

**MINUTES OF THE SPECIAL MEETING OF THE
KINGSBURY GENERAL IMPROVEMENT DISTRICT BOARD OF TRUSTEES
TUESDAY, JUNE 8, 2021**

CALL TO ORDER - The meeting was called to order at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada at 1:05 p.m. by Sandra Parks.

PLEDGE OF ALLEGIANCE

ROLL CALL – In attendance were Trustees Vogt, Parks, Nelson, Schorr and Yanish. Also, present were General Manager Cameron McKay, Operations KGID employee Judy Brewer and General Counsel Chuck Zumpft. Public attending via Zoom included Mitch Dion and Charles Hancock.

PUBLIC COMMENT – There was no public comment.

APPROVAL OF AGENDA – Vogt asked Mitch Dion if he would join the meeting at 2pm. She explained that at the last meeting, they had questions for the attorney and in addition, Trustee Schorr was not present. She stated that there is board business that they would like to discuss and request his attendance after. Parks questioned if an hour is needed or if a half hour would be sufficient.

Hancock stated that he could not hear anything being said. In response to Vogt's question, Dion confirmed he could not hear her at her seat, but could not at her other location. The microphones were tested and apparently not working except for one which was corrected.

Vogt addressed Dion and explained that the board was unable to complete some business because the attorney was unavailable and Trustee Schorr was not present. She requested if he could give the board approximately 30 minutes and to join the meeting at 1:45 p.m.

Yanish stated that she was not comfortable asking the candidate or any member of the public to remove themselves from the meeting by choice or by request. She noted that the last meeting was also a public meeting. Vogt confirmed that she verified with counsel that it is the candidate's choice. Parks suggested to proceed as is.

Vogt stated that she has issues to discuss with the board and attorney input is necessary. Parks noted that both meetings are public. Vogt suggested a vote. Yanish stated that a closed session is not agendaized. Zumpft explained that they are not suggesting a closed session, as it is a request for the candidate to excuse himself so that the board can speak more openly. Yanish thanked him for the clarification. She noted that a vote cannot be requested to ask someone to leave the meeting.

Nelson explained that there were a few items that they would like to discuss regarding the employment agreement and Dion is welcome to stay for that short period while they negotiate and discuss items with counsel. She noted that they will not be ready to present the contract for approximately thirty minutes. She noted that he is welcome to stay, but more time is needed. Vogt thanked Nelson for the clarification.

Dion stated that he is very happy to accommodate the board with their request and confirmed he will join the meeting at 1:45 p.m. The board thanked him for his consideration.

Nelson restated her motion to approve the agenda.

M-6/8/2021-1 - Motion by Nelson seconded by Vogt, and unanimously passed to approve the Agenda.

NEW BUSINESS

**DISCUSSION AND POSSIBLE ACCEPTANCE OF THE EMPLOYEE AGREEMENT FOR THE
GENERAL MANAGER AGREEMENT AT KINGSBURY GENERAL IMPROVEMENT DISTRICT:**

Parks offered for questions for Zumpft. Vogt stated that she felt a salary amount was determined; however, after talking with a friend who is familiar with Nevada employee contracts, she now better understands the benefits for the General Manager. She referenced 29% for PERS; which may be split with the District 50/50 or the employee may pay all of. Currently, KGID pays the entire amount for the contract.

McKay explained that there are two types of PERS: 50/50 and 100%. When someone starts employment, they generally split it 50/50 so that if they don't stay, they can get their money back. After five years, an employee is fully vested and receives 100%. At that time, there is a reduction in wages. He added PERS is not an optional payment. Vogt questioned the reduction in salary. McKay explained that salary is reduced a small percentage which is by law as well. PERS enrollment is required for a full-time employee.

Vogt stated that they inherited the contract today and that she would prefer additional time to obtain a contract from another City Manager, for example, for comparison. Through outside discussion, she realizes some items could be amended. In addition, she has items she would like reconsidered.

Vogt stated that under Terms, it is not necessary to say "It is the intent of the district to extend this contract...". She explained that if someone is entering the contract, it is assumed that if they perform well they will continue the following year. She noted Compensation B (which the board corrected is Item A in the revised version), third line states "Except when on leave employee will be available to perform the duties of the position during normal business hours, to attend evening meetings, to attend district business and to manage the district's response to emergencies...". She questioned who is responsible in the absence of the General Manager. McKay explained that it is generally the Operations Superintendent or whoever the Manager designates to fill it while they are on leave.

Nelson noted that in the contract provided last week, which states "Employee shall, in conjunction with the Chairperson of the District Board, provide for another district employee to act on behalf...". Parks noted this is located under Duties and Authorities. Vogt recalled a statement regarding responsibility of the Chairperson. Parks noted it states "In conjunction with a Chairperson".

Vogt stated that the old version states "The employee shall not engage in other employment during the term of this agreement" which she agrees with unless it is meaningful KGID activities. She clarified with the board that this was the intent. She stated that "Employee may be considered for a wage increase" is an assumption that doesn't need to be stated as this is always dependent on an evaluation. She commented that the contract seems out of date and she was concerned about some of the language.

Vogt continued with Employee Benefits, under B, and suggested dependents should be defined under premium for medical health, vision and dental. She questioned if elderly parents were to be included. Zumpft suggested "eligible dependents". Nelson questioned if this is defined in the Personnel Policy and McKay replied no. Parks speculated that Mitch may not be worried about his dependents.

