will  
 24 begin with Trustee Dent, Noble, Tonking, Tulloch,  
 25 and then rotate of who starts the first question as

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1 we did last time. And, please, if any of you have a  
 2 follow-up question to another trustee's -- the  
 3 response to another trustee's question, please ask  
 4 for the floor and ask your clarifying question  
 5 because this is a really important decision and we  
 6 don't want questions to go unanswered.  
 7 Thank you for that.  
 8 TRUSTEE DENT: Welcome back, Mr. Walrack.  
 9 Question for you: What does the first 30 days looks  
 10 like you were selected as general manager?  
 11 CANDIDATE WALRACK: Thank you for that  
 12 question. And, first, I'd like to congratulate  
 13 graduate Michelle, Mic, and Michaela for their  
 14 reelection, or Michaela's reelection to the Board  
 15 and trustees-elect for Michelle and Mic.  
 16 Thank you for question. I've -- since or  
 17 our last interview, I've thought a lot about that.  
 18 I'd like to address that, so I put together what it  
 19 would look like for the general manager on the first  
 20 100 days in office. I'd like to pass this out.  
 21 One of the objectives in the last  
 22 interview was really to share a vision in priorities  
 23 for IVGID. For this meeting, what I would really  
 24 like to focus on is matters at hand, and so I put  
 25 together first the first 100-day strategy.



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1 Basically, I have an introduction here, I  
 2 prepared a Gantt chart with regards to what the  
 3 first 15 weeks would look like and what the areas of  
 4 focus would be. And then I put together a synopsis  
 5 of RubinBrown report with regards to the 41 issues  
 6 and where we stand on each one of those issues and  
 7 what I would prioritize in the first 100 days.

8 From a perspective of this opportunity is  
 9 given to me, I certainly would prioritize it, the  
 10 following five things. One, finance and  
 11 accounting-focused work. Obviously, all of our  
 12 teammates that I have met here the other day are  
 13 having a hard time understanding what the score of  
 14 the game is in their individual departments, and  
 15 it's hard to manage a business without knowing what  
 16 the score is so we gotta absolutely get that fixed.

17 Human resource recruiting efforts, we're  
 18 behind on hiring several positions, and so that has  
 19 to be a major focus area in order to get this team  
 20 up to strength.

21 The Tyler Munis training, I know we've  
 22 made a big investment in this system, so all hands  
 23 need to be on deck with regards to jumping in and  
 24 getting the training completed in order that we can  
 25 be efficient in making this resource work for the

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1 District.

2 Focus on the 2023 and '24 audit  
 3 priorities. We've all heard all the issues that are  
 4 going on with that right now, and so I would propose  
 5 that we put all the resources necessary in order to  
 6 accomplish those tasks so that we can get back on  
 7 with the regular business of District.

8 Fifthly is the departmental reviews. In  
 9 the last meeting, I gave you a list of about 15  
 10 items that we would review in each department.

11 Looking at the Gantt chart now, you can  
 12 see the first week I've put in here as December 2nd,  
 13 firstly, obviously, just completely the departmental  
 14 introductions and executive team in that first week,  
 15 but also immediately jumping on the finance and  
 16 accounting-focused work in that first week and then  
 17 that would carry on for that whole 15 weeks. So the  
 18 major focus area of my time would be there.

19 Going into the next week, that human  
 20 resource would be included and that major focus area  
 21 to really get with the HR team push along the  
 22 priorities, get the interviews accomplished, and  
 23 let's keep moving this forward with regards to  
 24 getting this team up to full strength.

25 That second week also full hands on deck

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1 with regard to the Tyler Munis training. I know  
 2 that we signed that new contract of \$97,000 to get  
 3 started with regards to supplemental training, and I  
 4 would absolutely be involved in that as well because  
 5 I think even as the general manager, you might be  
 6 down in the weeds a little bit, but you should  
 7 understand the basics of the systems that we're  
 8 running, the numbers on for this district.

9 The 2023 and 2024 audit priorities, I know  
 10 you have the meetings coming up in January again, so  
 11 I have that right near the top of the list there.

12 The second week to get fully emersed in that  
 13 strategy as well. I mentioned in the last meeting,  
 14 I did watch that meeting, I don't want to see a  
 15 repeat of that meeting. We're certainly going to  
 16 show up and go on offense instead of being on  
 17 defense there.

18 And then the following weeks, I would  
 19 start focusing on the other departments as these  
 20 other issues are getting resolved, and I'll get  
 21 exposure to all of them. Towards the end of this  
 22 15-week period, I'll be up and fully functional of  
 23 helping lead each one of these aspects of the  
 24 Business districts.

25 I thought in my own mind when I was

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1 thinking about this opportunity, How would we go  
 2 about doing this? And so that was the vision I had.

3 Secondly, kind of diving into some of the  
 4 details on the RubinBrown report, we have a synopsis  
 5 of the spreadsheet here of the 41 items, and so the  
 6 spreadsheet, you'll see a fault risk as -- after the  
 7 observation number and the description, whether  
 8 high, medium, or low status, open or closed,  
 9 completion date, and then who is the source of that  
 10 information. So everything highlighted in yellow  
 11 here would be the items that I would be diving in  
 12 with the team to make sure that we get this  
 13 accomplished ASAP so the Tyler Munis implementation,  
 14 as I mentioned, operated bank account and bank  
 15 reconciliations, other bank accounts and bank  
 16 reconciliations, these are all highlighted in  
 17 yellow, these are all open items that need to get  
 18 closed. Treatment of capital costs capitalization  
 19 of projects relating to repairs and maintenance,  
 20 personal use of procurement cards -- I know that's  
 21 been a hot issue so we'd like to dive into that --  
 22 insufficient and inappropriate support for  
 23 procurement card transactions, oversight of  
 24 procurement card program and related expense  
 25 reports, physical inventory, observations and

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1 reconciliations, physical access to the vault -- I  
 2 mean, obviously, that's something we gotta get fixed  
 3 immediately -- disbursements, reconciliations to the  
 4 general ledger. Consolidated list of executed  
 5 contracts so that they are readily available. In  
 6 our own business, it's funny that that issue has  
 7 come up here because running the size of business  
 8 that we had, we had so in contracts to keep track of  
 9 and we actually went through this and built a  
 10 depository center specifically for contracts. And  
 11 so we accomplished that task. Having been through  
 12 it and accomplished it, that would be very easy to  
 13 fix for me, to get a central area.

14 In working on all issues, you're going to  
 15 need some resources to help accomplish some of these  
 16 tasks. Now, the Washoe County has some resources  
 17 with regards to temporary staffing that it would  
 18 make sense to leverage off of their contracts in  
 19 order to get the least expensive cost with regards  
 20 to temporary staffing.

21 But other areas that I've been looking at  
 22 is associations. I know in our other business, the  
 23 food business where we joined several national  
 24 associations, and we really benefited. There's one  
 25 in the government called the "Government Finance

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1 Officers Association" based out of Chicago, and  
 2 noticed just a tremendous amounts of resources that  
 3 we should be networked with them, that we could give  
 4 us the opportunity to share, like when we have job  
 5 openings specific to here, it could be run  
 6 nationally rather than just on a regional level, and  
 7 just the networking that we could accomplish with  
 8 regards to all the other cities around the United  
 9 States and other general improvement districts would  
 10 be a great resource for us.

11 Temporary staffing agencies, we talked  
 12 about utilizing Washoe County, but if they didn't  
 13 have available applicants, we could you to Robert  
 14 Hall, Adeco, Express Employment. CPA firms,  
 15 obviously we're with Davis Farr. If we needed more  
 16 help, I know we've used Moss Adams before, but  
 17 there's Deloitte. And then recruiting firms, if  
 18 we're not satisfied with the candidates that we're  
 19 getting specific to accounting a finance, SCS,  
 20 Capital Staffing are just a couple that also could  
 21 be available to us.

22 So that was kind of a long-winding answer  
 23 to your first 30 days.

24 TRUSTEE DENT: I appreciate that. You  
 25 answered my second question too, which was 100

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1 hundred days, so great.

2 Did you have a chance that tour the  
 3 District facilities?

4 CANDIDATE WALRACK: I did not.

5 TRUSTEE DENT: Okay.

6 CANDIDATE WALRACK: Having lived here for  
 7 three years, I've been to several of them. The only  
 8 one that I'm missing is the Public Works.

9 TRUSTEE DENT: Understood. That's fair.  
 10 I will pass my time. I believe, Trustee  
 11 Noble, you're up next.

12 TRUSTEE NOBLE: Mr. Walrack, given our  
 13 finance and accounting challenges, what skill set do  
 14 you bring to address them and what resources would  
 15 you need if selected as GM.

16 CANDIDATE WALRACK: Well, having been the  
 17 president and chief operating officer of a major  
 18 food manufacturing company, I've dealt with many,  
 19 many financial issues, auditing, annual auditing  
 20 experiences that happen every year with our  
 21 organization, being involved in the board of  
 22 directors for the National Restaurant Association,  
 23 and the International Food Manufactures Association,  
 24 served on the audit committees. I've been treasurer  
 25 of both of those organizations on my march up the

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1 ladder, so to speak, into vice chair and then the  
 2 chairman of those organizations, so just with the  
 3 exposure of having all of those experiences behind  
 4 me and sitting in and listening to the audit reports  
 5 and having to go address any particular situations  
 6 that may have happened in any one of those  
 7 particular organizations makes me comfortable with  
 8 regards to really looking at challenges that are in  
 9 these areas and to make sure that we get the right  
 10 team together to go in and get the problem fixed.

11 As far as resources, I just went through a  
 12 laundry list of resources that we could really  
 13 utilize to try to solve any of these issues. But  
 14 first and most importantly, I think the most  
 15 important resources that we've got to exhaust is our  
 16 or own employees.

17 TRUSTEE DENT: Trustee Noble, did you have  
 18 a follow-up?

19 TRUSTEE NOBLE: I don't have any further  
 20 questions. Thank you.

21 CANDIDATE WALRACK: Thank you.

22 TRUSTEE TONKING: Hi. You listed these  
 23 tasks in your first 100 days, and then you listed  
 24 the findings in the RubinBrown. What do you think  
 25 would be the most difficult for you to implement and

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1 where would you need the most support?  
 2 CANDIDATE WALRACK: Well, I believe the  
 3 number one problem that would be the biggest  
 4 challenge would be the Tyler Munis system, and I say  
 5 that because of my previous experience working with  
 6 ERP conversions. We were in a very difficult one  
 7 and we found our way to success, and so I'm not  
 8 afraid of the problem because I've lived it and been  
 9 through it before. I've already done a ton of  
 10 research with regards to the Tyler Munis system, I  
 11 understand a number of municipalities and cities are  
 12 using this system.  
 13 IVGID is a little different with regards  
 14 to all the other recreational activities that we're  
 15 managing with the golf and the ski and the beaches  
 16 and so forth. And in the restaurant industry, as an  
 17 example, one of the most popular point of purchase  
 18 and point of sales systems for that industry is  
 19 system called "Toast." And it's a subscription  
 20 model, so you don't have to pay millions of dollars  
 21 in order to bring it in and get up and running. You  
 22 pay a subscription fee by the number of users, and  
 23 that's why it's so popular in the restaurant  
 24 business.  
 25 So as we dive into this, if there's an

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1 opportunity to -- once we understand what Tyler  
 2 Munis does and how we can use to get the return on  
 3 investment that we made there, is if the Toast  
 4 system is something built better for the actual  
 5 transactional activities in those businesses and  
 6 then how do we tie that into the Tyler Munis system  
 7 for the financial reporting, might be a way to solve  
 8 this problem. Like I said, I'm talking to Toast,  
 9 I'm studying the Tyler Munis system to get a better  
 10 understanding of it.  
 11 My goal would be: How do we give all of  
 12 our operations the best chance to succeed?  
 13 TRUSTEE TONKING: And I just wanted to  
 14 expand a little bit on the financial experience  
 15 question, and really hone in on what is your  
 16 financial experience really working with oversight  
 17 boards and regulators, especially since we are  
 18 working very closely with those these days.  
 19 CANDIDATE WALRACK: Yeah. The auditors  
 20 that we had at the National Restaurant Association  
 21 and International Food Manufacturers Association  
 22 were obviously an opinion that was outside of those  
 23 organizations. On a few occasions, we did have some  
 24 issues that had to be addressed, and so I lead those  
 25 efforts to go and get that information and make sure

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1 that it was submitted to those audit teams so that  
 2 we could get that favorable opinion.  
 3 So there has been some experience with  
 4 regards to understanding that when you get those  
 5 requests, they need to move to the top of the pile,  
 6 you need to act immediately, and you gotta be very  
 7 professional in the way that you're handling it.  
 8 Also, I've learned in all of that is you answer the  
 9 question that you've been asked and that question  
 10 only.  
 11 TRUSTEE TONKING: Thank you. That was  
 12 all.  
 13 TRUSTEE TULLOCH: Thank you, Mr. Walrack.  
 14 I'm glad to see you've come prepared. I like the --  
 15 I am more used to this type -- like, I'm used to  
 16 seeing these type of recruitment situations. It  
 17 looks good.  
 18 I think what I would change it to, rather  
 19 than activities, what would you see as your  
 20 deliverables as this 100-day plan, rather than just  
 21 performing activities? What would the District look  
 22 like, what would our situation look like?  
 23 CANDIDATE WALRACK: All of our executive  
 24 team would know the score of the game of their  
 25 departments. As I was looking through the report

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1 that is going to go later today with regards to the  
 2 first two-month financials, I went through every one  
 3 of budget items for the five different funds, and I  
 4 noticed that -- from a perspective of the annual  
 5 budget numbers, I noticed that they are spread  
 6 evenly over 12 months and yet all these business  
 7 that we have are seasonal, so how on Earth do you  
 8 know the score of the game when you have numbers  
 9 like that don't make any sense from a perspective of  
 10 the seasonality of what's going on around here.  
 11 And so one of my deliverables would be at  
 12 the end of that 100-day period is that every manager  
 13 new exactly where they stood at the end of every  
 14 month so that we could manage appropriately.  
 15 Secondly is the transparency for the  
 16 community on exactly the improvements that we've  
 17 made and being able to community that to the  
 18 community so we could start rebuilding our trust  
 19 with them so that we in these meetings that we have  
 20 with the general comments, I think that could have  
 21 an opportunity to really improve what the perception  
 22 of the community based on really what the Board of  
 23 Trustees and what the staff is doing behind the  
 24 scenes to that make sure that we're running this  
 25 business appropriately and getting it on the right

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1 track to go on offense for the future.

2 TRUSTEE TULLOCH: Thank you. You must

3 have been reading some of my comments I'll be making

4 in the treasurer's report. Thank you for that.

5 Just leading on from that, one of the

6 things that scared me at the last budget process was

7 when we got the budget numbers and the projected

8 numbers at the end of May for the year-end, it was

9 shocking, I was shocked to find that multiple venues

10 has exceeded their payroll budgets by 40,

11 50 percent, and there had been nothing brought to

12 the Board about it.

13 One of the things we tasked the previous

14 general manager with was actually reporting back to

15 the Board on these venues' performance month by

16 month. How would you handle that to improve the

17 situation? I don't like being blindsided when we're

18 11 months into the year.

19 CANDIDATE WALRACK: Yeah, that is a real

20 problem. I met with the leadership team yesterday,

21 and we kind of talked about the communication

22 strategies on really analyzing how you stand in

23 running your individual area of expertise. And the

24 fact that right now there is a real problem with

25 that obviously is something we gotta fix, but my

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1 whole strategy on that is communication.

2 In my 38 years of building that business,

3 for my key leadership team, obviously we had one

4 general meeting per week where we had everyone there

5 so they could all hear the same story and we could

6 share best practices. But then every week, rather

7 than requiring written reports from every one of our

8 managers, I had weekly meetings where I talked to

9 every manager every week. I kept a journal, one of

10 these binders like this, with everyone's name on it

11 and took the notes every week of that conversation I

12 had with that manager. So when I went to the next

13 week and said, Okay. Last week we talked about how

14 are we doing here, here, and here, and then we carry

15 on to the next week.

16 And so we eliminated piles and piles of

17 what previously was done of all paperwork to

18 actually talking to one another and really getting

19 action out there to solve and achieve the objectives

20 that we were after. Now, of course, anything that

21 should have a written record to it did.

22 But I really -- my style of management is

23 really setting up those weekly interviews of talking

24 to people, not just requiring written reports that

25 stack up like this that some day you get around to

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1 reading.

2 TRUSTEE TULLOCH: Thank you. Yes, it's

3 incredible how simple processes can improve these

4 things.

5 One final question: A lot of these

6 actions, you've talked about additional staff,

7 temporary staff, we have a budget issue in the

8 general fund. How would you address that, given

9 that we --

10 CANDIDATE WALRACK: I'm glad you asked

11 that question because as I was studying the minutes

12 for tonight, in the 507-page packet, I did find a

13 section in there about how we're having some

14 expenditures and moving some funds around from a

15 different area to cover an expense that wasn't

16 planned for, that we need to get covered.

17 So first and foremost, I need to get

18 educated on that total process. I know -- just from

19 looking at the budgets and the financials thus far,

20 I know that because we've been so shorthanded,

21 there's a lot of monies out there that are sitting

22 in some accounts where we haven't utilized those

23 funds, so I don't know if any of those can help

24 being transferred to a specific area, maybe, to

25 cover the temporary work. Those would be kind of

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1 areas that I would be searching with regards to

2 what's appropriate for IVGID with regards to the

3 policies and then working within those policies to

4 make these actions work to solve our issues.

5 TRUSTEE TULLOCH: I'll pass back to Vice

6 Chair Dent.

7 CHAIR SCHMITZ: Thank you for your time

8 and interest in this and for somewhat wanting to

9 serve your community.

10 Being, I believe, semi-retired or retired,

11 what's your plan for how long you think that you, if

12 you were put into this role, that you would remain

13 in this role, and do you have some criteria for

14 which you would say I'm comfortable stepping aside

15 and deciding to take -- go back into retirement?

16 I'm curious about that.

17 CANDIDATE WALRACK: Great question.

18 Succession planning is vitally important for any

19 particular role. From my perspective, I would look

20 at an eight-year career, and through that

21 eight years, I would groom an executive staff,

22 absolutely top talent that we would work with over

23 those eight years so at the time that I decided to

24 retire for the second time, we would have a

25 successor.

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1 And, actually, I did that in the previous  
2 company that I worked for. Our CEO today is a  
3 gentleman by the name of Jim Davis, and he worked  
4 with me for probably 33 years. And as we marched up  
5 with the ladder of that organization together, we  
6 just built a tremendous relationship. Now I'm so  
7 happy for him, seeing him in the CEO role and really  
8 being very successful with that company today.

9 CHAIR SCHMITZ: And as far as -- my phone  
10 is ringing -- this particular role is different than  
11 anything you have probably ever been in, and you  
12 will -- as general manager, you will hear things and  
13 requests and suggestions and ideas from community  
14 members, from staff, from the Board, there's a  
15 variety of different inputs as general manager that  
16 -- whether you want them or not, they will be  
17 flooding in your door.

18 How do you intend to handled that type of  
19 diverse demand?

20 CANDIDATE WALRACK: Well, since moving to  
21 Incline Village and spending the last three years  
22 full time up here and starting to attend the IVGID  
23 boards, I've got a real taste of exactly you're  
24 talking about with regards to the inputs coming from  
25 a lot of different areas.

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1 the issues and what was the outcome?

2 CANDIDATE WALRACK: I'll take you back to  
3 growing our food manufacturing business when we were  
4 growing so fast that we were not hiring enough  
5 people to keep up with the progress, and our wake-up  
6 call was that I got a call from a customer and the  
7 customer was really upset with us that our shipment  
8 didn't arrive to them on time and they wanted to  
9 know when the shipment was actually going to be  
10 received. I said, Well, give me a few minutes.

11 I went and walked the hallways and met  
12 with customer service and shipping. And I  
13 discovered that after doing all the homework that I  
14 couldn't answer the customer's question. That was  
15 like a punch in the nose as far as wake up to the  
16 fact that we needed to structure our company  
17 differently and get more resources involved and hire  
18 more people, more qualified people, to run these  
19 departments.

20 I found a gentleman by the name of Chris  
21 Porter that we brought into the organization to help  
22 lead this effort. And after that hire and he  
23 probably brought on six or seven additional people  
24 to help the supply chain answer so that we could  
25 answer these questions, but within 90 days, our fill

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1 I would say the Board experience that I've  
2 really learned at the National Restaurant  
3 Association since 2015, with such a large entity  
4 there with so much government interaction and  
5 lobbying that it's so important to get the views  
6 from all the participants of your business  
7 environment, and so I welcome it. I don't really  
8 run from confrontations that if somebody wants to be  
9 confrontational, I'll certainly do my best with  
10 regards to listening to their opinion and trying to  
11 understand, trying to walk in their shoes to get a  
12 full appreciation of why they're saying what they're  
13 saying, why their views are positioned the way that  
14 their viewed.

15 And then once I have that complete  
16 understanding, I can then I can take that into  
17 account with all the other stakeholders, and  
18 ultimately form an opinion about a particular  
19 subject or topic or course of action based on  
20 analyzing all of that information and then applying  
21 my own experiences to it come up with a strategy on  
22 how to move forward on a particular issue.

23 CHAIR SCHMITZ: Tell us about a time when  
24 you discovered a need for procedural and  
25 organizational change and what you did to address

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1 rates were back up to 99.5 percent and we could  
2 answer those questions to our customers once again.

3 That was a very stressful challenge that  
4 was upon us, and we had to act quickly to resolve it  
5 to keep our business growing.

6 CHAIR SCHMITZ: You mentioned in your  
7 first 100 days, I think it was number 5, that you  
8 intend to do department reviews, and I don't have  
9 the handout that you shared, so I might just not  
10 have the information that rest of trustees, other  
11 than Trustee Noble, has.

12 But what is it when you do a department  
13 review, what are the things that you would be  
14 evaluating?

15 CANDIDATE WALRACK: The list is following:  
16 Annual revenue, annual costs, net profits, services  
17 offered, management team review, budgets for 2025,  
18 capital improvements needed, customer surveys on  
19 their department's performance, unique services  
20 offered, possible innovations to improve services  
21 offered, key issues or problems, staffing needs, and  
22 potential new revenue streams.

23 CHAIR SCHMITZ: All right. Thank you.

24 And looking forward a year, you have your  
25 100 days, but just thinking about a year from now,

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1 what would you view as a success if you were put  
 2 this role? What would that be in your mind?  
 3 CANDIDATE WALRACK: That would be being  
 4 able to communicate, the financial success of the  
 5 District, achieving the actual numbers that we  
 6 budgeted to achieve, a better relationship with our  
 7 community with regards to services that we are  
 8 offering and the way that we are managing the  
 9 District to satisfy all of their needs with regards  
 10 to -- that we're running this business in the best  
 11 interest of the community, and we're reporting and  
 12 sharing information with the community that we could  
 13 be proud of with regards to the success that we're  
 14 having.  
 15 I have vision that when we have these kind  
 16 of meetings that we could be presenting to the  
 17 community all of the achievements that the District  
 18 has made. So right now we sit up here and all we  
 19 get is all the things we're doing wrong. My vision  
 20 would be to be able that communicate all the things  
 21 that we're doing right and then to take input on how  
 22 we can continue to improve.  
 23 CHAIR SCHMITZ: Thank you.  
 24 As heard in public comment, and I'm  
 25 assuming you were able to hear public comment. Were

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1 Trustee Tonking does, actually.  
 2 TRUSTEE TONKING: You said you met with  
 3 our senior team. Was there anything surprising that  
 4 came out of those conversations that you may view as  
 5 a challenge or something that you look forward to  
 6 addressing right away?  
 7 CANDIDATE WALRACK: The most surprising  
 8 thing was that nobody knew the score of the game of  
 9 their individual departments. That was shocking to  
 10 me.  
 11 TRUSTEE TULLOCH: Just one follow-up. In  
 12 terms of listening to -- Chair Schmitz address the  
 13 issue of all the different inputs from the  
 14 community, how do you see yourself filtering out  
 15 what is relevant as opposed to just special interest  
 16 groups?  
 17 CANDIDATE WALRACK: I think that is a  
 18 great question. I've learned in the past that you  
 19 need to study the input. And what some people take  
 20 as might be a special interest comment and they are  
 21 always doing that or it's always the path that  
 22 they're on or it's always this or that, if you take  
 23 the time really dive in and study the content and  
 24 what's being communicated there, sometimes you find  
 25 out that there is some truth there, and you gotta

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1 you?  
 2 CANDIDATE WALRACK: Yes, I was.  
 3 CHAIR SCHMITZ: Okay. What concerns do  
 4 you have about having a new board come January?  
 5 CANDIDATE WALRACK: Yeah, that's a very  
 6 interesting situation that we're in. I've thought a  
 7 lot about it. My perspective is that you need to to  
 8 be fundamentally sound in everything that you do and  
 9 how you manage your business. And as long as you  
 10 are fundamentally sound in the way that you're  
 11 approaching and fixing problems, that that approach  
 12 should work for either board.  
 13 And so my focus would be head down, go  
 14 solve the problems, get this community up and on its  
 15 feet once again, communicate with the Board, no  
 16 matter which one it is, on what the needs are of the  
 17 District, and how we need to utilize their expertise  
 18 in each of their areas that we could plug in with  
 19 our team to make sure that we are getting the best  
 20 advice to help us execute our mission.  
 21 CHAIR SCHMITZ: Thank you for that.  
 22 I don't have other questions. Are there  
 23 any other trustees who like to do a follow-up  
 24 question at this point?  
 25 TRUSTEE DENT: None in the room, Chair.

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1 get to the heart of the matter and gotta fix it.  
 2 Like I said, I listen to all of the  
 3 feedback and focus on the feedback that I think that  
 4 really needs fixing, and some of others that maybe  
 5 fall lower on priority scale, I don't give -- you  
 6 only have so much time in a day, so you gotta  
 7 prioritize.  
 8 TRUSTEE DENT: Any other questions?  
 9 Thank you, Mr. Walrack.  
 10 CANDIDATE WALRACK: Thank you. Appreciate  
 11 it.  
 12 TRUSTEE DENT: Mr. Harrison will be up  
 13 next.  
 14 CHAIR SCHMITZ: Trustee Noble will start  
 15 with the questions.  
 16 (Cross talk.)  
 17 TRUSTEE DENT: Thank you, Mr. Harrison.  
 18 There's a question that a trustee has, so he's going  
 19 to meet with legal counsel real quick. We're just  
 20 going to take a two-minute break and then resume.  
 21 (Recess from 5:43 p.m. to 5:45 p.m.)  
 22 TRUSTEE DENT: We're going to resume the  
 23 meeting. We had a brief, two-minute break.  
 24 Mr. Harrison, thank you. Appreciate you  
 25 being back here.

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1 I believe, Trustee Noble, you are going to  
 2 be starting us off with questions.  
 3 TRUSTEE NOBLE: Thank you.  
 4 Mr. Harrison, given our finance and  
 5 accounting challenges, what skill set do you bring  
 6 to address them, and what resources would you need  
 7 to address them if selected as GM?  
 8 CANDIDATE HARRISON: Well, thank you for  
 9 that question. I also want to say thank you to all  
 10 of you for this opportunity to come back and have a  
 11 second conversation with you about the position.  
 12 I'm excited about the opportunity. I think this  
 13 would be a great organization to come work for, and  
 14 so I appreciate the chance to talk to you for  
 15 another half hour so about some of the questions  
 16 that you have.  
 17 I have a 30-year career in managing local  
 18 governments. A lot of that, I've worked very  
 19 closely with the finance director in the development  
 20 of budgets in the working that is don't in  
 21 finalizing audits and review of the audits. My very  
 22 first city administrator job when I was 27 years  
 23 old, I was the city administrator clerk/treasurer,  
 24 so -- and there were only 27 employees that worked  
 25 for the organization, so I had to do the budget and

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1 developed it by myself. I had to work closely with  
 2 our audit team when they came in and did that annual  
 3 audit and was actively involved in that.  
 4 I did all of the negotiations. It was  
 5 kind of like a municipal-management-101 experience  
 6 that I had there. And in over the years, my  
 7 involvement in all those things have been very  
 8 helpful in building a solid foundation for myself in  
 9 managing finances, doing budgeting, and also  
 10 developing financial policies.  
 11 In terms of the challenges here, I did get  
 12 the opportunity review the presentation to the Audit  
 13 Committee. I was a little surprised at our  
 14 response. I think there are opportunities there to  
 15 clarify what needs to be done. I wasn't totally  
 16 surprised by the audit that was finished because a  
 17 CPA firm is hired to identify potential risk when  
 18 audits are done, and that's exactly what they did.  
 19 That didn't mean that there was actually any fraud  
 20 or activity occurring, but that -- I think it did  
 21 reflect the fact that there were some opportunities  
 22 for enhancements in our procedures and then making  
 23 sure that they are followed through. I think there  
 24 was some very good, positive things that were  
 25 identified in that audit.

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1 But I think that maybe one challenges in  
 2 getting the 2023 audit concluded, bards it's my  
 3 understanding the work has been done, the figures  
 4 have been audited. What missing is the opinion  
 5 letter from the CPA.  
 6 And so one of the first things I would do  
 7 in those first 30 days is re-approach our CPA about  
 8 getting that opinion letter and see if we can get  
 9 that finalized because that's a critical part of  
 10 what is needed under the law is to get that  
 11 finalized ed opinion letter. I think that's where I  
 12 can help, I think that's a big part of that initial  
 13 phase.  
 14 I think my approach might have been a  
 15 little different. I think we gotta make sure we  
 16 have the boots on the ground and invest the  
 17 resources there to get the system up and functioning  
 18 in terms of the Munis system, and then making sure  
 19 that we got the policies in place consistent with  
 20 that. And so that may involve bringing, doing a  
 21 surge, if you will, to take care of it, and I'd have  
 22 to kind of evaluate happen would be needed after I  
 23 met with the finance director. I think that's where  
 24 I kind of would have put the resources.  
 25 The other piece I need to wrap my arms

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1 around is -- it's my understanding that there were  
 2 several cuts made to the budget for this  
 3 current year, which we're half way through, and that  
 4 we may be approaching a hundred percent of  
 5 expenditures in some of those departments and line  
 6 items, and yet there wasn't a concurrent reduction  
 7 in service. I think I need to understand where we  
 8 sit relative to budget, if I was selected for the  
 9 position, and then work closely with the new board  
 10 and our interim finance director to identify what  
 11 service levels may be impacted by the cuts that were  
 12 done, because I don't believe there were any  
 13 significant major changes or cuts in the  
 14 expenditures that were planned for the year.  
 15 If we're going to finish the budget in  
 16 balance, then we've got to make that we have a  
 17 conversation with the Board to either look at the  
 18 revenue piece of that people or make sure that  
 19 people are comfortable with the cuts in service that  
 20 are going to to come with the reduction in spending.  
 21 So those are my primary goals and what I  
 22 think I can help bring to the table to address some  
 23 of the financial issues.  
 24 TRUSTEE NOBLE: Thank you. I have no  
 25 further questions.

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1 TRUSTEE TONKING: Did you have the  
 2 opportunity to meet with senior leadership team and  
 3 tour any of our facilities?  
 4 CANDIDATE HARRISON: I did, today, yes.  
 5 TRUSTEE TONKING: Great. Based on that  
 6 experience, what were some of the things that were  
 7 surprising and what were the things you really  
 8 didn't foresee until those meetings that you would  
 9 like to address.  
 10 CANDIDATE HARRISON: You know, I was  
 11 really pleased with your leadership team. You've  
 12 got a highly competent group of individuals, they  
 13 want to make this organization successful, and I  
 14 think they believe in the mission of the  
 15 organization. They just need some leadership.  
 16 It was interesting in having a  
 17 conversation with them and listening to some of the  
 18 feedback, that I think there -- there obviously has  
 19 been some -- a little bit of trauma over what's  
 20 occurred here in the last year or two, and there  
 21 needs to be some healing and understanding and  
 22 recognition of where we are, organizationally, and  
 23 where we need to go. And that was, I think, one of  
 24 surprises, is making sure that we've got a good  
 25 governance model in place working with the Board and

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1 leadership team going forward.  
 2 I was so impressed with your facilities,  
 3 the beaches, the golf courses, the restaurant,  
 4 they're all really excellent and in good shape and I  
 5 think well maintained. I was impressed with how the  
 6 utility systems work, the water resources that we  
 7 have and the sewer systems that we have in place to  
 8 do that.  
 9 And I was little surprised as well on the  
 10 push to hire a finance director. I think that is a  
 11 critical position, which I would want to have input  
 12 in if I was the general manager, to be able to pick  
 13 my team, I think, is really important. And so I  
 14 think interim person who is serving that can serve  
 15 that position well. If you do make that decision to  
 16 hire me today, I would be willing to come and work  
 17 with you in December, so I don't think it would be a  
 18 huge delay, but I think that's the an important part  
 19 of picking that team.  
 20 TRUSTEE DENT: Hey, guys, if you're going  
 21 to have conversations, let's do it outside the  
 22 room'.  
 23 Sorry, Mr. Harrison.  
 24 CANDIDATE HARRISON: Thank you, Trustee  
 25 Dent.

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1 That was my answer.  
 2 TRUSTEE TONKING: Great. Following up on  
 3 something you just said in that question, what is  
 4 your experience with hiring a team and really an  
 5 experience with hiring a lot of different people to  
 6 be in your senior manager team? We are missing a  
 7 lot of positions in that area.  
 8 CANDIDATE HARRISON: That is one of the  
 9 critical pieces, is you gotta get your team in place  
 10 and highly functioning. I have experience working  
 11 in building a team. I rely on -- if it's a director  
 12 position, I rely and work with my leadership team  
 13 and doing the evaluation of candidates that come in,  
 14 and then ultimately make the decision on who I  
 15 believe is the most qualified candidate.  
 16 And I do look for several things. Not  
 17 just the technical skills, but the organizational,  
 18 the management, the leadership skills, I think are a  
 19 critical component of what those individuals have to  
 20 bring to the table. Communication I think is really  
 21 important. We can lose some of messaging that needs  
 22 to occur with a lack of communication.  
 23 I have a lot of experience over the years  
 24 doing that. I think we have a very solid human  
 25 resources department. And they would obviously take

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1 the lead in doing that first initial recruitment  
 2 process, making sure we're recruiting in the right  
 3 places, and then going out and bringing in the right  
 4 people.  
 5 The other piece I haven't had a chance to  
 6 look at is what our compensation model looks like.  
 7 I think if you're expecting to get high-quality  
 8 people, you have to have a very competitive  
 9 compensation model, especially with how competitive  
 10 things are for talent nowadays.  
 11 If our compensation model is looking at  
 12 paying at the fiftieth percentile, it's kind of hard  
 13 to go out and hire a candidate that you might find  
 14 at the eightieth or ninetieth percentile because  
 15 they are probably already hired or working somewhere  
 16 else, we're not going to be able to attract them  
 17 from somewhere else.  
 18 TRUSTEE TONKING: And then my last  
 19 question is during your first 30 days here, what do  
 20 you think is going to be the biggest challenge for  
 21 you or the thing that you might need the most  
 22 assistance with?  
 23 CANDIDATE HARRISON: Well, I think having  
 24 the opportunity to spend some time with the  
 25 directors, a much longer period of time, will be



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1 helpful in doing the diagnosis of what some of the  
 2 challenges are, both in the infrastructure that we  
 3 have and in the finances that we have, and  
 4 identifying some of the policies.

