

MEMORANDUM

TO: Board of Trustees

THROUGH: Mike Bandelin
Interim General Manager

FROM: Bobby Magee
Interim Director of Finance

SUBJECT: Authorize General Manager to Execute Contract Amendment Increasing the Baker Tilly Contract by \$100,000 for Additional Accounting Resources Required to Support Continued Work on Daily Operational Activities and Special Projects as Previously Prioritized by the Board

DATE: January 31, 2024

I. RECOMMENDATIONS

That the Board of Trustees make a motion to:

1. Direct Staff to Increase the Baker Tilly Contract by \$100,000 for Additional Accounting Resources Required to Support Continued Work on Daily Operational Activities and Special Projects as Previously Prioritized by the Board, Contingent Upon Approval of the Budget Augmentation Request.
2. Authorize the General Manager to Execute the Contract Amendment.

II. DISTRICT STRATEGIC PLAN

This action supports Long Range Principle #3, Finance; *“The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial polices for operating budgets, fund balances, capital improvement and debt management.”*

- *Comply with State and Federal regulations.*
- *Develop and maintain a long term plan to sustain financial resources.*

III. BACKGROUND

Overview

On August 9th (Item F.5) and August 24th (Item C.3) the Department of Finance presented recommendations related to the department’s vacancy and recruitment efforts, current status of annual audits, current status of various financial special

projects, and the day-to-day operational aspects of the organization. As a result of these presentations, the Board directed staff to take a number of actions to address the workload to staffing imbalance. One of those items was to enter into a contract with Baker Tilly for general accounting and finance assistance. To date, the total value of the Baker Tilly contract is \$165,000. Their firm has assisted IVGID with bank reconciliations from July 2022 through December 2023; provided significant assistance with various items required by the independent Auditors; reconciled the capital assets ledger for the previous fiscal year; assisted with the development of the capital improvement plan which will be presented to the Board at a later date; and currently their firm is assisting with the Internal Controls Project.

While many of the projects that were initially discussed at the August 24, 2024 Board meeting have been completed, a significant backlog of daily operational work and special projects continues to need to be addressed. Given the previous Board direction, and with vacancies still occurring in the Finance Department, staff has addressed the shortfall by utilizing multiple individuals as temporary part-time help. The extra help is authorized by Resolution 1898 – Personnel Management, items B & C, which delegates authority to hire to the General Manager. In addition, the contract with Baker Tilly for additional accounting assistance has been invaluable in expediting a significant amount of the daily operational work that was in arrears. As of January 2024, Finance staff has begun to work on the monthly accounting processes dating back to July 2023. With a vacancy still occurring at the Senior Accountant position, the recommended action includes adding an additional \$100,000 to the Baker Tilly contract for continued accounting assistance to address both operational issues and special projects. Some of the anticipated items that Baker Tilly will be working on with these additional funds include current and future bank reconciliations until the Sr. Accountant position has been filled; continued Audit support for the 2023/24 and 2024/25 audits; reconciliations of various revenue and accounts receivable accounts; and other general accounting items to be determined by staff.

VI. FINANCIAL IMPACT AND BUDGET

If approved, the fiscal impact to the budget would include an additional \$100,000 for the Baker Tilly contract. In a separate item on tonight's agenda, this amount has been recommended as part of the budget augmentation request. If the Board approves the budget augmentation request, staff will execute the contract amendment; if the Board does not approve the budget augmentation request the contract amendment would not be executed.

V. ALTERNATIVES

The recommended action is for the Board to add \$100,000 to the Baker Tilly contract for continued additional accounting and general finance assistance. If the

Board were to reject the Baker Tilly contract amendment the work will still be completed but at a much slower pace, putting a timely 2023/24 Audit in accordance with State law in jeopardy.



Baker Tilly US, LLP
 267 E. Campbell Ave., Ste 200
 Campbell, California 95008
 +1 (408) 385-3400
 bakertilly.com

To: Mr. Mike Bandelin, Acting General Manager
 Incline Village General Improvement District

From: Carol Jacobs, Managing Director

Subject: Accounting Assistance - Amendment 2

Date: January 25, 2024

As Interim General Manager of the Incline Village General Improvement District, you signed an agreement with Baker Tilly to provide interim accounting assistance. This was based on the proposal dated July 31, 2023, for hourly assistance not to exceed \$125,000.

On August 24, 2023, Amendment 1 allowed for an additional \$40,000 for immediate accounting assistance with a new not to exceed amount of \$165,000.

On January 25, 2024, it is the District's desire to amend the agreement again to add an additional \$100,000 to the existing contract for a new total of \$265,000. We will continue to bill using the following hourly rates as stated in our original proposal dated July 31, 2023.

If this meets with your approval, please sign below.

Team Member	Hourly Rate
Carol Jacobs	\$295
Chris Bigham	\$175
Noemi Barter	\$225
Andrew Gill	\$225

Accepted by:

Incline Village General Improvement District

Date