Nelson suggested identifying dependents as "Dependent Children". Schorr questioned if the General Manager participates in the healthcare premiums under Item B. Vogt deferred to McKay. Schorr restated his question if Dion will participate in the premiums for healthcare. Vogt noted this is negotiable and Schorr stated the agreement indicates the district will pay for premiums. Schorr questioned if prior conversations of the board discussed the district paying all healthcare premiums for Dion and his dependents. He notes this is unusual for an employee not to pay some portion of the healthcare. He noted this is a large perk and amount of money. He restated his question. Vogt confirmed and noted other items were to be negotiated.

Parks noted that they were using McKay's contract and terms. Zumpft added that many items are status quo and not necessarily the desire of the board. He added it is a point for discussion. Schorr noted that McKay was deserving of these perks based on longevity. McKay confirmed that only his insurance was always 100% paid by KGID and dependents were not included. Parks confirmed this has always been the case. In response to Garden's question regarding the union, McKay explained that KGID matched the union.

Parks questioned if Schorr would like to change this. Schorr responded that he feels it is proper to have a percentage paid by the employee. Parks offered for other comments. Yanish offered to stay with full benefits since all of the other employees receive this. She added that it would be unusual for the General Manager to be different. McKay added that a dependent should be clarified. Parks suggested removing it. Vogt stated that it wasn't her intention to remove it. Parks indicated that a spouse isn't mentioned, only dependents. McKay explained that if a spouse is not working, they may be considered a dependent. Zumpft confirmed that a spouse is a dependent. Zumpft clarified that children under 25 or spouses are considered dependents. Yanish noted that there is a standard definition of dependents.

Brewer stated that it states in the policy "Full time regular employees who are regularly scheduled to work at least 32 hours per week are eligible in a group health insurance plan effective the first month following 90 days of employment. Dependents of employees, as defined in the current plan booklet may be eligible for coverage under the insurance at the employee's expense. Employees must authorize a payroll deduction in any shared healthcare coverage plan." McKay confirmed that is policy, not the union contract. The HSA is made up by KGID to bring the policy up to the union equivalent. Parks confirmed that dependents are not included.

Vogt offered to continue, noting that time is limited. She requested an amendment to the statement under Communication that says "Notwithstanding the employee shall be generally responsive". She feels this is not a legal term and would like the word "generally" removed, noting the requirement to be responsive. She requested confirmation regarding both PERS and SEP IRA. Her understanding is that SEP IRA related only to self-employed individuals. McKay explained this relates to the union agreement years ago as the SEP IRA was based on PERS at 15-16%. He explained that for a 50/50 payout, for PERS, they would make up the 8%-15% difference. Parks confirmed that has been removed from this contract. McKay added that PERS is now up to 30%, or 15% and 15%.

Vogt referenced Yanish's salary preference as indicated at the last meeting. She stated that the district pays 29% of salary to PERS. McKay confirmed that it is set by the State that KGID pays 29% of wages for each employee into PERS. Vogt calculated this is another \$39K on top of a \$136K salary. McKay confirmed this amount is taxable. In response to Vogt's question, McKay stated his health insurance cost is approximately \$1,400 per month, for him personally. Parks noted that a spouse would be an employee cost as indicated by Brewer. Nelson noted this needs to be revised as the agreement includes dependents. Parks noted it should be included as the policy defines it.

Zumpft explained that the policy denotes the requirements of the insured. The contract would dictate the responsibility of KGID if additional premiums will be paid. Zumpft confirmed that the agreement is between KGID and the employee. Extra benefits for paying insurance for benefits can be included in the contract. If this is not included, the dependent has requirements to pay their own premium. Zumpft clarified that the employer can be more generous to its employees as the insurer doesn't care who pays the premium.

McKay explained that the contract will override the policy if it's agreed to by both policies. The policy is provided for the manager and the employees. Parks requested clarification regarding dependents identified in the policy. Zumpft agreed with McKay.

Zumpft clarified that the district can decide if it wants to pay for dependent premiums. Parks replied that isn't her preference. Nelson confirmed that Item B under Employee Benefits would state "The District agrees to provide premiums for medical health, dental, vision insurance for employee under a plan offered." She questioned if a statement regarding additional dependents can be paid for by employee and Zumpft replied no. Parks confirmed dependents would be removed.

Vogt noted the employee is at-will as indicated under Termination and they can be dismissed at any time. She added that certifications or licensing necessary to be the General Manager should be identified ahead of time for approval. McKay explained that Grade III Certification (which is the license) is preferred. He added that Garden currently has a Grade III that can be utilized. The certification is preferred, but not required. There are other licenses required by the state. In response to Parks' question, McKay explained that Garden can leave on vacation

and designate someone under his license, which is legal. Zumpft explained that a license is required to operate the district.

Vogt questioned if PoolPac provides arbitration to avoid attorney's fees in a legal dispute. McKay explained that if the Manager had a lawsuit against KGID then PoolPac would represent KGID. Vogt confirmed the Manager would have to provide their own attorney. McKay replied that it is litigation, not arbitration. Vogt questioned if arbitration should be included. Zumpft noted that arbitration is not as streamlined and not as inexpensive as people make it sound. A panel of three arbitrators can be extremely fickle. He recommended presenting in front of a district judge instead of a panel of arbitrators who get paid highly. He suggested mediation as a possibility.

Vogt summarized her concerns of salary of \$136K, plus \$39K in PERS and \$15K+ for health insurance, which totals \$191K. Parks noted that the benefits were noted as additional compensation to the salaries considered for comparison. McKay explained that if PERS wasn't provided, Social Security or other payments would be required. Nelson added that social security is 7.5%. Parks confirmed that Vogt doesn't feel the salary should be increased.