5 I mean, my goal would be to be able to  
 6 start rolling shortly in January after the new board  
 7 takes office, and have some of these recommendations  
 8 already in place and help work with the chair on  
 9 setting that agenda to make sure that we're  
 10 accomplishing what they want to accomplish.

11 Second thing is I would take that time to  
 12 work with all of you that got reelect and obviously  
 13 get the input and history from those who chose not  
 14 to run this time, and then meet with the new  
 15 incoming trustees so I've got a very good and solid  
 16 understanding of what they would like to accomplish  
 17 when they take office.

18 TRUSTEE TONKING: Thank you.

19 TRUSTEE TULLOCH: What you expect your  
 20 deliverables to be in the first 90 days, what would  
 21 you be delivering for us?

22 CANDIDATE HARRISON: One, I think I would  
 23 have a finance director hired. Two, I would do  
 24 what's necessary to get the State to stop breathing  
 25 down our necks. I think we've gotta go out there and

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1 CANDIDATE HARRISON: I can't answer that  
 2 today because I think I need to sit down and meet  
 3 the directors of the various divisions. I have to  
 4 get my arms around what the actual budget  
 5 appropriations look like, see a sheet, a "green  
 6 sheet" is what we used to call them, where we are  
 7 relative to our budget and what the appropriation  
 8 is. And if we have things that are out of whack for  
 9 the first six months, we gotta have a conversation,  
 10 whether it's around the revenue piece or whether  
 11 it's around the expenditures.

12 And if we're talking about having to do  
 13 something major, like close an operation or not be  
 14 able to provide a service, I think we have to --  
 15 "we," the administration, owes the conversation with  
 16 the Board in place to understand because they are  
 17 coming in midyear on the appropriated budget that  
 18 the current board put in place.

19 So I would come up with the right solution  
 20 to have that conversation with the Board, and  
 21 ultimately those conversations and that final  
 22 decision is the Board's. But I would be able to  
 23 provide the options and at least the information so  
 24 they could make a well-educated decision.

25 TRUSTEE TULLOCH: Okay. So would your

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1 make the case to them that we've got our house in  
 2 order. Three, I would get out and meet all  
 3 employees in the organization, because it's  
 4 important, whether you're working on line cleaning  
 5 sewers or you're a director, that they have that  
 6 opportunity to know that I am personally vested in  
 7 them.

8 I would have an open house with community  
 9 here, hopefully within the first 30 days, because I  
 10 would like to introduce myself to those people and  
 11 certainly some of people we've heard speak. I would  
 12 provide them with an invitation to come and meet  
 13 with me so I can introduce myself and get an  
 14 understanding of some of the issues that they have.

15 Obviously get a finance director  
 16 appointed. And have the budget evaluated relative  
 17 to operations to make sure that there is not  
 18 something surprising come April, so we've got to have that in  
 19 order and have to begin the process of the next  
 20 annual budget cycle.

21 TRUSTEE TULLOCH: You talked a bit of  
 22 finances and talked about having to cut services.  
 23 Is that how you read the finances? Or would you be  
 24 coming to the Board looking for more money or would  
 25 you be coerced with proposed cuts to services?

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1 normal option be to cut services or to look for --  
 2 ask the Board for more monies?

3 CANDIDATE HARRISON: I would say it  
 4 depends, borrow a statement from my attorney's  
 5 office, and say it depends on what the situation is.

6 I think what would do, whatever the  
 7 situation may be, say it's restaurant, we can take a  
 8 look at that, we will understand the business  
 9 operations there. I've got a 435-page guidebook, if  
 10 you will, on what went wrong and what could be  
 11 improved, and then come back and say here are some  
 12 of the things that need to be done.

13 If we're undercharging weddings, weddings  
 14 bookings, we should be making a lot of money on  
 15 weddings. If find out we need to make some changes  
 16 or we are not competitive in the marketplace, that  
 17 will come back with a decision. Now, that decision,  
 18 ultimately by the Board, if it's low, if we're  
 19 charging low, do you want to subsidize the service,  
 20 which is in a sense what we are doing, or do you  
 21 want to look at of putting ourselves in the  
 22 marketplace for what that actually would cost.

23 Those decisions aren't up to me, but what  
 24 I will come with you is a series of recommendations,  
 25 option A, option B, or if there's a option C, what

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1 that third option would be.

2 TRUSTEE TULLOCH: Okay. Thank you.

3 Obviously at 90 days, if you came to us at 90 days,

4 we're at the end of Q 3. And this past year the

5 budget cycle, we suddenly find out into Q 4 that

6 we're way overspending in a lot of areas which were

7 never brought to the Board.

8 How would you solve that issue going

9 forward?

10 CANDIDATE HARRISON: I'd have it solved in

11 Q 2. The Q 3, if you will.

12 We would have that conversation shortly

13 after take office. I can get a report out of the

14 system. I think part of that conversation with the

15 interim finance director is how much you trust the

16 numbers. I think she feels more confident,

17 obviously, today than she did before about where the

18 numbers are.

19 But we'll have that conversation before we

20 get into that situation and the 2025 appropriated

21 budget.

22 TRUSTEE TULLOCH: Thank you. I see -- I

23 read through your resume and your career's all been

24 in city management, administrative management, and

25 it's heavy on getting grant funding and it's all

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1 been property tax funded, primarily.

2 Obviously this -- you've looked at our

3 funding mechanism, it's rather different, 75, 80

4 percent of our revenues come from what should be

5 commercial businesses. How would you adapt to that?

6 CANDIDATE HARRISON: I'm very comfortable

7 with understanding the systems of how we charge.

8 I've had three different states that I worked in

9 which all had different financial -- in Ohio, they

10 had local income taxes that they were relying on.

11 In Washington state, it's sales taxes. All of those

12 had fee uses as well, that was part of that.

13 I feel very comfortable with my financial

14 background and history that I would be able to come

15 in and be able to manage that element pretty well.

16 You also bill for utilities and that's very

17 comfortable and that's something cities do on a

18 regular basis.

19 TRUSTEE TULLOCH: Okay.

20 TRUSTEE DENT: Mr. Harrison, what would

21 first year of success look like?

22 CANDIDATE HARRISON: I think I would

23 define that by, you know, if we did a city survey

24 that the level of trust that exists in the community

25 of their local government district would be

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1 substantially higher than what it is now.

2 I think the other piece is we would have a

3 significant improvement and feeling amongst the

4 employees about what the culture should look like,

5 reinforcement of the norms that exist, and hopefully

6 reduce the amount of turnover that we've had in the

7 organization. I think we can get the right team in

8 place so that people want to stay here.

9 I think those would be two critical ones.

10 I think, thirdly, as I mentioned the last time, my

11 job as the general manager and your job as the

12 fiduciaries for the organization is we have to

13 protect the franchise. And so we need to have our

14 financial house in order so that we can, as an

15 ongoing concern, deliver the services that the

16 people in the community expect.

17 And so by the end of that year, we'll have

18 our financial house in order.

19 TRUSTEE DENT: You mentioned gaining the

20 confidence of the local government finance

21 committee, how would you go about preparing for that

22 meeting?

23 CANDIDATE HARRISON: First of all,

24 assuming I have a trustee that would go along with

25 me, I would want to make sure that that trustee is

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1 brought up to date, has an understanding of what

2 issues are, and be prepared to go in and do that

3 presentation with a very clear, identifiable

4 solution, explanation, hopefully at that point.

5 I think that the elements is getting to

6 know those individuals on the committee and get a

7 little better understanding that what they just

8 expressed to us in a public meeting, because

9 everyone, when they're in a public meeting, tends to

10 be a little bit more conservative in what they may

11 say like. I'd like to get the unvarnished version

12 from them, if I can, so that when we come back with

13 a solution, we will have that in place.

14 I felt good that we were not the Clark

15 County School District, which had a \$20-million

16 deficit that they were presenting on. That is a

17 whole different magnitude of order versus what our

18 issue, which I think is we've gotta make sure our

19 accounting is in a position that needs to be --

20 where it needs to be and that we're confident in our

21 numbers.

22 And then, again, I'm going to approach our

23 auditor and see we can get that final letter of

24 certification, letter of opinion because that's

25 going to be needed.

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1 Those would be my three goals.

2 TRUSTEE DENT: How would you go about kind

3 of approaching each of the business units going into

4 a very short business cycle? We usually start the

5 budgets, say, cycle in January. We have to have

6 preliminary budget approved in April, and then the

7 final budget approved in May.

8 How would you get up to speed with the

9 different business units in a short amount of time

10 to make sure you and your team understand what

11 you're bringing to the Board?

12 CANDIDATE HARRISON: Yeah. That would

13 have to be my priority, is making sure that I've had

14 those opportunities to sit down and meet with those

15 operation managers and the directors, and then take

16 a look at their methodologies that they use in

17 developing their budgets as well as developing

18 whatever the fee recommendations are.

19 And I think -- you know, and meeting the

20 leadership team today that you mentioned, you've got

21 a really solid group of professionals, and I think

22 they are willing and able to put forward their

23 recommendations to me. And I'll take the time

24 necessary to have that in place.

25 I think -- my goal is to hit the ground

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1 running as fast as possible by the time the new

2 board takes place. There has to be some

3 conversation at the governance level with the new

4 board about what are the priorities. You may want a

5 cut in fees, that may be very important to you, and

6 we'll have to balance that with all the other

7 perspectives. And then as I work at putting the

8 budget together, I want to make sure I've got the

9 input of all the new trustees, all the trustees, on

10 what those priorities are so we can deliver in a way

11 that you would expect.

12 TRUSTEE DENT: I believe it's been like

13 11 years since this -- since a board has gone

14 through the selection process for a general manager

15 and evaluating different potential GMs.

16 How would you set the District up for

17 success as far as a succession plan for when you're

18 ready to move on?

19 CANDIDATE HARRISON: I don't recall if I

20 said this last time, but I'm at that point in my

21 career where I'm not necessarily looking at the next

22 job. What I would really like to do is make a

23 commitment to come into this organization and say 10

24 or 11 eleven years, buy a house here, and become

25 part of this community. Volunteering, being part of

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1 the Rotary, helping build a stronger community is

2 important to me, and those would be some of the

3 goals that I would want to have. We do have some --

4 we have several leadership positions that are filled

5 with individuals that probably will be looking a

6 retirement window here within the next few years,

7 and so what I've done in the past and I'll give you

8 an example for my clerk position in Yakima, I knew

9 she was going to be leaving in a year, and I created

10 a temporary position of assistant clerk. I had a

11 very solid individual who worked with the planning

12 commission at the city, and I approached her about

13 it, she was interested in that position. I

14 temporary -- well, it was a one-year position, I put

15 her in that position. I was able to get her to the

16 clerk's conferences, get her the certifications and

17 the training that she needed. She participated in

18 the leadership meetings, so she had an expectation

19 of what that would look like. When we got done and

20 when that person retired, she was already -- last

21 two or three months, she was actually running the

22 department, and the existing clerk was acting more

23 of an in-house consultant for her than as the

24 director.

25 It's a critical part of what we're doing.

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1 As matter of fact just last week, Thursday, I did a

2 presentation to the Municipal Management Association

3 in Northern California about succession planning and

4 how it's critical to make succession planning part

5 of your culture, identifying mentees and mentors

6 within the organization so that they have that

7 opportunity to do training and development. At the

8 local government Hispanic network, we have a

9 padrinos and a padrinias program where we are able to

10 work with young professionals and help train them

11 into the future so that they can successful, whether

12 it be become city managers or department directors,

13 whatever that may be.

14 I would feel very comfortable -- and I

15 think you asked me the question because it's

16 important, and I think it is important here. We've

17 lost a lot of historical knowledge with some of the

18 people who have left here, and so we need try and

19 capture that as well before they leave the

20 organization.

21 TRUSTEE DENT: Thank you for that. Thank

22 you for coming back.

23 Chair Schmitz, the floor's yours.

24 CHAIR SCHMITZ: Thank you.

25 Thank you for being here again today. We

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1 all appreciate it and appreciate your interest.  
2 What do you see as maybe a few of the largest  
3 challenges to the organization?  
4 CANDIDATE HARRISON: Well, the obvious one  
5 is the financial challenges that we are facing. But  
6 I think that's a short-term situation rather than a  
7 long term. Once we're able to do the diagnosis and  
8 make the necessary changes that have to get done,  
9 then the question really becomes what are the  
10 priorities of services that we want to provide, how  
11 are we going to provide them, and what's the cost  
12 affiliated with them? And then do we have the  
13 revenue structure in place?  
14 I've typically done three-year financial  
15 forecasts for operating budgets and five-year  
16 capital plans so that we know we have a commitment.  
17 I know we had a last time about what a capital plan  
18 looks like and whether we're actually following  
19 through that or not.  
20 That five-year capital plan needs to  
21 reflect those projects that we're going to do, even  
22 though we make annual decisions on that, we can  
23 understand what is in that capital plan and make  
24 sure that those funding decisions and savings that  
25 would go into place when that situation can actually

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1 going, and so -- but I will take that time to spend  
2 with the person to make sure that we are actually  
3 making that progress.  
4 CHAIR SCHMITZ: Do you have any perception  
5 of -- tell us what your perception is relative to  
6 the organization with internal controls, that sort  
7 of thing, and procedures.  
8 CANDIDATE HARRISON: I think that is what  
9 that 41 recommended recommendations that came out of  
10 the performance audit that you hired that individual  
11 on. There are a few areas where it came down to  
12 internal control processes, and they have to be made  
13 clear, they have to be incorporated in the financial  
14 policies, and they have to be enforced.  
15 One of the things that we did in any  
16 department that handled cash is we would do a  
17 monthly stock check where we would come in and check  
18 the cash on hand and the report that was done from  
19 the previous night to make sure that the people who  
20 are -- where the highest risk is in terms of  
21 potential theft, that we were checking that on a  
22 regular basis, so that those individual employees  
23 knew stuff was being checked on a regular basis.  
24 The password sharing, like, that is just a  
25 no-no, and I think we need to make sure we counsel

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1 take place.  
2 I apologize, I forgot your original  
3 question.  
4 CHAIR SCHMITZ: No, that -- so you said  
5 the biggest is financial. So what is it that you  
6 perceive as being the issue with the financial  
7 challenge?  
8 CANDIDATE HARRISON: Well, so I think  
9 first and foremost is one of making sure that Munis  
10 is actually living up to the contract, that the  
11 training that they've done, the integration that  
12 should have taken place, that the -- whatever  
13 satellite program management software that our  
14 departments have integrate well with the general  
15 ledger, I think that's a big part of that first  
16 step.  
17 And then working with the finance team and  
18 making sure that we can get the processes in place  
19 to make sure that our directors are receiving the  
20 information they need and that the information that  
21 is in the system is actually good. I mean, you  
22 don't want garbage in, garbage out.  
23 I got the sense in talking to the interim  
24 finance manager today that they are feeling a lot  
25 more confident about where we are and where we're

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1 those employees that may have been doing that.  
2 There was a recommendation in there that  
3 was concerned about the funds that are set aside for  
4 the clothing allowance for employees, for example,  
5 because of the concerns about the IRS, that's a  
6 simple fix. I think it -- you don't want to sit  
7 there and have an argument with the IRS; it's one of  
8 those that rather than city purchasing those items,  
9 you just set up an account and let those employees  
10 go ahead and you give them a list and they go out  
11 and purchase those items that are on the list with  
12 the affiliated equipment that they need the  
13 purchase. And then they have to come in a have that  
14 equipment checked by the manager by the certain date  
15 that it's done.  
16 But it pushes the tax issue away because  
17 the employees are obviously going to have the tax  
18 responsibility for those. And if you're talking  
19 about -- I think it was \$800, the tax impact is,  
20 you're talking about a few dollars for employees, so  
21 if you made \$815, that would cover -- if people were  
22 considered about the impact on our employees, that  
23 would cover the impact on whatever federal taxes the  
24 employee would have, and it would just make the  
25 whole thing, that whole issue, go away.

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1 So there are several items like that as I  
 2 reviewed the report that I think we could implement  
 3 fairly quickly and work through those challenges.  
 4 CHAIR SCHMITZ: Tell us about a time when  
 5 you discovered a need for a procedural or  
 6 organizational change and what action you took.  
 7 CANDIDATE HARRISON: The spot-checks that  
 8 I just mentioned, I think is one of those. So it  
 9 came to my attention about two years ago that we had  
 10 some theft take place from our pool, about \$800 that  
 11 went missing, and discovered that the manager didn't  
 12 secure access to the safe and that several people  
 13 knew the safe combination and that we were not going  
 14 out and doing regular checks of the money. And the  
 15 money should have been being deposited every  
 16 24 hours, whereas they would sometimes go six or  
 17 seven days without making that deposit.  
 18 When that came to my attention, we did an  
 19 investigation and review. We were not able to make  
 20 a determination as to who potentially stole the  
 21 money, but we were able to provide some counseling  
 22 to the pool manager to make sure that the safe  
 23 didn't have access to everybody, the safe wasn't  
 24 easily available to anybody, that the procedures  
 25 were in place to make sure that he actually closed

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1 the safe after it was opened, and that there was a  
 2 process in place to make sure that the funds were  
 3 deposited every 24 hours.  
 4 And even though they were closed, what  
 5 we -- they closed at 8:00 and the finance department  
 6 closed at 5:00, we would make them do a cash run  
 7 towards the end of the day so the majority of the  
 8 cash that came in got deposited with the finance  
 9 department. And then the next morning, they could  
 10 come in and drop off the bag, the cash bag for some  
 11 additional.  
 12 It's never -- we have a stewardship  
 13 responsibility with public's money, and you never  
 14 want to see something like that happen. But when  
 15 you have certain operations that handle a lot of  
 16 cash, that's a higher risk, and so you need to make  
 17 sure that you take the appropriate steps to change  
 18 procedures and some of the policies to make sure  
 19 that it doesn't happen again. And we didn't have  
 20 any further issues there.  
 21 CHAIR SCHMITZ: Thank you. I don't have  
 22 any follow-up questions.  
 23 If any of the other trustees have  
 24 follow-up questions?  
 25 TRUSTEE DENT: Any follow-up questions?

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1 Thank you, Mr. Harrison. We appreciate  
 2 it.  
 3 CANDIDATE HARRISON: Thank you. I  
 4 sincerely appreciate, again, having me back and very  
 5 interested in the position and would love to come  
 6 work with all you guys in this great community.  
 7 TRUSTEE DENT: Thank you.  
 8 We're going to take a five-minute break.  
 9 (Recess from 6:20 p.m. to 6:26 p.m.)  
 10 TRUSTEE DENT: We are going to resume our  
 11 meeting. It is 6:26. Our next candidate is in the  
 12 room, Ms. Cortez. I believe Trustee Tonking will be  
 13 starting off the line of questioning.  
 14 TRUSTEE TONKING: Thank you for being  
 15 here. I wanted to talk a little bit about -- do you  
 16 have the ability to meet with the senior leadership  
 17 team and tour the a facilities?  
 18 CANDIDATE CORTEZ: Yes. We met with  
 19 various directors today, yes.  
 20 TRUSTEE TONKING: I would love to know  
 21 anything that you found surprising that is kind of  
 22 out it and what you would like to address when I you  
 23 begin working here?  
 24 CANDIDATE CORTEZ: Surprising? I think  
 25 I've done so much homework about the organization,

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1 about the leadership, the legislative body, the  
 2 community, social media, articles, reports, so I  
 3 would say that no surprises.  
 4 One conversation that does stand up is one  
 5 about employer of choice. We had a conversation  
 6 about the District, once upon a time, having been an  
 7 employer of choice, the place where people wanted to  
 8 work, and a strong desire to rebuild that brand. It  
 9 is a good brand. And to work on retention,  
 10 recruitment as needed, and find systems, put systems  
 11 in place to reward work well done, correct  
 12 inefficiencies, and bring back the notion that IVGID  
 13 is an employer of choice.  
 14 I think that was something that something  
 15 stood up, I had not had that conversation before  
 16 with staff or even members of the community.  
 17 TRUSTEE TONKING: Can you tell me about  
 18 your experience -- as you know, we're missing a lot  
 19 of our senior-level directors, can you tell me about  
 20 your experience hiring a lot of senior-level  
 21 directors and forming a team?  
 22 CANDIDATE CORTEZ: In my various  
 23 positions, I was directed to -- in some cases --  
 24 remove members of staff that the legislative body  
 25 thought needed to be removed or to simply fill gaps

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1 where there were gaps, historical gaps, just  
 2 positions that had not been filled.  
 3 My experience is that we have to start  
 4 from zero. As a manager, you have to experience  
 5 yourself the problems that a particular individual  
 6 may face and not rely on what you've been told.  
 7 I can tell you that at least one  
 8 situation, a particular legislative body said you  
 9 need to remove to the one director. I started  
 10 working with that director, and I actually found  
 11 that director to be kindred soul with me. We worked  
 12 very well together. Yes, there were some things we  
 13 needed to tighten up, but in reality, he became  
 14 almost my right-hand person.  
 15 So that was an area where I had to agree  
 16 to disagree with the legislative body, and I was  
 17 grateful that they respected that assessment.  
 18 I can tell you that in my last city, I had  
 19 to create a management team. There was none. When  
 20 I arrived to this city, there were no managers, no  
 21 directors, it was all represented staff with little  
 22 discretion and/or ability to get outside of their  
 23 box for all the right reasons. And so I had that  
 24 put together a management team. What I did is I did  
 25 the traditional: We post in government websites and

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1 we hope to get government people.  
 2 That was not our reality. We compete --  
 3 Carnation being very small, we compete with  
 4 Redmond, the home of Microsoft. We compete with  
 5 Bellevue, the home of Amazon. We compete with  
 6 Kirkland, the home of Google. We can't compete with  
 7 our neighbors. They have salaries and benefits we  
 8 can only dream about.  
 9 So out of necessity, I went to the private  
 10 sector into the nonprofits, and I brought a  
 11 management team where nobody had government  
 12 experience. But they brought aptitude. Aptitude,  
 13 speed, and more than anything else, they were  
 14 hungry, they wanted to be public servants. For a  
 15 number of reasons, they were not.  
 16 My deputy city manager, who became the  
 17 city manager after I left, she was writing proposals  
 18 at a nonprofits, but she was sharp, she was  
 19 dedicated, she -- nothing was an obstacle.  
 20 The person that became the administrative  
 21 services manager came from a dental office, but she  
 22 was hungry, she wanted a government job, and that  
 23 woman had the midas touch. She would pick up the  
 24 phone and, boom, comes money. How she did it this  
 25 day I have no idea, but if you needed money, you go

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1 to her because she will pick up the phone and find  
 2 the money. So I hire for aptitude.  
 3 Now, it would have been great if I had had  
 4 both, government experience and aptitude, but,  
 5 again, you manage with the resources you have. What  
 6 I tried to bring to the management team was a sense  
 7 of cohesion, a sex of team. We worked really hard,  
 8 and we partied really hard. We had fun. We cried  
 9 and we also laughed. And sometimes we cry before we  
 10 laugh and the other way around too. In a small  
 11 community with resources that are very limited, you  
 12 just have to make due.  
 13 One night, we were putting together a  
 14 packet for the council, and one of the toilets just  
 15 explodes, water coming from everywhere. Again,  
 16 that's life, you deal with it, you have to turn off  
 17 the water, call the plumber. That's life. And,  
 18 yes, we were like, Are you kidding me? And then you  
 19 laugh.  
 20 So to me a management team is the people  
 21 that you swim with and you serve the community.  
 22 It's hard work, but you also have to be able to have  
 23 fun.  
 24 TRUSTEE TONKING: Can you talk about your  
 25 financial experience with oversight boards and

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1 regulators?  
 2 CANDIDATE CORTEZ: So very early in my  
 3 career, I was given the opportunity to manage  
 4 federal grants. And if anybody here knows about  
 5 federal grants, you know that it doesn't get harder  
 6 than that. Let me more specific.  
 7 DOT and HUD. Please understand that HUD  
 8 wants to see certified payroll paperwork. They  
 9 actually expect you to bring payroll from the  
 10 private entity that is, for example developing  
 11 housing units, you're supposed to bring that level  
 12 of detail. You're supposed to have affirmative  
 13 marketing and prove to the federal government that  
 14 you've done it. You have to cross every single T  
 15 and dot every single I, because if you don't, it's a  
 16 finding and it's and serious. If you have too many  
 17 findings, you may have to give money back to the  
 18 federal government.  
 19 So I was trained early in the difficulties  
 20 of federal grants. Obviously we like them because  
 21 it's good money, millions of dollars, usually, but  
 22 it also comes attached to a capacity. You have to  
 23 have the capacity to succeed in the management of a  
 24 federal grant. You cannot fail. State, you can  
 25 wiggle. Local, you can ask for forgiveness. Not

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1 with the federal government.

2           So I am very comfortable in that I -- I

3 mean, my first HUD job was in 2005, and it continued

4 for almost a decade in the City of Richmond. And

5 I've continued to manage, indirectly or directly,

6 grants mostly related to transportation, to DOT.

7 And when I say "I," I don't mean my staff; I mean I.

8 I'm the one who kept the files. I'm the one that

9 did the forms. I'm the one that received the

10 representatives and met with them. I don't

11 delegate; I do.

12           TRUSTEE TULLOCH: Welcome, Ms. Cortez.

13 Just to clarify, your career has been almost

14 entirely in the public sector?

15           CANDIDATE CORTEZ: Yes, sir. I served

16 five years in a national intermediary, nonprofit,

17 working mostly with philanthropic organizations.

18 But, yes, most of my -- 95 percent of my career has

19 been in government.

20           TRUSTEE TULLOCH: Okay. So should I look

21 surprised when you've been extolling the virtue of

22 recruiting candidates from the private sector?

23           CANDIDATE CORTEZ: Yes. Yes. Yes, I

24 recruit the best, wherever they come from.

25           TRUSTEE TULLOCH: Okay. You don't see any

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1 conflict there?

2           CANDIDATE CORTEZ: No, I don't.

3           TRUSTEE TULLOCH: Okay. Thank you. I

4 just I'd point it out. We need a little bit of

5 frivolity.

6           Yeah, back to serious stuff, though.

7 What would your objectives be in deliverables in

8 your first 100 days?

9           CANDIDATE CORTEZ: There are a number of

10 deliverables that I do think are very important for

11 IVGID. Some are tangible.

12           For example, last time I mentioned the

13 press conferences, the daily press conferences. It

14 is important for the new general manager to

15 demonstrate transparency, not just talk about it but

16 actually demonstrate it, by, for example, giving

17 daily reports on the progress that we have made

18 resolving those findings from the RubinBrown report.

19 Because every day, there should be progress.

20           So on Monday, we do what we need to do.

21 On a Tuesday, we report on it. Not a one-hour press

22 conference, a ten-minute press conference in which

23 we indicate yesterday worked on the following items

24 and this is where we are.

25           Equally important will be to have

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1 one-on-one meetings with each of you. So as a

2 general manager, I would make sure that we have

3 times to meet one-on-one because we need to work

4 together and we need to establish a relationship.

5           Same thing applies to the directors. We

6 would have one-on-one meetings with all the

7 department directors for management team. We will

8 have a management team meeting, but there needs to

9 be a one-on-one.

10           I would have meetings with each of the

11 departments to listen, to listen, for example, how

12 do we become employer of choice, how do we retain,

13 how do we where rebrand ourselves in that manner,

14 and hear from staff from their perspective how that

15 gets done.

16           I would have meetings with specific

17 stakeholders in the community. I would seek your

18 guidance to tell who those are.

19           I would identify specific organizations at

20 a regional level, for example, the State of Nevada,

21 to introduce myself, to understand how they would

22 like to see progress, and together agree on how we

23 will move forward.

24           We would work on social media messaging on

25 narratives that we would embrace and share with the

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1 community.

2           We would establish -- I would establish a

3 space -- and again I would look at you for guidance

4 as to what that space is -- for me to have

5 office hours. I can tell you that on one of cities

6 we, for example, had bagels with the general

7 manager. And so at a certain place, we get

8 together, we would have bagels, and members of the

9 community would just come and talk, ask questions.

10 That level of engagement is something you would see.

11           Now, let's talk about the more tangible

12 things. We need to make sure that we have a good

13 hold of our finances. We need to reconcile the

14 books on a timely basis. We need to make sure that

15 our chart of accounts makes sense. We need to

16 review the budget and make sure that our revenues

17 are not exaggerated. We need to look at our

18 expenses to make a determination whether or not we

19 are outside our limits.

20           We need to learn the lessons that we have,

21 not only our audit from last year, but also the

22 RubinBrown report that lists a number of things that

23 we can do to improve. Every organization, there is

24 room for improvement. We are blessed in that we

25 have two documents that is tells exactly -- they are

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1 giving us a blueprint of what needs to happen.

2 That is the type of deliverables that I

3 would emphasize for the early stages of

4 administration, if you were to select me.

5 TRUSTEE TULLOCH: In terms of the general

6 fund, we have issues in the general fund, how would

7 you address these as a priority?

8 CANDIDATE CORTEZ: The general fund is one

9 of most important babies we have, because that is

10 what gives us the ability to add value in this

11 community. The nice thing about the utility funds

12 is you pay for water, you get water. But the

13 general fund gives us the ability to do more.

14 We need to look at revenues. Last time,

15 we talked about that. You are correct, sir, that we

16 are not a city. We do not enjoy, for example, sales

17 tax. That's just not something that is real for us.

18 We have a three-legged stool. We have

19 fees, we have assessments, we have property taxes.

20 We need to look at the revenue that we are receiving

21 to make sure that we are receiving every penny. And

22 I cannot overly emphasize that. Then we have to

23 look at expenses. The narrative, the observations

24 is that our expenses exceed or revenues. That needs

25 to come to an end. Let me tell you how I manage.

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1 Revenues equal expenditures, but let's a

2 little bit about revenues. My revenues -- and this

3 is different from any of my colleagues. My revenue

4 does not including a fund balance. We need to live

5 within our means. If we bring \$2 million for the

6 general fund, regardless what's in the fund balance,

7 regardless, we need to spend 2 million. You don't

8 spend 2.1, you don't spend 2.8, because if you do,

9 you're taking money away the fund balance.

10 Now, we should have a reserve. We don't

11 have a reserve. I've had conversations with staff.

12 I would encourage you to have a reserve. It doesn't

13 have to be the fund balance. It can be a portion of

14 the fund balance. It could be some random number or

15 GFOA says 17 percent of your operating budget, so it

16 could be that.

17 The point is you set the policy, my job is

18 to make sure that it happens.

19 TRUSTEE TULLOCH: Okay. Thank you.

20 And in the last budget cycle, we find out

21 in April that multiple of our venues are way

22 overspent on payroll for the year, which had never

23 been brought to the Board's attention at any stage.

24 What actions would you put in place to avoid that

25 sticker shock and financial shock when it's too late

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1 to make any corrections?

2 CANDIDATE CORTEZ: For the record, I do

3 not like surprises, and I do not like surprising my

4 bosses. There should never be a time in which you

5 hear for the first time in this room that we have a

6 problem.

7 As a manager, if there is a problem, the

8 first thing I do after understanding what the

9 situation is, collecting the data, is I will be

10 talking to each out of you to explain where we are,

11 what happened, possibilities on how to get out of

12 this.

13 For things that happened in the past, what

14 I did is I took some of that fund balance. I go

15 back, revenues equals expenditures, so in the future

16 it means that we have to cut. The nice thing about

17 government is revenues are revenues and they are

18 fixed, unless you want to tax some more -- and

19 that's not okay -- and we have expenditures. We

20 have more room managing expenditures, looking at the

21 bottom line, looking at what's needed. Not what

22 we've done historically.

23 TRUSTEE TULLOCH: Thank you.

24 Our revenues are not necessarily fixed

25 because 80 percent of our revenues come from -- are

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1 user fees, which are variable. Again, that's the

2 difference from the city.

3 But just in terms of -- you said you don't

4 like surprises, I hate surprises like that as well.

5 What corrective actions would you put in place to

6 avoid that happening again in the future?

7 CANDIDATE CORTEZ: If the premise is that

8 our salaries and benefits are too high and the

9 revenue support it, then I hate to say it, but we do

10 need to cut. This is not difficult, unfortunately.

11 It is painful, it is very painful, but you can't --

12 there's no money tree.

13 So if you don't have the revenues,

14 something gotta give, and it's only the other side

15 of the teeter-totter we talked about last time,

16 there are only two sides.

17 TRUSTEE TULLOCH: Okay. Thank you.

18 Appreciate it.

19 TRUSTEE DENT: What is your first year of

20 success look like?

