

MEMORANDUM

TO: Board of Trustees

FROM: Sara Schmitz, Chair

SUBJECT: Review and discuss the Board’s goals for 2024

DATE: December 2, 2024

In December of 2023, the Board received governance training and discussed the provided, and attached, Guide to Decision Making. The first step is to clearly define the problem(s) to be solved followed by generating ideas on possible solutions to the identified problem(s). By using this approach, the Board has tools and a framework to help define the problems to be addressed over the year. The clearly defined problems faced by the District, when prioritized, help the Board define what it would like to accomplish, in other words to define the Board’s goals. Beginning with agreed upon goals, the Board may more clearly and precisely provide direction for staff and set the Board and staff up for a successful year.

The below information was presented for discussion and potential revision at the BOT meeting held on January 31, 2024. The information was reviewed and approved by then Interim General Manager Bandelin and the Interim Director of Finance Magee prior to being presented to the Board. The feedback from them both was that they felt this approach would be helpful for staff and bring clarity to the issues the board wants to address this coming year. The “problems” and “potential solutions” are not an exhaustive list, but are for the board to discuss and modify, as they see fit.

At the BOT meeting on January 31st, there were no recommended revisions to the identified goals.

As the Board is approaching the end of the calendar year, this is a time to reflect on what has and has not been accomplished and provide the incoming Board with goals to be considered for 2025.

Below are problems to be solved and possible solutions as presented in January. We are in step 2 of the problem-solving process entitled “Possible Solutions” with the **status in red text**:

2. Possible Solutions - Prioritize it – Why now?

- a. Ideas for consideration each *identified problem* include:
 - i. *We have an Interim General Manager.*
 - 1. **Develop an employment contract and hire a General Manager. – While the board had considered this task complete, the Board began the recruitment process for a new GM in June 2024 with Mr. Walrack being hired as the General Manager.**
 - ii. *The District’s contract with legal counsel expired as of 12/31/2023.*
 - 1. **It is anticipated the board will approve an extension of the contract, with a mutually agreed upon termination clause. That action, if taken, will allow the board to work with the new General Manager and determine if an RFP is to be solicited. While this was complete for 2024, the Board deferred issuing an RFP. The agreement with BBK is anticipated to be changed to a month-to-month agreement while staff and the Board issue an RFP for legal services in 2025.**
 - iii. *Board packet materials are at times too vague and don’t lead to quick decision making.*
 - 1. **Implement a new format for board memos that answer the decision-making questions to allow the board to make quicker decisions. This stems from the board’s training with FlashVote. This may be a goal for the newly hired GM; to improve the Board packet materials for the ease of decision making. Some members of staff have been identifying Board Decision points in their memos, which has helped to keep the Board focused and address the issues staff is challenged with.**
 - iv. *Lack of community engagement and knowledge of board activities.*
 - 1. **Conduct quarterly town hall meetings. The Board held 2 townhall meetings this calendar year. They were well received by the community and staff. The 2025 Board may choose to continue with these townhall meetings.**

2. **Produce a board synopsis in a timely manner. The goal was to post synopsis by the Friday after BOT meetings. This has been a challenge to accomplish when committee meetings are held during the week of a BOT meeting. This is a 2025 decision point.**
 3. **Continue to strive for improved financial transparency. OpenGov, reporting, etc. Town hall meetings have been scheduled in the first quarter. This has been an unfulfilled goal. Financial reports are not available in a timely manner, OpenGov is not up to date and the Financial Transparency page of the District's website is not being updated in a timely manner. CIP projects are out of date as well.**
- v. *The District's annual audits have consistently identified material and substantial weaknesses in our annual audit report. Most frequently have been issues related to internal controls.*
1. **The DOF is to complete the necessary staffing to address the long-standing issues related to accurate and timely financial reports, the development and adherence to Internal Controls and management to Standard Operating Procedures. At mid-year, the Board was given the following update "While there is still work to be done, the department is fully staffed, trained and actively working on continuous improvement of Internal Controls and Standard Operating Procedures."**
As we approach the calendar year end, the Board once again is confronted with staffing issues due to the unexpected resignation of the Assistant Director of Finance. The Director of HR is actively recruiting a Director of Finance. This is a high priority.
 2. **The DOF to identify the items in the Moss Adams report (dated August 25, 2022) to be addressed in the 2024-25 fiscal year. The status of this item is unclear.**
- vi. *Punchcards have been an ongoing challenge for accounting, confusing for our constituents and have an impact on our point-of-sale systems (anticipated to be replaced beginning in 2025).*

1. The board and staff work together to find a better solution for the constituents and the District. This will require identifying all of the problems with punchcards and identifying proposed solutions and an implementation plan. **No Board action has been taken on this item.**
- vii. *Tension and concerns between the board, the various golf committees, and the community.*
1. The board and the golf clubs develop and execute MOU's for transparency and clear understanding. **At mid-year the status was "Legal Counsel has worked with staff to prepare a club policy for the Board's consideration." It is anticipated this will be brought to the Board for consideration in December 2024.**
- viii. *There continues to be a lack of understanding of the board's direction related to maintaining our infrastructure/venues and the pricing policy for services.*
1. **Affirm the board desires the water infrastructure, sewer infrastructure, Community Services venues, our beaches and our parks are being adequately maintained. Maintenance includes both expenses as well as periodic capital improvement projects to extend the life of District assets. During the budgeting process, staff identified the needed budget to maintain the District venues and infrastructure. This budget was approved as part of the 2024-25 budget.**
 2. **During the budgeting process, for staff to present to the Board the current state of District-wide maintenance, deferred maintenance, and ongoing maintenance needs. COMPLETE with budget.**
 3. **During the budgeting process, for staff to clarify in the pricing policy and pricing pyramid how rates for programs, services, charges for services are determined. Not completed. This effort was intended to be included as part of the budget process; however pricing Practice 6.2 was not updated prior to the budget process. This needs to be completed to better facilitate pricing for future budgets and pricing of services.**