Nelson suggested reviewing the other items so that Brewer could provide a draft to Dion. Nelson noted that they want to strike "Employee may be considered for a wage increase at any time". Nelson agreed as this is implied. Employee Benefits, Section B, "dependents" will be removed. Zumpft questioned if the word "only" should be added to read "insurance for employee only" and Nelson and McKay agreed.

Vogt stated that 80-hours of administrative leave is too much for someone just starting with KGID. She requested clarification of administrative leave. McKay explained that administrative leave was added because exempt employees do not get overtime and this covers board meetings and emergencies. Parks questioned how the amount was determined and McKay explained that the standard was set prior to his employment at KGID.

Vogt stated she supports 40-hours with an increase later. She offered for board comments. Nelson questioned if McKay adjusts his time the next day after attending a meeting. He stated that his contract is different than other exempt employees. He stated that he doesn't adjust his time, which may be different than other employees. Nelson questioned if the time could be adjusted to less than 40 hours per week. McKay explained that a Manager will likely be working more than 40 hours. Vogt noted that a salary employee often has to get work done in extra hours, without overtime.

Parks requested verification of the proposed terms. Yanish stated that it was calculated at the prior meeting when the benefits were added up. She verified that 80-hours of administrative leave was agreed to at the last meeting. Parks questioned if the administrative could be reduced and Yanish agreed. Nelson suggested 40-hours of administrative leave. Yanish noted this can be renegotiated later. Brewer noted that Dion was already provided with a draft. Yanish added that the board has not yet made an offer.

Schorr stated that vacation during the first year should be taken without accrual. He explained that vacation is for health benefits and family to rest. He stated that he is not in favor of accrual of vacation. McKay noted that other employees accrue time. Parks explained that the other employee terms would have to be changed. McKay cautioned that an employee can use vacation then quit immediately. Nelson commented that we should be negotiating with Dion and these items should have been addressed earlier. Parks suggested that this could be amended in future contracts and advised to start making these changes with other employees and not necessarily the General Manager.

The board verified that Yanish is comfortable with the changes. Yanish stated that we are not bound as we haven't made an offer. She suggested reviewing the main points of information. Nelson questioned if the changes should be made prior to discussion. Zumpft advised that he should be using the same agreement for reference. Parks and Brewer suggested that he mark up the changes. Zumpft clarified that Dion has the agreement from this morning, prior to the recent changes. Vogt questioned if Yanish will be speaking on behalf of the board.

Dion entered the meeting via Zoom at 1:55 p.m.

Yanish stated that she is having a hard time hearing through her speaker and requested that Parks review the items.

Parks confirmed that he has the agreement faxed to him this morning. The board verified that Dion can hear the meeting. Yanish signed out of the meeting temporarily.

Parks explained to Dion that a few changes have been made to the contract provided earlier. She stated that some minor changes have been made. McKay suggested continuing the meeting without Yanish.

Parks noted that the Duties and Authority remains the same. She noted under compensation that Item B has been eliminated as it is a mute point.

Yanish returned to the meeting.

Parks continued, stating that under Employee Benefits the line regarding employee dependents is to be removed. Zumpft clarified that the first sentence would read "The district agrees to provide and pay the premiums for medical health, vision and dental for the employee only". Parks confirmed that is for the employee only and confirmed that Dion understands the changes. Dion noted that the Employee Manual references dependents at the employee's expense.

Parks noted that Yanish was in attendance and offered to continue reviewing the changes. Yanish agreed.

Parks noted Item C under Employee Benefits would include a reduction in administrative leave of 40-hours for the first year. She offered that this can be negotiated after the first year and it seemed a little excessive to some of the board members. Parks noted that D, E & F remained unchanged. Parks requested verification of any other changes.

Zumpft noted discussion regarding potentially deleting the second sentence under Terms, first page, second section. He added that he was unaware if a consensus was met. In addition, Communication Page 2, there was discussion to delete the word "generally" on the sentence beginning with "Notwithstanding". There was discussion to explore including a mediation provision for a dispute resolution. Parks noted that attorney's fees are for this agreement. Nelson noted that for any dispute, each party would be responsible for their attorney's fees. Parks clarified it would be for this contract only. Nelson stated that mediation would be helpful. Schorr questioned why this wouldn't be included and McKay replied that it wasn't in the contract prior. Schorr commented that the attorney stated it would be proper and Vogt confirmed this with Zumpft. Parks questioned where this would be added in the agreement and Zumpft suggested a new Item H.

Yanish stated that this could be added to the contract but both parties don't have to agree to it. She noted if a mediation clause is agreed to it would bind both parties to go that route first. She supports offering mediation in this contract. Schorr, Parks and Vogt agreed. Parks confirmed Dion understood this change.

Dion requested clarification as to where this would be added into the agreement. Zumpft confirmed it would be included in General Provisions. Parks noted it would be a new letter: Item H.

Parks questioned if there were any other items to be discussed. Schorr requested clarification regarding vacation accrual and not using vacation. Nelson stated that she understood the consensus was that it was late to make this change. She added that she is not in favor of the change. Schorr stated that he would be concerned that Dion would take vacation during his year. He added that vacations have a purpose being with family and that they shouldn't be accrued. He explained that he is in favor of taking vacation and not accruing time, and would encourage employees to use the time or lose it.

Parks agreed that vacation is for mental health purposes but feels it is late to make this change. She suggested reviewing this in one year. Vogt stated that she is willing to continue with allowing for accrual as already provided. She noted it could change in the future. Parks suggested that a limit of accrual could also be considered later.

Parks confirmed this with Schorr. He restated his opinion that he prefers vacation time is utilized and prefers a decision now. He added that if he doesn't receive a consensus from the board, we can move forward. Parks requested confirmation from Yanish, but did not receive a response.