21 CANDIDATE CORTEZ: I think that the

22 first -- that first year as I envision success, I

23 see a community that beginning to say, We don't keep

24 secrets at IVGID. It's transparent. If you want

25 information, just go online, or call Ana or go to



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1 the local grocery store and there are budgets that  
 2 are published there.  
 3           The first year of success shows that a  
 4 community has agreed to disagree. That some of the  
 5 members of community who are more passionate about  
 6 things that are wrong have given me an opportunity  
 7 to fail them. And after a year, they can say, Okay,  
 8 you haven't failed us yet. That would be success.  
 9           Success in the first year means that we've  
 10 taken care of those findings from the RubinBrown  
 11 report. That the State is happy with our progress.  
 12 That our state feels reassured that the District is  
 13 in the right path to become a model, a gold standard  
 14 of what it's like to bounce, what it's like to be  
 15 resilient, what it's like to be adaptive.  
 16           Success would be one where employees are  
 17 happy and feel comfortable and proud to be part of  
 18 the District. When those employees are telling  
 19 their friends, You want to work, here it's a great  
 20 place to work.  
 21           Success in the first year would be a  
 22 management team that is tired but happy. That can  
 23 say, Gosh, I've never worked this hard in my life,  
 24 but I feel good.  
 25           Success would be that after a year,

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1 members of community are comfortable saying, Ana, I  
 2 gotta talk to you, I have a problem, and I want to  
 3 give you some constructive criticism in a respectful  
 4 manner.  
 5           A year of success would be one where our  
 6 policies, whether it's an HR policy, an IT policy,  
 7 or a credit card policy is being followed, and  
 8 people agree that trust important. But trust needs  
 9 to be verified. I would never ask you to take my  
 10 word for it or to trust me. I would as you to trust  
 11 me and to verify my work. And a year of success  
 12 would be one where that becomes the norm. Not a  
 13 surprise, not a criticism, but the norm. We produce  
 14 information, and, yes, you will verify, and it will  
 15 be correct.  
 16           TRUSTEE DENT: You mentioned being in good  
 17 standing with the Department of Taxation. How would  
 18 you prepare to go into your first meeting with the  
 19 Department of Taxation to help?  
 20           CANDIDATE CORTEZ: I would prepare by  
 21 connecting with each of the members ahead of time.  
 22 If possible, I would meet with them ahead of time so  
 23 by the time we meet as a group, it's not the first.  
 24 I think it's important to have some level of warmth  
 25 when you first approach a regulatory agency, let me

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1 call them that, and to make sure that I am clear on  
 2 what they define as success.  
 3           The same way that you asked me, "What  
 4 would be success?" I would them: What do you  
 5 consider as success for us? And then I need to be  
 6 able to deliver.  
 7           We are in a situation where the State, I  
 8 don't think they are interested in reasons why I  
 9 couldn't deliver. Either I do or I don't. So my  
 10 goal is make sure that I do. That I deliver the  
 11 products that they expect -- not what I can produce  
 12 but what they expect and to make sure that we're in  
 13 contact, back and forth, back and forth.  
 14           It will take developing a relationship  
 15 with them to the degree that we can.  
 16           TRUSTEE DENT: You mentioned -- from a  
 17 communications standpoint, you mentioned updating,  
 18 say, the press, daily updates. How would you go  
 19 about that in a community like ours where there is  
 20 no press.  
 21           CANDIDATE CORTEZ: The press conference is  
 22 actually for the community, it's not for the press.  
 23           Interestingly enough, the press will come,  
 24 but that's a secondary. The audience is the  
 25 community. And the truth is I don't know that the

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1 community will come, but one of things that we will  
 2 do is video it. We would actually record it and  
 3 post it on the website, because it's not about who  
 4 comes, it's about the fact that I'm saying that I  
 5 have nothing to hide. These are the tasks, this is  
 6 what we're doing. Whether you want to attend or not  
 7 attend, that's nice, but it's not the point.  
 8           This is how we demonstrate transparency  
 9 because to think that people are going to listen to  
 10 this meeting tonight, let's say I had a budget  
 11 presentation, some people will, and we've seen folks  
 12 that came. A lot of people won't.  
 13           We provide the space so when someone says,  
 14 You haven't told us. I can say, Well, actually in  
 15 the press conference of February 1st, 2nd, and 3rd,  
 16 we talked about that, and it's on our website.  
 17           TRUSTEE DENT: Thank you.  
 18           Can you speak to -- we have several  
 19 business units. Our budgets season starts in  
 20 January. We need to have our preliminary budget  
 21 approved by April and final budget approved in May.  
 22 How do you get up to speed with the different  
 23 business units and really understand what you're  
 24 looking at at the financials if we still haven't  
 25 seen the month of July closed in our fifth month of

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1 this new fiscal year?

2 CANDIDATE CORTEZ: Working closely with

3 the department heads. The department heads have

4 responsibilities. One of those responsibilities

5 is -- let's apply business model of being a vice,

6 president, if you're the vice president of a

7 corporation, your role is to make sure you know your

8 house, you know how was your know house is run, you

9 know your numbers so the directors have knowledge of

10 their operations.

11 We will look at what is needed, not what

12 has been done in the past. Said it before and I'll

13 say it again: I don't believe in historical

14 budgets. That's the best way of carrying one

15 mistake from year to year to year. You create a

16 budget every time.

17 I'm also a big proponent of biannual

18 budgets, because that way you do heavy lifting every

19 other year. So we will sit down to look at those

20 budgets.

21 In Yakima, I had basically four months to

22 turn a quarter-of-a-billion-dollar budget because

23 that just the timing. Long hours, a lot of

24 assumptions, a lot of conversations, and we do our

25 best to put forward something and we can defend. It

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1 may not be accurate in the long term, there may be

2 mistakes and that's why we have amendments, but it

3 has to be a new mistake. You cannot carry the

4 mistake that you've carrying for the last decade.

5 I would work closely with the department

6 heads, we would have a series of meetings, focus

7 solely on the budget to make sure that we can

8 present to you a realistic budget where revenues

9 equal expenditures and, unless you tell me

10 otherwise, we do not touch the fund balances.

11 TRUSTEE DENT: Thank you for that last.

12 Last question: Can you please speak to

13 succession planning in your previous experiences,

14 how you would bring that forward?

15 CANDIDATE CORTEZ: Yes. So I'm very proud

16 of my learning journey. Would it be nice that I

17 would have learned all these lessons in one place?

18 Yes, it would have been nice. That was not my

19 reality. I went to a number of jurisdictions. In

20 last sick years, I learned more than in the previous

21 28. Nothing like obstacles to teach you about ash

22 perseverance and stamina.

23 One of the big lessons that I learned is

24 the importance of if you want to create, whether

25 it's systems or policies, if there's no succession,

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1 then it's a foolish journey.

2 So in my last city, I remember you asked

3 me about management teams, so one of the elements

4 that I used to recruit and to hire was I hired my

5 replacement. I made three hires, key hires. All

6 three were individuals what could replace me, and

7 that was done on purpose. And I made sure that

8 those individuals who did not come from government

9 were able to gain those skills through specific

10 academies that we have in Washington for public

11 sector, through the Stanford Institute for local

12 government, through a number of trainings from ICMA,

13 from our local WMCA, for a number of associations

14 that are built so that capacity can be increased in

15 an organization. We did that. I did that on

16 purpose.

17 And, yes, we spent money on it and people

18 were gone for a whole week and we suffered, because

19 when someone is gone, the rest of us have to do the

20 work. But it was important. It was important

21 because those individuals had wonderful aptitude,

22 but as I said before, didn't have the government

23 background.

24 So I'm very proud that we created a

25 succession plan, which is why it wasn't that

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1 difficult for me to say to the mayor, Mr. Mayor, I

2 don't want an extension to the contract. It's okay.

3 I've come to the end, I have some family issues that

4 I need to address, and you will be in good hands.

5 And the mayor said, I'm nervous. And I told him,

6 You don't have to. I've been working at this almost

7 from day one.

8 We had redundancy. When I arrived in this

9 city, nobody knew how to do payroll because the

10 payroll person left. Nobody knew how to reconcile

11 the credit card account because the person left.

12 Nobody knew how to do anything because the person

13 left. That had to end.

14 So every system had redundancy. At least

15 two people know how to pay bills. At least two

16 people knew how to troubleshoot the RP system. At

17 least two people knew how to deposit money in the

18 bank. It was as simple as that.

19 That's succession, that's sustainability,

20 that's resiliency. And many of my colleagues talk

21 about you have to hire your replacement, well, I see

22 it; I actually did it.

23 TRUSTEE DENT: Thank you. Appreciate it.

24 Chair Schmitz, floor's yours.

25 CHAIR SCHMITZ: Did Trustee Noble ask his

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1 questions?

2 TRUSTEE DENT: Sorry.

3 Trustee Noble, floor's yours.

4 TRUSTEE NOBLE: Ms. Cortez, given our

5 finance and accounting challenges, what skill set do

6 you bring to address them and what resources would

7 you need to address them if selected as the GM?

8 CANDIDATE CORTEZ: One of the reasons why

9 I wanted to -- why I applied for this job, one of

10 the reasons why I have not applied to any other job,

11 this is the only job that I'm seeking, the only job

12 that I'm interviewing for or preparing for is

13 because it requires the skill set that I have. It

14 requires someone with a keen understanding of the

15 budget process, with the patience to look at our

16 accounting, with the understanding on how to manage

17 debt, with the capacity to look at risk management,

18 and the ability to look on the compensation and

19 position analysis.

20 I've gained those skills both in the

21 classroom, early in any career, through trainings

22 for various organizations. We have GFOA, in

23 California, we had our version of GFOA, in

24 Washington we do too. I am an avid learner, but

25 also by actually doing.

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1 So because of the experiences that I've

2 had, each time I learned something. So let me

3 repeat: In the last six years, I've learned more

4 than in the previous 28.

5 In that toolbox been able to create

6 through those experiences, I feel very confident to

7 stand in front of you and say there's light at the

8 end of the tunnel, on a daily basis we can report

9 progress, the State of Nevada will be happy, and we

10 will get out of this. We have an incredible team of

11 competent professionals, dedicated management team,

12 we have members of the community to want to be part

13 of the solution, and we will hang on to those

14 people.

15 So my training, let's be specific, just

16 like you, I've had organizations where there were no

17 controls, where variances were not being analyzed,

18 where positions were not scrutinized, where revenues

19 were loosey-goosey, where expenditures were a

20 surprised. I worked for organizations where

21 contracts, we didn't have an inventory of contracts,

22 where members of staff thought that they had the

23 authority to spend one penny -- and let me repeat

24 this: I am not in any way confused over the fact

25 that as a general manager, I do not have the

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1 authority to spend one penny without your permission

2 because that's how structured.

3 You are who determines what money can be

4 spend, and I spend it, but I do not have that

5 authority. If one penny is to be spent outside of

6 the budget, then that one-penny request needs to

7 come to you. That's the nature of this beast.

8 So, sir, to answer your question, I'm very

9 comfortable looking at charts of accounts and

10 general ledgers and making sure that we have the

11 entries, in looking at Munis to make sure the

12 business rules make sense because if they don't, for

13 example, duplicate the revenue and you think you

14 have more money than you have. That's the

15 micro-level stuff.

16 But I also have the macro level

17 understanding on what my role is as a manger, what

18 the role of the team is of staff, and how our role

19 is to be transparent and articulate so that we can

20 explain to you our situation and that there

21 shouldn't be any surprises. When it comes to money,

22 there should not be any surprises.

23 TRUSTEE NOBLE: Thank you very much.

24 That's all I have.

25 CHAIR SCHMITZ: Thank you again for being

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1 here. Thank you for your enthusiasm.

2 I'd like to -- I'm curious, you said

3 you've learned more in the past six years than you

4 did in the last 28. I'd like to understand a little

5 bit about what you speed learned in those six years.

6 CANDIDATE CORTEZ: Oh, I'm happy to share

7 with you some examples.

8 I'm in this one city, and a member of

9 staff has to be put on administrative leave, has to

10 be. There were some allegations, process indicates

11 that when there are allegations, you have to put the

12 person on administrative leave, so we do that.

13 And then someone says, Well, who is going

14 to do payroll? And I said, Well, other people

15 should know how to do payroll.

16 Nobody know how to do payroll, and payroll

17 was due the following week. I had never done

18 payroll. I will tell you that I actually wrote an

19 email to all my colleagues, Does anybody how to do

20 payroll?

21 Nobody knew how to do payroll. I started

22 making phone calls, found a person that said they

23 could help me virtually. And literally within, I

24 guess four days, I had to learn how to do payroll.

25 Because there was no way that we were going to pay

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1 staff. That was unacceptable, that was not even  
 2 part of anybody's reality. We have to pay people  
 3 when their checks were due.  
 4 I will tell you that the mayor, myself,  
 5 other folks were in this conference room, the  
 6 11th hour, and the checks -- the machine wasn't  
 7 working, so we started actually using a typewriter  
 8 to checks for each employee.  
 9 Now, I left -- back then, it wasn't funny,  
 10 but to answer your question, I did not learn how to  
 11 do payroll in grad school, and in 28 years, I never  
 12 had to do payroll, somebody else did it. But when  
 13 you're in smaller communities, you just have to do  
 14 it, and you have to do it right. You can't make  
 15 mistakes, especially with people's money.  
 16 So that is an example. But I'll give you  
 17 other examples. Investment, I've always had a  
 18 member of staff whose job is to invest money for the  
 19 jurisdiction. In small jurisdictions, it's me. The  
 20 buck stops with me, I'm the CFO, I am the investment  
 21 officer, and so I had to learn quickly on how to  
 22 invest soundly and wisely. We want to make money,  
 23 but risk has to be minimized, so A lot of risk  
 24 management lessons had to be learned quickly.  
 25 Those are some of the examples that I can

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1 give you that if I had been in West Sacramento, if I  
 2 had stayed in Yakima, there were people doing  
 3 investments in Yakima, I had to do that. I was  
 4 responsible for the budget, but not investments.  
 5 If I had not gone to the other places, I  
 6 would not have been in a situation to get outside of  
 7 my box. The biggest lesson that I've learned I  
 8 learned -- and I'm a Virgo, I learned to be  
 9 comfortable being uncomfortable, and that was a hard  
 10 lesson because I like planning, I like boxes, I like  
 11 deadlines, I like order, and I had to let it go and  
 12 just go with in flow, put out fires, learn the  
 13 skills.  
 14 Don't wait for anybody to come to your  
 15 rescue; you have to rescue yourself.  
 16 CHAIR SCHMITZ: I read an article, I don't  
 17 know what whether it was in Yakima or Carnation, I  
 18 don't remember, but it was something about a couple  
 19 of employees who you had decided to let go, perhaps  
 20 it was a budget issue or what have you, and there  
 21 were some legal actions that came from that.  
 22 What did you learn from that experience?  
 23 CANDIDATE CORTEZ: What we learned from  
 24 that experience, and when I say "we," it's the  
 25 council and I, because no was made alone; all

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1 decisions were made with consensus from the entire  
 2 council. And what we learned is that in the State  
 3 of Washington, it's best not to contradict the  
 4 unions.  
 5 CHAIR SCHMITZ: Tell us about a time that  
 6 you discovered a need for a procedural or an  
 7 organizational change and what action you took.  
 8 CANDIDATE CORTEZ: Well, I mean, I will  
 9 share with you, let's talk about credit cards. In  
 10 several jurisdictions, no different then here, folks  
 11 are using credit cards, the receipts are not turned  
 12 it, there are no clear explanations, nobody really  
 13 understands which string number, which part of the  
 14 chart of accounts it's supposed to come from.  
 15 Again, we know this is happening, whether  
 16 or not it because we were told or we discovered it,  
 17 and so we starting putting in place systems in which  
 18 there are three strikes. The first time that you  
 19 don't submit your invoices, your receipts, the first  
 20 time that you don't code your receipts, the first  
 21 time that you can't explain your receipts, that's  
 22 strike one. The second time, we will you know that  
 23 the next time that it happens, you lose your ability  
 24 to have a credit card, because it's as simple as  
 25 that. If you cannot manage the credit card, then

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1 you shouldn't have a credit card. And third time,  
 2 we collect the credit card.  
 3 And people are angry and people are  
 4 offended. And what I say is, You knew the rules,  
 5 you knew the procedures. Strike one, we told.  
 6 Strike two, we warned. Strike three, acted. Now,  
 7 it does it mean you will never have a credit card?  
 8 No. But it means that for now, you need to earn  
 9 that trust again.  
 10 And policies are across the board. So one  
 11 thing that I learned is that you have to be  
 12 extremely careful about consistency. You cannot  
 13 apply the policy to one person but not the other.  
 14 Or one department gets away with it and the other  
 15 department does not. It has to be across the board.  
 16 And it apply everyone, including the  
 17 general manager. If the general manager cannot  
 18 handle a credit card, then the general manager  
 19 shouldn't have a credit card.  
 20 CHAIR SCHMITZ: Thank you. I don't have  
 21 any other questions.  
 22 Are there any other follow-up questions by  
 23 my fellow trustees?  
 24 TRUSTEE DENT: I don't see any at the  
 25 desk.

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1 Thank, Ms. Cortez. We appreciate you.

2 CANDIDATE CORTEZ: Thank you very much.

3 Thank you.

4 TRUSTEE DENT: Erin, the floor's yours.

5 MS. FEORE: I'd ask the trustees to rank

6 their selected candidate. You each have forms. And

7 for the remote trustees, you were emailed a form

8 earlier that you can email back to me. I will read

9 the results on live stream.

10 CHAIR SCHMITZ: May I make a couple of

11 just quick comments?

12 TRUSTEE DENT: Go for it.

13 CHAIR SCHMITZ: People have been making

14 comments in public comment about that the Board is

15 fast-tracking this and that we're pushing this

16 rapidly through.

17 This has been being worked on between the

18 Board and staff since, I believe, June, if my memory

19 serves me. We've been very thoughtful about the

20 process, we've had dialogue about the process. This

21 is a very important position, and as a board, we

22 need to have a leader running this organization.

23 It's critical. We're coming into budget time, we've

24 got issues with the audit.

25 And there were other comments about

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1 pushing to hire a director of finance. I don't

2 think anybody has been pushing to hire a director of

3 finance because I think everyone agrees that the

4 general manager should be making that decision.

5 However, Erin, you've been doing a great

6 job of at least going through and starting the

7 process, because we can't just not even start the

8 process until we have a named general manager.

9 So I just want to clarify that the process

10 that has been used for both the general manager and

11 the director of finance have been purposeful and

12 very thoughtful, so I just wanted to get that

13 clarified.

14 Thank you.

15 (Trustees voting for general manager.)

16 MS. FEORE: All right. I'm ready when you

17 are.

18 TRUSTEE DENT: Floor's yours.

19 MS. FEORE: The selection by Trustee

20 Tonking is Bob Harrison. The selection by Trustee

21 Tulloch Kent Walrack. The selection by Trustee Dent

22 is Kent Walrack. The selection by Chair Schmitz is

23 Kent Walrack. And the selection by Mr. Noble is Bob

24 Harrison.

25 Kent Walrack is the selected general

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1 manager.

2 TRUSTEE DENT: Thank you for that.

3 Chair, the floor's yours.

4 CHAIR SCHMITZ: Does the Board want to

5 have any further discussion on this?

6 TRUSTEE TONKING: I do see an issue with

7 the two -- two of the three people remaining on to

8 Board voting against it does not bode well for the

9 new GM -- or not -- but not having as their

10 number one does not bode well.

11 CHAIR SCHMITZ: Well, one of the things

12 that I feel is that Matthew is the longest-standing

13 trustee, having served for nine years, one year of

14 being on the Audit Committee, he's been -- I'm

15 sorry. He's been on the Audit Committee, he was the

16 Board chair. His knowledge and understanding, in my

17 opinion, surpasses all of us sitting trustees and

18 those to be seated in January. His input is valued

19 and appreciate and should not be silenced.

20 So I just don't see that -- the knowledge

21 that Matthew has and the depth of knowledge -- even

22 myself as sitting Board Chair, I work with staff more

23 closely because I am the Board Chair. I work with

24 legal counsel, I work with the general manager, I've

25 worked really closely with the Director of HR, and

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1 there's a lot of -- there's a lot that is learned,

2 and that experience and knowledge, I feel for

3 myself, I have a duty to fulfill my term and fulfill

4 my responsibilities and to do what is right for the

5 District.

6 And I believe that Mr. Walrack brings

7 something to this community that the community has

8 been asking for. The community's been asking for us

9 to tap into the talent that exists in this

10 community, and we have someone with the talent

11 willing to step up and take a leadership role. And

12 that's something that the community has been asking

13 for, and he has a wealth of knowledge.

14 Through this interview process, I can see

15 how much time and effort he put into being

16 knowledgeable and being prepared to answer our

17 questions, and I feel that he will be a long-term

18 asset to the next board as well. I don't see that

19 as a negative.

20 TRUSTEE DENT: Chair, Trustee Noble has

21 his hand up.

22 TRUSTEE NOBLE: Thank you.

23 You know, I think this community has

24 spoken loud and clear with this recent election. It

25 was a landslide. Four of the five members of the

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1 board starting January 1 wanted Mr. Harrison, and,  
 2 unfortunately, this current board has gone a  
 3 different way.  
 4           While Mr. Walrack was a solid finalist,  
 5 he, right now, does not have the support of 80  
 6 percent of the incoming board, and that's going to  
 7 be an extremely difficult position. I know he said  
 8 about putting his head and going forward. I don't  
 9 know how you do that when four out of the five board  
 10 members starting January 1 said that they want a  
 11 different GM.  
 12           TRUSTEE TONKING: I will not be voting for  
 13 Mr. Walrack. I believe that he would actually be a  
 14 very good candidate had we not had all the  
 15 governmental issues we have, especially having to  
 16 work with following NRS, GFOA, and things he does  
 17 not have the experience doing.  
 18           I think if we were in a really solid part,  
 19 place with the State and with our role as a  
 20 government entity, especially around our general  
 21 fund, and we really wanted to look at how can we  
 22 make some of our enterprise funds more valuable,  
 23 then, yes I would be moving to him, but we are not  
 24 in that state right now.  
 25           And so I am a firm no.

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1           TRUSTEE TULLOCH: Can I counterview to  
 2 that, unsurprisingly. We've had a succession of  
 3 candidates that come from local government. We  
 4 found out through the audit that we've had a lot of  
 5 these issues going on for years. I think the  
 6 definition of insanity is doing the same thing again  
 7 and expecting different results.  
 8           I welcome Mr. Walrack. I think I'd also  
 9 echo chair Schmitz' comments. Over the last year,  
 10 we've had multiple comments telling us how much  
 11 talent we have in the community, and now we have  
 12 somebody in the community with the talent that has  
 13 actually stepped up to the plate in a difficult  
 14 situation. Mr. Walrack is well aware of the new  
 15 board, of the feelings of some of the new board,  
 16 he's stepped up to do it, and now we're criticizing  
 17 him for it? Yeah. I pull my hair out with that.  
 18           I congratulate Mr. Walrack. I think he  
 19 prepared well, he made an excellent presentation, I  
 20 look forward to him working with us and working with  
 21 the new board as well.  
 22           As a private sector executive, he's quite  
 23 used to working with multiple different boards, this  
 24 is no different situation.  
 25           CHAIR SCHMITZ: I feel that it is our duty

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1 to timely put in place a general manager. Staff is  
 2 in need of leadership. We've been working on this  
 3 process since June, and to defer things until  
 4 another month, another two months, we're another  
 5 month, two months behind, and we need to start  
 6 building this management team. I think that  
 7 Mr. Walrack has the aptitude and would do an  
 8 excellent job for the community.  
 9           So I ask the Board what direction they  
 10 would like to take at this point?  
 11           TRUSTEE DENT: I would move that we would  
 12 select Mr. Walrack as the next general manager.  
 13           TRUSTEE TULLOCH: I'll second that motion  
 14 as a continuing board member.  
 15           CHAIR SCHMITZ: A motion's been made and  
 16 seconded. Is there any further discussion?  
 17           Seeing none. I have question for the  
 18 Director of HR and also legal counsel. Does the  
 19 Board need to provide specifics as far as the  
 20 direction for formulating a contract?  
 21           MR. RUDIN: Yes. We do have a template  
 22 contract that was provided to the Board in the  
 23 not-too-distant past. I will, however, say that  
 24 given sort of the timing of this, typically you  
 25 would line up the term of a general manager's

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1 agreement to line up with your budget cycle so that  
 2 you could do a personnel review prior to adopting  
 3 the budget and incorporate any changes to salary  
 4 into the budget. That would be one suggestion.  
 5           Additionally, I know that -- well, with  
 6 the selection of your candidate, I don't think  
 7 there's any need to discuss a relocation or any  
 8 other kinds of similar terms that I think our HR was  
 9 expected to discuss with you.  
 10           I think direction on severance would be  
 11 appreciated in terms of negotiating with the  
 12 candidate. I will note there is some disagreement  
 13 between our various board members. Typically in  
 14 those circumstances, it is imperative for the agency  
 15 to negotiate strongly to lower the severance, so  
 16 that would be my suggestion in terms of Board  
 17 direction and feedback.  
 18           CHAIR SCHMITZ: What about length of term?  
 19 I don't recall what was in the standard contract.  
 20           MR. RUDIN: Typically this district has  
 21 offered terms of two years, and that comports with  
 22 NRS 354.626.  
 23           That being said, again, my suggestion  
 24 would be that you line up any term with the budget  
 25 cycle so you have the opportunity to do a

1 performance evaluation prior to adopting the budget,  
 2 and then also have any sort of discussions regarding  
 3 salary increases as part of your regular budget  
 4 cycle as well.  
 5 TRUSTEE DENT: Chair, I wanted to chime in  
 6 for a second. In the past, I think besides having  
 7 the general manager's contract expire, that was one  
 8 of the first things I brought to the board back in  
 9 2016, we weren't going to have a board meeting and  
 10 the general manager's contract was going to renew.  
 11 And it's is not just a budget cycle issue,  
 12 I think it's a political issue, and from a  
 13 standpoint of shouldn't it be a political issue and  
 14 that's why, rather than having a contract renew in  
 15 the -- at the end of the year right after an  
 16 election, it was renewing in the middle of the year.  
 17 I know some of my previous colleagues had spoken to  
 18 that and the concern of having the new board come in  
 19 and they are running on firing the general manager,  
 20 and really candidates shouldn't be running on firing  
 21 the general manager. They are supposed to working  
 22 with the general manager.  
 23 And given that no board member here has  
 24 gone through this process before and it's the first  
 25 time that we've done this in 11 years, I think it's

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1 important.  
 2 TRUSTEE TULLOCH: I think given the scale  
 3 of the challenges we know we face and the -- which  
 4 will require some difficult decisions at various  
 5 different stages, I think it's important that we  
 6 give the -- we offer the candidate a contract that  
 7 is sufficiently long enough and safeguards to enable  
 8 him to make the necessary hard decisions.  
 9 For years, we've avoided hard decisions  
 10 and just dipped into fund balance, as one of the  
 11 candidates described, which should be a no-no.  
 12 We've just -- we've tried to avoid some of these,  
 13 we've kicked the can down the road. We know we have  
 14 significant investments coming up very shortly,  
 15 which means we need to make the -- us financially  
 16 accountable. We need to make sure that we are  
 17 financially stable and sustainable.  
 18 I think it's important that we -- the --  
 19 which candidate gets a contract, gets sufficiently  
 20 protective terms to learn to make the necessary  
 21 moves. I think otherwise we're tying his hands to  
 22 start with.  
 23 TRUSTEE TONKING: I'm asking for a shorter  
 24 term to protect the District. I'm fine if it's a  
 25 six-month term to see how it's going, especially

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1 with his skills and dealing with the Department of  
 2 Taxation -- I am speaking -- with the Department of  
 3 Taxation.  
 4 I do that so if he's not able to handle a  
 5 lot of the accounting issues that are coming out  
 6 from governmental accounting, then I would want to  
 7 be able to not have him be a part of that process.  
 8 TRUSTEE DENT: Understood.  
 9 Chair, we can vote on this without giving  
 10 direction to legal counsel as it relates to the  
 11 contract, since a motion was made and seconded?  
 12 CHAIR SCHMITZ: Yes. And the only reason  
 13 I was bringing it up is because I do think that when  
 14 we make a decision that we need to get this moving  
 15 because we need him to come up to speed quickly  
 16 given where we are with the audit and everything  
 17 else.  
 18 I think I might ask that we schedule a  
 19 special meeting to review the contract so that we  
 20 can keep this moving forward get things put in place  
 21 for staff.  
 22 TRUSTEE DENT: Understood.  
 23 CHAIR SCHMITZ: All right. A motion's  
 24 been made and seconded. All those in favor?  
 25 TRUSTEE TULLOCH: Aye.

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1 TRUSTEE DENT: Aye.  
 2 CHAIR SCHMITZ: Aye.  
 3 Opposed?  
 4 TRUSTEE NOBLE: No.  
 5 TRUSTEE TONKING: No.  
 6 CHAIR SCHMITZ: Motion passes. Staff will  
 7 work with legal counsel, taking the input from the  
 8 Board here, and come up with a recommended contract.  
 9 Are we able to schedule a special meeting  
 10 so that we can review that contract?  
 11 TRUSTEE DENT: Chair, we should probably  
 12 get a little bit more aligned -- sorry to jump in --  
 13 on the direction to --  
 14 MR. RUDIN: Yeah, I would like a vote.  
 15 I'd like a motion and a vote on what the direction  
 16 is.  
 17 TRUSTEE DENT: Yeah, yeah. That's fair.  
 18 TRUSTEE TULLOCH: I'll make a motion we  
 19 should offer the candidate a two-year contract,  
 20 consistent with what we've done in the past.  
 21 CHAIR SCHMITZ: Any other comments?  
 22 TRUSTEE DENT: A motion's been made. For  
 23 a two-year contract following the same terms that  
 24 we've done in the past?  
 25 TRUSTEE TULLOCH: Yes.

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1 TRUSTEE DENT: Okay.

2 CHAIR SCHMITZ: Motion's been made. Is

3 there a second?

4 TRUSTEE DENT: I won't second that just

5 because I don't want this to be a political thing

6 every two years.

7 Sergio, how do you structure something

8 like that so it doesn't become a political thing,

9 and operate within NRS in the two years that we

10 have?

11 MR. RUDIN: A two-year contract would

12 potentially expire -- what? -- every December,

13 assuming our next special meeting was in December.

14 Yeah, I mean you could time it so that it's a year

15 and a quarter or year and a half.

16 Again, my suggestion earlier was to align

17 it with your budget cycle.

18 TRUSTEE TULLOCH: I will amend the motion,

19 then, I'll propose 18 months in this case, which

20 brings in line with both.

21 TRUSTEE DENT: Okay. That's fair.

22 I will second that.

23 CHAIR SCHMITZ: Question as it relates to

24 to the contract, if there's terms in it for renewal,

25 the renewal should not be for 18 months but be for a

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1 calendar year because what we're trying to do is get

2 it aligned with the end of our budget, so June 30th;

3 correct?

4 MR. RUDIN: I'll look at a standard form

5 contract. I don't think it has specific provisions

6 for renewal, but I need to look back at that.

7 CHAIR SCHMITZ: All right. Thank you.

8 A motion's been made. Was it seconded?

9 TRUSTEE DENT: I seconded it, Chair.

10 Trustee Tulloch turned on his mic.

11 TRUSTEE TULLOCH: Yeah. I just have a

12 question. I seem to recall the previous general

13 manager, it was basically a rolling renewal on that

14 candidate. It didn't go through anything like this

15 process.

16 TRUSTEE DENT: And that was pretty

17 standard, and that's what I spoke to -- I think it

18 was with general manager Pinkerton's first renewal

19 or something like that, that it was just -- it was

20 going to be automatic three years, and there was no

21 discussion by the board. We had a special meeting

22 to then have a discussion.

23 TRUSTEE TULLOCH: Okay.

24 CHAIR SCHMITZ: I believe with our former

25 general manager, he had his review due in June, and

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1 I believe that the contract rolled, then, July 1; is

2 that correct?

3 MS. FEORE: Yes, that was correct.

4 CHAIR SCHMITZ: Yeah. So I think it

5 should have those same provisions. And it should

6 have provisions in it to establish goals for the

7 general manager to accomplish.

8 And I think that the new board coming in

9 can -- well, we have -- the new board coming in can

10 establish the goals for the next year. We have

11 short-term goals, we know what those are.

12 A motion's been made to amend it to be an

13 18-month contract, that if it's a renewal that it is

14 another -- it would be a 12-month renewal not

15 18 months, and would be, then, through June 30th --

16 correct? -- that's the motion that was made and

17 seconded.

18 TRUSTEE DENT: Correct.

19 I just have a clarifying question for

20 legal counsel as it relates to goals being tied to

21 the contract. How do we execute the contract if the

22 new board then creates the goals in two months? It

23 seems like there's a piece of that missing.

24 MR. RUDIN: I'm looking at the template

25 agreement that was part of the board packet in

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1 January 10, 2024. There's not, typically, in the

2 contract specific goals that are put in there.

3 Typically the contract says the parties will have a

4 performance evaluation and they are going to set the

5 goals.

6 But the goals are usually not baked into

7 the agreement, and, frankly, I think you would have

8 to give significantly more direction on what you

9 want the goals to be to be in the agreement.

10 TRUSTEE DENT: Understood. And I think

11 we've had goals that we have been working on

12 all year. That's, I feel like, a good starting

13 point, and the new board can modify that as they

14 move forward.

15 TRUSTEE TONKING: I ask that legal

16 negotiate on the behalf of what's best for the

17 District.

18 TRUSTEE TULLOCH: I'm assuming that's part

19 of legal's responsibility in the first place.

20 CHAIR SCHMITZ: A motion's been made and

21 seconded. All those in favor?

22 TRUSTEE DENT: There's a discussion up

23 here. What did you say?

24 CHAIR SCHMITZ: I -- they are not up at

25 their mics, so I can't hear that discussion. Is it



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1 something that should be on the record?

2 TRUSTEE DENT: I couldn't tell you. You

3 were talking in one ear and there's discussion on

4 the other. What did you say?

5 CHAIR SCHMITZ: I said: A motion was made

6 and seconded, all those in favor?

7 TRUSTEE DENT: Aye.

8 TRUSTEE TULLOCH: Aye.

9 CHAIR SCHMITZ: Aye.

10 Opposed?

11 TRUSTEE NOBLE: No.

12 TRUSTEE TONKING: No.

13 CHAIR SCHMITZ: Motion passes.

14 Is there anything, additional direction

15 needed?

16 MS. FEORE: You had mentioned setting a

17 special meeting to approve the contract, did you

18 have a date in mind or would meeting on -- I believe

19 we have a December 11th meeting, would that be

20 sufficient?

21 TRUSTEE DENT: I think a special meeting

22 would come before then. But I think a lot of this

23 is determined by how slowly or quickly the

24 negotiations happen with Mr. Walrack, General

25 Manager Walrack.

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1 TRUSTEE TULLOCH: I think a special

2 meeting may well be appropriate. I think given the

3 candidate is local, already up to speed on a large

4 number of issues, I think -- I think my desire would

5 be to have the new candidate in place as soon as

6 possible so we have new leadership and give him a

7 chance to start. He's mapped out very well his

8 first 100 days. I think the sooner we could start

9 that 100 days, the better for the District, the

10 better for the community.

11 MS. FEORE: We want to shoot for the week

12 after Thanksgiving? We do have a lot of staff

13 traveling, so I just want to make sure everybody's

14 available.

15 TRUSTEE DENT: I think if it's a special

16 meeting -- is that what you're talking about, the

17 special meeting? I think we could shoot to have the

18 special meeting anytime if this is the only item

19 that's going to be on the agenda. It's the one

20 thing that -- one of the most important things we

21 all do. I think we can work with it.

