



**Incline Village General Improvement District
Audit Committee**

*Sara Schmitz, Trustee
Raymond Tulloch, Trustee
Vito Brandle, At-Large Committee Member*

MEETING MINUTES

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT AUDIT COMMITTEE MEETING
HELD AT 893 SOUTHWOOD BLVD., INCLINE VILLAGE, NEVADA ON DECEMBER 19, 2024**

*Viewing available by clicking the link and choosing BOT Meeting 12.19.2024 at <https://ivgid.portal.civicclerk.com/event/501/media>

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS

Committee Members Vito Brandle, Committee Member Sara Schmitz, and Committee Chairman Raymond Tulloch were present.

B. PUBLIC COMMENTS

Public Comment provided by Kristie Wells regarding the documents released to fulfill Public Records Request 24-144, and the implications this information presented.

Public Comment provided by caller 0996 Chris Nolet regarding the attendance of the Interim Director of Finance and the Auditing Firm.

Public Comment provided by caller 0815 did not respond. when called upon.

Public Comment provided by caller 1996 Frank Wright regarding previous public comment, and the current district financial matters.

Public Comment provided by caller 0815 Clifford Dobler relating to the 2023 Look Back Project and the Binder supplied in today's supplemental material for Item D.2., and the implications for completing the 2023/ 2024 financials.

Public Comment provided by caller 7240 - caller passed

C. APPROVAL OF AGENDA

The Audit Committee Agenda for the meeting of December 19, 2024, was approved without exception.

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D. GENERAL BUSINESS ITEMS (for possible action)

- 1. Receive an update on the current status of the Incline Village General Improvement District's Draft Audited Financial Statements, Auditor's Report, and Report on Internal Control for the Fiscal Year Ending June 30, 2024. Review outstanding items and actions that have caused delays in timeline and necessitated the request for extension from the Department of Taxation and whether further extensions will be required. Discuss the potential timeline for the Audit Committee to receive the draft ACFR for review. (Requesting Staff Members: Interim Director of Finance (or Nominee) and Certified Public Accountant Jeniffer Farr)**

District General Manager Walrack provided an overview on the Districts progress in the implementation of the Tyler Munis Program, and the Audit process. He mentioned the District General Managers report provided to the Board on December 11ths meeting and that the Finance department hired a new resource to help with special projects. He additionally provided the committee with information relating to a draft request for an extension of the District's Financial Statements to be submitted to the Nevada Department of Taxation. He provided staffs expected completion date of all required tasks and the expected Draft Audited Financial Statement date to be submitted the Audit Committee for review on January 21, 2025, with a proposed submittal to the Board for consideration by the end of January (January 29th) or early February.

Committee Member Brandle asked about the 12/31 deadline and the extension. Committee Member Schmitz provided her feedback on the General Managers report and timeline. She expressed her support in the request for an additional extension. Stating that the per NRS the Board of Trustees should have 30 days to review the ACFR prior to approving it to be submitted to the State.

Chair Tulloch provided his thoughts and feedback related the Draft Audited Financials and the timeline of these documents. He further suggested that the Committee Chair and the GM have a phone conversation with Jennifer Farr with Davis Farr for an update on the audit status.

Committee Member Schmitz provided additional information relating to the history of the Tyler Munis System implementation, and the update from former GM last year. She further requested that the current GM provide updates and transparency to the Board.

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Committee Member Vito Brandle called for a Point of order asking that the Committee make a motion and vote on the approval of the draft letter of extension to the Department of Taxation.

MOTION WAS MADE TO approve the 2nd Extension of the Audited Financial Statements to the Department of Taxation.

YEAS: Committee Members Brandle, Schmitz, and Tulloch 3
NAYS: None 0

MOTION CARRIED

Following committee action, Committee Member Brandle asked the District General Manager for an update on the recruitment process for the Director of Finance (DoF). GM Walrack provided the following update: District Staff has identified the top 4 candidates and interviews will begin in the next two weeks. Committee Member Brandle followed up by emphasizing the importance of the DoF attending Audit Committee Meetings, suggesting that this should be a requirement of this position. He also called similar attention to the contract or letter of engagement requirements of the Auditing Firm.