Parks offered for Dion to comment regarding vacation accrual. Dion stated that he hears Schorr's comments regarding health and noted that without accrual, it can be challenging to use vacation time. He added that normally in professional contracts, accrual is accommodated. He noted the importance of the district's liability of due to employee's having excessive accrual. He added that some level of accrual in professional contracts is utterly considered appropriate. Parks was satisfied with that answer.

Schorr questioned the amount of limited accrual. Dion noted that his prior places of employment limit to 240 hours of vacation accrual. He noted that the district should have certainty regarding the liability when occurred.

McKay stated that he is also on accrual. He added that the State does not have an accrual basis at NDEP and therefore all employees take their vacation at the end of December. The State will deny vacation during the year because they are too busy and then employees are forced to take it at the end or lose the time. Accruals allow the professional to take vacation at the appropriate time.

Schorr stated that based on the discussion he is supportive of accrual based on six weeks. Parks requested verification as the contract states eight. Nelson suggested changing it to six to be in line with the Personnel Policy because it won't affect this year. Parks restated the change.

Parks requested Dion's comments regarding the contract. He explained that he recently received the contract and hasn't fully reviewed the terms. He noted Compensation line B and questioned the districts history regarding wage increases, adding that it doesn't need to be included in the contract. McKay noted that based on the managers review, there is a yearly increase of a given percentage determined by the board. This is determined at the beginning of the beginning of the fiscal year. McKay explained that his terms included annual raises for the last four years of 3%, 6%, 3% and 3%. Parks confirmed that answered Dion's question.

Dion requested clarification regarding the vehicle use as a General Manager and requested this to be elaborated. Vogt read from the Vehicle Allowance on Page 2: "The District shall provide the employee with a vehicle for district purposes which shall be used strictly for company business and not for employee's work commute. On those occasions where the employee uses his personal vehicle, such use shall be consistent with the Districts existing vehicle use policy." Zumpft commented that this is a re-write from the last one. Vogt added that a decision was made for the General Manager to use the company vehicle as apposed for a personal vehicle allowance. Vogt questioned if that answered his question. Dion confirmed that there is a vehicle for the use of the General Manager in order to conduct business. Parks stated that the board would prefer he used the company vehicle for daily duties.

Dion questioned the phone or IT services for the 24-hour capacity which requires communication. He questioned if a District phone is provided. McKay confirmed he has a KGID phone not included in the contract that could be added. Parks confirmed that KGID pays for this. McKay explained that the essential employees including road crew have phones paid for by KGID. McKay verified that he is also questioning a lap top. McKay explained that he has his own personal lap top that he uses, and Dion may want this included in his contract. Dion stated that a District provided lap top would be preferred to limit exposure from an outside source. He suggested this practice that all IT interfaces with District systems should be on a District machine. Parks added that a General Manager's lap top could be used by someone during his vacation. McKay explained that the Operation's Superintendent has his own laptop and the General Manager may want to use his laptop to access information while on vacation.

Parks questioned if a purchase would need to be approved. McKay explained that funds are included in the budget, but the provision would need to be added to the contract. Parks questioned if this requires research. The board was in support of making this change, noting the validity. Parks thanked Dion for the suggestion.

Dion offered to discuss the details of the contract, adding that he appreciates the offer. He explained that he would like to review the agreement further and discuss it with his wife prior to making a decision. As a seasoned employee, he requested to discuss administrative leave and salary further.

Vogt questioned if another meeting is necessary, in order to provide Dion with time to review the contract. Parks questioned if he would like to review the other benefits. Vogt verified that he has worked for an environmental agency in Nevada. She added that KGID will be paying 29% into PERS based on salary. Parks questioned if this amount was split 50/50. McKay explained that it could be split 50/50, or if it's paid by KGID, the employee accepts a reduction in pay, per NRS. Parks requested clarification and McKay provided an example. He added that he is not aware of the percentage reduction in Nevada. Parks questioned if the employee would have to pay approximately 15%. McKay explained that the amounts are almost equal at the end of the year.

Vogt questioned Dion's position regarding PERS contributions. Dion questioned how most other employees have made their selections. McKay confirmed most have 100% paid by KGID. Parks explained that this would add approximately \$39.4K to the offer.

Dion explained that as a seasoned employee, he anticipated mid-point or better for the salary range of \$125K-\$160K, mid-point being \$142.5K. Zumpft questioned if this is an observation or a counter-offer. Dion noted the observation, adding that there is a certain recruitment range and cost of living to be considered. He stated that as a seasoned employee, a mid-point would not be a reasonable expectation.

Nelson appreciated the comments and questioned any other comments. Parks questioned if an additional week of vacation would be acceptable in lieu of a salary increase. Nelson explained that she appreciates his comments about the midway.

Dion commented that starting vacation of two weeks is a bit shallow in terms of number of days per time, noting it's augmented by administrative leave. He noted that administrative leave is included in professional contracts to compensate for district functions and other functions for business socialization after hours. He noted this is a commitment he will make as General Manager. He suggested restoring the administrative leave or simplifying the vacation accrual to that of another employee that has worked for the district for 5-10 years. He stated that this would be more appropriate to bring in an employee at a senior level.

Nelson questioned the restrictions in the employee manuals. McKay verified that after three years, it goes to three weeks to five years, and after five years it goes to four weeks.

Dion stated that having benefits similar to an employee of five years, so that in five years it builds incentives to stay in and stay engaged without strenuous calculations for the formula. It would follow that of a five year employee.