22 I think a lot of this depends how quickly

23 you guys work with Mr. Walrack, and you will gage

24 that and be able to report back to us pretty quickly

25 if you think it's going to be weeks or hours

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1 or days.

2 MS. FEORE: Okay. We'll let the Chair

3 know.

4 CHAIR SCHMITZ: Thank you.

5 TRUSTEE DENT: That will close out item E

6 1. Moving on to item F.

7 F. REPORTS TO THE BOARD

8 F 1. District GM's Monthly Status Report

9 TRUSTEE DENT: District General Manager's

10 monthly status report, Ms. Crocker -- pages 43

11 through 48 of the board packet -- the floor's yours.

12 MS. CROCKER: Thank you. Good evening. I

13 did want to share I'm going to make my report very

14 brief because a lot of -- a couple of things are in

15 the actual packet this evening.

16 We've been working with -- well, we've

17 been working on our plan of correction, which will

18 be presented tonight, for the State of Nevada

19 Department of Taxation.

20 We've also been -- I've been involved with

21 HR reviewing the applications for director of

22 finance, and our HR director will be presenting a

23 report on that as well.

24 Then also yesterday, and this is not in

25 the venue report, IT, we've been working with -- we

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1 met with Tyler Munis, and they have assigned a

2 project manager. That was some progress that we've

3 made with the Tyler system as well.

4 With that, we have a variety of venue

5 reports from all of our departments that are in this

6 report.

7 TRUSTEE DENT: Any questions for Ms.

8 Crocker?

9 TRUSTEE TONKING: On page 59 of the board

10 packet in the finance and accounting section, second

11 bullet, it says, "Revenue team closeout of golf and

12 ski operations preparation is under way," I was

13 wondering when we would be able to have the

14 financials for golf?

15 MS. CROCKER: I would like to defer that

16 to our interim finance director, Ms. Griffith.

17 TRUSTEE DENT: Any other questions while

18 she's coming up here?

19 CHAIR SCHMITZ: I have a question. When

20 are we going to see the pipeline project closeout

21 report and the pond closeout report? We have a

22 number of projects that have closed, and I don't

23 believe we've seen any of the project closure

24 reports.

25 When are we going to start seeing those?

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1 MS. CROCKER: Our finance director -- not  
 2 finance director. Public Works director, I'm not  
 3 sure if she's here, but it was my understanding that  
 4 the pipe project was not totally completed,  
 5 therefore there wasn't a closeout report.  
 6 CHAIR SCHMITZ: Correct. For that one, I  
 7 meant a status report, because we should have a  
 8 status report of where we are. And I think she did  
 9 include some of it in her report, but I don't know  
 10 whether that was comprehensive. But I do want to --  
 11 we haven't seen our quarterly capital improvement  
 12 project report and we haven't seen project closure  
 13 reports.  
 14 I'm wondering when that capital  
 15 improvement project status report is going to be on  
 16 our agenda and when we're going to see project  
 17 closeout reports?  
 18 MS. CROCKER: Right now -- I'm looking at  
 19 long range. I do have it in the January meeting  
 20 that the pipeline project will be closed out then.  
 21 I will check with our Public Works director to see  
 22 when the rest will be presented to the Board.  
 23 CHAIR SCHMITZ: Thank you.  
 24 TRUSTEE DENT: Ms. Griffith, the floor's  
 25 yours. There was a question regarding the revenue

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1 team closeout for golf. Was that correct?  
 2 TRUSTEE TONKING: I wanted to know when  
 3 the full financials were going to be closed out on  
 4 golf, number 2, page 59.  
 5 TRUSTEE DENT: Thank you.  
 6 TRUSTEE TONKING: You're talking about the  
 7 revenue team closeout, I want to know when the full  
 8 golf financials will be disclosed for the end of the  
 9 season.  
 10 MS. GRIFFITH: As you're aware, we are  
 11 experiencing some staff shortages, so we haven't  
 12 caught up yet on our entry work. We're trying to  
 13 focus on completing the fiscal '24 audit.  
 14 We're striving to finish out the rest of  
 15 the golf season. Hopefully by December we would  
 16 have that information into the system and be able to  
 17 provide reports that would be current on that  
 18 information.  
 19 TRUSTEE TONKING: Thank you.  
 20 TRUSTEE TULLOCH: Just to clarify, that  
 21 will be the season -- that will be the report for  
 22 the season, so, I mean, half of that will need to go  
 23 into the '24 audit, will it not? We will need the  
 24 numbers for the first half of the year to go into  
 25 the '24 audit.

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1 I'm assuming what Trustee Tonking is  
 2 looking for is the season-long report.  
 3 TRUSTEE TONKING: We already have the  
 4 first half of the season. So, yes, I want to know  
 5 --  
 6 TRUSTEE TULLOCH: We have solid numbers.  
 7 That's good. I haven't seen them.  
 8 TRUSTEE TONKING: It's in one of your  
 9 reports that you gave.  
 10 TRUSTEE DENT: Thank you. Any other  
 11 questions for Ms. Griffith?  
 12 CHAIR SCHMITZ: I have one. I appreciate  
 13 all of the effort that is going into the audit.  
 14 Does that mean that we're falling behind  
 15 on the day to day in the bank reconciliations and  
 16 things? If we're all working on the audit, what is  
 17 happening with the other work to be completed in a  
 18 timely fashion? Are we falling behind?  
 19 MS. GRIFFITH: As to the bank  
 20 reconciliations, looking at the bank accounts  
 21 regularly is happening. We can't complete the  
 22 complete process until we are caught up in the  
 23 journaling of the cash activity. So it's a little  
 24 bit of trying to work on the audit, trying to catch  
 25 up on the regular day-to-day procedures.

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1 And to share with everyone that we are  
 2 reaching out for temporary help as well as  
 3 continuing to interview for the accounting position.  
 4 TRUSTEE DENT: Thank you.  
 5 TRUSTEE TULLOCH: A question for interim  
 6 General Manager Crocker with her other hat on. On  
 7 page 69 of the packet, it talks about the recreation  
 8 center ongoing memberships versus non-recurring  
 9 memberships.  
 10 Can you clarify the difference? Yeah,  
 11 page 69. It looks a bit like the non-reoccurring  
 12 memberships is people paying an annual membership.  
 13 Isn't the ongoing monthly?  
 14 MS. CROCKER: Correct. We have our annual  
 15 ongoing memberships and then we have either monthly  
 16 memberships or daily passes or daily visits. There  
 17 is a variety of passes that an individual can  
 18 purchase, and they don't necessarily need to be a  
 19 Picture Pass Holder.  
 20 These are the -- did that answer the  
 21 question?  
 22 TRUSTEE TULLOCH: No, it confuses me  
 23 further. If the ongoing memberships are the annual  
 24 memberships, I'm trying to work out where that  
 25 amount, 261, is 30 percent of the 232

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1 non-reoccurring memberships.

2 MS. CROCKER: So the ongoing memberships

3 are like individuals who come just and just pay --

4 TRUSTEE TULLOCH: Pay monthly.

5 MS. CROCKER: Well, they pay ongoing, I

6 believe it's a year, a year membership, and then the

7 non-reoccurring members are those who are paying

8 monthly.

9 TRUSTEE TULLOCH: The numbers don't --

10 MS. CROCKER: So, correct. We're making

11 more money off of our non-reoccurring than we are on

12 our reoccurring.

13 TRUSTEE TULLOCH: Yeah, I think it's the

14 opposite way, because otherwise you're charging 300

15 bucks a month.

16 TRUSTEE TONKING: I think your ongoing is

17 going to be, like, the month to month, and then the

18 ones, the full-time, one-time charge for the year is

19 your non-reoccurring.

20 TRUSTEE TULLOCH: Yeah. That's why I'm

21 confused.

22 MS. CROCKER: I can get clarification.

23 TRUSTEE TULLOCH: Okay. One other thing

24 on page 73, the janitorial, Alta Vista or Sammy

25 Santiago contract, I think the numbers under the

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1 last column there have slipped down a level.

2 MS. CROCKER: This was a follow-up to the

3 last meeting regarding the Alta Vista contract for

4 janitorial services. As a follow-up item, the Board

5 had requested the actual appropriations for these

6 accounts, and so this is what this is.

7 TRUSTEE TULLOCH: Yeah, I think if you

8 look at the spreadsheet there, I think on the last

9 column, all these numbers have slipped down one

10 level.

11 TRUSTEE TONKING: I don't think so. It's

12 saying to reclassify that amount in that object

13 code.

14 TRUSTEE TULLOCH: Okay.

15 TRUSTEE TONKING: It just says -- it

16 didn't slip down, it's just reclassifying out of one

17 object code into the other object code. That's why

18 it's in that line.

19 TRUSTEE TULLOCH: Okay.

20 CHAIR SCHMITZ: But it's a very

21 troublesome chart because it's showing that what was

22 put in the budget is significantly below what

23 contract levels are that we are awarding for this.

24 I mean, I don't know what happened with -- the Board

25 never asked for janitorial services to be cut, so

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1 this is troubling.

2 MS. CROCKER: I'll just share again that

3 from last meeting, we don't know what happened, it

4 just got cut. We don't know if the former general

5 manager just cut our line items out, but that's what

6 happened.

7 It is frustrating, and so we're just

8 working with finance to reallocate within our own

9 funds to make sure we have enough money to cover

10 these services.

11 TRUSTEE DENT: Understood. It would be

12 interesting to learn what happened, because I'm sure

13 there's other areas where the budget was approved

14 isn't the budget in the system.

15 MS. CROCKER: Correct.

16 TRUSTEE DENT: This is just the first area

17 that we're seeing it. And I feel like until we dive

18 into that to figure out what's different, we're

19 going to run into these landmines the rest of the

20 fiscal year.

21 MS. CROCKER: I agree. Thank you.

22 TRUSTEE DENT: Any other questions

23 regarding monthly status report to the Board?

24 Seeing none, that will close out item F.

25 Moving on to -- or item F 1. Moving on to item F 2.

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1 F 2. Ordinance 7, Paragraph 44

2 TRUSTEE DENT: Ordinance 7, Paragraph 44,

3 fees kept current, pages 89 through 93 of your board

4 packet.

5 MS. CROCKER: This item is a

6 receive-and-file item, there's no recommendation,

7 it's just for information. The Board had asked me

8 to bring this back. It's just a factual what our

9 current Ordinance 7 says.

10 Again, the purpose is the document serves

11 to summarize the process by which the District

12 administers the provisions of Ordinance 7 related to

13 the recreation privilege of eligibility and

14 specifically the suspension of recreation privileges

15 for parcels who are determined to be delinquent with

16 respect to payment of facility fees.

17 Former director of finance, Paul Navazio,

18 had written up a procedure, it's not a part of a

19 policy, but attached to this is actually the process

20 and the email that staff has been following per his

21 direction.

22 Staff also had met with the -- or

23 requested information from the county as well

24 regarding some questions, and that is on page 93,

25 that is identified. Washoe County provided the

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1 following information: Does IVGID receive the  
 2 penalties and interest associated with delinquent  
 3 recreation fee accounts? And their answer is: No.  
 4 The county retains those penalties as we are tasked  
 5 with and staffed to collect them, and this helps  
 6 us -- this is the county speaking -- to recover the  
 7 costs associated with managing the accounts.  
 8           Number two, the second question, was: Can  
 9 we charge other fees or charges on recreation  
 10 accounts? Their answer: I would ask that you refer  
 11 this to your attorney, but I may start with NRS  
 12 318.197. This statute details the fees and charges  
 13 allowable to FIDs in Nevada. It describes the rates  
 14 allowed, method of collection, et cetera.  
 15           And then the third question that was  
 16 asked: How frequently does IVGID staff receive  
 17 delinquency in other reports? Answer: Our county  
 18 treasurer's office remits a delinquency and  
 19 receivable aging report monthly in addition to after  
 20 each tax distribution to the various taxing entities  
 21 and at the year-end on June 30th. While I did not  
 22 ask for specifics, our team has a relationship with  
 23 your team and information flows smoothly and  
 24 regularly.  
 25           This is just, again, a facts-finding type

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1 of report. If there's any questions, I'd be more  
 2 than happy to answer them.  
 3           TRUSTEE DENT: Appreciate that. Thank  
 4 you.  
 5           TRUSTEE TULLOCH: While this is a  
 6 fact-finding, it's turns over a number of other  
 7 stones. It would appear that reading through Mr.  
 8 Navazio's interpretation, he's basically extended  
 9 the delinquency period by a year, which seems to  
 10 contradict Ordinance 7. He appears to have taken on  
 11 some leeway that was never voted on by the Board, as  
 12 I understand, because I don't recall any changes in  
 13 Ordinance 7 regarding this.  
 14           TRUSTEE TONKING: Did we receive a  
 15 documentation either on October 1st or October 2nd  
 16 with the list of delinquent parcels since we  
 17 published them outside of our policy in the past?  
 18 And do we have a working relationship to ensure that  
 19 we do receive it in order to abide by this policy?  
 20           MS. CROCKER: We do have a working  
 21 relationship with the county, and I have not checked  
 22 to see if we received another, a second, the second  
 23 installment was due on October 7th, which is the  
 24 first Monday.  
 25           I don't know if we got another list from

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1 the county. I would have to check with our finance  
 2 department on that.  
 3           TRUSTEE TONKING: Did you get one, though,  
 4 on October 1st? Here it says "October 1st" in  
 5 bullet 2 on page 91. And so one of my questions is  
 6 did you receive it on October 1st? Because the one  
 7 you published in our packet was from September 25,  
 8 which is outside of our --  
 9           MS. CROCKER: Correct. I would need to  
 10 check with our finance department because they are  
 11 the ones who received the actual delinquency  
 12 accounts.  
 13           TRUSTEE TONKING: Thank you.  
 14           TRUSTEE TULLOCH: Yeah, if you can bring  
 15 that back to the Board, that would be helpful. That  
 16 would exonerate the innocent.  
 17           CHAIR SCHMITZ: I think given everything  
 18 that is going on, I would suggest that this issue be  
 19 placed on the long range calendar for, maybe,  
 20 February or April, because how I read this, it  
 21 appears that our Ordinance 7 doesn't align with the  
 22 quarterly collection of property taxes and the  
 23 quarterly reporting, and I think that Ordinance 7  
 24 needs to be -- and I think Mr. Navazio even said in  
 25 his memo that the policy needs to be revised to be

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1 in alignment with what the county reports for the  
 2 quarterly installments.  
 3           I think that staff should bring back a  
 4 recommendation for how that can be done to be  
 5 aligned. But given the demands on staff, I would  
 6 suggest that it get placed in April.  
 7           MS. CROCKER: Yes.  
 8           TRUSTEE DENT: Any other discussion on  
 9 this item?  
 10           That will close out item F 2. Moving on  
 11 to item F 3.  
 12           F 3. Treasurer's Report  
 13           TRUSTEE TULLOCH: I won't bore you by  
 14 going through the months. We've got July and August  
 15 here. Yeah, I realize we're now almost midway  
 16 through November and staff asked to delay this from  
 17 the previous meeting to focus on the audit work.  
 18           I'll just run briefly through the August,  
 19 2024, numbers. It's interesting that one of -- it  
 20 was mentioned during the GM interviews that the  
 21 payroll numbers, if you look at page 193, don't  
 22 really make a whole lot of sense because our budget  
 23 numbers just broken down over -- in twelfths, rather  
 24 than being allocated seasonally as we actually incur  
 25 the costs. The issue with that is it becomes very

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1 difficult to actually tell how a venue is doing  
2 until well into Q3 when it's too late.  
3 But we can see on page 193 that  
4 payroll looks, basically, on budget at the moment.  
5 I think there is a bigger payroll impact from ski  
6 during the winter season. I think that's a much  
7 bigger impact than the other venues, so this would  
8 suggest we're probably behind on budget -- we've  
9 overspent our payroll budget to day already based on  
10 this. Again, that's just a guesstimation.  
11 On page 194, accounts payable, I've asked  
12 for changes here so we show the ongoings on payments  
13 as a single stacked bar rather than -- when I looked  
14 at it at first I thought is that the same format as  
15 the previous page, but it's not budget -- it's not  
16 budget to actual. It's just -- all it's showing is  
17 the scale of the expenditure.  
18 If you look -- it's -- actually it shows  
19 better on page 195, where we've actually spent 16.6  
20 million to date. There's no breakdown here on the  
21 accounts payable between capital and OpEx. I've  
22 also asked for that to be -- to see if we can better  
23 show that as opposed to showing it just as a  
24 combined amount because it's -- at the moment, we  
25 have no idea from these reports whether we're on

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1 inventory, it is shown here as "unallocated," it  
2 goes into a balance sheet, a balance sheet account,  
3 and then that's is decremented as we actually draw  
4 the stuff from inventory. It doesn't really help  
5 explain why so much of it is unallocated. But  
6 that's why it's showing up that way.  
7 Given we've still a lot of ahead of us,  
8 there's -- you'll also see some issues when we go to  
9 page -- when we start going through the various  
10 different, the year-to-budget comparison, we're  
11 showing sources and uses, but some of them we've  
12 dropped -- the line is dropped out when it's  
13 converted from XL to PDF, so we've lost the net  
14 sources and uses number on several of these funds.  
15 A few areas, just to pick out some areas  
16 that we're -- I know it's in facilities we've spent  
17 over 20 percent of our salaries and wages budget  
18 already. We've spent 35 percent of our costs of  
19 goods sold budget. Fortunately, the revenue  
20 numbers, the charges for services appear to be ahead  
21 of budget, so hopefully that's going to keep washing  
22 its face.  
23 Otherwise, the -- at least we have some  
24 numbers now. It will be interesting to see when we  
25 get -- by the time we get to the end of Q2,

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1 track or behind or whatever on it.  
2 Again, jumping to page 198, this is one  
3 that's confused me several times, and, again,  
4 because of the way -- if we look at it, it can --  
5 it's just showing revenue and expenses and it's  
6 showing the net against budget. Obviously since  
7 most of these are seasonal activities, the budget  
8 line doesn't really reflect anything.  
9 I was always confused by the gold line,  
10 which shows net minus budget, it's actually just the  
11 budget, where we expect the budget to be at this  
12 stage. It's not the net amount minus the budget  
13 line, so it is deceptive there. I've asked for that  
14 to be cleared up so it just shows us what the budget  
15 target is at this.  
16 Again, these graphs are kind of  
17 meaningless when we haven't allocated the budget to  
18 reflect the actual operating costs.  
19 Similarly, page 199, when we go to the  
20 accounts payable, it was raised in public comment,  
21 why we have several pages of no allocation for  
22 expenditures. The explanation similarly is that  
23 when we're buying stuff for inventory, if we're  
24 buying goods for sale in the golf shop, if we're  
25 buying food and wine for food and beverage for

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1 hopefully the numbers start to make a bit more  
2 sense. Unless we can start allocating the budget  
3 proportionally to reflect the actual expenditure  
4 profile, it's very difficult to make any -- to  
5 derive anything from here. All we can do is look at  
6 the individual year-to-budget comparisons in the  
7 different accounts and see where things are going  
8 wrong.  
9 If you recall, we'd asked at the budget  
10 session, one of the things Mr. Magee was tasked  
11 with, then-General Manager Magee was tasked with was  
12 giving the Board an update, a proper monthly update  
13 of how expenditures were going against budget for  
14 each venue, and that, of course, has not  
15 materialized.  
16 CHAIR SCHMITZ: If you go page 215, just  
17 as example, how is that we have purchases or we're  
18 paying vendors and there's -- it's on unclassified  
19 department and unclassified division. What is going  
20 on with that?  
21 MS. CROCKER: I'd like to ask the finance  
22 director.  
23 TRUSTEE DENT: Trustee Tulloch or Ms.  
24 Griffith?  
25 TRUSTEE TULLOCH: Yeah, Ms. Griffith can

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1 -- is welcome to come and explain it. I mean, I'm  
 2 only passing on the explanation that I was given,  
 3 that these things are purchases against the balance  
 4 sheet for inventory, but when see things like "Wage  
 5 Works, Inc." against it, it seems a slightly weird  
 6 thing to be purchasing for inventory.

7 CHAIR SCHMITZ: The other question I have  
 8 or something that Trustee Tulloch and I discovered  
 9 is that some of these payments are not going to the  
 10 vendor name that we have the contract with. And I  
 11 see that as a very large internal control concern  
 12 and a legal concern, and I don't know what action is  
 13 being taken to correct it.

14 MS. GRIFFITH: I believe I heard the  
 15 question.

16 The unclassified, when we pay a bill and  
 17 it goes to inventory, that you'll see "unclassified"  
 18 because it's hitting the balance sheet, and so if  
 19 you kind of scroll down, you'll see the shorter  
 20 series of numbers and that's where that particular  
 21 transaction is hitting.

22 TRUSTEE DENT: Chair, did you have a  
 23 follow-up question about that?

24 CHAIR SCHMITZ: Yeah. Because I'm  
 25 concerned about this. How can we have \$3,600 on the

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1 next page, page 220, there's like \$3,000 for US Food  
 2 Service, it's going to something, it's being  
 3 purchased for some purpose, whether it's The Grill,  
 4 whether it's catering.

5 I'm just troubled by the amount of these  
 6 unclassifieds and why it's not being charged to a  
 7 department.

8 MS. GRIFFITH: So it is either food  
 9 inventory, beer inventory, or wine inventory so it's  
 10 all F and B, and it's on the balance sheet.

11 TRUSTEE TONKING: Maybe it would be  
 12 helpful if you explained to the Board members how  
 13 the chart of accounts works for the balance sheet  
 14 versus the income statement. I think that may be  
 15 where the confusion is lying.

16 MS. GRIFFITH: When we're paying the  
 17 bills, we have long string of numbers when it is  
 18 going to be a journal ledger account that it's going  
 19 to be an expense on income statement, and a shorter  
 20 string -- the balance sheet, we have the items in  
 21 inventory, it's a type of asset, so it's a shorter  
 22 string because we don't have a bunch of different  
 23 venues using a bunch of longer strings to post that  
 24 as one of your assets.

25 TRUSTEE TULLOCH: If I can just have a

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1 follow-up to that, because if I look on page 215, I  
 2 see a number of -- and 261 -- I see a number of  
 3 payments there to Wage Works, Inc., which -- is that  
 4 something that's going into inventory?

5 MS. GRIFFITH: Could you tell me the  
 6 number string next to it?

7 TRUSTEE TULLOCH: 9502027.

8 MS. GRIFFITH: The Wage Works is the FSA.  
 9 That's part of our salaries and benefits expenses.

10 TRUSTEE TULLOCH: Okay. Okay. That's  
 11 fine. That helps clarify it.

12 But then I also look at Raley's, and I see  
 13 359044972 and 703, is that purchase goods for sale?

14 MS. GRIFFITH: Would you please give me  
 15 the page number?

16 TRUSTEE TULLOCH: Page 215. Sorry. I  
 17 hadn't noticed these earlier when I spoke to you.

18 MS. GRIFFITH: For Raley's, inventory. We  
 19 see the items for \$35.90, 1504, I don't know offhand  
 20 if that's food or -- it could be hamburger buns if  
 21 we're in a pinch to get supplies. All of those  
 22 Raley's ones, 1504, I don't remember the 24 series  
 23 offhand still, working on memorizing the chart.

24 TRUSTEE TULLOCH: No problem. Appreciate  
 25 that.

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1 CHAIR SCHMITZ: Could you answer my  
 2 question about payments to individual people instead  
 3 of who we have a contract with? And I think that  
 4 Trustee Tulloch has the name, and I think it's Alta  
 5 Vista Cleaning, but we're not making a payment to  
 6 Alta Vista Cleaning, it's a payment to some  
 7 individual's name.

8 So how are we cleaning this up so that  
 9 we're making payments only to vendors that we  
 10 actually have the contract with, not to a person's  
 11 name?

12 MS. GRIFFITH: In that particular  
 13 situation, what we do is we enter what is stated on  
 14 the W9. All vendors are required to submit a W9  
 15 form with us before they receive any payments out of  
 16 the system.

17 And that particular W9 has it entered  
 18 where they do business as Alta Vista, however it is  
 19 a sole company with his name, and that is the way  
 20 that the payments are processed and receiving the  
 21 1099s accordingly.

22 TRUSTEE DENT: Any other questions?

23 Thank you, Ms. Griffith. That'll close  
 24 out item F 3. Moving to item G.

25 G. CONSENT CALENDAR  
 G 1. Meeting Minutes, 9/9/2024

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1 G 2. Vegetation Management FY '24/'25  
 G 3. Jacobs Contract Extension  
 2 G 4. ESRI ArcMap Upgrade  
 G 6. Flaik Sports USA, Inc.  
 3  
 4 TRUSTEE DENT: The consent calendar, found  
 5 on page 2 and 3 of your board packet. It would be  
 6 consent calendar items 1 through 4 -- G 1 through 4  
 7 and G 6.  
 8 I'll entertain a motion.  
 9 TRUSTEE TONKING: I move that the Board  
 10 approve the consent calendar.  
 11 TRUSTEE DENT: Motion's been made. Is  
 12 there a second?  
 13 TRUSTEE TULLOCH: Second.  
 14 TRUSTEE DENT: Motion's been made and  
 15 seconded. Any further discussion by the Board?  
 16 All right. Seeing none, I'll call for  
 17 question. All those in favor, state aye.  
 18 TRUSTEE TONKING: Aye.  
 19 TRUSTEE TULLOCH: Aye.  
 20 TRUSTEE NOBLE: Aye.  
 21 TRUSTEE DENT: Aye.  
 22 CHAIR SCHMITZ: Aye.  
 23 TRUSTEE DENT: Motion passes, 5/0. Yes.  
 24 We're going to take a five-minute break.  
 25 (Recess from 8:08 p.m. to 8:15 p.m.)

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1 information.  
 2 What I'm asking from the Board tonight is  
 3 to have a Board liaison appointed, following the new  
 4 Resolution 1911, have the Board sit on some of these  
 5 interviews and provide feedback to the panel.  
 6 TRUSTEE DENT: Thank you for that. Board  
 7 liaison, hmm.  
 8 TRUSTEE NOBLE: I would nominate Michaela  
 9 Tonking for the Board liaison given her finance and  
 10 accounting background, I think should be a huge  
 11 asset in that interview process.  
 12 TRUSTEE DENT: Understood.  
 13 I was going to nominate our treasurer. I  
 14 know how closely Trustee Tulloch has been working  
 15 with the accounting department and probably up to  
 16 speed on the financials at a deeper level than most  
 17 of us. If willing, I'd nominate you. That being  
 18 said, we have two nominations, and basically we will  
 19 take them in order.  
 20 Trustee Tonking has been nominated, so  
 21 I'll call for the -- no, no motion -- yeah, I'll ask  
 22 for a motion to -- for Trustee Tonking -- or we do  
 23 have a motion, so I'll ask for a second for Trustee  
 24 Tonking.  
 25 TRUSTEE TONKING: I'll second myself.

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1 TRUSTEE DENT: All right. We're going to  
 2 resume our meeting. It is 8:15, we just approved  
 3 the consent calendar, we're now on general business.  
 4 H. GENERAL BUSINESS  
 5 H 1. Board Liaison, Interview of Candidates,  
 6 Director of Finance Position  
 7 TRUSTEE DENT: Review, discuss, and  
 8 appoint a Board liaison to attend interviews of  
 9 candidates for the director of finance position and  
 10 provide feedback to staff for Policy and Procedure  
 11 144. This can be found on page 414 of your board  
 12 packet. Our human resources director is here.  
 13 MS. FEORE: Who is never on vacation, by  
 14 the way. I gotta get that on the record.  
 15 Following Board direction, on August 28th,  
 16 the HR department did submit a flyer advertising the  
 17 director of finance position. We received a number  
 18 of interested candidates. We have reviewed some of  
 19 those candidates. We have some that we would like  
 20 to consider moving forward.  
 21 I've also worked with a partner over at  
 22 Washoe County to get some feedback as well so that  
 23 they could provide us with some of their expertise  
 24 on some of the candidates. I have that meeting with  
 25 that partner next week, so I'll get some additional

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1 TRUSTEE DENT: I like it. Motion's been  
 2 made and seconded. Any further discussion by the  
 3 Board?  
 4 No. All right. I'll call for question.  
 5 All those in favor, state aye.  
 6 TRUSTEE TONKING: Aye.  
 7 TRUSTEE NOBLE: Aye.  
 8 TRUSTEE DENT: All those opposed?  
 9 No.  
 10 TRUSTEE TULLOCH: No.  
 11 CHAIR SCHMITZ: No.  
 12 TRUSTEE DENT: Motion fails, two to three.  
 13 Second candidate, there was a motion -- or  
 14 I'll just move that we appoint Trustee Tulloch to  
 15 this liaison position. A motion's been made, is  
 16 there a seconded?  
 17 CHAIR SCHMITZ: I'll second.  
 18 TRUSTEE DENT: Motion's been made and  
 19 seconded. Further discussion by the Board?  
 20 Don't see any. I'll call for question.  
 21 All those in favor, state aye.  
 22 Aye.  
 23 CHAIR SCHMITZ: Aye.  
 24 TRUSTEE TULLOCH: Aye.  
 25 TRUSTEE DENT: Opposed?

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1 TRUSTEE TONKING: No.  
 2 TRUSTEE NOBLE: No.  
 3 TRUSTEE DENT: Motion passes, three to  
 4 two.  
 5 Trustee Tulloch?  
 6 TRUSTEE TULLOCH: Thank you. I would also  
 7 -- depending on the rapidity of getting a contract  
 8 in place for the new general manager, hopefully we  
 9 will be able to get him involved as well, that would  
 10 be my intention.  
 11 MS. FEORE: Yeah, I've canceled all future  
 12 vacations so that I can be available -- this is just  
 13 a running joke -- so we can get this done quickly.  
 14 And so, yes, I agree. I think that makes  
 15 a lot of sense.  
 16 TRUSTEE TULLOCH: Do you even remember  
 17 what a vacation is?  
 18 MS. FEORE: No. But thanks for asking.  
 19 TRUSTEE TONKING: This is why we have no  
 20 employees.  
 21 MS. FEORE: There you go.  
 22 And so, Trustee Tulloch, I'll work with  
 23 you to get you caught up to speed on the  
 24 applications.  
 25 TRUSTEE TULLOCH: Thank you.

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1 TRUSTEE DENT: Thank you.  
 2 Moving on from item H 1 to H 2.  
 3 H 2. Practice 6.2  
 4 TRUSTEE DENT: Review, discuss, and  
 5 possibly approve modifications to Practice 6.2. Did  
 6 we pull that item?  
 7 TRUSTEE TONKING: We pulled this item.  
 8 TRUSTEE DENT: No, I don't think we did.  
 9 No. We talked about pulling this item.  
 10 TRUSTEE TONKING: Yes. And we talked  
 11 about the other one, not pulling it, and I said I  
 12 was fine with not pulling the other one; I did not  
 13 say I was not fine --  
 14 TRUSTEE DENT: Okay. The agenda that we  
 15 approved left this on. The only item that got added  
 16 was the G 5, because I was under the impression  
 17 because you -- or Chair Schmitz mentioned you  
 18 mentioned this at the Town Hall that we were going  
 19 to --  
 20 TRUSTEE TONKING: Yeah. And then I asked  
 21 for a continuance to the December 11th meeting when  
 22 you're all still here on this board to participate.  
 23 TRUSTEE DENT: Okay. Well, I wish you  
 24 guys would have caught that earlier.  
 25 Is everyone under the assumption that this

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1 item was pulled?  
 2 TRUSTEE NOBLE: Yes.  
 3 (Cross talk.)  
 4 MR. RUDIN: I mean, you can just vote now  
 5 move it to the next meeting.  
 6 TRUSTEE TONKING: I move that we pull G 2  
 7 -- or H 2.  
 8 TRUSTEE NOBLE: Second.  
 9 TRUSTEE DENT: Okay. Discussion? Chair,  
 10 you just said -- anyone want to have discussion on  
 11 this before we vote?  
 12 TRUSTEE TULLOCH: I'm happy -- it's --  
 13 should -- if I'd known better, for once my life I  
 14 actually typed out my comments on it.  
 15 TRUSTEE DENT: Okay. I will call for the  
 16 question. All those in favor of keeping this  
 17 item -- sorry. All those in favor of pulling this  
 18 item -- we don't usually make motion to not do  
 19 things -- state aye.  
 20 TRUSTEE TONKING: Aye.  
 21 TRUSTEE NOBLE: Aye.  
 22 TRUSTEE DENT: Okay. Opposed?  
 23 (Cross talk.)  
 24 TRUSTEE DENT: No. Okay. So I got three  
 25 votes, motion passes to pull it, unless you guys --

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1 Chair, are you not voting and --  
 2 CHAIR SCHMITZ: I didn't vote because I  
 3 just -- I'm sitting here saying, you know, this was  
 4 being brought forward because Trustee Tonking wanted  
 5 to review it. And if we have some conversation  
 6 about it, maybe we'll have another version of it for  
 7 December.  
 8 But if the Board wants to defer it, I'm  
 9 fine. I just was wanting to actually try to get  
 10 some input and feedback on this.  
 11 MR. RUDIN: Chair, if you state that in a  
 12 yes or no, please.  
 13 CHAIR SCHMITZ: No, I don't want to pull  
 14 it.  
 15 MR. RUDIN: Motion fails.  
 16 TRUSTEE DENT: Yeah, the item stays. So  
 17 I'll go back to item H 2. Discussion by the Board?  
 18 CHAIR SCHMITZ: I will say that Trustee  
 19 Tulloch put some comments together and I requested  
 20 it because he called me, and I said, "Per Trustee  
 21 Noble, please write it down," and he actually did,  
 22 so we have to give him credit for writing his  
 23 comments down so that it makes it more efficient.  
 24 But if there's other comments, all I was  
 25 really wanting to do is have the Board's input on



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1 this and decide if we want to make more changes and  
 2 we can bring it back.  
 3           But I did put in decision points for the  
 4 Board, and some of decision points that I put in  
 5 were trying to set this up to be helpful for the  
 6 next board that they had the list of all of the  
 7 pricing sheets and a list of what the decision  
 8 points are when it comes to budgeting time, that  
 9 sort of thing. Some of the decision points, I  
 10 think, should be reviewed on an annual basis.  
 11           But, Trustee Tulloch, go ahead with your  
 12 feedback.  
 13           TRUSTEE TONKING: I also need  
 14 supplementals. I never got the supplementals on  
 15 this. We asked for hard copies of --  
 16           TRUSTEE DENT: And that is --  
 17           TRUSTEE TONKING: This is a joke.  
 18           TRUSTEE DENT: That's where we -- that's  
 19 one of the reasons why you brought forward --  
 20           TRUSTEE TONKING: No. I brought this up  
 21 for the one I wanted, but never for this one because  
 22 we pulled it.  
 23           TRUSTEE DENT: But we didn't. Okay.  
 24 Sweet. I don't think --  
 25           CHAIR SCHMITZ: The supplementals are the

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1 price sheet for the Rec Center and the price sheet  
 2 for the beaches.  
 3           TRUSTEE TONKING: I never received those.  
 4           CHAIR SCHMITZ: Those are the only  
 5 supplementals that Karen provided.  
 6           TRUSTEE DENT: Okay. Fair.  
 7           And then for the record, the comments that  
 8 Trustee Tulloch put together and handed out to us --  
 9           MR. RUDIN: They're being copied now and  
 10 distributed.  
 11           TRUSTEE DENT: Those are being copied to  
 12 follow -- and I don't have the copy of them even.  
 13 Those are being copied so they can be distributed.  
 14           TRUSTEE TULLOCH: Can I just clarify, my  
 15 comments were just meant as a guide so I remembered  
 16 all the comments. I didn't want to circulate them  
 17 to the Board at the time because it seemed -- I  
 18 didn't want to be breaking any OML issues.  
 19           TRUSTEE DENT: Understood. And you can  
 20 speak to your comments so Trustee Noble and Chair  
 21 Schmitz and myself know what your comments are.  
 22           TRUSTEE TULLOCH: Most of my comments were  
 23 fairly general. They're addressing general issues  
 24 throughout the document.  
 25           I was disturbed by one that management

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1 could modify pricing without any approval, without  
 2 any reviews. I would suggest -- this is on page 47  
 3 -- that any modification of pricing would need to be  
 4 subject to approval by the GM and reporting to the  
 5 Board with a detailed explanation of the impacts on  
 6 budget and revenues to avoid somebody just suddenly  
 7 trying to drive business by chopping prices and  
 8 getting more utilization but no more revenues.  
 9           TRUSTEE TONKING: I have a question on  
 10 that one. How would that work with flex pricing?  
 11 So if I'm trying to do flexible pricing at the golf  
 12 course or Diamond Peak, are you eliminating that?  
 13 The way I'm reading that is what it sounds like, so  
 14 I'm wondering how that would work.  
 15           TRUSTEE TULLOCH: No. Flex pricing is  
 16 interesting, it's like dynamic pricing. We've  
 17 talked about dynamic pricing, but we never really  
 18 used dynamic pricing the way dynamic pricing would  
 19 normally work in most of these situations. We've  
 20 only had it there and it's been used more so people  
 21 can suddenly give special discounts.  
 22           Typically flex pricing in the ski  
 23 industry, it's announced in advanced. It's not  
 24 something that's just done on the spur of the  
 25 moment. I have no issue with something like that.