4. **Set rates for water and sewer that ensure fund balance is on a trajectory to comply with Board Policy. To be discussed as part of the rate setting meeting for water and sewer rates.**

- ix. *Policy and Procedure Number 136 (AKA as the free speech policy) created conflict and complaints from constituents. Emails received by the board included complaints of being an involuntary audience and having a negative impact on the enjoyment of recreation facilities, both violating the policy.*
 1. **Update Policy and Procedure Number 136 to specifically identify areas at each venue for free speech. COMPLETE**

- x. *Board priority projects have not been advanced as anticipated. The Incline Beach project and the Skate Park improvements are two examples from 2022.*
 1. **The District Project Manager provides quarterly updates on the status of all projects to ensure the board is informed of the progress of prioritized, budgeted projects. Not being done by staff. This needs to be on the long-range calendar each quarter to keep the Board informed. Staff hasn't been able to obtain financial information and due to this as not delivered quarterly CIP updates. This needs to be corrected ASAP.**

 2. **Select design with cost estimates for the Incline Beach house that include improved ingress and egress for cars and pedestrians. Construction to be completed in 2025. In progress. Stalled due to cost estimates and the Board's interest in reviewing the food and beverage financial results. Again, financial information was created by venue managers using spreadsheets instead of making use of the financial system. Not all costs, such as Central Services Costs, were included in the provided financial reports. The Food Truck concept appears to be a viable option.**

 3. **Complete the Skate Park improvements in compliance with the \$250,000 ARPA Grant from Washoe County. In progress. It has just recently been identified that the funding for the project was**

excluded in the budget. The Board will be discussing this issue at their meeting in December.

4. **Complete a comprehensive 5-year Capital Improvement plan with a planned deliverable schedule and high-level cost estimates for each project to be completed in the 5 years. Ideas for inclusion on the plan include, but are not limited to the following:**
 - a. The effluent pipeline project is on schedule. **YES**
 - b. Complete the installation of the effluent storage tank. **In progress.**
 - c. Priorities identified in the FlashVote survey include improvements at Snowflake Lodge and expansion of the Recreation Center. These two were significantly the highest of importance to our community. **On CIP plan.**
 - d. Plan for implementation of a new Point-of-Sale system (this is a staff priority). **The POS assessment project is nearing completion.**
 - e. Others?

- xi.* **Contracts and project management to contracts continue to be areas for improvement.**
 1. **The Interim General Manager/General Manager and senior staff to set expectations and accountability. COMPLETE**

 2. **The Interim General Manager/General Manager set expectations and accountability to ensure all contracts and MOU's are up to date and in compliance for periodic board review (on the long range calendar to comply with the contract/MOU). Been on-hold since September of 2021. This must be resolved. The first contract to be brought into compliance is the North Lake Tahoe Fire Protection District agreement.**

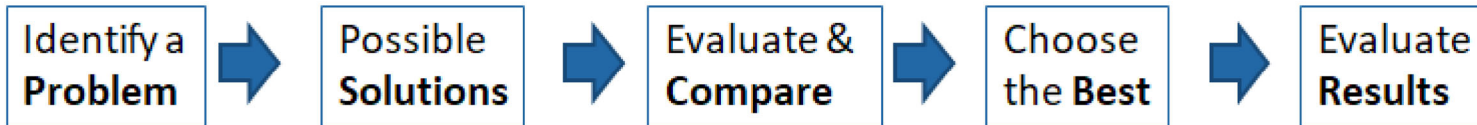
- xii.* **The District is without a current strategic plan.**
 1. **Based upon the Moss Adams report (dated August 25, 2022), for the board to determine how best to move this effort forward. It may include hiring a consultant to facilitate the process and draft a plan for possible board approval. Not yet started.**

- 2. Evaluate and Compare - What are the possible solutions? Generate ideas and evaluate solutions. What are the benefits of each possible solution? What are the trade-offs of the potential solutions? How do people value the trade-offs?**
 - a. What are the board's 2024 priorities? What in the list above are selected and/or what others are to be added?

The following steps of the decision-making process, per our board training, will be addressed as we move initiatives forward. This agenda item is to discuss and agree upon 2024 goals.

3. Choose the BEST – Which solution is best for the public? Agree upon a common goal. What is the expected outcome? When will it be achieved? What resources are needed? Resources such as time and money are limited. What are the trade-offs of the solution's resources? Do other activities need to have resources reduced to provide this solution?
4. Evaluate the Results – Did the solution solve the problems identified? What were the surprises? Do changes need to be made? What are the impacts to resources to resolve? File an after adoption (project closure) report. Efficient - Did we do it right? Equitable - Did we do right by everyone in our District? Effective – Did we do the right thing?

Overall Guide to Decision Making



- What is the public problem or opportunity?
- How big is the problem?
- How important is it to everyone?
- Is it a public or private problem?
- What would success look like?
- Be very specific!!!

- What is the root cause of the problem?
- Why is it happening now?
- What could make the root cause away?
- What new problems might be created by a solution?

- What are possible options?
- What are the different benefits?
- What are the different costs?
- How likely is each one to work?
- How do people value the tradeoffs?

- Which one scores best for the public?
- What is the specific instruction to follow?
- What is the expected outcome?
- When will it be achieved?

- Did it work as expected?
- Where there any surprises?
- Do any changes need to be made?
- File an After Action report