Parks requested clarification from McKay. After confirming, McKay indicated that three years receives three weeks and ten years receives four weeks. Parks noted he would be requesting an additional week. McKay suggested he may be asking for eighty hours of administrative leave as well. Parks noted he would be vested as a five year employee. Parks questioned the terms after five years, which Zumpft stated could be negotiated at that time.

Nelson appreciated discussing these three points and offered for any other questions. She added that she appreciates the opportunity to explore the terms together and stated that she looks forward to the opportunity to work with him. Dion stated that he is looking forward to it.

Dion stated that he doesn't have any material suggestions at this point but would like his comments considered. He added that he has a 30-day notice obligation with his current employer, which if provided immediately, would make his start date no earlier than July. He noted that he respects his current employer and would provide the same as required to KGID. The respective start date with the weekend would be July 12, 2021.

Vogt suggested reviewing his requests of the mid-point salary. McKay offered to identify the items: mid-point salary of \$142,750; vacation accrual up to three weeks per year and eighty hours of administrative leave. Schorr requested confirmation regarding the administrative leave. Dion confirmed his request to restore this to eighty hours, noting that he anticipates spending the time making the evening commitments and other contributions outside of KGID. He requested consideration of this.

McKay added that provisions need to be added regarding phone and laptop. He also noted mediation should be included in the General Conditions. Dion's other statement was lost in the internet connection. Zumpft requested he repeat his statement.

Vogt noted the administrative time may be needed to cover additional hours at KGID. She added that she trusts he will do what is necessary to learn all aspects of the job. She confirmed that she supports this change. Parks suggested a compromise at sixty hours. Yanish stated she prefers to stay at forty hours.

Dion stated that as General Manager, he will be expected to attend events and be available. He explained that even a short weekend event would include the General Manager. He feels these are realistic expectations and expects this standard for himself.

Yanish stated that she appreciates his comments. She added that the terms can be renegotiable upon renewal. She recognized that he is a seasoned employee. She stated that she agreed with Vogt that it will take time to learn all aspects of KGID. As a Trustee, her thoughts are that it is more appropriate to start him as a one year employee. Nelson questioned how to proceed.

Schorr noted that both Dion and the Trustees have excellent points. He suggested revising the contract for approval in a completed form. Schorr doesn't feel any items are unreasonable. Vogt stated that the changes are minimal and time is of the essence. She added that she would like to complete this within the next 24-48 hours. Zumpft explained that Dion wanted to caucus with his spouse and he wasn't sure if he was interested in finalizing the terms.

Yanish requested Zumpft direction for moving forward. She stated that our offer has been provided, along with Dion's suggestions. She verified that an Open Meeting would be required and Zumpft confirmed that there can be no closed meetings during this negotiation.

Nelson questioned if we can recess for 24 hours without re-noticing and Zumpft confirmed. She stated this would provide time for Dion to review the terms. Parks stated that she is leaving tomorrow on an airplane but could possibly attend via Zoom. Parks noted that they seem to be close to completion and questioned if an agreement could be reached. Zumpft stated that the trustees can caucus now as it is an open meeting. Parks questioned if more time is needed.

McKay suggested the trustees offer the requested administrative leave, vacation time and wages for Dion to review with his wife. McKay noted he could accept via phone. Vogt confirmed that if he did not accept, another meeting would have to be noticed. McKay confirmed that the meeting could be recessed to be continued at a later date and Zumpft confirmed that is acceptable. Vogt confirmed that the discussion must be at the meeting. Zumpft clarified that the discussion can be anywhere the public has access to observe and comment.

Parks verified that Dion could come to another meeting within 24 hours and Dion confirmed that he could come to a decision in that time. Parks questioned if the board is in agreement with the terms.

Schorr stated that he agrees with the mid-point wage of \$142,750, three weeks of vacation, and 80-hours of administrative leave that he feels are the key items. He added that Dion should have access to a phone and a laptop. Dion noted that a mediation clause should be included.

Yanish stated that during the last public meeting she was pushed to the highest salary that was offered. Though she appreciates the candidate's time and efforts, she feels the proposal is fair and doesn't feel comfortable.

Nelson stated that she feels comfortable with Dion's points and feels they are fair negotiated changes. Vogt stated her support and offered to make a motion. Schorr noted that they appear to be heading towards consensus and requested Parks' opinion. Parks confirmed she concurs with the revised terms. Vogt confirmed as well.

Yanish stated that there isn't necessarily a consensus because she doesn't agree. She understands that it is up to everyone's consideration and she may be outvoted.

Nelson stated that maybe a recess is needed prior to a motion. Zumpft stated that a motion is needed in order to present the offer. He explained that details such as cell phone will linger but are not disputed. In order to make a decision, Dion needs guidance on the three items noted by Schorr with the understanding that there will be other revisions to be considered in the draft. Nelson confirmed that a motion would be to extend the employment contract with changes as discussed. She clarified that this would be the process.

Nelson questioned the treatment of public comment. Parks offered for Hancock to comment. McKay explained that a motion and second should be made prior to public comment.

Schorr made a motion to support changes in the employment agreement, including wages as compensation in the employment agreement to \$142,750.00, plus three weeks of vacation, and 80-hours of administrative leave for each fiscal year. Vogt seconded. Parks offered for discussion from the board.

Yanish stated that she has already provided her thoughts. She appreciates the board for their time and effort in this process. She thanked the candidate for his presence.

Parks offered for public comment.

Hancock stated that he also supports Schorr's proposed motion. He believes that we need to meet his expectations as he is not a junior employee and should be treated as a manager. As a General Manager, he should be paid and compensated accordingly. He commented that he has hired many people over the years and stated that the offer is exactly appropriate for Dion. Parks confirmed he is satisfied.