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1 We do it at the mountain I work at. We do special  
 2 pricing for special situations, so I'm happy to see  
 3 something like that. I'd just like to see more  
 4 clarification here.  
 5           The bare text just lets managers alter --  
 6 modify pricing without any regard to what the impact  
 7 is to budget or without any approval. I would  
 8 suggest it would need GM approval. I don't think it  
 9 needs Board approval, but I think it should be  
 10 reported to the Board in most of these cases.  
 11 That's my thinking there.  
 12           CHAIR SCHMITZ: I think that bullet point  
 13 is really just trying to say this template, this  
 14 guideline, this practice is to establish conditions.  
 15 And so in the details, there are areas where  
 16 discounts are given because of inventory, sales at  
 17 the end of the season.  
 18           This bullet point is just saying that this  
 19 policy should establish conditions that management  
 20 has that authority. It's not saying that they do.  
 21 It says this policy gives guidelines as far as when  
 22 and where and how, and that is in the table.  
 23           Karen put things in there about reducing  
 24 prices -- to reduce inventory in the pro shop, that  
 25 sort of thing.

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1 TRUSTEE TULLOCH: Yeah. I think it just  
2 needs to have some clarification around it to avoid  
3 any unintended consequences. That was my comment on  
4 it.  
5 If I move on to my next comment --  
6 TRUSTEE DENT: Trustee Tonking, you had a  
7 question regarding that?  
8 TRUSTEE TONKING: Who wrote this policy?  
9 MS. CROCKER: It was a combination of when  
10 Director Herron had wrote it and then Chair Schmitz  
11 went through it and made some changes and then I  
12 reviewed it and made a couple of more changes, and  
13 so it was a combination.  
14 But I did want to share that, really, the  
15 just of the pricing will be reviewed and approved by  
16 the Board as part of our budget process in February  
17 when we submit our revenue schedules -- or fee  
18 schedules.  
19 TRUSTEE TONKING: I was just going to say  
20 that some parts of it seemed really prescriptive and  
21 then other parts seem much broader, and I worry that  
22 when you get too prescriptive you start to create  
23 loopholes and it's harder to maneuver around.  
24 And so that's why I'm just trying to  
25 understand how it all came together, because I think

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1 get bailed out, and we've memorialized that.  
2 It also reduces the incentive for some  
3 people that are running profitable operations,  
4 because it gets to the stage, well, I may as well --  
5 I can spend that money because if I don't, it's just  
6 going to support somebody else.  
7 It's -- I think we need to look very  
8 carefully before we memorialize something like that.  
9 TRUSTEE DENT: I'm going to go back to  
10 Trustee Tonking's comments with this, just as a  
11 whole, and I kind of think back to our board  
12 training we had earlier this year and what's the  
13 problem we're trying to solve with all of this. And  
14 the idea is this is a general, kind of guideline for  
15 staff to be bringing forward a budget, and it would  
16 be based on -- it would really be based on what got  
17 approved the prior year and whether there are  
18 those -- there's a policy in place where we know we  
19 are supplementing some of the, say, user fees, and  
20 then in other areas the venues are standing on their  
21 own based on user fees.  
22 Yeah, I wanted to add on to that.  
23 TRUSTEE TONKING: I do think it will be  
24 helpful with the new GM candidate that was chosen  
25 because, I would say, this is probably where his

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1 some of it is like a -- and that's why I do kind of  
2 in a lot of ways feel like this needs to be  
3 reformatted to become much more of a broader  
4 document with possible examples.  
5 But right now, it seems super  
6 prescriptive, and that's my overarching comment. I  
7 think that fixes -- I'm briefly reading through  
8 Ray's things -- a lot of his comments when you  
9 become less prescriptive because, yeah, then you are  
10 just debating semantics, really.  
11 TRUSTEE TULLOCH: I'm going to break my  
12 habits of the evening and agree with you, Trustee  
13 Tonking.  
14 TRUSTEE DENT: It's about time you're  
15 agreeing tonight.  
16 TRUSTEE TULLOCH: I don't like the  
17 language that is saying, "While the operations may  
18 not be covered entirely, revenue generated by other  
19 operations and facility fees can cover it."  
20 I think it's very dangerous to start  
21 memorializing that because all -- it provides  
22 perverse incentives both for the money-losing venues  
23 because they see no need to actually address the  
24 costs, their expenses, or actually manage the  
25 business better because they know they're going to

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1 expertise lies the most in compared to other  
2 governmental policies. I feel this would be the  
3 skill set he has to have him really start to think  
4 about how would you think about this in a much  
5 broader sense, and then maybe create a table at the  
6 end of possible examples.  
7 But putting all of this into a policy  
8 really hamstrings in a lot of different directions.  
9 I feel like I'd like those eyes and that lens in it.  
10 TRUSTEE DENT: That's fair.  
11 TRUSTEE TULLOCH: Yeah. My next comment  
12 -- on 428, page 428, 2.0, and it also goes down to  
13 comment on page 430 plus multiple other areas --  
14 which states that the facility fees should be set to  
15 cover capital improvements. Then we go on elsewhere  
16 to say that we shouldn't be charging depreciation  
17 either, in which case, the purpose of charging  
18 depreciation is to build up a replacement fund for  
19 the capital year spending.  
20 When we write in that we are going to  
21 cover all the capital expenditure and we're not  
22 going to recover depreciation, I mean, all you're  
23 saying is that you're going to the taxpayers to  
24 continually fund all that capital.  
25 There's also an issue that we've spent

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1 several years, the last several years in the Audit  
 2 Committee trying to address lots of issues where we  
 3 didn't correct capitalization. If we bring this  
 4 back, we're right back into the same situation where  
 5 we start capitalizing sand and bunkers and things  
 6 like that because it makes your operating costs look  
 7 more and capital becomes free money in that case.  
 8 I'm violently against doing that.

9           Also, if you look at Diamond Peak where 80  
 10 percent of our revenues come from non-residents, why  
 11 should residents be subsidizing and paying for all  
 12 the capital improvements for that? And then that  
 13 would never get passed through to non-residents to  
 14 pay for it, so basically residents would be paying  
 15 to subsidize non-residents. That makes absolutely  
 16 no sense.

17           We talk about doing competitive market  
 18 analysis. Okay. But we need to properly clarify  
 19 what we're defining as the competitive market so we  
 20 don't just cherrypick somewhere. We saw an instance  
 21 where it was being quoted that the Tahoe Mountain  
 22 Club was much more price competitive than we are,  
 23 then we found that various different costs had been  
 24 left out of that. When you're using competitive  
 25 market analysis, we need to decide -- we need to

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1 clarify how we're going to actually define that.  
 2           We also need to have a provision there  
 3 that if we're doing competitive market analysis and  
 4 by matching market pricing that we're losing our  
 5 shirts, that we have a way of exiting that because  
 6 you can't just keep continually doing it, saying,  
 7 well, we're losing a lot of money, but we'll make it  
 8 up in the volume, we'll just do it there. It makes  
 9 no sense. We need to define what we're defining as  
 10 the competitive market. And we need an exit policy  
 11 because, quite simply, if we can't be competitive,  
 12 we can't keep going back to taxpayers and ask them  
 13 to subsidize external residents.

14           At The Grille, yeah, we've got policy of  
 15 ten percent food and beverage discount across the  
 16 board for residents. But then on page 432, The  
 17 Grille, we also state, "Prices should cover all  
 18 operation costs plus a defined profit margin," so  
 19 are we going to increase that margin by ten percent  
 20 to cover the discount or five percent if it's  
 21 50 percent resident traffic?

22           I think we should seriously look at that.  
 23 I mean, I know going to there, but what is the  
 24 purpose of the ten percent discount to residents in  
 25 terms of that if we are trying to run it as a

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1 commercial operation? It starts becoming -- if all  
 2 you're doing is you're increasing you rack prices  
 3 because you know there's ten percent off, what are  
 4 we actually achieving? Are we actually chasing away  
 5 some business in that respect?

6           Page 434, the senior programs, the pricing  
 7 is the same for non-residents and guests. That  
 8 seems to contradict all the rest of the policy.  
 9           I'll just run through a couple of more.

10           TRUSTEE TONKING: I agree. I flagged that  
 11 because then recreational youth programming did not  
 12 have that -- and this is when you get so  
 13 prescriptive it gets really weird -- because that  
 14 did not. I would love to know, like, what the  
 15 county does around this because I'm guessing they  
 16 still charge a much higher rate for people who are  
 17 not living in that county because they are using tax  
 18 dollars to subsidize it.

19           Again, more prescriptive, but I flagged  
 20 that too because the youth doesn't align.

21           TRUSTEE TULLOCH: Page 435, Diamond Peak,  
 22 we're -- Mike's exiting before I get to this one. I  
 23 think it very important. It says, "Rates for  
 24 residents should be set to offer a benefit due to  
 25 operational profitability." You're referring to

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1 your ongoing profitability, Mike?  
 2           I'll put my hand up. I actually discussed  
 3 this with General Manager Bandelin earlier. And,  
 4 yeah, so the flip side of that, if we're not  
 5 profitable, do we charge more for residents? I  
 6 mean, wouldn't it make more sense if we just start  
 7 doing what 90 percent of areas do, the special  
 8 season pass rate is a discount to the regular rate,  
 9 make life a lot simpler.

10           Tennis and pickleball, it says, "This may  
 11 require cost reductions." I think cost reductions  
 12 could be read two ways. I think that should be  
 13 worded as "expense reductions," before someone  
 14 thinks, great, we'll reduce the cost of it because  
 15 we're losing more money.

16           That was all. Just some mainly broad  
 17 points and just more about philosophy. Yeah, I do  
 18 agree with Trustee Tonking, we need to make sure  
 19 that we set the parameters but we don't -- it's very  
 20 difficult when you start becoming prescriptive in  
 21 some areas and other areas we're carte blanche.

22           TRUSTEE DENT: That's fair.

23           TRUSTEE TONKING: I agree with Trustee  
 24 Tulloch. I agree with him on this, wholeheartedly,  
 25 on a bunch of these.

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1 I do want talk to you about the philosophy  
 2 behind depreciation expense and capital expense.  
 3 Are you double counting it? Because when I read it,  
 4 it seems like you're double counting it by  
 5 including. How are you thinking about and how would  
 6 you include it in this policy?  
 7 TRUSTEE TULLOCH: I think depreciation  
 8 needs to be taken into account in all these  
 9 instances because at the end of the day, it's part  
 10 of your operating costs. If we just ignore  
 11 depreciation, you make your prices look artificially  
 12 lower. And if we're not taking money in for  
 13 depreciation, we're then permanently having to ask  
 14 the residents to keeping paying more facility fee to  
 15 fund the future capital.  
 16 TRUSTEE TONKING: But, then, are you also  
 17 taking in capital expense?  
 18 TRUSTEE TULLOCH: No.  
 19 TRUSTEE TONKING: That's where I got  
 20 confused in what you're saying. Thank you. I  
 21 wanted to -- that's why feel like we're double  
 22 counting, so I wanted to know which one you're  
 23 including.  
 24 TRUSTEE TULLOCH: No. I think we need to  
 25 take account of it because once you start ignoring

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1 it in one area, you start ignoring it in all the  
 2 other areas as well, and then you set your pricing  
 3 completely wrong.  
 4 TRUSTEE TONKING: So you're saying -- I  
 5 understand now. That makes way may more sense.  
 6 TRUSTEE DENT: Chair Schmitz, since you  
 7 were, maybe, part of helping this item move along, I  
 8 would offer the floor to you.  
 9 CHAIR SCHMITZ: I would just suggest that  
 10 if the other trustees have input, please submit it.  
 11 Ray gave me this today. Submit it. Karen and I  
 12 have been working on this together, and we can make  
 13 another pass at it, and go forward with it.  
 14 Understand, it's kind of been created as a  
 15 bit of a hodgepodge. Paul Navazio started it, then  
 16 Susan modified it and put this table format in, and  
 17 then Karen and I were just trying to edit that  
 18 document.  
 19 Your input is valuable and --  
 20 MR. RUDIN: And should be made at an open  
 21 meeting.  
 22 CHAIR SCHMITZ: No. But I'm just saying  
 23 if people want to give edits, I'll put it all in.  
 24 MR. RUDIN: Oh, as part of an agenda item,  
 25 yeah.

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1 TRUSTEE DENT: Yeah, yeah, yeah. She's  
 2 collecting it with staff.  
 3 CHAIR SCHMITZ: Yeah. Yes. So submit or  
 4 call me. We'll then bring it and put it on the  
 5 agenda, then, in December again. Okay?  
 6 TRUSTEE DENT: That's fair.  
 7 TRUSTEE TONKING: Well, I think I'm stuck  
 8 on this capital expense depreciation issue, because  
 9 if then we're still charging the facility fee with  
 10 the idea of covering capital, like it says in the  
 11 beginning of this policy, then in some ways you're  
 12 charging the residents twice because you -- they're  
 13 going be covering both the depreciation on this end  
 14 and then the CapEx on the other, and that becomes a  
 15 problem.  
 16 So I'm a little -- we just have to rethink  
 17 that through because it's still a double count, and  
 18 that's where I'm getting stuck. Sorry.  
 19 TRUSTEE TULLOCH: It saves them paying  
 20 again, year after year after year, because you are  
 21 starting to collect the depreciation money for a  
 22 replacement fund.  
 23 TRUSTEE TONKING: How would you calculate  
 24 it?  
 25 TRUSTEE TULLOCH: The depreciation?

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1 TRUSTEE TONKING: No. How would you then  
 2 come up with what they have to cover for capital?  
 3 Like, if you're including expense in, but then when  
 4 you're covering up with capital and using capital  
 5 expenses, that's now double counting just over  
 6 time -- right? -- because depreciation should, in  
 7 theory, add up to your capital expense, so you're  
 8 charging twice.  
 9 So how are you doing this calculation when  
 10 you come up with a facility fee?  
 11 TRUSTEE TULLOCH: Because once you start  
 12 moving forward and you start building up your fund,  
 13 you're not adding the replacement capital cost, the  
 14 facility fee every year, because you've already  
 15 collected a large part of that.  
 16 TRUSTEE TONKING: So you're using profit  
 17 in theory to cover it; right?  
 18 TRUSTEE TULLOCH: Using depreciation,  
 19 which is --  
 20 TRUSTEE TONKING: Well, no, you'd still  
 21 need something in the fund to cover it.  
 22 TRUSTEE TULLOCH: Yeah.  
 23 TRUSTEE TONKING: So it's profit.  
 24 TRUSTEE TULLOCH: It would be nice if it's  
 25 profit.

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1 CHAIR SCHMITZ: And where that came from  
 2 was some of the feedback relative to golf rates and  
 3 that they did not want depreciation considered as  
 4 part of the cost. And it's because of the capital  
 5 improvement comes from the facility fund.  
 6 So that's where this stemmed from, and  
 7 that's why if you look at it, it's on -- it's  
 8 related to golf.  
 9 TRUSTEE TULLOCH: I think there's a very  
 10 good example in golf: We bought the -- at the Champ  
 11 Course, we capitalized the golf carts, which it's  
 12 not being charged through and that was done when it  
 13 was still a government fund, as I recall, so it's  
 14 not been including in operating cost.  
 15 If it had been leased and been charging  
 16 depreciation for it, it would have showed up in the  
 17 operating cost.  
 18 TRUSTEE TONKING: One is an asset, though,  
 19 one's not. That's the difference. I'm confused by  
 20 what you're saying.  
 21 TRUSTEE TULLOCH: No, the golf carts are  
 22 not an asset; they're a depreciating asset. It's  
 23 like your car.  
 24 TRUSTEE TONKING: No, no. I get that part  
 25 of it, but you referred to it versus leasing, which

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1 from the October 30th meeting. And the contract --  
 2 our current contract for the Recreation Center  
 3 expired on October 31st. This agreement is for a  
 4 one-year contract for CC Cleaning with the cost not  
 5 to exceed \$77,168, and there is option to continue  
 6 the agreement for a total of five years. We can  
 7 extend if the District wants to, extend this  
 8 contract up to five years.  
 9 One of the issues that was a concern of  
 10 the Board at the October 30th meeting was the  
 11 delineation of the supplies, and so in the contract  
 12 it's very clear that the contractor, CC Cleaning, is  
 13 responsible for all of the cleaning supplies and the  
 14 equipment. The District, we supply the toiletries,  
 15 toilet paper, paper towels, and so forth, and then  
 16 we restock throughout the day if needed.  
 17 Those are the two items, basically, that  
 18 the Board had concerns about, as well as the  
 19 appropriation of funds.  
 20 The finance department looked at all of  
 21 the accounts, and on the back page, as directed by  
 22 the Board, is a line item regarding what the  
 23 original budget was, what the revised budget is, and  
 24 year to date.  
 25 With that, I'd like to answer any

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1 then could come -- and that's the difference. Yeah.  
 2 TRUSTEE TULLOCH: Leasing would hit the  
 3 operating cost directly, yeah.  
 4 TRUSTEE TONKING: (Inaudible) in the  
 5 balance sheet.  
 6 TRUSTEE DENT: All right. Any further  
 7 discussion on this item?  
 8 TRUSTEE NOBLE: I would just like an  
 9 opportunity to actually look at Trustee Tulloch's  
 10 revisions since I don't have a copy of those, and  
 11 have discussion at the next meeting.  
 12 TRUSTEE DENT: Yep, that's fair.  
 13 TRUSTEE TULLOCH: I shall forward them to  
 14 all of you.  
 15 TRUSTEE DENT: And -- all right. That  
 16 will close out item G 2. Item G 3 is still on the  
 17 agenda.  
 18 H 3. CC Cleaning Service, LLC  
 19 TRUSTEE DENT: Item G 3 can be found on  
 20 page 471 through 508 of your board packet. That is  
 21 to review, discuss, and approve the one-year service  
 22 agreement with CC Cleaning Services, LLC.  
 23 MS. CROCKER: Correct. Here's the  
 24 supplement if you need one.  
 25 So, yes, this item is being brought back

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1 questions that the Board may have.  
 2 MR. RUDIN: Yeah. And the contract  
 3 options are automatic unless the District acts to  
 4 terminate them, so this is, functionally, a  
 5 five-year agreement.  
 6 I would suggest that the last four  
 7 sentences of section 3.12 be revised to state that  
 8 for the contract extensions, the contract price  
 9 shall increase by up to this CPIU for the western  
 10 region. The CPI adjustment shall not exceed  
 11 five percent. I would make that revision.  
 12 This is 3.12, for the term. It's cleaning  
 13 up the CPI language.  
 14 TRUSTEE DENT: Okay.  
 15 Trustee Tonking did you have issues  
 16 with -- I know there was supplemental information,  
 17 was there anything else that -- it just was we were  
 18 not following the policy and this came out late?  
 19 TRUSTEE TONKING: I just didn't know what  
 20 changed between this contract, and I still don't  
 21 know what changed.  
 22 MS. CROCKER: What changed, nothing  
 23 changed from October 30th regarding the price nor  
 24 the delineation of who does what.  
 25 When we had met on Monday to go over the

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1 one that was in the packet, what I realized is that  
 2 when Public Works put the agreement together, the  
 3 original one in the packet was a Public Works'  
 4 agreement, which really was not conducive to what  
 5 we're doing. So this contract, the new one, the  
 6 supplemental one, is more consistent to what our  
 7 needs are as a contract template. It's not a Public  
 8 Works contract. That's what changed.  
 9 The terms didn't change, the price didn't  
 10 change, it was the formatting that changed.  
 11 TRUSTEE DENT: Thank you for the  
 12 clarification.  
 13 TRUSTEE TONKING: Great. I have no  
 14 questions.  
 15 TRUSTEE TULLOCH: I have a question for  
 16 Sergio. Is CPI the correct index for using for  
 17 adjustment?  
 18 MR. RUDIN: Usually most contracts will  
 19 use the consumer price index for all urban consumer  
 20 CPIU. Usually for contracts in Nevada, you use CPIU  
 21 for western region, so the issue that identified  
 22 with this contract was that we specifically use the  
 23 relevant index for the CPI increase.  
 24 I, in looking at this a little further,  
 25 realized that there's an annual not-to-exceed amount

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1 of 77168, and should be revised to say, "Except as  
 2 modified in section 3.12," so that it goes up with  
 3 inflation.  
 4 TRUSTEE TULLOCH: Yeah. That's what I  
 5 wondered because I looked at 311 first then wondered  
 6 where the CPI came in.  
 7 The font has changed on one page.  
 8 TRUSTEE DENT: I'll entertain a motion.  
 9 TRUSTEE TONKING: I move that we approve  
 10 this item with the edits given by legal.  
 11 TRUSTEE DENT: Motion's been made. Is  
 12 there a second?  
 13 TRUSTEE TULLOCH: I'll second.  
 14 TRUSTEE DENT: Motion's been made and  
 15 seconded. Any further discussion by the Board?  
 16 Call for the question. All those in  
 17 favor, state aye.  
 18 TRUSTEE TONKING: Aye.  
 19 TRUSTEE TULLOCH: Aye.  
 20 TRUSTEE NOBLE: Aye.  
 21 TRUSTEE DENT: Aye.  
 22 CHAIR SCHMITZ: Aye.  
 23 TRUSTEE DENT: Opposed?  
 24 Motion passes 5/0. That will close out  
 25 item H 3, moving on to item H 4.

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1 H 4. Plan of Correction under NRS 354.6245  
 2 TRUSTEE DENT: Review, discuss, approve a  
 3 plan of correction under NRS 354.6245 in response to  
 4 the September 18, 2024, letter from the Department  
 5 of Taxation. Requesting staff member, interim  
 6 Director of Finance Sue Griffith, along with  
 7 District general counsel.  
 8 MR. RUDIN: On September 18, 2024, the  
 9 Department of Tax sent the District a letter  
 10 identifying that the District's fiscal year '23  
 11 audit was not in compliance. The Department of  
 12 Taxation pointed to NRS 354.6244, basically finding  
 13 the District's audit was not in compliance due to  
 14 the lack of expression of opinion on the financial  
 15 statements.  
 16 The September 18th letter sort of  
 17 identifies a number of issues that were raised by  
 18 the auditors as the basis for the disclaimer of  
 19 opinion. Typically when your auditors find a  
 20 violation of statute, that is called out in your  
 21 audit.  
 22 When that happens, NRS 354.6245 typically  
 23 requires that the District prepare a plan of  
 24 correction to -- that it proposes to the Department  
 25 of Tax in response to any deficiencies that are

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1 identified by the auditor. Now, the auditors didn't  
 2 expressly call out that their lack of expression of  
 3 opinion caused the District's audit not to comply  
 4 with statute, otherwise --  
 5 (Comment by audience member.)  
 6 MR. RUDIN: Well, regardless, you know,  
 7 the District was asked by the Department of Tax to  
 8 prepare a plan of correction addressing the  
 9 disclaimer of opinion.  
 10 District staff met with staff from the  
 11 Department of Tax and asked them which issues  
 12 specifically the District should be addressing in  
 13 this plan of correction. Staff were told that the  
 14 issues that should be primarily addressed by the  
 15 plan of correction were those that were outlined in  
 16 their September 18th letter.  
 17 And in meeting with -- subsequent meetings  
 18 were had with the District's auditor to discuss  
 19 which items they felt would be necessary in order to  
 20 reach a expression of opinion for the following  
 21 fiscal year audit, the plan of correction is  
 22 intended to address those issues that were raised by  
 23 Davis Farr, and also is in the format required by  
 24 NAC 354721.  
 25 You have any questions, please let me

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1 know, and hopefully Sue Griffith can join us as  
2 well.

3 TRUSTEE DENT: She's right here. Okay.

4 TRUSTEE TONKING: Why are we only  
5 addressing two of them? And I guess I feel -- I  
6 feel a little nervous looking at this because it  
7 says, "Your audit did not meet the provisions  
8 required." Bullet 1, so I would say your  
9 overarching bullet, is saying "An expression of  
10 opinion of the financial statements was not  
11 included," and then there's the reasons why. And we  
12 addressed two of the reasons why. I'm kind of  
13 curious why we're not addressing more of them.

14 And, then, do we truly have written, in  
15 writing, that we do not need to complete an FY '23  
16 audit? Or do we? And really what they are saying  
17 is our response should be to bullet 1 and bullet 2,  
18 and then how we feel like we'll be able to complete  
19 the FY '23 because we've actually done sub-bullet 1,  
20 2, 3, 4, and 5?

21 MR. RUDIN: On page 511 is -- of your  
22 board packet -- the September 18th letter. In our  
23 meetings with the Department of Tax, we were told  
24 primarily to focus on the expression of opinion. We  
25 confirmed with their staff that, really, the second

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1 to year, and so I think I probably do want us to  
2 address that.

3 And then the ongoing forensic due  
4 diligence audit, I mean, we could even have a line  
5 that says it's now completed and we've created this  
6 plan that you can then reference as an appendix, but  
7 that's not -- so I'm just confused as to why there's  
8 those two and no others.

9 MR. RUDIN: Yeah. I think for the  
10 forensic due diligence audit, it was -- we had some  
11 discussions with them in terms of whether to address  
12 the RubinBrown findings, specifically in the plan of  
13 correction. We were told that, again, unless  
14 auditors told us that it was necessary to reach an  
15 expression of opinion for this fiscal year, we  
16 didn't have to address it in the plan of correction.

17 That being said, I don't see any harm in  
18 saying that the due diligence audit is now complete  
19 and the District will continue to work towards  
20 addressing those issues.

21 TRUSTEE TULLOCH: I think that's  
22 important, particularly because we've asked -- we've  
23 added time to the audit for the auditors to address  
24 the RubinBrown issues and to give a view on whether  
25 or not they've actually been closed off, whether

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1 bullet, "In our review of your audit, we noticed the  
2 audit referred to capital improvement project budget  
3 carryforward," basically they wanted us to  
4 understand that the appropriations for capital  
5 projects lapsed at the end of the fiscal year, and  
6 they revert to available fund balance and they need  
7 to be reappropriated.

8 What we were asked to do is include an  
9 acknowledgement that we did, in fact, understand  
10 that. Hmm. And there was an acknowledgement in a  
11 prior version. I'm not sure where that went.

12 So, yeah, that is an issue that we do need  
13 to acknowledge that we understand and that we will  
14 comply with moving forward.

15 But it doesn't really address the issue  
16 because the only violation the Department of Tax did  
17 identify for the District was the violation of NRS  
18 354.6244, which is specifically relating to lack of  
19 expression of opinion.

20 TRUSTEE TONKING: My question is why did  
21 we only do addressing issues with implementation of  
22 Tyler, so the new accounting system, and then  
23 significant turnover in finance staff? Because then  
24 I also think there was numerous misstatements in  
25 accounting if it's not something we've seen year

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1 we've actually taken suitable actions.

2 TRUSTEE DENT: I would agree with that.

3 TRUSTEE TULLOCH: I'm looking at the --

4 MR. RUDIN: Yeah, so -- so previously,  
5 there was additional programs in this, including  
6 working with Davis Farr during the course of the  
7 fiscal year '24 audit to address any issues that are  
8 raised by Davis Farr.

9 Additionally, I had included previous  
10 language that says that the September letter also  
11 made requests for information relating to IVGID's  
12 efforts to address internal control deficiencies and  
13 provide bank reconciliations and it remains  
14 committed to addressing those issues and updating  
15 the Committee on Local Government Finance on  
16 developments to address -- identify internal control  
17 deficiencies as a result of the forensic due  
18 diligence audit.

19 So, additionally, IVGID acknowledges that  
20 the issues raised related to the capital improvement  
21 budget carryforward, NRS 354.620, and understands  
22 that all that unexpended balances remain to the  
23 credit of any appropriation lapse in the fiscal year  
24 must be reappropriated as part of the normal budget  
25 cycle.