All committee members were in agreement with Mr. Brandle's comments.

Legal Counsel weighed in providing clarification on the engagement terms of the auditing firm, stating that the cost of the Audit is usually a fixed price service itself and there is an assumption of the number of meetings regarding how much work they are going to do outside of the specified scope.

Discussion continued with the Audit Committee, Legal Counsel, and staff. regarding additional information related to the Rubin Brown report and observations were provided to Davis Farr as additional scope approved by the committee as a part of the engagement.

2. Review, Discuss, and possibly Agree on Steps to Receive and Complete the Follow-Up on the Look-Back Project, of 31 Memorandums for Consideration by the Audit Committee. (Requesting Committee Member: Chair Tulloch)

Chairman Tulloch opened the discussion on the 2023 Look Back Project, he provided an outline of items that may need to be addressed.

Committee Member Schmitz provided a review of the 31 memorandums and a

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proposed process for closing the matters brought forward by the subcommittee.

Committee Member Brandle suggested that the items be addressed one by one with staff and the committee with a weigh in on what has been done and if more needs to be done. With a committee vote prior to closing. This has been requesting that this matter be added to the AC Long Range Calendar.

Chair Tulloch expressed that he did not want to leave projects unfinished for the new audit committee. AC Committee needs to write a memorandum on unfinished matters that need to be addressed.

Additional Committee discussion with legal counsel and suggestions for Staff and future AC Committee Meeting.

Audit Committee has requested that a memorandum and recommendation be brought to the Board of Trustees at the first meeting of the year.

E. LONG RANGE CALENDAR REVIEW

Review of the Draft ACFR January 21, 2025

Review and Recommendation to the Board of the Actions for the 2023 Look Back Project

Look at the Audit Committee Charter and provide Dates for the Long range Calendar

Board of Trustees to Appoint Audit Committee Members (At Large)

F. MEETING MINUTES (for possible action)

Motion to Approve Item F.1. Audit Committee Meeting Minutes for October 15, 2024; and Item F.2. Audit Committee Meeting Minutes for November 18, 2024 were unanimously approved with a 3/0Vote.

1. Approval of the Audit Committee Meeting Minutes for October 15, 2024. (Requesting Staff Member: District Clerk Heidi White)

MOTION WAS MADE to Approve the Audit Committee Meeting Minutes for October 15, 2024.

YEAS: Committee Members Brandle, Schmitz, and Tulloch 3

NAYS: None 0

MOTION PASSED

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2. Approval of the Audit Committee Meeting Minutes for November 18, 2024. (Requesting Staff Member: District Clerk Heidi White)

MOTION WAS MADE to Approve the Audit Committee Meeting Minutes for November 18, 2024.

YEAS: Committee Members Brandle, Schmitz, and Tulloch **3**

NAYS: None **0**

MOTION PASSED

G. PUBLIC COMMENTS

Public Comment provided by caller 0815 Clifford Dobler regarding the Memorandums in the 2023 Look Back Project and its effect on the 2024 Audited Financial Statements.

Public Comment provided by caller 1996 Frank Wright regarding previous public comment and the District 2023 Financial Statements.

Public Comment provided by caller 7240 Mick Homan Trustee Elect, apologized to staff for having their time marginalized and thanked Committee Member Brandle for his efforts as an Audit Committee Member. Trustee Elect Homan also commented on the frequent updates (not included in the Audit Committee Agenda Packet) that the Interim Director of Finance sent to the Board of Trustees and other matters.

H. ADJOURNMENT (for possible action)

Chairman Tulloch thanked the Audit Committee for their work this year, and adjourned the Audit Committee meeting at 5:23 PM.

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Kristie Wells | Incline Resident | December 19, 2024

I'm here today to enter into the public record a recently released email exchange involving former General Manager Bobby Magee and Trustee Schmitz. This email string reveals one of the many concerning overreaches by Trustee Schmitz, clearly attempting to manipulate the termination of IVGID Directors.