Zumpft questioned that Dion heard the motion. He confirmed and added that he is gracious to have the consideration. He is ready to move forward as discussed. Zumpft stated that unstated in the motion were other changes considered by the board prior to Dion's comments. He confirmed the wording changes were acceptable to Dion and he agreed. Zumpft explained that the draft he will reissue will include those changes. Dion agreed, noting he was pleased with the public process and the conclusion reached.

Parks offered for any other comments from the board, there was none.

M-6/8/2021-2 - Motion by Schorr, seconded by Vogt to support changes in the employment agreement, including wages as compensation in the employment agreement to \$142,750.00, plus three weeks of vacation, and 80-hours of administrative leave for each fiscal year. Yanish opposed. Motion passes.

Parks offered for additional public comment, there was none.

Parks confirmed that there will be a recess of this meeting for a time to be stated. McKay verified a motion is required. Parks questioned if a meeting is required or if an acceptance is required. Zumpft explained that a meeting is required to discuss other terms to be negotiated, if any. He noted a quorum to continue the meeting is required. McKay suggested a recess to 3:00 p.m. tomorrow. Parks and Nelson will not be available tomorrow. Parks is available at 11:00 a.m. and noted that a quorum is needed and her attendance is not required. Yanish stated that she is not available until late in the afternoon. Parks verified with Zumpft that 24 hours is acceptable and he stated that he is unaware of any time limitations.

Vogt, Nelson and Parks indicated their availability for Thursday. Schorr confirmed he is available in the afternoon, around 3:00 p.m. or 4:00 p.m. Parks confirmed if Yanish is available at 3:00 p.m. on Thursday. McKay confirmed it is the same station. Dion confirmed he is available.

Schorr questioned if the contract will be revised and presented for approval at the continued meeting. Nelson stated she felt the motion was approved. McKay stated this was the offer. Nelson confirmed there are no other items on the agenda. Zumpft explained that Thursday's meeting will depend on Dion's response. If he chooses to request revisions, they will be reviewed by the board. Zumpft confirmed he will make changes to the agreement indicated today and if approved, we will move forward. Nelson added that they may be further negotiated.

RECESS

Parks offered for any discussion, there was none.

M-6/8/2021-3 - Motion by Vogt, seconded by Parks, and unanimously passed to recess the meeting until Thursday, June 10, 2021 at 3:00pm.

The meeting recessed at 2:45 p.m.

CONTINUATION - The meeting was called back to order from recess at 3:08 p.m. by Natalie Yanish on Thursday, June 10, 2021 at the Kingsbury General Improvement District office located at 255 Kingsbury Grade, Stateline, Nevada. She stated this is a continuation of the meeting held June 8, 2021.

ROLL CALL – In attendance were Trustees Vogt, Parks, Nelson, Schorr and Yanish. Also, present were General Manager Cameron McKay, Operations KGID employee Judy Brewer and General Counsel Chuck Zumpft. Public attending via Zoom included Charles Hancock.

Yanish requested that McKay address the emails received today. McKay stated that he sent the Trustees an email that indicated that Mr. Dion withdrew his application this morning. We will now have to withdraw the motion. McKay requested clarification from Zumpft as to the meeting direction. Zumpft confirmed that there can be discussion regarding further action and the next meeting's agenda. He confirmed that no action could be taken.

In response to Parks' question regarding the reasoning, McKay explained that he will play a voicemail left by Dion and Vogt will address email correspondence with him.

Vogt read from her email as follows: *"Hello Mitch, this is Darya Vogt and I was very disappointed just twenty minutes ago when I read your email that you turned down the job. This has been a long process for us and we decided you were the perfect fit for the district. Do you mind me asking what your expectations were for the contract and what questions or concerns you had that we may not have answered or fulfilled? I would appreciate your honest feedback regarding why you withdrew your application even if it includes the board being somewhat unprepared yesterday. This will help us in our future searches for staff and personnel. I once again apologize for the confusion yesterday and you having to disconnect with us while we finished our position on the GM position contract. We are normally well prepared, but Covid, Zoom, postings which have recently been published by our new gal resulted in issues, along with our lawyer being unreachable, all came together for the perfect storm and you received the brunt of that. Since you have nothing to lose with your comments to us, I would appreciate your honest feedback. If this is the last time we communicate, I wish you well. You are a class act and we will miss your presence in our district."*

Vogt indicated that Dion gave her permission to read his response as follows: *"First, I am very appreciative of the consideration by the board. As you may have gleaned, I place a high level of value on personal connections. I was very happy to get a chance to meet with you and to assess my rapport with each member and the dynamic of the dynamic of the board members interaction. This left uncertainty that I tried to suppress because I really felt confident that I could lead the district, administer it well, and it would have been a fun and challenging experience. Unfortunately, I made a similar assessment in Calaveras County which resulted in significant harm to my family and my reputation. It took years to rebuild after that and we were unable to take this risk going forward."*

As far as lack of preparation of the board to enter into a contract or negotiations, frankly I did not think that having the contract format prepared should be the board's role. The attorney our outgoing GM should have provided

you a solid agreement to work off. I believe the board was present and ready and negotiated in good faith but the provisions and format have even changed once again. I am not an attorney nor litigious, but changing format on the fly is troublesome. We, the district, would not sign any vendor's contract that surrenders our normal terms and conditions haphazardly, nor would it be good judgement for any candidate to do so. One specific element in the contract was a one-year term. I felt that this was abnormally short, but it did give me an off ramp and some assurance that if the elements of the contract or the work conditions were no suited, we could all walk away. But that is not what I am expecting, nor what the district needs. Three to five years is the norm, but that often also includes a severance component in the event of a no-fault discharge. I felt that even discussing the length of term in the environment of our discussion would have created pandemonium, yet a year from now, I could be in the need of a new job and any agency hiring me would have concern about another short tenure. I would suggest having the board make the contract reflect which was spoken as a desire: you want someone for five years. Few professionals can risk being discharged with less than three, even for no fault, no cause, such as following an election or going into a contested election which is what I faced in Calaveras.