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1 So, that language was previously a draft  
 2 of this plan of correction to address specifically  
 3 those bullets in the acknowledgement.  
 4 TRUSTEE TONKING: That answers my  
 5 question.  
 6 TRUSTEE TULLOCH: I'm looking at question  
 7 3 at the bottom of page 509, and then I'm looking at  
 8 the answer and the answer doesn't make any sense.  
 9 How could the violation be listed in the audit  
 10 itself when the violation is the fact that we didn't  
 11 actually get an opinion in the audit?  
 12 MR. RUDIN: Yeah. So I would probably  
 13 correct that by just stating: The District was  
 14 notified by the Department of Tax of the violation  
 15 after the close of the fiscal year, and,  
 16 accordingly, it wasn't able to take corrective  
 17 action during the proceeding year.  
 18 I think that really addresses the point.  
 19 TRUSTEE DENT: It sounds like your  
 20 previous draft is what we should be approving as far  
 21 as our plan? Can we find out, don't need it right  
 22 now, but I know -- I want to know how that got  
 23 removed or who removed it or why? And it's my  
 24 understanding that our program that we have tells us  
 25 when things get added and removed and all that

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1 stuff, so there's a chain of approvals and command  
 2 when it comes to that.  
 3 I'm just curious because I feel like this  
 4 is an important item, and given Sergio is a part of  
 5 the process, there's huge chunk of the plan that's  
 6 missing, and -- yeah.  
 7 CHAIR SCHMITZ: I agree with what you're  
 8 saying. My concern this that one of these answers  
 9 leads me to conclude that we're not going to have  
 10 another audit opinion, because it says, "This work  
 11 will begin on our around January 9th." Our audit is  
 12 supposed to be done by then.  
 13 So how is this going to be addressing a  
 14 reoccurring issue so that we can get an opinion with  
 15 this year's audit when to address the issue, it's  
 16 not even beginning to until January the 9th?  
 17 MS. GRIFFITH: To give an update to the  
 18 Board regarding this item, there are two things  
 19 going on with Tyler right now. We met with the  
 20 auditors today to get the list of the things we need  
 21 to work on, both to finish our work with the audit  
 22 to submit to the auditors, as well as the things we  
 23 need to correct in Tyler right away, which will be  
 24 different from the work with Tyler that is slated  
 25 for January 9th, was the ballpark estimate for the

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1 scope of work that you approved on October 9th, so  
 2 all of those items. It's two different things.  
 3 Finance and IT are working to address  
 4 specific issues as part of the completing the audit  
 5 and getting an opinion. And we're also then  
 6 continuing to improve the system and train staff.  
 7 TRUSTEE TONKING: I would add a line that  
 8 says that because in this issue is in response to a  
 9 non-opinion on the audit, so looking at the outline  
 10 of sub-bullets. I would just put both in there for  
 11 full clarity so no one's confused when looking at  
 12 it.  
 13 TRUSTEE DENT: How do we approve this if  
 14 there's -- I don't think we can approve this at this  
 15 meeting.  
 16 MR. RUDIN: We did have a request from the  
 17 Department of Tax that this be approved as soon as  
 18 reasonably feasible, and preferably at this meeting.  
 19 In terms of your edits, Sue, did you get  
 20 those? Can we read them back into the record and I  
 21 can just write them back in as draft. If I have to  
 22 read this out loud, I will.  
 23 TRUSTEE TULLOCH: Can I --  
 24 (Cross talk.)  
 25 MR. RUDIN: No, right now, Trustee

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1 Tonking's comments.  
 2 TRUSTEE DENT: Before we do that, Trustee  
 3 Tulloch?  
 4 TRUSTEE TULLOCH: Can I make another  
 5 comment here. We talk about the persons responsible  
 6 are the interim General Manager and acting Director  
 7 of Finance, if I was reading that, that doesn't give  
 8 me warm and fuzzy feeling. I think we should add to  
 9 that to be -- some sort of language to be replaced  
 10 with the general manager and director of finance  
 11 when appointed.  
 12 MR. RUDIN: Sure. That's not an issue.  
 13 TRUSTEE TULLOCH: Yep. I think we have an  
 14 expert witness in the audience as well.  
 15 TRUSTEE DENT: I would agree. We do have  
 16 an expert in the audience, and given that, I'm  
 17 curious what he has to say or what his input is on  
 18 this. Anyone opposed to just going to a quick  
 19 public comment on this item?  
 20 Seeing none, Mr. Nolet, please step up to  
 21 the mic.  
 22 MR. NOLET: Unlike the last meeting where  
 23 I might have been a little harsh, I stayed for  
 24 five hours here because I want to be constructive on  
 25 this. I don't think -- there are a couple of things



193

1 in here that I don't think we want to say, and we  
 2 definitely need Sergio's deletions. I mean, it's  
 3 dire.  
 4           So on page 510, under bullet 4, the next  
 5 text says -- before I go into this, I'm happy to  
 6 meet with anybody tomorrow that would need help  
 7 editing this. I don't get a vote, I don't have a  
 8 role, Sergio can sign off on my language. I'm happy  
 9 to come in and just clean this up for you, with you.  
 10           Under 4, "The issues that cause the  
 11 disclaimer opinion by Davis Farr involve the  
 12 inability of IVGID to staff to timely respond to  
 13 certain requests." No. The issues caused by the  
 14 disclaimer was that we didn't maintain an effective  
 15 system of internal controls of our financial  
 16 reporting for the fiscal year, therefore, staff  
 17 couldn't answer questions.  
 18           That's not a great assertion to make. I  
 19 think we should just be straight up with it. I  
 20 mean, everybody knows we didn't maintain an  
 21 effective system of internal controls. That's what  
 22 the Davis Farr report says, that is what the  
 23 RubinBrown report says, and that's what happened.  
 24           So then, to Sara's point, this number 1,  
 25 nobody's here that remembers this, but remediation

194

1 work around bank recs started during fiscal '23. I  
 2 don't think we need to say that because it wasn't  
 3 very effective. However, definitely -- I don't know  
 4 what this line, "This work will begin on or about  
 5 January 9, 2025," that's a really bad thing to say.  
 6           You all have been working on this since,  
 7 really, the conclusion of -- well, when we got the  
 8 Davis Farr report, March of '24, it's been worked on  
 9 since then. We haven't made all the progress we  
 10 want to make, but I think we should say that: Work  
 11 began on remediation of our material weaknesses and  
 12 internal control of our financial reporting in --  
 13 whatever you want to say, February, March, April,  
 14 and that if you want to give some -- and we expect  
 15 it to be completed by year end or the first quarter  
 16 or something like that, I think that would be a much  
 17 better assertion to make.  
 18           I understand the clarification that this  
 19 contract does not relate to internal control  
 20 deficiencies, this contract relates to some other  
 21 more robust or complete implementation of Tyler  
 22 Munis, if it doesn't relate to internal control  
 23 weaknesses, take it out, because they are not going  
 24 to like that.  
 25           Those would be my suggestions. Happy to

195

1 take any questions.  
 2           TRUSTEE DENT: Thank you, Mr. Nolet. We  
 3 appreciate your offering that up and offering your  
 4 time to help if needed.  
 5           I'll just ask my colleagues: What do you  
 6 want to do on this item? It seems like there are  
 7 some revisions that need to be had, we've heard some  
 8 stuff, and how we want to move forward with next  
 9 steps?  
 10           TRUSTEE TONKING: What should we do?  
 11 You're the one who probably knows best, given this  
 12 has become a disaster.  
 13           MR. RUDIN: Um, you know, I agree with the  
 14 addition of -- or the revision of 1, addressing  
 15 issues with implementation of Tyler Munis. I think  
 16 it does help to mention that work began on  
 17 remediation of internal control weaknesses and  
 18 financial reporting issues during fiscal year '23,  
 19 and IVGID is making effort to expedite the  
 20 initiation and completion of work related to  
 21 concerns over the implementation of Tyler Munis.  
 22           TRUSTEE TULLOCH: Is there some way that  
 23 we can, rather than trying to do this on the fly and  
 24 having more mistakes on it, is there some way that  
 25 we can ask for this to be completed by the relevant

196

1 people and have some Board member volunteer to sign  
 2 off on it on behalf of the Board when we've actually  
 3 read the final written version?  
 4           I would much prefer to see that rather  
 5 than just trying to pass some hodgepodge at the  
 6 moment when we haven't had a chance to review. And  
 7 until you actually see in print, sometimes it's hard  
 8 to spot these things.  
 9           TRUSTEE TONKING: Can -- because it seems  
 10 that you really need it done tonight is the vibe I'm  
 11 getting.  
 12           MR. RUDIN: Yeah. That was -- we were  
 13 told to expedite this by the Department of Tax.  
 14           TRUSTEE TONKING: Okay. So then is there  
 15 a way that we can come back to this item or take a  
 16 break or do something?  
 17           TRUSTEE TULLOCH: Can we delegate the  
 18 approval to one of the board members for tomorrow or  
 19 something?  
 20           MR. RUDIN: I don't think we can delegate  
 21 the approval. NAC 354721 specifically requires the  
 22 plan be presented and approved by the Board.  
 23           But I do think, taking some time to  
 24 continue, I think most of these revisions are  
 25 already made, and I can print out a copy of this or

197

1 email it to --

2 TRUSTEE DENT: Do we need to take a

3 five-minute break?

4 MR. RUDIN: I think that could be helpful.

5 TRUSTEE DENT: We can work through --

6 you're trying to tackle this on the fly. Let's do

7 that.

8 Chair, we're going to take a five-minute

9 break and try and get this figured out and see if we

10 can get an approval. We will back at 9:15.

11 (Recess from 9:10 p.m. to 9:18 p.m.)

12 CHAIR SCHMITZ: Do we have the ability to

13 move on to -- you guys can't hear me, can you?

14 MR. RUDIN: We can hear you, Chair

15 Schmitz.

16 CHAIR SCHMITZ: While we're waiting for

17 this, can we move on to do Mike Bandelin's agenda

18 item with the contract for Diamond Peak for CC

19 Cleaning, so we can move at least that forward and

20 come back to this?

21 MR. RUDIN: We can do that.

22 TRUSTEE DENT: We're resuming our meeting,

23 I guess. What was the question?

24 CHAIR SCHMITZ: It was item -- former G 5

25 was moved to H 5, it's a contract for CC Cleaning

198

1 for Diamond Peak. And I had identified that has two

2 different numbers for not to exceed in the contract.

3 TRUSTEE DENT: Yep. You wanted to review

4 that right now while we're waiting for the --

5 CHAIR SCHMITZ: If we could and we could

6 at least finish our business.

7 TRUSTEE DENT: Did you have for a question

8 for Mr. Bandelin?

9 CHAIR SCHMITZ: I don't understand why --

10 what page is that on?

11 MR. RUDIN: 377. My understanding of this

12 scenario is that the quote that was provided by the

13 vendor contemplated a specific duration of services

14 which is based on a projected 130-day season for the

15 ski resort. Now, I understand from Mr. Bandelin

16 that that may not actually be the full period of

17 time the ski resort is opened.

18 The actual amount in the budget for this

19 service is 48,000, so section -- that's the

20 appropriations, so section 3.11 sets a cap at the

21 48,000 as the not-to-exceed amount.

22 The other provisions in the agreement

23 dealing with the compensation, base compensation on

24 the anticipated term of 130 days, but there is a

25 provision that in the agreement that allows for

199

1 extra work to be authorized, and that is 3.21, so

2 basically assuming 130-day ski season, the contract

3 is capped at 45,955, unless the District extends the

4 ski season or approves extra, but in no case is the

5 contract supposed to exceed the actual budgeted

6 appropriations.

7 CHAIR SCHMITZ: So just so you know, when

8 you look at subject of the agenda -- and that's on

9 page 374 -- that has it outlined, but it doesn't --

10 the recommendation for the motion only has approving

11 for the 45,9- -- actually, it's 995, and I think

12 it's 955, isn't it? 3.21?

13 MR. BANDELIN: It is correct, Chair. My

14 mistake.

15 CHAIR SCHMITZ: So the motion doesn't

16 cover the \$48,000.

17 MR. RUDIN: In your motion to approve, I

18 would recommend that you approve it based on the

19 not-to-exceed appropriation of 48,000.

20 TRUSTEE DENT: Because, really, the agenda

21 item is what drives all this, the memo. That's

22 fair. Okay.

23 CHAIR SCHMITZ: Yeah. Okay. But then how

24 is it that you manage a contract when you have two

25 different sections about what the not-to-exceed

200

1 number is? Is there something in here that I missed

2 about the number of days?

3 MR. RUDIN: I believe this is laid out in

4 3.21. The contract's for 45,955, unless the

5 District specifically authorizes extra work. And

6 the number of days is called out in both the

7 vendor's proposal and -- let me just do a control F.

8 It's in a couple of other places in the agreement.

9 3.12, term is estimated for 130 days

10 unless -- yeah, it states that it's for the duration

11 of the '24/'25 ski season, determined by the

12 District with notice, estimated to be 130 days.

13 CHAIR SCHMITZ: Okay. So then the motion

14 is what needs to be modified.

15 MR. RUDIN: Yeah, that's correct.

16 CHAIR SCHMITZ: Okay. That's fine.

17 TRUSTEE DENT: Any other questions?

18 TRUSTEE TULLOCH: Question for General

19 Manager Bandelin. I'm a little bit confused by the

20 areas that are excluded in the cleaning, Mike. It

21 seems that the areas that are excluded seem to

22 compromise half the area, unless I'm reading it

23 wrong. It's saying that it's excluding the rental

24 shop, the food court and the kitchen area, and skier

25 services facility.

201

1 MR. BANDELIN: That's correct. Yep,  
 2 that's the way I've always wrote these agreement.  
 3 I don't let them in the rental shop, and I  
 4 don't let them in the food court where there's food  
 5 out, packaged food, at nighttime. We don't have  
 6 them clean Snowflake Lodge, as there is no access.  
 7 We don't clean the vehicle shop. But I didn't say  
 8 that we don't -- the skier services is included in  
 9 the contract, unless I wrote that incorrectly.  
 10 So, are there areas that we don't clean?  
 11 Yes.  
 12 TRUSTEE TULLOCH: Yep. Okay.  
 13 MR. BANDELIN: Yes.  
 14 TRUSTEE TULLOCH: Do we clean them  
 15 ourselves?  
 16 MR. BANDELIN: Yes, we do.  
 17 TRUSTEE TULLOCH: Okay. Thanks.  
 18 TRUSTEE DENT: I'll entertain a motion.  
 19 (Cross talk.)  
 20 CHAIR SCHMITZ: We're going to approve --  
 21 the Board approves and awards janitorial service  
 22 agreement between the District and CC Cleaning for  
 23 the ski venue annual janitorial services in the  
 24 amount of \$45,955, with budget appropriations of  
 25 \$48,000 in this fiscal 2025.

202

1 TRUSTEE DENT: Yeah. Motion's been made.  
 2 TRUSTEE TONKING: I'll second that.  
 3 TRUSTEE DENT: And seconded.  
 4 Sergio, just a point of clarification, if  
 5 the amount was higher than what was in the board  
 6 packet, then we would not be able to approve it?  
 7 MR. RUDIN: Yeah, that would be  
 8 problematic.  
 9 TRUSTEE DENT: Okay. Yep, that's what I  
 10 thought.  
 11 Motion's been made and seconded. Any  
 12 further discussion by the Board?  
 13 I'll call for question. All those in  
 14 favor, state aye.  
 15 TRUSTEE TONKING: Aye.  
 16 TRUSTEE TULLOCH: Aye.  
 17 TRUSTEE NOBLE: Aye.  
 18 TRUSTEE DENT: Aye.  
 19 CHAIR SCHMITZ: Aye.  
 20 TRUSTEE DENT: Opposed?  
 21 Passed 5/0. That will close out Item G --  
 22 H 5. Thank you. Moving on with our agenda.  
 23 MR. RUDIN: Moving back to H 4.  
 24 TRUSTEE DENT: There we go. Perfect.  
 25 Yeah, moving on with our agenda. Moving back to

203

1 item H 4.  
 2 H 4. Plan of Correction Under NRS 354-6245  
 3 (continued)  
 4 TRUSTEE DENT: Review, discuss, and  
 5 approve the plan for correction with the Department  
 6 of Taxation. I will pass floor over to you, legal  
 7 counsel.  
 8 MR. RUDIN: The revisions have been made,  
 9 they have been printed and provided to the Board.  
 10 They are also available to the public.  
 11 I am available for questions.  
 12 TRUSTEE DENT: I do have one question,  
 13 something that just came up. Given that we opened  
 14 up the floor to public comment in the room, did we  
 15 have to open it up to Zoom for this item too?  
 16 MR. RUDIN: You could.  
 17 TRUSTEE DENT: Do we have to?  
 18 MR. RUDIN: I don't think so.  
 19 TRUSTEE DENT: Okay. Just making sure.  
 20 MR. RUDIN: Yeah, you're providing more  
 21 public comment that is required under the --  
 22 TRUSTEE DENT: Okay. Just making sure  
 23 we're not misstepping.  
 24 CHAIR SCHMITZ: I don't see the suggested  
 25 edit that Chris Nolet had suggested. I don't see

204

1 that language.  
 2 TRUSTEE DENT: Which one was that exactly?  
 3 CHAIR SCHMITZ: He was talking about -- he  
 4 made the statement that you don't want to say that.  
 5 It's on the top of page two, it says, "Staff was" --  
 6 "the inability of IVGID staff to timely respond to  
 7 certain requests for information from the auditors,"  
 8 I believe that was the statement that Mr. Nolet  
 9 suggested not be in the letter, and he had suggested  
 10 some language about internal controls.  
 11 MR. RUDIN: Oh, yeah. That was -- I  
 12 recall you mentioned that you wanted to have "work  
 13 began on remediation of internal control weaknesses"  
 14 being in that place instead.  
 15 MR. NOLET: On the header language, which  
 16 Sara's pointing out, the suggestion I made was, I  
 17 think it says, "The inability to complete the audit  
 18 was a result of the District not maintaining  
 19 effective system controls over financial reporting,"  
 20 it wasn't because staff couldn't answer questions,  
 21 and they know that.  
 22 TRUSTEE DENT: Yep. Understood. Okay.  
 23 MR. NOLET: Otherwise, I just gave Sergio  
 24 a comment or two.  
 25 TRUSTEE DENT: And Sergio is making some

205

1 corrections right now, Chair.

2 MR. RUDIN: I think, actually, it's

3 probably better to revise to say that the issues

4 that caused the disclaimer of opinion by Davis Farr

5 are identified by the Department of Tax in their

6 September 18th letter.

7 TRUSTEE DENT: I think that's great too.

8 MR. RUDIN: And to prevent recurrence --

9 (Cross talk.)

10 MR. RUDIN: And then there was suggestion

11 that we remove, in section 1, language that says,

12 "Work began on remediation of internal control

13 weaknesses in financial reporting during fiscal year

14 2023," and just have the sentence state, "IVGID is

15 making up (inaudible) expedite the initiation and

16 completion of work relating to concerns over the

17 implementation of Tyler Munis and the timely

18 reconciliation of bank accounts," as an addition.

19 TRUSTEE DENT: Hold on. Did you have

20 anything else you wanted to say right now?

21 MR. RUDIN: No, that's it. I think those

22 are the only other issues.

23 TRUSTEE TONKING: I'm skimming fast, so I

24 might have missed it, but I am still not seeing

25 reference to the RubinBrown anywhere in here that we

206

1 talked about. And then -- that would be the one

2 thing I'm still not seeing.

3 And then this is a really kind of -- under

4 3, sentence 2, it says, "IVGID staff will work with

5 Davis Farr." We are working currently because we

6 don't want to say that we still haven't done

7 anything with our audit, so I would just change that

8 language.

9 TRUSTEE DENT: That's fair.

10 TRUSTEE TONKING: But also like to add the

11 RubinBrown stuff we talked about, just saying that

12 the RubinBrown -- the forensic due diligence audit

13 is complete --

14 (Inaudible comment from audience.)

15 TRUSTEE TONKING: -- yeah, and just some

16 line that states we addressed it.

17 MR. RUDIN: I will add that to the last

18 paragraph: The forensic due diligence audit by

19 RubinBrown has been completed, and the results and

20 their findings are being actively addressed by the

21 District.

22 TRUSTEE TULLOCH: It's just a very minor

23 one. On page 2, can you change -- I show 1, 2, 3,

24 and 4 -- 1, 2, and 3, can we label these as 4.1,

25 4.2, 4.3 so it makes some sense?

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1 MR. RUDIN: Yes.

2 TRUSTEE DENT: That's good.

3 CHAIR SCHMITZ: I think that Sergio added

4 the -- under number 1, Sergio, looks like he added

5 "Work began on remediation of internal control

6 weaknesses and financial reporting during the

7 fiscal year 2023," that is out of order. I think

8 you should delete the sentence that -- either delete

9 it or move it --

10 MR. RUDIN: Yeah. I had suggested

11 deleting that and just having it read, "IVGID is

12 making effort to expedite the initiation and

13 completion of work related to concerns over

14 implementation of Tyler Munis and the timely

15 reconciliation of bank accounts."

16 TRUSTEE DENT: What else do you have,

17 Chair?

18 CHAIR SCHMITZ: That is what I had

19 noticed.

20 TRUSTEE DENT: Okay. Any other questions,

21 suggestions? Sergio, do you believe you have clear

22 direction from us?

23 MR. RUDIN: I do. I would recommend that

24 you vote to approve the plan of correction with the

25 edits that have been read into the record.

208

1 TRUSTEE DENT: I'll entertain a motion.

2 TRUSTEE TONKING: I make a motion that the

3 Board approves the plan with the edits that have

4 been read into the record.

5 TRUSTEE DENT: Motion's been made. Is

6 there a second?

7 TRUSTEE TULLOCH: I'll second.

8 TRUSTEE DENT: Motion's been made and

9 seconded. Any further discussion by the Board?

10 All right. Seeing none, I'll call for

11 question. All those in favor, state aye.

12 TRUSTEE TONKING: Aye.

13 TRUSTEE TULLOCH: Aye.

14 TRUSTEE NOBLE: Aye.

15 TRUSTEE DENT: Aye.

16 CHAIR SCHMITZ: Aye.

17 TRUSTEE DENT: Opposed?

18 Motion passes, 5/0. Thank you, guys, for

19 working through that. Thank you, Sergio and

20 Mr. Nolet.

21 All right. That will close out general

22 business for us. Moving on to item J.

23 J. LONG RANGE CALENDAR

24 TRUSTEE DENT: This can be found on page

25 515 and 516 of your board packet. Ms. Crocker or

209

1 Chair Schmitz, floor's yours.

2 CHAIR SCHMITZ: There are number things

3 that somehow have been removed from our long range

4 calendar, so I think that staff and myself need to

5 get the long range calendar rebuilt and be able to

6 share it with the Board. There's just -- I think

7 there's at least a half dozen things that I don't

8 know where they went, and they need to be on either

9 in December or need to be scheduled in January.

10 So that is a task that needs to be done.

11 Ms. Crocker, can you and I get this cleaned up.

12 MS. CROCKER: Absolutely. I do want to

13 say that one of the items that needs to be on here

14 as well is our legal counsel's agreement for either

15 RFP going out, an analysis of the in-house, but

16 definitely a month-to-month contract on December

17 11th to move forward.

18 CHAIR SCHMITZ: And on December 11th, we

19 also need to have the appointment of Audit Committee

20 at-large members because, come January, there won't

21 be a quorum for the Audit Committee. We need to at

22 least do interviews and potentially appoint the

23 at-large members.

24 And that was something Trustee Tulloch was

25 in the process of collecting applications, so he

210

1 needs to identify candidates to potentially

2 interview.

3 TRUSTEE TONKING: Is that open?

4 (Cross talk.)

5 TRUSTEE TULLOCH: Yeah, it's still open,

6 but we haven't gotten any new applications since we

7 -- and we never got any suitable applications in the

8 last time around, there hasn't been any new

9 applicants.

10 TRUSTEE TONKING: Is it not a problem

11 because you still have to appoint two new board

12 members anyway in January, so you would still --

13 CHAIR SCHMITZ: In January, there would be

14 two board members. But then there is supposed to be

15 three at-large members, so I believe that -- is Vito

16 staying on, Ray?

17 TRUSTEE TONKING: He ends in February,

18 according to the policy, your policy, 50.1.

19 TRUSTEE TULLOCH: I think he's planning to

20 stand down. We asked him to extend.

21 TRUSTEE TONKING: (Inaudible) not

22 December, according to the policy, because we

23 changed it from June to February to make it better

24 for the audit, so that would be February, not

25 December.

211

1 CHAIR SCHMITZ: What do we -- what action

2 needs to be taken if Trustee Tulloch says that there

3 are not qualified applicants?

4 TRUSTEE TONKING: I think, since it's in

5 February we appoint, in January, you add your two

6 board members, and then --

7 CHAIR SCHMITZ: That wasn't my question.

8 My question is what is the approach that we want to

9 take if we can't get -- if we're not getting

10 qualified at-large members? Are you saying we're

11 just going down to have three Audit Committee

12 members?

13 MR. RUDIN: I mean, you could revise the

14 policy to shrink the size of committee, if you'd

15 like to. I mean, --

16 TRUSTEE TONKING: Wouldn't those people

17 then be filling seats that expired in February? Why

18 would you not just wait to February to fill them

19 with at-large people and put out the posting again?

20 I just guess I'm confused why you --

21 CHAIR SCHMITZ: I actually was under the

22 impression that Vito had said that he was staying on

23 only to the year-end. I was trying to avoid a

24 situation that were in the middle of an audit, we're

25 dealing with the CLGF, we're having all of these

212

1 things, and then don't have a quorum for an Audit

2 Committee, that's all.

3 TRUSTEE TONKING: I think that's totally

4 fair. I wonder if we can talk to him to stay on

5 until the end of his term in February and appoint

6 for February.

7 TRUSTEE TULLOCH: Can we repost -- we get

8 the position reposted as well? I don't think we

9 need a motion for that, do we?

10 TRUSTEE DENT: No, we don't.

11 CHAIR SCHMITZ: You're asking staff to

12 readvertise it?

13 TRUSTEE TULLOCH: Yes, repost it.

14 CHAIR SCHMITZ: Okay. And then it can

15 be -- if Vito stays on, it can be deferred, and then

16 in January at the first meeting, you'll need to,

17 right away, appoint another person to the Audit

18 Committee so that at least you can have a meeting

19 and have a quorum.

20 So we will need to get that on the

21 January -- first meeting in January agenda, then,

22 with the appointment of officers.

23 TRUSTEE DENT: Yeah. And with the flow of

24 everything, it has to get approved by the Audit

25 Committee before it's brought to the Board. And

213

1 then the other recommendation from the Audit  
 2 Committee that then --  
 3 (Cross talk.)  
 4 TRUSTEE DENT: I got that. I'm just  
 5 saying the concern with all of it, just kind of  
 6 stacking up. That's fair.  
 7 TRUSTEE TULLOCH: If the ACFR has to be  
 8 filed at the end of the year, if there's a delay in  
 9 the audit, we could be left in a situation where we  
 10 don't have a quorum.  
 11 TRUSTEE DENT: Yep. Understood.  
 12 CHAIR SCHMITZ: That was my motivation for  
 13 doing in it December, and it was just to make sure  
 14 that during the audit in the beginning of January if  
 15 there was a need that you had a quorum for an Audit  
 16 Committee. That's all.  
 17 TRUSTEE TONKING: We can just talk to  
 18 Vito. If he says no, then we can readdress,  
 19 otherwise, just do it in January. We would just  
 20 have to fill that one seat, yep.  
 21 CHAIR SCHMITZ: And then the other thing,  
 22 I want to review the Board's year goals to see what  
 23 did we accomplish, what didn't we accomplish, just  
 24 to have it in writing and be able to pass that on to  
 25 next board.

215

1 contract with these two vendors, and they needed to  
 2 pay an invoice.  
 3 So these were postdated contracts, going  
 4 back to the beginning of the fiscal year, and one of  
 5 them didn't have a date on it, which is how I  
 6 discovered that it was a postdated contract.  
 7 We still need some work to do with  
 8 contracts and making sure that we do have contracts  
 9 in place so that we don't run into these situations  
 10 going forward. I don't know how we identify what  
 11 vendors are we paying for which we don't have  
 12 contracts with so that we can be proactive. I don't  
 13 know if there is a way to run a query in the Tyler  
 14 system. I don't know.  
 15 But that what it was.  
 16 TRUSTEE DENT: Okay.  
 17 TRUSTEE TONKING: Chair Schmitz,  
 18 4/11/2024, the Chris Sartan one, I thought we  
 19 established that he wasn't the same person as the  
 20 one who did employee appreciations. It still says  
 21 it in your comments, and I didn't want that in the  
 22 public record if that was wrong.  
 23 CHAIR SCHMITZ: I thought I had fixed that  
 24 in the spreadsheet. Are you saying it wasn't fixed?  
 25 TRUSTEE TONKING: No. It says in the note

214

1 TRUSTEE DENT: That's fair. All right.  
 2 Anyone else have anything else to add for long range  
 3 calendar?  
 4 Nothing from the Board right now. All  
 5 right.  
 6 TRUSTEE TULLOCH: I don't see the skate  
 7 park on the December, the end of December.  
 8 CHAIR SCHMITZ: That fell off too?  
 9 TRUSTEE TULLOCH: Yep.  
 10 CHAIR SCHMITZ: Okay. I have missed that  
 11 one. I'm not sure. I had a long list of things  
 12 that just seemed -- between this meeting and the  
 13 December, just disappeared someplace.  
 14 MS. CROCKER: Chair, we can meet, maybe  
 15 next week, do you want to do that?  
 16 CHAIR SCHMITZ: That's fine.  
 17 MS. CROCKER: Okay.  
 18 CHAIR SCHMITZ: And if there's nothing  
 19 else, can we move to the trustee updates?  
 20 TRUSTEE DENT: Let's move on to item K.  
 21 K. BOARD OF TRUSTEES UPDATE  
 22 CHAIR SCHMITZ: I sent out to all of the  
 23 Board and it should get posted, my updated  
 24 spreadsheet for the contracts. And I reviewed two  
 25 and they both were created because there was never a

216

1 that this is the same vendor as the employee  
 2 appreciation.  
 3 CHAIR SCHMITZ: I know. I thought I had  
 4 corrected that on my spreadsheet too, so I'll go  
 5 back and see what happened there.  
 6 TRUSTEE TONKING: Yeah, I just think we  
 7 should correct if that's not the case.  
 8 CHAIR SCHMITZ: Yep.  
 9 TRUSTEE DENT: Anything else, item K?  
 10 TRUSTEE TULLOCH: Just the Audit Committee  
 11 meeting is on Monday. We also discovered the  
 12 documents for the look-back project that have been  
 13 long discussed by Mr. Dobler.  
 14 TRUSTEE DENT: Understood.  
 15 TRUSTEE TONKING: We are supposed to have  
 16 a golf committee meeting in November to review the  
 17 golf policy that was supposed to come to the Board  
 18 at this meeting, but it never came, so should I  
 19 cancel that, I'm guessing?  
 20 MS. CROCKER: Well, I would say yes, for  
 21 the fact that there's no policy for the committee to  
 22 review.  
 23 TRUSTEE TONKING: Yep. That's my  
 24 understanding and that's why we scheduled it so we  
 25 could keep moving. I will cancel.

217

1 CHAIR SCHMITZ: Yeah, there were a few  
 2 that just sort of have -- I don't know happened,  
 3 Trustee Tonking, to our long range calendar.  
 4 TRUSTEE TONKING: I just wanted to make  
 5 sure that was the right approach, so that's what I  
 6 planned on doing.  
 7 TRUSTEE DENT: All right. Final public  
 8 comments, item L.  
 9 L. FINAL PUBLIC COMMENTS  
 10 TRUSTEE DENT: Mr. Nolet, you got what you  
 11 wanted to say? Glad we called on your earlier.  
 12 Matt, can we go to Zoom?  
 13 MR. HOMAN: Hi. Mic Homan here.  
 14 I just want to thank the controlling board  
 15 for once ignoring the voices of the community  
 16 tonight, and for ignoring the views expressed by the  
 17 overwhelming choice for the new board.  
 18 I'd also like to just point out the  
 19 hypocrisy of making a special motion in the middle  
 20 of the meeting to seek input from another community  
 21 member. He's obviously in a good position to offer  
 22 some good advice, but it confuses me how you can  
 23 ignore the views of the experts who were elected by  
 24 the residents and at the same time seek views from  
 25 other who are not.

218

1 It's simply unfathomable to me how you can  
 2 think you're fulfilling your responsibilities as  
 3 trustees at the same time you're ignoring the  
 4 community you are charged with serving. To be  
 5 clear, your actions will resonate with the community  
 6 and reinforce to reinsure their vote. Though I  
 7 suspect some of you likely won't care or hear their  
 8 outrage from (inaudible) of residents.  
 9 Thank you for reaffirming my choice to run  
 10 for the trustee. I'll operate under a much  
 11 different definition of what it means to be a  
 12 trustee.  
 13 On the pricing policy, Ray has a valid  
 14 point on capital. The fundamental question is  
 15 whether we want the facility fee to help cover  
 16 capital. The current policy says yes. So let's not  
 17 obfuscate that by debating versus depreciation. If  
 18 we want to have a debate on whether or not to change  
 19 the policy, let's have a direct, transparent debate.  
 20 If we're going to do that, how about  
 21 central costs? Should residents cover the cost of  
 22 the forensic audit in their golf fees? How about  
 23 all the consultants we've hired to help us with our  
 24 finances? What about all the fleet costs that get  
 25 allocated? Should residents be expected to pay for

219

1 all those costs in their food and beverage bill?  
 2 I personally think not, but that's exactly  
 3 what you're asking them to do with all of our  
 4 allocation policies.  
 5 The point is if we're going to revisit the  
 6 pricing policy, we need to revisit them in their  
 7 entirety, challenge all the operating costs  
 8 allocations to make sure we're really looking at the  
 9 underlying economics for the venues. Since the  
 10 current board majority seems incapable or unwilling  
 11 to do that, we will revisit it with the new board.  
 12 So what the current board does with the policy is  
 13 really irrelevant.  
 14 The new board will move forward starting  
 15 in January to fix the mess you've left us with and  
 16 unable to fix. You continue to make that more  
 17 difficult with every move you make, but we're up to  
 18 the challenge.  
 19 I hope you all have a great holiday, and I  
 20 really look forward to turning the calendar over to  
 21 2025, it just can't come soon enough. Thank you.  
 22 MS. JEZYCKI: This is Michelle Jezycki.  
 23 Congratulations to the board for  
 24 succeeding in following the same ill-fated path of  
 25 making poor hiring choices. Have we not learned

220

1 from the hiring track record that his majority has  
 2 set? You've just entered us into another  
 3 set-to-fail scenario with the most important  
 4 position in our village. Just as you succeeded in  
 5 doing earlier this year.  
 6 You are consistent in turning a deaf ear  
 7 to both the community and professionals caring  
 8 enough to provide their professional input. You say  
 9 you don't want to make it political, but you've  
 10 succeeded in doing just that.  
 11 This decision is unfair to the community  
 12 and equally unfair to Mr. Walrack. You claim the GM  
 13 doesn't need government experience, yet we are  
 14 established and bound by the legislature. We have  
 15 serious issues with our state government tax agency,  
 16 which, quite frankly, we failed in front of most  
 17 recently, an accounting government we have fractured  
 18 relations with. We are a government agency, not a  
 19 collection of for-profit businesses.  
 20 You mentioned this process has been very  
 21 thoughtful, intentional, and months long, yet we  
 22 end up with 80 minutes of in-person interviews for a  
 23 \$300,000-job, only to be played by the majority.  
 24 Was senior staff even consulted after their meetings  
 25 with GM candidates or was that just a check-the-box

221

1 nicety?

2 Candidates are traveling home feeling like

3 they were pulled into this predetermined outcome

4 with a candidate who didn't make the top two only

5 two weeks ago. I had the chance to speak with

6 Mr. Walrack after the vote. I explained I stand by

7 my recommendation and that it's unfortunate that

8 this was made into a political exercise.

9 We discussed the huge learning curve that

10 unfortunately exists, and unfortunately at a very

11 stressful time with governmental deadlines, a

12 decimated team, and failing financials, among other

13 things.

14 I also explained by feedback is completely

15 and professionally based and not personal. I, of

16 course, will do my best to support him on this huge

17 undertaking, but truly believe that you have just

18 done a huge disservice to both Mr. Walrack and

19 community, completely reminiscent of the last GM

20 hire you made.

21 What I can promise our community is our

22 new board will listen. We will not act on an agenda

23 of vindictiveness. We will keep you and our

24 community at the center of our focus and decisions,

25 and not make a game of our responsibilities.

222

1 If this were a hiring decision for any of

2 the majority members' personal businesses, they

3 would have not chosen this candidate. If I ran my

4 business like this, I would be out of business.

5 Thank you.

6 MR. BELOTE: That was our last public

7 comment in the queue.

8 TRUSTEE DENT: That will close final

9 public comment.

10 M. ADJOURNMENT

11 TRUSTEE DENT: What time is it? It is

12 9:50. I want to welcome General Manager Walrack.

13 And we are adjourned.

14 (Meeting ended at 9:50 p.m.)

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1 STATE OF NEVADA )  
 2 COUNTY OF WASHOE ) ss.  
 3

4 I, BRANDI ANN VIANNEY SMITH, do hereby

5 certify:

6 That I was present on November 13, 2024,

7 at the of the Board of Trustees public meeting, via

8 Zoom, and took stenotype notes of the proceedings

9 entitled herein, and thereafter transcribed the same

10 into typewriting as herein appears.

11 That the foregoing transcript is a full,

12 true, and correct transcription of my stenotype

13 notes of said proceedings consisting of 223 pages,

14 inclusive.

15 DATED: At Reno, Nevada, this 30th day of

16 November, 2024.

17

18 /s/ Brandi Ann Vianney Smith

19

20 BRANDI ANN VIANNEY SMITH

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# INVOICE

**BAVS SM-LLC**  
brandiavsmith@gmail.com  
United States

**BILL TO**  
**Incline Village General Improvement District**  
Susan Herron / Heidi White  
  
775-832-1218  
AP@ivgid.org

**Invoice Number:** IVGID 57

**Invoice Date:** November 30, 2024

**Payment Due:** December 13, 2024

**Amount Due (USD):** \$1,688.00

Items	Quantity	Price	Amount
<b>Base fee</b> November 13, 2024 BOT meeting	1	\$350.00	\$350.00
<b>Per page fee</b> November 13, 2024 BOT meeting	223	\$6.00	\$1,338.00

**Total:** \$1,688.00

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**Amount Due (USD):** \$1,688.00

Public  
Comments  
Submitted  
11-13-2024



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**IV BoT Nov 13, 2024**

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William Kahrs <whkahrs@gmail.com>  
Draft

Wed, Nov 13, 2024 at 4:15 PM

Trustees,

The community appreciates your hard work in moving your many tasks forward.

One of which is selecting a candidate to fill the GM position. We know you are anxious to close this.

Please allow me to caution you that selecting a candidate **now**, that this board will **not** be managing, is questionable.

Either waiting for the new board to be installed, or somehow seeking the new boards full concurrence, would be the wise decision.

Please be encouraged to permit a measured selection process which incorporates steps Michelle Jerzyski has mentioned.

Your support for including the new board on this process is paramount.  
Thank you for this consideration.

Bill Kahrs, Oct. 30, 2024

We are only 6 weeks away from the seating of the new Board of Trustees. Many of us feel the selection should wait until the new board is seated in January giving the new Board the ability to make their selection or interview other candidates.

Should the newly elected Trustees Homan and Jezycki be in agreement with the BOT's top choice candidate, the current Board could move forward with contract preparation. If not, the candidate selection should wait for the new Board to be seated.

There have been MANY UNKIND comments pertaining to the people who were involved in the Recall. We can look back today and say that the tireless work of many community members were the driving force which STARTED the process of successfully getting new candidates to run for office. Thank you everyone and thank you TO THE CANDIDATES WHO TRULY CARE ABOUT OUR COMMUNITY, Mick and Michelle for joining Michaela and Dave and making the betterment of the community a top priority. We look forward to Ray working with the team. There will never be agreement all the time but respect is requested.

Bill Kahrs, Oct. 30, 2024

I want to take a moment to speak to the candidates for GM. Please understand that many of us in the community never wanted the disruptions we have experienced over the past 2 years under the direction & micromanagement of the current Chairman of the Board. We expect that the vitriol will subside under the new Board.

KAYE SHACKFORD  
Donna Drive  
Public Comment  
November 13, 2024

I want to raise with you another reason why it is important NOT to make a decision about hiring a General Manager at this time.

I am especially directing this request to Trustees Tulloch, Noble and Tonking, because you will remain on the Board. If you care about helping ensure the future health of IVGID going forward, and being able to work with an experienced, competent General Manager, please listen to what I have to say.

The simple reason is this: The Grape Vine is alive and well throughout the West about various municipalities - what it is like to work there and whether it might make sense to uproot your family to move there.

Over the last 18 months, it became clear to competent people that they should avoid responding to any job posting from the Incline Village Board of Trustees - that individual Board Members intrusively and inappropriately micromanage in such a way as to make it nearly impossible to do your job.

You have seen this in the dearth of qualified candidates for recent postings. It's the only time in thirteen years that Aaron Katz and I have agreed on anything.

It will quickly become clear to the Grape Vine that with the recent election there has been a changing of the guard at the Incline Village Board of Trustees. If you repost the role, competent people will apply for it.

I urge you to give this a try. If I am wrong, the worse that can happen is the decision is delayed for a month. And if I am right, there will be a crop of far better candidates to choose from and ultimately, the right one to work with.

Thank you.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM C – PUBLIC COMMENT – THIS  
ORGANIZATION REALLY IS STUPID. AND I GUESS, STUPID  
IS AS STUPID GOES!**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's focusing on the rampant **STUPIDITY** which permeates this place. Just remember. No question proffered is stupid. But the persons who respond can and in this case really are **STUPID**. And that's the purpose of this written statement.

**My November 13, 2024 E-Mail to The Board**<sup>2</sup>: On November 13, 2024 I sent the Board an e-mail pointing out one single **STUPID** fact which I believe is emblematic of all the other **STUPID** things which routinely go on here. That is paying for monthly cable television service when the venue where the service is delivered is **closed for the season!** And to compare this behavior to our wonderful staff, I highlighted the fact that we're paying nearly every employee a \$150 monthly stipend for who knows what reasons. Even employees who shouldn't have a job with us because their job duties are only seasonal. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "L."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit "L" to this written statement.

<sup>3</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."



Besides forthwithly taking the action requested (we should be conducting a comprehensive investigation of every job we fill, whether it's necessary, whether it's seasonal or full time, whether it warrants the compensation and benefits we're offering, with the aim of eliminating inefficiencies and waste. Or better yet, going out of every commercial public business we're engaged in which in reality are for the benefit of our employees rather than we local parcel owners who are forced to involuntarily pay), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT “L”**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item (C) - Public Comment - Since You Can't Fix Stupid, And Yes This Organization IS Stupid, And You're Forcing Me to Involuntarily Finance YOUR Stupidity, This is Another Reason to Close Up Shop. YESTERDAY!

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**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Crocker Karen <kcrocker56@yahoo.com>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item (C) - Public Comment - Since You Can't Fix Stupid, And Yes This Organization IS Stupid, And You're Forcing Me to Involuntarily Finance YOUR Stupidity, This is Another Reason to Close Up Shop. YESTERDAY!  
**Date:** Nov 13, 2024 6:09 AM

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Chairperson Schmitz, Other Honorable Members of the IVGID Board, and Trustees Elect Mick, Michelle and Michaela -

As most of you know, I've oftentimes commented that it's essentially everything your wonderful staff do. EVERYTHING. No matter where you look. And yet we continue doing the same old, same old, stupid thing. Stupid thing. In fact the stupidity rises to such a high level, if we really want to be honest with the public it's time to change our name. To...you guessed it. STUPID. Instead of ivgid.org, it's stupid.org. Hey Paul Raymore. You're doing a major redo of our web site. You know, to change the color scheme to more closely align with our "colors," well it's time to change our name. To stupid.org. Sorry. This domain is already taken. But you get the point.

So what am I talking about now?

At pages 104-139 of the Board packet, we have an attachment to the Treasurer's monthly report. It supposedly lists details re every check our staff have issued for payment in the month. Actually a good thing. A non-stupid thing. Because then the non-stupid people in our community can see in black and white what our stupid staff are doing. It's called "transparency" stupid.

So how many bill pays do we have here? I don't know. Hundreds? Thousands? I don't know about you but when I see numbers like these, I just say "a lot." So that's what I'll call it. A LOT!

So are there some things in this list that upon reflection, which stick out? For me there are. And because they point to "stupid," I have been moved to send this e-mail. And because there are no stupid questions, but only stupid people, it's my hope our new board can fix one of the most basic problems we have here in IVGIDville. Stupid people. AKA stupid people!

Okay. Back to the list. In the name of "transparency," we're supposed to see all the payees of public funds (actually including some stupid employees), what they were paid for, the amounts, object codes, department names and divisions. Pretty transparent. Right? That is until I reached page 113 of the Board packet. It was then the "transparency" turned into "Department Name - Unclassified." And "Division - Unclassified." If we don't know what these payments were for, how can we possibly put them into a financial reporting system? Bueller? Bueller?

So how long does this "transparency" continue for? The next 4-1/2 pages. At 53 or more entries per page! And then it picks up again at page 134 of the Board packet. And continues for another three pages. Unclassified, unclassified, unclassified.

What more sticks out to me? The number of monthly cable TV payments. You know. To the Rec Center lobby. And the Rec Center fitness area. And the Rec Center upstairs. And the Admin Building. And the Mountain Golf Course. and the Tennis Center. And the Grille Restaurant. And the Chateau. And...what's the par on this hole?

You know, at \$155 per month per pop, it's not going to turn around our miserable financials. However times ten or twenty, each and every month, things add up!

And then I came across the monthly cable TV bill for the Snowflake Lodge! Wait a minute. Is the lodge even open in July? And then the DP upstairs bar. Why are we paying for cable TV at these locations? And during the winter months, are we making the same payments at both golf courses, the Grille Restaurant, the Tennis Center and who knows everywhere else? Who's in charge here? Where's the oversight? Where are the internal controls? Why hasn't this waste been eliminated at somewhere along the food chain to the top?

This is emblematic of a far, far larger problem. I'm too stupid to know what it is. But I'm thinking running all of these commercial money losing businesses. All of them!

But there's more. As I went through the payces I saw that a number were our wonderful employees. It's not enough that we don't have enough work for them to do. Or that we're paying them for full time jobs when their jobs are only seasonal. Or that they're not over paid. Or over compensated. Let's pay each of them an additional \$150 per month. And for what? Undefined "incidentals" like potential use of their personal cellphones. Or just being stupid? I don't know. But just like monthly cable TV bills, the extra \$150 per month per pop is not going to turn around our miserable financials. However, times ten or twenty or one hundred each and every month, things add up!

Now if you people want to be stupid and throw good money like this away, more power to you! But once you force me to pay for your stupidity, and then lie to me about what I'm paying for, I have a problem. And I'm guessing that if all local parcel owners knew the truth, at least 7,700 of them would have the same problem I do!

So what's the fix? Terminate all the stupid employees? Terminate all our stupid senior management because obviously they're unable to manage? Terminate me so that the rest of you can keep your heads in the sand? Terminate the mandatory Rec Fee (that one will solve the problem)? Terminate all of our money losing businesses? The problem goes way, way deeper. What I've identified simply scratches the surface. But make no mistake about it. At its very core, IVGID is unsustainably flawed. And not capable of fixing. Because...we're stupid. And you can't fix stupid!

So there you go! I say let's all meet at the Grille Restaurant for a cup of coffee watching cable TV! Or maybe we should hire Elon Musk to come here after he gets finished in Washington eliminating \$2 trillion of stupidity?

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM C – PUBLIC COMMENT – MORE  
EVIDENCE ANOTHER GROSSLY OVER COMPENSATED AND  
OVER BENEFITED EMPLOYEE (SUSAN GRIFFITH) IS  
HANDLING MATTERS FOR WHICH SHE WASN'T  
EMPLOYED NOR QUALIFIED!**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's evidence staff have directed one of their own to perform functions she was never hired to perform nor is qualified to perform. In fact, this may be emblematic of nearly all employees we hire! And that's the purpose of this written statement.

**My November 12, 2024 E-Mail to The Board**<sup>2</sup>: On November 12, 2024 I sent the Board an e-mail bringing members' attention to the fact my Public Records Request for a District contract had been given to a clearly non-custodial employee for searching out and providing for my examination. Why are we empowering a finance professional to go looking for documents Susan Herron should have at her fingertips? Rather than recounting the substance of my comments, I refer the reader to said Exhibit "K."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent, over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

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<sup>3</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

Besides forthwithly taking the action requested (properly engaging the custodian of public records to retrieve them when requested), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT “K”**

## **Fw: Your Incline Village GID, NV public records request #24-145 (Inter-Local Agreements/Amendments Insofar as Washoe County's Collection of IVGID's RFF/BFF/Ad Valorem Taxes) has been submitted - Nov 13, 2024 BOT Meeting - Agenda Item C - Why Has This Request Been Turned Over to Susan Griffith in Finance? Bueller?**

**From:** <s4s@ix.netcom.com>  
**To:** White Heidi <hhw@ivgid.org>  
**Cc:** <info@ivgid.org>, Schmitz Sara <schmitz\_trustee@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Fw: Your Incline Village GID, NV public records request #24-145 (Inter-Local Agreements/Amendments Insofar as Washoe County's Collection of IVGID's RFF/BFF/Ad Valorem Taxes) has been submitted - Nov 13, 2024 BOT Meeting - Agenda Item C - Why Has This Request Been Turned Over to Susan Griffith in Finance? Bueller?  
**Date:** Nov 12, 2024 3:17 PM

Chairperson Schmitz, Other Honorable Members of the IVGID Board, and Trustee Elects Mick and Michelle -

So after the revelation in our interim GM's Report to the BOT for the upcoming Nov. 13 meeting and the public that the District has never received a penny of late/interest charges/penalties from the county as a result of its collection of delinquent IVGID ad valorem taxes/Rec Fees, I made the subject Public Records Act request to discover the reason why not. And you can see staff's response below.

And why am I making this response available to the BOT for its consideration?

Because my subject matter request has been turned over to Finance interim Director Susan Griffith for her response. Even though she's not the custodian of the subject record(s) I have asked to examine. And even though she's not involved in contract management, meaning she's not the custodian of those records. Since I believe my request has been wrongfully turned over to Ms. Griffith, I want the BOT to see how inefficiently, wastefully and wrongfully the public's PRRs are administered. Continued to be administered.

I predict Ms. Griffith will be able to discover NOTHING even though I'm informed such agreement(s)/amendment(s) exist. The reason being she doesn't know what to look for. And she doesn't know where to look. The more things change around here, the more they remain the same. A MESS!

And just as a preview, I believe responses to my request are going to reveal that the District has been cheated out of hundreds of thousands of dollars by the county. Our trusted partner. And then what do you BOT members intend to do about it?

Respectfully, Aaron Katz

-----Forwarded Message-----

**From:** <ivgid\_24-145-requester-notes@inbound.nextrequest.com>  
**Sent:** Nov 12, 2024 12:38 PM  
**To:** <s4s@ix.netcom.com>  
**Subject:** Your Incline Village GID, NV public records request #24-145 has been submitted.

-- Attach a non-image file and/or reply ABOVE THIS LINE with a message, and it will be sent to staff on this request. --



## Incline Village GID, NV Public Records

### Your record request #24-145 has been submitted successfully.

Thank you for submitting a Public Records Act request to the Incline Village General Improvement District. Pursuant to state records laws, the District has 5 business days to notify you whether records are available. If additional time beyond these 5 business days is required to search for and collect the requested records, the District will provide you with a follow-up written notice indicating that its response time will be delayed, and setting a date the District reasonably believes it will make responsive records available. If the record is still not available by that extended date, the District will provide a written explanation of the reason for the delay, and a reasonable further extension date.

The District is committed to making reasonable efforts to focus all requests in a manner that maximizes the likelihood of expeditious disclosure.

If your request is denied because a record, or part thereof, is confidential, the District will provide you with written notice of that fact, and a citation to the relevant legal authority.

#### View Request 24-145

<https://ivgid.nextrequest.com/requests/24-145>

As the requester, you can always see the status of your request by signing into the Incline Village GID, NV [portal](#).

If you haven't already signed in, you may need to [activate or setup your account](#) to get started. Once your account is activated, you can communicate directly with the Incline Village GID, NV through NextRequest.



NextRequest

Reply to this email or sign in to contact Incline Village GID, NV .

[Change your email settings](#) | [Visit our help center](#)

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM C – PUBLIC COMMENT – MORE  
EVIDENCE GROSSLY OVER COMPENSATED AND OVER  
BENEFITED SUSAN HERRON NEEDS TO GO!**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's focusing again on the lack of job duties our Director of Admin. Services has been assigned so she engages in meaningless "busy work." And that's the purpose of this written statement.

**My November 9, 2024 E-Mail to The Board**<sup>2</sup>: On November 9, 2024 I sent the Board an e-mail bringing members' attention to the fact our Director of Admin. Services has no meaningful work to perform. So she engages in meaningless "busy work" more suited for a volunteer intern. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "J."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

Besides forthwithly taking the action requested (terminating Ms. Herron's employment rather than having her notify members of the public that their Board packets are available for their pick-up), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit "J" to this written statement.

<sup>3</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver... or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT "J"**

## Nov 13, 2024 BOT Meeting - Agenda Item C - Public Comment - Why The Hell Does Susan Herron Remain? Look at What Our \$215K+/Salary Employee is Doing - Fw: Your Board Packet for the 11/13/2024 IVGID Board of Trustees Meeting is available for pick up

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**From:** <s4s@ix.netcom.com>  
**To:** "Schmitz Sara" <schmitz\_trustee@ivgid.org>  
**Cc:** "Dent Matthew" <dent\_trustee@ivgid.org>, "Tonking Michaela" <tonking\_trustee@ivgid.org>, "Noble Dave" <noble\_trustee@ivgid.org>, "Tulloch Ray" <tulloch\_trustee@ivgid.org>, "Crocker Karen" <kcrocker56@yahoo.com>  
**Subject:** Nov 13, 2024 BOT Meeting - Agenda Item C - Public Comment - Why The Hell Does Susan Herron Remain? Look at What Our \$215K+/Salary Employee is Doing - Fw: Your Board Packet for the 11/13/2024 IVGID Board of Trustees Meeting is available for pick up  
**Date:** Nov 9, 2024 11:08 AM

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Chairperson Schmitz, Other Honorable Members of the IVGID BOT, and Trustee Elects Michaela, Michelle and Mick:

It just continues and continues. More wasteful examples of what our staff has been doing for decades. And at local parcel owners' expense.

This time it's Susan Herron. Again!

She was given a promotion by Indra. To a Directorship position that exists few places in America (Don't believe me? Do a search of fortune 500 companies. Or local governments throughout the country. Where does the position Director of Admin Services exist? Turlock? Antioch? How about you Michelle Ms. H.R. professional? When you were the H.R. Director for the U.S. Senate, did our wasteful federal government have a Director of Admin. Services? What about you Mick Mr. Fortune 50 Ass't Financial Director? Did Procter and Gamble have a director of Admin Services. And if so, what were their job duties compared to Ms. Herron's? Bueller? Bueller?). So he could justify a pay/benefit raise as a form of "thanks" for supporting him. The loyal soldier. In other words, a payoff at local parcel owners' expense.

Shortly after announcement of Ms. Herron's promotion, I asked for and received a job description for her position. Total B.S. handled by other employees. I asked for evidence that this vital new position had been advertised to the public so we could attract the most qualified candidates. And surprise. There was none. Why? Because this phony position was a political pay off.

Then Ms. Herron had the gall to author a welcome message in one of our IVGID Magazines where she explained her new duties were regularly meeting with Indra for coffee so they could figure out what her vital duties would be. And now we know!

E-mailing notices that board packets are available to those persons who have requested such packets. In other words, the type of job a VOLUNTEER intern could perform!

But instead we pay Ms. Herron over \$215K annually plus handsome benefits to perform B.S. tasks such as these. And you wonder why we're overspending \$2M+ annually in our General Fund? Wake up and smell the coffee Mrs. Bueller! Want to save \$\$350K+ annually in wasteful salary and benefits assigned to our General Fund? Tell Ms. Herron what president elect Trump told Vice-President Kamala Harris. "You're Fired. Get the h... out of here!"

Want more services at your beloved champ golf course Mick? Here's very low hanging fruit for you to pick which can make this a reality.

Respectfully, Aaron Katz

-----Forwarded Message-----

From: Susan A. Herron <sah@ivgid.org>

Sent: Nov 8, 2024 12:30 PM

To: s4s@ix.netcom.com <s4s@ix.netcom.com>

Subject: Your Board Packet for the 11/13/2024 IVGID Board of Trustees Meeting is available for pick up

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD’S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM C – PUBLIC COMMENT – LOOK  
WHAT’S HAPPENED WITH OUR LONG TIME SPONSORSHIP  
OF THE TAHOE FILM FESTIVAL UNDER FORMER  
EMPLOYEE MADONNA DUNBAR’S REIGN**

**Introduction:** Well here’s yet “another one” (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it’s acknowledging we’re no longer donating local parcel owners’ recreation fees to the Tahoe Film Festival; having nothing to do with furnishing public recreational and beach facilities to local parcel owners. And that’s the purpose of this written statement.

**My November 9, 2024 E-Mail to The Board**<sup>2</sup>: On November 9, 2024 I sent the Board an e-mail bringing members’ attention to the former donations of taxpayers’ monies for the benefit of a local special interest favored collaborator, and their termination thanks to my investigation and publication. Rather than recounting the substance of my comments, I refer the reader to said Exhibit “I.”

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent, over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation (“RFF”) and Beach (“BFF”) Facility Fees are concerned. All because the ends justify the means. As I’ve pointed out so many times before, these examples are all “red flags” of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I’ve provided more evidence.

Besides forthwithly taking the action requested (watching, learning, and never again making inappropriate donations such as this one), I must ask when is the Board going to put members’ collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: “(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else>.

<sup>2</sup> That e-mail is attached as Exhibit “I” to this written statement.

<sup>3</sup> NRS 207.370 instructs that “criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies).”

complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).



## **EXHIBIT "I"**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item C - Public Comment - Look How We're No Longer Listed as a Financial Supporter of The Tahoe Film Festival! Thankfully.

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**From:** <s4s@ix.netcom.com>  
**To:** "Schmitz Sara" <schmitz\_trustee@ivgid.org>  
**Cc:** "Dent Matthew" <dent\_trustee@ivgid.org>, "Tonking Michaela" <tonking\_trustee@ivgid.org>, "Noble Dave" <noble\_trustee@ivgid.org>, "Tulloch Ray" <tulloch\_trustee@ivgid.org>, "Crocker Karen" <kcrocker56@yahoo.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item C - Public Comment - Look How We're No Longer Listed as a Financial Supporter of The Tahoe Film Festival! Thankfully.  
**Date:** Nov 9, 2024 11:49 AM

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Chairperson Schmitz, Other Honorable Members of the IVGID BOT, and Trustee Elects Michaela, Michelle and Mick:

It just continues and continues. More wasteful examples of what our staff have been doing for years. And at local parcel owners' expense thank you very much.

This time it's The Tahoe Film Festival.

For the last several years (I'm guess ten because this is the 10th annual festival) it was staff's dirty little secret that public funds were being donated to the film festival people. So IVGID, "Waste Not" and the "Tahoe Water Suppliers" logo/names could appear in film festival advertising. And former "Golden Pinecone" award winner Madonna Dunbar, and one or more of her IVGID buddy colleagues, could attend film screenings and meet and greet functions (where complimentary food and alcoholic beverages were served) for free! And you wonder why your sewer and water rates are as high as they are? Who knew one of the reasons was...the film festival.

Well thanks to me, this waste of public monies has ended. At least for the moment. Embarrassing public attention was placed on Ms. Dunbar and low and behold, when film festival people came around knockin' for more money at local rate payers' expense, Ms. Dunbar had to tell them no. And of course it was because of stupid me (can you believe one of the principals of the festival called me "stupid" because I put an end to this giveaway?) Thank you Ms. Dunbar.

So if you examine page 11 of yesterday's Tahoe Daily Tribune, you will find a full page advertisement for the film festival. And guess who's conspicuously missing? Bueller? Bueller? That's right! IVGID. And why is that? Because the film festival people lost their governmental partner. Ms. Dunbar & Co.

Now take a look at all the listed sponsors. How many are local governments? That's right again. NONE! And why do you think? "Stupid" people like me!

Whatever you think of our cut off of financial support for the film festival, we've just saved several thousand public dollars. Will it make a dent in our public works overspending? Probably not. But at least it's a start. And if our new board took the time to root out similar IVGID waste, I'm guessing we could save substantial public dollars. Are you guys up to the challenge? Or are you just going to be "same old, same old?"

I don't have a problem with any private business nor association of private businesses financially supporting the film festival. That is unless it's the North Tahoe Chamber of Commerce (aka Travel North Tahoe) or IVCBA because we still

are members, pay dues with public monies, and our dues are used to financially support the film festival. But when it comes to a local government like IVGID, I draw the line.

And so should you new BOT members when takers like this one in our community (and believe me there are hundreds of them) come knockin'.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM H(4) – PROPOSED REVISIONS TO  
STAFF'S "PLAN OF CORRECTION" TO BE SUBMITTED TO THE  
DEPARTMENT OF TAXATION INSOFAR AS THE DISTRICT'S  
FY 2023 AUDITED FINANCIALS ARE CONCERNED**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's proposing a "Plan of Correction" to address proffered fiscal year 2023 audited financials not in compliance with law. When the real elephant in the room is the fact that the District's Recreation ("RFF") and Beach ("BFF") Facility Fees and their reporting as Operational Revenues are not in compliance with statutes nor regulations. And that's the purpose of this written statement.

**My November 13, 2024 E-Mail to The Board**<sup>2</sup>: On November 13, 2024 I sent the Board an e-mail bringing members' attention to the real issue for which a Plan of Correction is required. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "H."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their RFF/BFF are concerned. All because the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

Besides forthwithly taking the action requested (eliminating the RFF/BFF as being non-compliant with statutes and regulations and no longer reporting it as operational revenue), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b)

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else>.

<sup>2</sup> That e-mail is attached as Exhibit "H" to this written statement.

<sup>3</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT “H”**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item H(4) - The District's Plan to Correct 2023 Audit Violations Detailed in NRS 354.624(4) - Make Susan Herron Our Director of Finance!

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**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>, Crocker Karen <kmc@ivgid.org>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item H(4) - The District's Plan to Correct 2023 Audit Violations Detailed in NRS 354.624(4) - Make Susan Herron Our Director of Finance!  
**Date:** Nov 13, 2024 12:15 PM

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Chairperson Schmitz, Other Honorable Members of the IVGID Board, and Trustees Elect Mick, Michelle and Michaela -

Can there possibly be more denial and incompetence? Yes there can!

So here staff proposes responding to the Department of Taxation's request the District come up with a Plan of Correction to deal with the deficiencies in its proffered 2023 fiscal year audit. Although you can read about it at pages 509-10 of the Board packet for tonight's meeting, bottom line it doesn't address the District's failure to secure findings that it is in compliance with statutes and regulations. Even though NRS 354.624(4) mandates such a finding be made by local government's auditor.

So I suggest you NOT send the proposed letter to Kelly Langley. Instead you address the real elephant in the room. Improper financial reporting of the Rec Fee.

Consider the following:

1. NRS 354.624(1) instructs that "each local government shall provide for an annual audit of all of its financial statements."
2. NRS 354.624(4) instructs that "each annual audit must...be a financial audit conducted in accordance with generally accepted auditing standards in the United States, including **findings on compliance with statutes and regulations and an expression of opinion on the financial statements.**"
3. Accordingly, in budget analyst Kellie Grahmann's September 18, 2024 letter to Susan Griffin, interim IVGID Finance Director (see pages 511-12 of the Board packet), she acknowledges that "the Department...is charged with the review of all annual audits to determine their compliance with statutes and/or regulations adopted pursuant to NRS 354.594."
4. Ms. Grahmann's September 18, 2024 letter concludes that IVGID's proffered Fiscal Year 2023 Annual Audit Report **"did not meet the provisions required in NRS 354.624(4)."**
5. Although Ms. Crocker's proposed letter recites that "the basis for the disclaimer opinion...was... (the failure to) include...an expression of opinion on the financial statements (and)...that the auditors were unable to complete...analytical review (of) procedures of IVGID's revenues and expenses," these statements are not entirely accurate.
6. I have examined the so called "opinion letter" which accompanied IVGID's proffered fiscal 2023 annual audit, and I can confirm that **nowhere do I find findings on compliance with statutes and regulations** (for purposes of "regulations" I am going to refer to GASB inasmuch as annual audits must be in accordance with generally accepted auditing standards and those standards are embodied within GASB).

7. In other words, IVGID's proffered Fiscal Year 2023 Annual Audit "did not meet the provisions required in NRS 354.624(4)" because it failed to include findings on compliance with statutes and regulations; a subject totally ignored in Ms. Crocker's proposed letter.
8. And it turns out findings no auditor, including DavisFarr can honestly make!
9. Because page 24 of IVGID's proffered 2023 audit consists of a statement of revenues and expenses assigned to the District's proprietary funds. In particular, its Community Services and Beach Funds. Under "operating revenues," you will see a \$3,911,100 "recreation fee" entry assigned to our Community Services Fund, and a \$2,909,434 "recreation fee" entry assigned to our Beach Fund. Neither of these entries are in compliance with statutes and regulations.
10. Jennifer Farr is on record describing both of these "fees" as the product of non-exchange transactions. In other words, they are not realized in consideration of the District providing some good or service. In contrast to "sales and fee" revenues which do. So if these "recreation fees" are the product of non-exchange transactions, GASB Statement 9 instructs they are not properly reported as "operating revenues."
11. And if not operating revenues, what are they? GASB 33 provides the answer. "Imposed non-exchange revenues, which result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions." In other words, taxes.
12. Since this is exactly what IVGID's "recreation fees" are (the law is clear that the label assigned to any form of monetary exaction is not controlling), we must ask where are the statutes or regulations which permit the same? And the answer is **nowhere**.
13. If nowhere, it means that IVGID's proffered fiscal year 2023 audit does not comply with NRS 354.624(4) because of the failure to include findings on compliance with statutes and regulations.
14. So what's Ms. Crocker's Plan For Correction (remember, our auditor has stated its "opinion is not modified with respect to this matter")? I suggest two pieces of action. Number 1. Elimination of the forced "recreation fee." And once this happens, IVGID is insolvent. Or as our auditor has opined, "in preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 6 District's ability to continue as a going concern for one year after the date that the financial statements are issued." And number 2, **appoint Susan Herron to the position of Finance Director**. Can you believe that at page 58 of the Board packet Ms. Herron told us she spent last month working **extensively** on the District's 2023 and 2024 budgets? I don't know what she was doing, but who knew we had a finance professional employed in Admin Services we could tap for our financial reporting problems?

The Correction is to eliminate the Recreation Fee because it is not in compliance with statutes or regulations. And to modify the District's 2013 audit accordingly.

Thank you for your cooperation. Aaron Katz



**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM H(2) – THE NEED TO RESCIND  
BOARD POLICY 6.2.0 RATHER THAN GOING THROUGH  
FURTHER MACHINATIONS**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's tweaking another stupid Board Policy which mistakenly takes away staff's discretion to give away the store to special interest non-profits (was that really what you intended to accomplish Chair Schmitz?). And that's the purpose of this written statement.

**My November 12, 2024 E-Mail to The Board**<sup>2</sup>: On November 12, 2024 I sent the Board an e-mail bringing members' attention to the truth behind the most recent proposed modifications to Policy 6.2.0, and the need to simply rescind the policy altogether. Rather than recounting the substance of my comments, I refer the reader to said Exhibit "G."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

Besides forthwithly taking the action requested (rescinding the current Policy 6.2.0 altogether), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit "G" to this written statement.

<sup>3</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."

whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver... or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT "G"**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item H(2) - Further Modifications to Policy 6.2.0 - If You're in Favor of ELIMINATING Freebies and Discounts to Favored Collaborators, Vote For These Modifications. However, if You're Not...

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Crocker Karen <kcrocker56@yahoo.com>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item H(2) - Further Modifications to Policy 6.2.0 - If You're in Favor of ELIMINATING Freebies and Discounts to Favored Collaborators, Vote For These Modifications. However, if You're Not...  
**Date:** Nov 12, 2024 4:06 PM

Chairperson Schmitz, Other Honorable Members of the IVGID Board, and Trustees Elect Mick, Michelle and Michaela -

First of all, other than continuing the GM interview process, what an absolute WORTHLESS agenda item! Again. And what a waste of the BOT's and the public's time. Come on guys! Put an end to garbage like this agenda item.

What's the problem which requires this policy? What are we trying to accomplish?

Interim GM Crocker tells us "the purpose of Practice 6.2 is to have a standard of operations and pricing that is use to...apply pricing and rates (at) District venues." But with due respect, we don't require a policy for this. If you're a venue manager, operate your venue in a financially responsible manner. In other words, break even or produce a positive cash flow. And if you can't, as president-elect Trump would say, you're fired! Simple.

What this modification purports to accomplish is twofold. First, the elimination of freebies and unjustified discounts to the favored collaborator takers in our community. That's right. By eliminating a policy of discounts and freebies to community focused nonprofits (see discussion below), that's exactly what you're doing. The history of this policy is that for years, Resolution 1701 empowered staff to give away use of the public's facilities for free or at a severe discount to worthy non-profits. Then several years ago this resolution was replaced by Policy 6.2.0. Which expanded the freebies and giveaways. And now, I'm certain by mistake, chair Sara proposes eliminating all freebies and giveaways. But if I'm right, I'm all for it. No freebies to anyone, any time, for any reason.

And the second accomplishment, is to sanction future operation of our recreational facilities and programs **AT A FINANCIAL LOSS**. Placing responsibility for involuntarily subsidizing that loss on our Rec Fee. Because rates are to be based upon market competition, and we're unable to operate our facilities and programs at market rates, what other source exists to plug the deficiency? So why don't you come clean with the public chair Schmitz? You're refusing to require all of our recreational facilities, taken as a portfolio, to operate on a financial break even basis.

And how do we know this? Because at the heart of this Policy is former GM Indra Winquest's "cost recovery pyramid" (see page 453 of the Board packet). The cost recovery rationale some local governments use to allocate their property tax revenue as a subsidy against the costs of public recreation. But this pyramid is a hoax! And why is that? Because we have absolutely NO property tax revenue available to subsidize any of our recreational facilities or programs. What our tax revenues are used for is to pay for over compensated and over benefited employees like Susan Herron. Who's costs are assigned to our General Fund. Don't believe me?

Take a look at the current budget. At page 7, Schedule B-9, you will see that \$4,062,616 in taxes have been budgeted for assignment to our General Fund. Now take a look at page 8, Schedule B-10. There you will see that \$5,836,800 in salaries/benefits have been budgeted for assignment to our General

Fund. That's \$1,774,100 of overspending. And exactly NOTHING left over to subsidize the costs of public recreation. Or anything else for that matter. So where is the property tax "cost recovery?" And where do you think the deficiency (an unbelievable \$216.36 per local parcel owner) comes from? And why is anyone who's really being honest with the public promoting this phony cost recovery pyramid as the panacea to irrelevance? Bueller? Bueller?

So if the pyramid is to be eliminated in determining costs, why does it continue to exist? Why isn't it eliminated once and for all?

Here we have chair Schmitz's vision of how our unsustainable losses should be subsidized. And it's the Rec Fee. Just listen to her words:

"While the cost of operations, including...programs, and capital improvements...may not be covered entirely by charges for services, the revenue generated by OTHER cost centers within Community Services (aka trustee elect Homan's "portfolio" approach), **ALONG WITH THE ALLOCATION OF THE...RECREATION FEE**, are the source of financial funding" (see page 428 of the Board packet). Are you understanding what you're saying chair Schmitz? The financial subsidy is not taxes, so the "cost recovery pyramid" is a hoax. And what you're telling us is that the Rec Fee is nothing more than a financial subsidy for the deficiency between budgeted revenues and intentional overspending assigned to our Community Services Fund. In other words, the real purpose of the Recreation Fee is to **RAISE REVENUES**. To cover this financial deficiency. Which is an admission the Rec Fee is a tax. And your same reasoning applies to the beaches.