I can only express my appreciation to be considered and regret having to make this difficult choice so deep into the process, but my wife and I are confident that we have made the right choice for the district and ourselves."

Vogt explained that she requested his permission to read this email as it would be educational for us as to what a candidate is looking for that we maybe didn't provide or weren't willing to provide.

Brewer played the recording of the voicemail left by Dion for McKay: *"Hi Cam, this is Mitch Dion. I just sent an email saying that I wasn't going to pursue the contract at this point. I know it is a very last minute thing but after deep reflection, quite honestly, I am very concerned about the make-up of the board, coupled with consternation. I am not willing to put my reputation and everything at risk in order to be vulnerable to something that's going on there. Hopefully you will appreciate that as it's not so easy to explain some of the board members. I just wanted to let you know the situation for us, I am not comfortable and it is nothing in the contract, terms or conditions. He really needs to have the full support of the board and their confidence and I don't feel that will be the condition going in. I don't know how you can express that and I'm just being frank with you so that you have a good feel for it. I appreciate the time and energy and effort that you and all of the other board members put into it. Thank you. Bye."*

Vogt restated her disappointment after this long process as she felt like this was the first person with experience in the industry that she felt had good managerial skills. She would not anticipate a person like him to have any problem with staff or personnel. She was very excited about him mentoring other people which appeared to be his desire. She added that she has been in shock all day since she received the email. McKay offered for any other comments.

Yanish stated that these things happen and you can't force anyone to work for you. It's better that he feels this way now rather than down the road. She confirmed with Zumpft that discussion was permitted regarding next steps. He explained that there can be no action, but they can deliberate and direct on the next steps. Yanish noted there were two other candidates that were finalists and requested the board's thoughts on moving forward with the candidates already interviewed. She questioned Zumpft if another closed session is needed or if this can be done in open session. Zumpft stated that the closed sessions are authorized as they were before to discuss which candidates and their professional competency. It has to be the same noticing, etc. but it is still an option.

Vogt commented that she is very disappointed, noting the weeks and hours spent on the recruitment. She added that it is not easy to get this group together and she feels it is an unfortunate situation that we did not have the full board's support on going forward with Mitch Dion. She noted that board may have a difference in opinion but this was a long laborious process. Considering the time and attention for questions and interviews, she would have supported the board if she had a difference in opinion. She added that it is nothing personal, but she feels we made a mistake as it was obvious that he wasn't feeling comfortable with everyone. She can see how someone would want the support of the board. She noted that the board is normally supportive of each other, but he did not have this past experience of us. She stated that it is very unfortunate how this has turned out.

Parks agreed with Vogt, stating that as a board we need a united front. We need to keep that into consideration for the next round to make sure we are behind the same candidate so that we don't present this to a candidate who feels we are lacking. It is a shame as he was a great fit and I was looking forward to having him on board.

Yanish commented that the comments appear to be directed to her, which is fair. She stated that she did not have a problem with the candidate and he appeared to have a lot of experience. From a KGID standpoint, she was not willing to negotiate the salary up based on a place to start so that he could grow into his position. We cannot always be a united front. If a candidate is very sensitive to the board, we can't do anything to make that person comfortable, noting that the board doesn't agree on every item. It is healthy for a board to get together to discuss facts with varying opinions and come to a conclusion with a majority rules. The board then stands behind the majorities' decision. At this point, we need to figure out how to move forward.

Nelson stated that it didn't sound like he had that experience before and had come into a situation where a board wasn't united and he took the brunt for political reasons. Nelson stated that she also conversed with him and that seemed to be his leading concern that the board was not united in wanting him to come to the district. She feels we lost a really good candidate because we weren't able to give a united front. She hopes that in the future we can so that we can get a new qualified person in. She noted we should move forward.

Vogt stated that she does not want to devote more hours and weeks on this, noting that additional time is now needed to make a new decision. She suggested everyone unite moving forward. She noted they have had the most meetings recently, despite all other issues, and she feels an additional \$25K-\$35K should be considered in salary for a manager. She noted that other expenses from KGID are \$50K and this is a small price to pay to have someone in charge that she can rely on that can do the job without her having to come in. The board is not supposed to be dealing with little things and we have a limited responsibility. Now we are in a position to spend additional time that she is not looking forward to. She was hoping for this to be finished and is not looking forward to moving forward.

Yanish noted that the board is going to change and there will be new members for the new employee. She understands the work Vogt is referring to, but she is aware of other boards that have done more, even hiring consultants to recruit General Managers. After an offer is not accepted, we have to regroup.

Parks requested to move forward and questioned Zumpft recommendations. Zumpft noted they can start over and McKay suggested considering the final two. Zumpft agreed and stated they need to question if the candidates would be different. McKay speculated it would not, adding it was limited. Zumpft noted the recommendation to reconsider the top two candidates, adding they can review more.

Nelson questioned if they should review the top eight candidates, or more, adding that she deleted her prior notes. Schorr recalled that there was consensus on the top three candidates and it makes sense to discuss Mrs. Rigdon and Mr. Garden, who have already been vetted. Parks commented that she would like to consider Dirk Dornbrooke also.