And then you talk about discounts on top of operating deficiencies: "food and beverage discounts are to be consistent" (see page 428 of the Board packet). And "discounts...for parcel owners...are to be consistent" (see page 429 of the Board packet). And discounts for "merchandise (are) based on time of year to reduce...inventory" (see page 429 of the Board packet). "Discount(s)...for ballpark rental, venue rental and park related services or programs are to be...determined by the Board." Are you listening to yourself Sara? Why the hell are there ANY discounts when you're already involuntarily taxing us for the financial deficiency you call the Rec Fee? If you're telling us that without the financial subsidy of the Rec Fee there would be no discounts, then the answer is clear: **ELIMINATE ALL DISCOUNTS!** Because a discount on something we neither use nor want, is no discount at all!

Then you state "the costs for maintaining and upgrading the skate park, bike park, disc golf course, exercise circuit, Aspen Grove fields, Preston Field, and the Ridgeline ball parks are subsidized 100%" Subsidized by what Sara? The "cost recovery pyramid?" Of course not. The Rec Fee. So again, listen to yourself. You're telling us that local parcel owners are involuntarily financially supporting facilities and services which benefit society as a whole! I can provide a number of court cases from all over the country which state "**benefits**" such as these are of no benefit whatsoever to those who are forced to involuntary pay. And without some special benefit, an exaction like this is a tax! Don't believe me? Why don't you ask your Sergio?

And before I leave this subject, weren't it the mountain bike people who promised they would pay for the maintenance and improvement of our pump bike park if we just let them use our land? And weren't it the disc golf people who promised us they would pay for the maintenance and improvement of our disc golf course if we just let them use our land? So why are you now changing the rules of the game making local parcel owners involuntarily responsible for paying what a couple of special interest groups in town represented to the public? Again, Bueller? Bueller?

And then incredulously, you tell us that rates at the champ golf course (see page 430 of the Board packet), the mountain golf course (see page 432 of the Board packet), both golf pro shops (see page 432 of the Board packet), Diamond Peak, its Food Court and Rental Shops and its lesson business (see page 435-436 of the Board packet), the Tennis and Pickleball Center (see page 437 of the Board packet), the Tennis Center Pro Shop, parks and athletic fields, the skatepark and disc golf course (see page 438 of the Board packet), Chateau, Aspen Grove and the Rec Center (see page 439 of the Board packet) **ARE ALL BASED UPON THE COST RECOVERY PYRAMID** [by crossing out the words "the cost recovery pyramid...is not applicable to this venue," you're in essence saying **this pyramid is in fact applicable**. If you want to eliminate the applicability of this pyramid, you eliminate the pyramid itself. Don't you?].

Let's continue the STUPIDITY and pandering to local special interests in our community. Page 440 of the Board packet defines a guest at our Recreation Facilities as a person accompanied by a picture pass holder. That is EXCEPT for our overcrowded beaches. The term "guest" requires physical accompaniment at all recreational facilities INCLUDING our beaches. There's no reason for an exemption, and such an exemption runs contrary to what our founders specified when they invented the term "guest." So why does it continue to exist?

Finally, let's address what I thought would be the real reason for the CURRENT Policy 6.2.0. The giving away of our facilities to favored collaborators in our community at the involuntary expense of local parcel owners. But look at pages 441-442 of the Board packet. **The ELIMINATION of our policy on "community focused nonprofits."** Do you understand what you're doing Sara? By eliminating this policy, you're eliminating any policy whatsoever on freebies and discounts to nonprofits. Is that what you want? Although I doubt it, if that's really what you're trying to accomplish, I am whole heartily in support! But I know better. How do you intend to regulate public giveaways without a policy? And if it's not Policy 6.2.0, what is it? The time has more than come to put an end to this forced upon the public philanthropy. **FOREVER**. I don't care who you are, and what your cause of the month is. If you want to use our facilities to further you cause, you pay the going rate. And if you don't like it, go make your case to Brad Johnson in Kings Beach for a discount.

Don't you BOT members understand that our finances are a complete shambles? And we can't generate enough revenue to pay for all that staff assumes? So why are we going to go into further debt and force further pressures upon local parcel owners just so core golfers after a round of golf can partake in group meals at a discount? Or Republican Womans Club meetings or other favored collaborators' whatever can take place at the Chateau or Aspen Grove FOR FREE? And at my expense?

You don't need a formal policy for our venue managers to responsibly operate their respective venues at a break even or positive cash flow. So why are you adopting a policy such as this one? If you eliminating the so called subsidy of the cost recovery pyramid, then why does the pyramid continue to exist? What you really need to do is RESCIND this policy altogether. No freebies to anyone anytime. No cost recovery pyramid. No discounts. Pure and simple. No Policy 6.2.0. Please do your jobs.

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM F(1) – MORE EVIDENCE SUSAN  
HERRON NEEDS TO BE TERMINATED AS SHE HAS NO REAL  
JOB DUTIES FOR THE GROSSLY OVER COMPENSATED  
AND BENEFITED POSITION TO WHICH SHE HAS  
BEEN APPOINTED BY FORMER GM INDRA**

**Introduction:** Well here's yet "another one" (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's Susan Herron (**AGAIN**) and her inability to come up with any legitimate justification for her directorship position and employment with the District. And that's the purpose of this written statement.

**My November 12, 2024 E-Mail to The Board**<sup>2</sup>: On November 12, 2024 I sent the Board an e-mail bringing members' attention, again, to Ms. Herron's inability to perform any job functions<sup>3</sup> warranting her position of Admin. Services Director position. And to add insult to injury, here we're supposed to believe Ms. Herron is a financial professional competent to work extensively on our 2023 and 2024 budgets? Bueller? Bueller? Rather than recounting the substance of my comments, I refer the reader to said Exhibit "E."

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation ("RFF") and Beach ("BFF") Facility Fees are concerned. All because Susan Herron is not qualified for the position she holds, and the ends justify the means. As I've pointed out so many times before, these examples are all "red flags" of a criminal

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit "E" to this written statement.

<sup>3</sup> Those duties, according to Ms. Herron, are set forth in her own words as Exhibit "F" to this written statement.

syndicate<sup>4</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

Besides forthwithly taking the action requested (terminating Ms. Herron's District employment), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

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<sup>4</sup> NRS 207.370 instructs that "criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies)."



## **EXHIBIT “E”**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item F(1) - Susan Herron's Monthly Report to The BOT re The Product of Her Alleged Vital Efforts For October And November

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**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Crocker Karen <kcrocker56@yahoo.com>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item F(1) - Susan Herron's Monthly Report to The BOT re The Product of Her Alleged Vital Efforts For October And November  
**Date:** Nov 12, 2024 3:39 PM

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Chairperson Schmitz, Other Honorable Members of the IVGID BOT, and Trustee Elects Michaela, Michelle and Mick:

It just continues and continues. Now it's Susan Herron. AGAIN. Our Director of Admin Services. More wasteful and utterly STUPID examples of why this completely unnecessary over priced and over benefited employee needs to go. Yesterday.

Why do we have an Admin Directorship position? What are the duties that highly skilled and overpaid person performs? How is it they cannot be performed by a much lower compensated and unskilled employee?

So here at page 58 of the Board packet Ms. Herron provides a list of the vital items she has accomplished in October. Take a look at the following:

1. Respond to [info@ivgid.org](mailto:info@ivgid.org) inquiries (I thought these were Heidi White's duties);
2. Assist with Board memorandums (even though we don't require your assistance Ms. Herron. Especially when any such administrative assistance can be provided by a far less expensive employee than you the DIRECTOR of Admin Services);
3. Attend staff and Board meetings (I attend Board meetings and it doesn't cost the District anything! So why is Ms. Herron paid to do the same thing? Or better yet, why doesn't she watch them at home on her uncompensated time? We have livestream, don't we?);
4. Work with the public as needed (except Ms. Herron certainly doesn't work with Frank Wright nor me. And we don't require her "work." And a volunteer intern could provide the same "work" for a fraction of what Ms. Herron is charging the District);
5. Process paperwork (are you for real? Where I come from this is called paper peddle pushing and you don't get paid for it);
6. Work at the pleasure of the GM (meaning if the GM doesn't ask you to do anything, that's exactly what you do! And besides, I thought a portion of Heidi White's salary and benefits was being allocated to our GM. Which means why are you getting in the way? For twice the price?);
7. Work on public records requests [even though you are no longer our Public Records Officer ("PRO"). That's Heidi. And the cost of a PRO is far less than what you're costing the District];
8. Worked extensively on the 2023-24 and 2024-25 budgets (so now you're a finance professional Ms. Herron? What do we have a Finance Dep't for? Why do we have finance professionals? What are you able to do that they cannot? And who's being paid more? You or the accountant/data entry people in Finance? Ms. Griffith tells us she has had to hire two temporary finance people. WHY? We've got Ms. Herron. Just listen to her. But since Ms. Herron wasn't paid for tasks such as these, it's time to eliminate her position. It's worthless.);
9. Attended Pool Pact leadership conference (even though Ms. Herron ISN'T in risk management. That's not her job).

So here we have the evidence again. Ms. Herron's job was a political payoff by former GM Indra Winqest. A "thank you" at local parcel owners' involuntary expense for her allegiance to the cause. There's no real job for Ms. Herron to do now that we've hired Heidi White. And Ms. Herron's job title is a joke because whatever it is she claims she does, has nothing to do with the duties of a highly skilled and overpaid "director." And the cost to us for Ms. Herron to do whatever it is she claims she does is OUTRAGEOUS!

Let's continue the theme. Shall we? What other employees do we have who have meaningless jobs with little work to do so they can work on other District tasks that don't require their skill and overpaid salaries? I am certain dozens. But let's address one whose name immediately sticks out. Kari Ferguson. What is Kari's job? Communications coordinator. What are the duties of a communications coordinator? Basically to spew District propaganda. So why is she spending her time helping out Public Works? Working so tirelessly to complete a required Lead Service Line Inventory? Bueller? Bueller?

That's right. Page 70 of the Board packet includes Kate Nelson's heart warming thanks to Ms. Ferguson who assisted in developing a database for regulatory compliance. So obviously we don't have enough work for Ms. Ferguson to complete in her present job title. So why isn't the job eliminated? Or why isn't it converted into a part time seasonal job versus the full time fully benefited one that it is? And if I knew who Jim Youngblood, Kaylen Prior, Caitlin Dunnington, Darel Barlow, John Williams, Teri Fitzpatrick, Deon O'Leary, Heidi Roessel, Diana Rob and Michael Harrigan were, and what their jobs were, I'd likely be making the same observations about their job titles.

We have a new Board coming into office. You're faced with a financial reporting disaster. You need to eliminate the waste and wrongful overspending which permeates everything we do. The misrepresentation and misapplication present here is rampant. It needs to be addressed. And the low hanging fruit you can immediately pick is eliminating worthless jobs like Ms. Herron's.

Respectfully, Aaron Katz

## **EXHIBIT “F”**

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Susan Herron  
Director of Administrative Services

**SUBJECT:** Administrative Services Activities in October and Planned Activities in November

**DATE:** November 1, 2024

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Following is a bulleted list of the items accomplished in October and in no particular order:

- Monitor and respond to info@ivgid.org inquiries
- Assist with Board memorandums
- Attend Staff and Board meetings
- Work with public as needed
- Process paperwork
- Work on any special projects as requested by the District General Manager
- Work on public records requests
- Attended POOL/PACT Leadership Conference
- Worked extensively on the 2024/2025 budget and 2023/2024 budget

Following is a bulleted list of the items that may be worked on in November and in no particular order:

- Monitor and respond to info@ivgid.org inquiries
- Assist with Board memorandums
- Attend Staff and Board meetings
- Work with public as needed
- Process paperwork
- Work on any special projects as requested by the District General Manager
- Work on public records requests
- Filled in for the District Clerk during her vacation

# **Venue Status Reports October 2024**

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD'S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEM F(2) – STAFF'S EFFORTS TO NOT  
ENFORCE THE PENALTY ASPECTS OF ORDINANCE 7 INSOFAR  
AS LOCAL PARCEL OWNERS' FAILURE TO TIMELY PAY THEIR  
IVGID *AD VALOREM* TAXES, RECREATION (“RFF”) AND  
BEACH (“BFF”) FACILITY FEES WHICH COSTS THE  
REST OF US DEARLY**

**Introduction:** Well here's yet “another one” (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it's staff's refusal to enforce the penalty policy aspects of Ordinance 7 against those local parcel owners who fail to pay their *ad valorem* taxes, RFF and BFF in a timely manner. And that's the purpose of this written statement.

**My November 11, 2024 E-Mail to The Board**<sup>2</sup>: On November 11, 2024 I sent the Board an e-mail bringing members' attention to staff's less than ethical attempts to avoid suspending the recreation privileges of local parcel owners having delinquent *ad valorem* taxes, RFFs and BFFs outstanding as of October 1, 2024. Costing the District tens of thousands of dollars annually, and making a mockery of the system to the remainder of we timely payors. Rather than recounting the substance of my comments, I refer the reader to said Exhibit “D.”

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their RFFs/BFFs are concerned. All because staff refuse to enforce what Ordinance 7 clearly instructs. As I've pointed out so many times before, these examples are all “red flags” of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I've provided more evidence.

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit “D” to this written statement.

<sup>3</sup> NRS 207.370 instructs that “criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies).”

Besides forthwithly taking the action requested (suspending delinquent payors' recreation privileges), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of... any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).



## **EXHIBIT “D”**

## Re: Nov 13, 2024 BOT Meeting - Agenda Item F(2) - Report to The BOT re Rec Fee Delinquencies And ¶44 of Ordinance 7

**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Crocker Karen <kcrocker56@yahoo.com>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Item F(2) - Report to The BOT re Rec Fee Delinquencies And ¶44 of Ordinance 7  
**Date:** Nov 11, 2024 4:55 PM

Chairperson Schmitz, Other Honorable Members of the IVGID BOT, and Trustee Elects Michaela, Michelle and Mick:

It just continues and continues. Now it's Do as I Say and not as what's written. Also known as do as I'd like it to be rather what I've told you it is. Also known as discriminatory application of BOT policies because of unintended (because your staff was too dumb to think that far) consequences.

More wasteful and utterly STUPID examples of what our staff has been doing for decades. And at local parcel owners' expense. Thank you very much!

This time it's punishing local parcel owners for the refusal to enforce the consequences of non-compliance with Ordinance 7!

Ordinance 7 has been in existence for 26 years. It has gone through a number of iterations, the last one being 2022. Under chair Schmitz's watch no less. The equivalent of current ¶¶43-44 of the ordinance have been in existence for some number of years. And what do they tell us?

1. "All property taxes (including IVGID's), special assessments and Rec Fees (levied against a non-exempt IV/CB)...parcel, **must be paid** for the current and (all) prior years (in order) to maintain (a) **parcel's eligibility** for Recreation Privileges." Period!

2. In other words, if you're not current for any reasons whatsoever, you're in default. Period!

3. Only those "**District Parcel(s)** which...ha(ve) paid in full the(ir) current Recreation Fee, (are) **eligible to receive Recreation Privileges.**"

4. In other words, if you're not current for any reasons whatsoever, you're not eligible to receive recreation privileges. Period!

5. "The District('s) Recreation Fee must be paid by October 1 of the year billed in order (for the assessed **parcel**) to continue **receiving Recreation Privileges.**"

6. Actually, this one gives local parcel owners a reprieve. The first installment of property taxes is due the third Monday in August (see page 90 of the Board packet). So if you're delinquent, and you become current prior to October 1, you can continue receiving recreation privileges. Even though you were in default.

**These are the rules. FOLLOW THEM!**

**Preface:** Have you people ever stopped to ask yourselves what recreation privileges parcels of property receive or don't receive in consideration of payment of the Rec Fee? After all, NRS 318.201(1) is quite clear in instructing that the Rec Fee can **only** be assessed and collected against "each parcel of real property (actually) receiving...services and facilities...for such year." So what exactly are those services and facilities aka recreation privileges described in Ordinance 7? That answer appears at ¶38 which instructs that "Recreation Privilege(s) means any privileges of recreation

access or special rates afforded to IVGID Recreation **Pass Holders or Recreation Punch Card Holders** (i.e., **people**) including the privilege to provide admission for Guests, as provided for in this Ordinance 7." In other words, ¶46 instructs that "every eligible Parcel may receive any combination of up to five (5) IVGID Recreation Passes or Recreation Punch Cards." **THOSE ARE YOUR SO CALLED PRIVILEGES.** Membership cards like Costco, Sam's Club Prime, Best Buy Plus, Walmart Plus, etc., etc.

But these types of **recreation privileges are to people.** Properties can't take advantage of "special rates" (i.e., user fees) at the District's beaches or public recreational venues. Nor membership cards. **Yet the Rec Fee is charged to real property based upon the premise recreation privileges have been furnished to real property.** Since you Board members know this isn't true, how can you possibly continue to apply the farce?

So if we're challenging the language in Ordinance 7 which applies to the suspension of recreation privileges, **why aren't we challenging the language in Ordinance 7 which tells us recreation privileges are provided to people even though we can only charge the Rec Fee where those privileges are furnished to real property?** If one is wrong, both are wrong. Or as I like to say so often, these are the results insofar as everything this District does. **The District's Collection of The Rec Fee is Contrary to Law:**

**Continuing,** the history of this matter is far, far different than Karen Crocker recites. From a person, no less, who only came to our community as an employee a handful of months ago. Yet she supposedly knows? What we have here is another example of the cancer in our community. Susan Herron! **When are we going to remove this impediment to nearly everything rational we're supposed to be doing in our community?**

Let me remind all of us. In 2022 our former chairperson, deadbeat Timothy Callicrate, acquired control of a local parcel of property previously belonging to his recently deceased 93 year old wife of two months. And true to form, he didn't pay his first two real estate tax/Rec Fee assessments. I and others I knew at the time alerted District staff and the Board to this state of affairs, and demanded the District enforce the aforementioned provisions of Ordinance 7 to suspend chair Callicrate's recreation privileges. Well of course we have a double standard here in IVGIDville. So when staff were pretty much pressed into a corner over this subject, and didn't want to suspend chair Callicrate's recreation privileges, in November of 2022 Paul Navazio responded with a proposed new analysis and procedure (see page 89 of the Board packet) to allow Callicrate to retain his recreation privileges by stating the following:

"The criteria historically used by the District to determine parcels subject to suspension of recreation privileges due to non-payment of recreation facility fees, **differs somewhat from the specific language contained in Ordinance 7, Section 44. As such, the Board may wish to consider revising the language in Ordinance 7, relative**" to this matter. Okay. So how did the Board respond at the time? Even though the Board and primarily chair Schmitz made modifications to Ordinance 7, it **refused** to change ¶¶43-44. So we're here today as we were two years ago when the policy was as it is today: **be current on your property tax and rec fee payments, for the current fiscal year, by October 1, or your recreation privileges will be suspended for the remainder of the fiscal year.** Harsh? Yes. But these sections say what they say, and mean what they mean. And since many in our community can't follow the rules, they need to be treated like children.

And now history has repeated itself. Trustee elect Michelle failed to pay the taxes and rec fees for the current fiscal year for at least two of her IV parcels, as of October 1. And instead of applying the language of ¶¶43-44 against Michelle and her spouse, our wonderful staff are using their platform to avoid doing what the rest of us timely paying parcel owners insist staff do. Coming up with the craziest rational one can envision. Suspend Michelle's/her spouse's recreation privileges. Anything less is not fair to the rest of us. And why are these people being given a pass?

Karen Crocker's background analysis is garbage. First of all, she's a lay person. And not qualified to be interpreting IVGID's ordinances. Second of all, she knows nothing of staff history. She has only been here for a couple of months! She knows what ¶44 instructs, but obviously, she refuses to carry it

out. Which is not the job of staff. And third of all she's listening to the cancer in our community. And she refuses to come clean.

Fourth of all, she asserts our policy can't conflict with the county's policy insofar as "payment status" is concerned (see page 90 of the Board packet). Who says?

Fifth of all, she asserts that even if a parcel owner is delinquent in payment, since he/she has the opportunity to pay that delinquency, upon doing so the parcel owner is entitled to reinstatement of his/her recreation privileges (see page 90 of the Board packet)/ Where does Ordinance 7 say this? Why do we disregard Ordinance 7 and follow Ms. Crocker's unsupported by anything reasoning?

Sixth of all, she asserts Ordinance 7 says that if ALL of the Rec Fee isn't paid in full by October 1, even though all of it isn't technically due, that's a reason to ignore Ordinance 7 (see page 91 of the Board packet). Again that's not what Ordinance 7 says and we're only talking in Ordinance 7 of the first installment of taxes/Rec Fee owed. **Either pay the first installment, or at least bring deficiencies current by October 1, or you lose your privileges.**

Seventh of all, she asserts that those who have mortgages and those mortgages have escrow accounts to pay taxes, somehow can't comply with the county's installment payment provisions (see page 91 of the Board packet). This is garbage. Lenders that pay taxes make those payments prior to their county delinquent dates. And besides, not all parcel owners have mortgages. So you're going to penalize the remainder of us?

Now, stupid, stupid, stupid staff again! At page 93 of the Board packet Ms. Crocker tells us the county does NOT pass through delinquent fees and interest even where a District parcel is delinquent in payment and NRS 318.201(12) instructs that: "All laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of **delinquency**, correction, cancellation, refund, redemption and sale, are applicable to" our Rec Fee and of course our ad valorem taxes. Why not? The county is our collection agent and has no right to charge our parcel owners penalties and interest for the non-timely payment of **our** taxes and Rec Fees, and then pocket the money. And staff has hidden this fact for how long? And not gone after the county for its breach of duty as a collection agent? **What's wrong with you people?**

Is this remedy harsh? Yes it is. But that has been the policy here for decades. And Michelle knew this before she purchased here because Ordinance 7 has been in effect since she got here. And maybe now that this policy has been squarely impressed upon her, Michelle will remember in the future what apparently she forgot in latter August of this year. And in the end, staff's behavior proves what has already been the case. They're not working to support the public, they're the cause of more non-transparency, waste and the loss of many tens of thousands of District dollars!

Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE  
WRITTEN MINUTES OF THE IVGID BOARD’S SPECIAL NOVEMBER 13,  
2024 MEETING – AGENDA ITEMS G(2)-G(6) AND H(3) – PUBLIC  
WORKS DIRECTOR KATE NELSON’S REFUSAL TO MAKE ANY  
BUSINESS DECISION WITHOUT FIRST SECURING THE  
BOARD’S ATTORNEY’S APPROVAL WHICH ENDS  
UP UNNECESSARILY COSTING LOCAL PARCEL  
OWNERS THOUSANDS OF DOLLARS**

**Introduction:** Well here’s yet “another one” (**AGAIN**) as my friend DJ Kahled would say<sup>1</sup>. More evidence of staff incompetence, lack of knowledge and professionalism, and a flagrant disregard for the financial sustainability of the District and involuntary costs assessed local parcel owners. This time it’s Kate Nelson’s matter of fact reliance upon attorney Sergio Rudin to approve essentially every business decision she makes. And that’s the purpose of this written statement.

**My November 12, 2024 E-Mail to The Board**<sup>2</sup>: On November 12, 2024 I sent the Board an e-mail bringing members’ attention to Ms. Nelson’s continued reliance upon the Board’s attorney for his review and approval of essentially every business matter Ms. Nelson makes. Whereas other venue managers (Mike Bandelin and Mike Gove) are fully capable of making their own business decisions. Rather than recounting the substance of my comments, I refer the reader to said Exhibit “C.”

**Conclusion:** This staff behavior just keeps happening over and over and over again. Unqualified, incompetent. over compensated, and deceitful staff get replaced by even more unqualified, more incompetent, more over compensated, and more deceitful staff. Engaging in activities having nothing directly to do with furnishing facilities for our public recreation, yet costing local parcel owners dearly insofar as their Recreation (“RFF”) and Beach (“BFF”) Facility Fees are concerned. All because Kate Nelson is not qualified for the position she holds, and the ends justify the means. As I’ve pointed out so many times before, these examples are all “red flags” of a criminal syndicate<sup>3</sup>. And you wonder why your RFF and BFF continue as involuntary subsidies, and are as high as they are? Now I’ve provided more evidence.

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<sup>1</sup> Go to <https://medium.com/cuepoint/the-old-people-s-guide-to-dj-khaled-5618a5aa52b1#:~:text=Another%20One%20%E2%80%94%20One%20of%20the,of%20shoes%2C%20or%20something%20else.>

<sup>2</sup> That e-mail is attached as Exhibit “C” to this written statement.

<sup>3</sup> NRS 207.370 instructs that “criminal syndicate means any combination of persons, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activit(ies).”

Besides forthwithly taking the action requested (removing Kate Nelson from her directorship position and replacing her with someone who is truly professional and efficient), I must ask when is the Board going to put members' collective feet down and put an end to these practices? Given NRS 318.515(1) states that where the: "(a) district...is not being properly managed; (or, its) (b) board of trustees (for the)...district is not complying with the provisions of...any...law;" when will the Board notify the Washoe County Board of Commissioners to hold a hearing to consider whether to: (a) adopt an ordinance (substituting)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) adopt an ordinance providing for the merger, consolidation or dissolution of the district...(c) file a petition in the district court...for the appointment of a receiver...or, (d) determine by resolution that management and organization of the district will remain unchanged?"

Don't you Board members think the time has come to act fiscally responsible by having the county assume supervision and jurisdiction over the district? Because obviously, this episode proves we're not qualified to properly manage our affairs.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

## **EXHIBIT “C”**

## Re: Nov 13, 2024 BOT Meeting - Agenda Items G(2) - G(6), H(3) - The Waste or Non-Disclosure of Attorney's Fees on Routine Business Matters

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**From:** <s4s@ix.netcom.com>  
**To:** Schmitz Sara <schmitz\_trustee@ivgid.org>  
**Cc:** Dent Matthew <dent\_trustee@ivgid.org>, Tonking Michaela <tonking\_trustee@ivgid.org>, Noble Dave <noble\_trustee@ivgid.org>, Tulloch Ray <tulloch\_trustee@ivgid.org>, Crocker Karen <kcrocker56@yahoo.com>, Mick <homan4ivgid@gmail.com>, Michelle <jezycki4ivgid@gmail.com>  
**Subject:** Re: Nov 13, 2024 BOT Meeting - Agenda Items G(2) - G(6), H(3) - The Waste or Non-Disclosure of Attorney's Fees on Routine Business Matters  
**Date:** Nov 12, 2024 10:34 AM

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Chairperson Schmitz, Other Honorable Members of the IVGID BOT, and Trustee Elects Michaela, Michelle and Mick:

It just continues and continues. More wasteful and utterly STUPID examples of what our staff has been doing for decades. And at local parcel owners' expense. Thank you very much!

1. Agenda Item G(2) - Approve not to exceed \$13,800 purchase order for pest control vegetation management aka landscape maintenance on various roadways. Advanced by our PW Director, Kate Nelson. This "Agreement...has been reviewed and approved by District Legal Counsel" (see page 349 of the Board packet).
2. Agenda Item G(3) - Approve effluent storage tank no additional cost contract extension. Advanced by our PW Director, Kate Nelson. "District legal counsel has been reviewed and approved this contract extension" (see page 362 of the Board packet).
3. Agenda Item G(4) - Approve not to exceed \$6,100 agreement to support upgrade of ESRI ArcMap. Advanced by our PW Director, Kate Nelson. This "Agreement...has been reviewed and approved by District Legal Counsel" (see page 367 of the Board packet).
4. Agenda Item G(5) - Approve another not to exceed \$48,000 janitorial service agreement at Diamond Peak. Advanced by our DP venue manager, Mike Bandelin. Conspicuously, there is no added on cost identified for Legal Counsel's review and approval. However, the attached agreement does provide a place for Legal Counsel's "review as to form" (see page 388 of the Board packet).
5. Agenda Item G(6) - Approve not to exceed \$8,800 agreement for RTP Chart of Accounts Alignment Services. Advanced by our IT Director, Mike Gove. Conspicuously, there is no added on cost identified for Legal Counsel's review and approval. However, the attached agreement does provide a place for Legal Counsel's "review as to form" (see page 409 of the Board packet).
6. Agenda Item H(3) - Approve another \$77,168 janitorial service agreement at the Rec Center. Advanced by our interim GM, Karen Crocker. Conspicuously, there is no added on cost identified for Legal Counsel's review and approval. However, the attached agreement does provide a place for Legal Counsel's "review as to form" (see page 491 of the Board packet).

So what's common here?

1. Every time Kate Nelson seeks approval of a contract or purchase order she has approved, as a matter of course she first seeks the review and approval of attorney Rudin **at an additional unidentified cost**.
2. In other words, even though Kate Nelson is a "director," she lacks the qualification to present any proposed contract or purchase order (even here for janitorial services) without securing the attorney's review and approval.



3. In contrast, every other director or venue manager (here Karen Crocker, Mike Gove and Mike Bandelin) either seem to be able to perform this function without first securing the review and approval of the Board's attorney, or they do first seek that approval and notwithstanding, intentionally fail to mention this fact in their respect staff memos. **Which one is it?**

The point is that every time the Board's attorney touches anything IVGID, we are charged an add'l \$300/hour or more. Which on a \$6K or \$8K contract/purchase order makes no financial sense. Especially when those contracts/purchase orders have already been developed for future use by Mr. Rudin. It's an unnecessary waste of local parcel owners' monies. Furthermore, it's a mis-use of Mr. Rudin's services inasmuch as he's supposed to be the Board's attorney rather than staff's. As I have observed so many times, if staff requires the services of an attorney, why doesn't the GM simply hire one like he hires IT or HR professionals? We have clearly abdicated this responsibility to our GM, so why doesn't he/she use it? The cost to have an in house attorney will be a fraction of that of Mr. Rudin. Further, we can secure a professional well versed in Nevada rather than California (Mr. Rudin comes from California) law.

One final point. AGAIN, these facts make the case Kate Nelson lacks the qualifications necessary to be a Director of Public Works. She should be replaced.

Respectfully, Aaron Katz

Good Evening,

I am here tonight to request the Board of Trustees delay the selection of the General manager until after the first of the year to allow the newly elected trustees to participate in the selection process.

The new General manager will be their only employee as well.

Thank you

SHERRI HOLMSEP

Kristie Wells | Incline Village Resident  
November 13, 2024

Tonight, we're witnessing the ongoing interviews for the General Manager position, as the Chair pushes forward with a rushed decision that will deeply impact our District's leadership and future. Fast-tracking such a critical hire feels not only reckless but also dismissive of the incoming board, which will assume office in just a few weeks.

On that note, congratulations are in order. I'm thrilled to welcome Mick Homan and Michelle Jezycki as our newly elected Trustees, and Michaela Tonking, who was re-elected to continue her great work. Mick, Michelle, and Michaela ran on a platform emphasizing transparency, financial responsibility, fair treatment of staff, and preserving the District's portfolio model. They each secured nearly 25% of the total votes cast, achieving a decisive, and shall I say landslide win, that sends a clear message about the values this community upholds.

The election results leave no doubt: the community does not support the current board majority's direction. Voters clearly rejected candidates who aligned themselves with the existing majority of Schmitz, Dent, and Tulloch. This outcome reaffirms the groundswell of community concerns that led to recall efforts—efforts that likely would have succeeded if they had been allowed to proceed. Trustee Tulloch, I hope it's clear now: your constituents are watching closely. They expect fair treatment for employees, thoughtful investment in our facilities, and a focus on the needs of all residents—not just a select few. As you enter year three on the board, I hope you'll take this mandate to heart.

Turning back to the immediate issue: As the new board prepares to take office, it's critical that their vision be allowed to guide the future of our District. While Michaela, as a sitting Trustee, will participate in the hiring decision, I understand the Chair has not reached out to Mick or Michelle for their feedback on the candidates. This feels like a blatant dismissal by the Chair—a “screw you” move to both the new Trustees and the voters who elected them. Sadly, it's yet another example of a leadership style that appears more focused on leaving a narrow, short-sighted stamp on the District than on building consensus for long-term success.

Since it's clear the current board will not delay the General Manager decision, <sup>AM GLAD</sup> ~~Hope Mick~~ and Michelle use <sup>JK</sup> public comment to share their perspectives on this critical hire. Given the Chair's exclusion, their voices are essential for the community to hear.

Lastly, I urge the board to learn from past missteps by including an opt-out clause in the contract. This would allow the incoming board to make necessary changes without incurring costly penalties if the new General Manager doesn't align with the District's needs—a mistake we simply cannot afford to repeat.

Thank you.

Good evening, Michelle Jezycki, Incline Resident and Trustee Elect,

I want to speak this evening about the most important and only position the Board manages, the General Manager. Despite calls from the community to postpone making a decision until the new board is seated, it is clear the current board has no intention of doing so. Neither Trustee Elect Homan nor I were invited to participate in any conversation regarding the new hire we would be responsible for managing for the next few years. However, the top 2 candidates, Robert Harrison and Ana Cortez took it upon themselves, knowing full well and having experienced the implications of a new board coming into the scene, if hired by the former, that their roles could be fragile or short lived. I appreciate the initiative they both took to reach out. I found our conversations both enlightening and informative.

So while I was not asked to participate, I find this the only opportunity to provide my professional opinion.

Although I was not contacted by Mr. Walrack I appreciate his enthusiasm for the position and his extensive experience and influence in the Food Supply Industry. I think he could make an excellent impact in an advisory capacity for our Food and Beverage operations.

Ms. Cortez has years of experience in city and municipal government and has held roles in many communities, although some for a shorter period of time. She is enthusiastic about this position and demonstrates a focus on the business at hand.

Mr. Harrison has long standing and far reaching leadership experience. He has held numerous leadership roles within the ICMA and the Hispanic Network, which demonstrates not only leadership competencies but the trust of his professional colleagues in the field. In both his interview and our conversation, he seems the most focused on the rebuilding staff, rebuilding public trust and handling the behemoth in the room, our finances. Mr. Harrison has hands-on experience with the Tyler Munis system in multiple applications of his job history and was instrumental in helping communities upgrade their bond ratings. His professional achievements are not only impressive but applicable to the work that needs to be accomplished here. Further, his proficiencies in applying the HPO or High Performance Organization and LEAN models of management, would be a refreshing opportunity for development and growth throughout our Team.

So, if you will not wait for this very important decision to be made until after we are sworn in, I would recommend moving forward with Mr. Harrison as our next GM as in my professional opinion he would be the best fit of the given candidates, once he clears any requisite background and other hiring requirements.

I would also recommend that, if the Board intends to decide on the GM today, that the push to hire the next Finance Director of IVGID be paused until Mr. Harrison can lead that effort as that will be his most important hire to begin his new role. There is no need to rush it through at this point and given his experience, and additional incoming expertise joining this board, we have the opportunity to truly set up our Team for the greatest chance of success.

Thank you and I wish you a productive evening...  
Michelle Jezycki

Kristie Wells | Incline Village Resident  
November 13, 2024

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Thank you.