Yanish questioned if the candidates have been rated one through three and McKay confirmed. Nelson stated that the short-comings of the other candidates gives her rise to want to explore more options. Vogt questioned if other candidates should be considered and the timeframe related to that process, noting McKay's departure.

Yanish questioned the benefit of bringing back other candidates. Nelson replied that she is unsure if she has full confidence in the other candidates at this point. Yanish questioned her confidence in the other candidates that have already been disqualified. Nelson commented that the other candidates haven't been disqualified, noting that the top three were agreed upon.

Vogt agreed that the top three or four candidates should be considered. Yanish requested clarification regarding the process they are recommending.

Nelson suggested scheduling another meeting to discuss this further, noting she would like time to process this. McKay requested a meeting date, stating that with notice, the earliest could be Wednesday.

Parks stated she will be back in town Tuesday or Wednesday and McKay confirmed Wednesday would be the earliest. Yanish noted that she will be at the Nevada League of Cities meeting but offered to call in via Zoom depending on the time.

Schorr questioned the purpose of the meeting and action requested. Vogt stated that they will continue the discussion regarding moving forward to review candidates or conduct additional interviews. Nelson noted that Zoom meetings are difficult and requested a time when everyone could be in the office. Vogt agreed, noting that time has been wasted. She added that there is better communication. If possible, it would be helpful for the board in such a critical decision.

In response to McKay's question regarding her schedule, Yanish stated that she would be back Friday night or Saturday morning. Vogt confirmed that next week would not be an option.

In response to Zumpft's question regarding his contract, McKay explained that June 30, 2021 is his last day and he will be gone June 23-25, 2021. McKay stated that Nelson has requested that he provide a transition. Zumpft advised that there should be discussion about interim general managing and Nelson requested that be added to the agenda.

McKay questioned if the wording on the agenda posted will carry over. Zumpft stated that there are two components: transition and interim managing. Zumpft stated it must be determined who will run the company in the interim. McKay stated that would have to be added to the agenda as it only indicates transition at this time. Zumpft suggested adding an action regarding the interim management of the district for the Wednesday meeting.

Nelson confirmed she can attend a Wednesday meeting and requested the other board's availability. Schorr stated that he is available June 16, 2021 in the afternoon and Vogt agreed. McKay questioned if 1:00 p.m. would work for everyone. Zumpft requested 1:30 p.m.

Nelson questioned the agenda item and McKay replied it would address interim management. Nelson requested an additional item regarding moving forward with a new selection. Nelson questioned if a closed meeting would be possible to discuss the candidate's competency and Zumpft offered to review. McKay noted they would be discussing which candidates to move forward.

Yanish questioned if it was appropriate to ask the other two candidates if they are interested in the position, noting this is the next step in HR. Vogt agreed. Yanish stated that she will be driving to Elko and will call in if she has cell service.

McKay offered to put out an agenda for 1:30 p.m. to include the interim management for the end of his contract and the hiring of a new General Manager and the resumption of the General Manager search. Schorr confirmed this will be to discuss McKay's retirement and how to move forward with selection of a candidate. Vogt suggested clarifying the first item, noting that McKay would likely serve the district in the interim. McKay explained they would discuss his continuation in the interim of hiring a new General Manager. Vogt confirmed with McKay that they would discuss McKay serving as General Manager for a time unknown to ensure there is a manager present.

Parks questioned McKay's availability and vacation plans. McKay explained that he would stay on in an entirely different capacity because he has already signed up for PERS. He stated that he could not work for another government agency and could act in a consultant position only. Parks verified that will be included in the meeting along with the candidate selection.

The meeting was confirmed for Wednesday, June 16, 2021.

Yanish questioned if McKay could return as a KGID employee, but that would damage his retirement with PERS. McKay explained that it could cancel his PERS altogether. She confirmed his suggestion to act on a consultant basis. McKay confirmed that he would be a contracted, 1099 individual and not a paid employee. Zumpft

added that there will be many changes with that. McKay commented that there will be a new loaded rate and he will present the information to the board for consideration.

Parks noted that when McKay was hired, they did not have a General Manager for almost nine months, adding that the board should not necessarily pay on that and focus on getting a new candidate. Nelson replied that she felt the difference at that time was that there was a manager with seniority and experience on staff. In addition, a prior Chairman of the Board came in every day for four hours to serve as General Manager. Nelson noted that a board member cannot get paid in any other capacity than as a board member and time at the office is unpaid. Parks questioned what services a Chairman can provide and the board suggested discussing this Wednesday.

McKay verified with Zumpft that he will respond regarding a close or open session. This would have to be posted by 9:00 a.m. for the Wednesday meeting. Zumpft offered that he could post it and cancel if not permitted. They agreed to speak about it.

Parks suggested the board consider the mission statement of dealing with the health, welfare and wellbeing of people and water. She doesn't like the idea of having someone in charge that doesn't know what they are doing. She noted that in the event of an emergency such as a chemical spill, etc. she would not feel comfortable with a board member making those decisions. She noted the importance of having someone in the position that is practiced along those lines.

McKay offered for adjournment. Nelson suggested final public comment.

FINAL PUBLIC COMMENT – Yanish offered for any public comment and McKay noted that there is no public. Yanish offered for anyone present to comment, she then closed public comment.

ADJOURNMENT

M-6/8/2021-4 - Motion by Nelson, seconded by Vogt, and unanimously passed to adjourn the meeting at 4:00 p.m.

Respectfully submitted,

Natalie Yanish, Chairman

Attest:

Darya Vogt, Secretary