The exchange began on August 5th when Schmitz asked Magee for records related to nonprofit discounts for IVGID facility use. Magee responded that he would search for the requested files.

Three days later, Schmitz escalated the issue, writing: **"If policy has not been followed [related to keeping these documents on file], I assume you will be documenting this lack of compliance in personnel records. Please confirm."**

This statement demonstrates a blatant overreach of Schmitz's authority, targeting an employee she has been fixated on for over a year and a half.

To this, Magee responded firmly: **"I will not be discussing any confidential personnel matters with individual Trustees. I will keep the full Board informed of personnel information that potentially impacts the organization as a whole."**

An hour later Magee sent another email stating: **"...when it comes to personnel matters, I am requesting that all future opinions from individual Trustees be placed into writing so there are no misunderstandings... I will not be subjected to veiled threats, argumentative comments, or questions of my personal integrity... I will not be firing all of the Directors who signed the letter sent to the Board in response to the RubinBrown report; I will not be recommending laying off a majority of the District's Directors as part of a supposed budget crisis... Please stop repeating yourself daily on these matters and attempting to manipulate me into creating manufactured disciplinary actions."**

Following several conversations I've had over the past year, it is evident that Schmitz was not acting alone—Trustee Tulloch reportedly supported firing all IVGID Directors as well, and Trustee Dent asked about it too. This reckless suggestion would destabilize the District and harm the entire community. These are not actions of Trustees seeking to improve IVGID but clear attempts to cause damage. This is just one of the many reasons, so many in this community were working to recall Schmitz and Dent. Thankfully, those two Trustees will not be on the board next year. Trustee Tulloch's ability to cause harm will hopefully be minimized with the incoming board who clearly support staff, not try to undermine them.

Trustee Schmitz, I understand your home may be closing escrow today. Congratulations and best of luck in your new town. I suggest keeping some cash from that sale accessible—you may need it if legal actions arise concerning documented harassment of IVGID employees that would not be covered by the District's D&O insurance.

Note: Document cited was from Request 24-144, file IVGIDKW144_0000119.pdf

WELLS COMMENT
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From: Bobby Magee <bma@ivgid.org>
To: Erin Feore
Sent: 8/8/2024 9:39:50 AM
Subject: RE: documentation submitted to receive discounts

Trustees,

To be extremely clear, I will always accept your individual opinions on matters related to the District. However, when it comes to personnel matters I am requesting that all future opinions from individual Trustees be placed into writing so that there are no misunderstandings on what individual Trustees are attempting to direct me to do. I will not be subjected to veiled threats, argumentative comments, or questions of my personal integrity when the subject matter, in my opinion, is often related to political retribution against individuals who have signed a recall petition or other similar political concerns. I fully understand the position each of you have on matters related to numerous individuals employed by the District. Again, to be extremely clear, I will not be firing all of the Directors who signed the letter sent to the Board in response to the RubinBrown report; I will not be recommending laying off a majority of the District's Directors as part of a supposed budget crisis; I will not be recommending any layoffs for employees that have been identified through a very loose interpretation of the Moss Adams report; and, I will not be confirming any individual disciplinary actions against employees to individual Trustees that do not affect the District as a whole. Please stop repeating yourself daily on these matters and attempting to manipulate me into creating manufactured disciplinary actions against employees who report directly to me.

Bobby Magee
General Manager
Incline Village General Improvement District
893 Southwood Blvd.
Incline Village, NV 89451
Office: 775-832-1365

From: Sara Schmitz <schmitz_trustee@ivgid.org>
Sent: Thursday, August 8, 2024 8:45 AM
To: Bobby Magee <bma@ivgid.org>; Erin Feore <ekf@ivgid.org>; Sergio Rudin <Sergio.Rudin@bbklaw.com>
Subject: Re: documentation submitted to receive discounts

Bobby,

What does this have to do with paperwork required for discounted use of venues? I'm confused.

Sara

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From: Bobby Magee <bma@ivgid.org>
Sent: Thursday, August 8, 2024 8:05:36 AM
To: Erin Feore <ekf@ivgid.org>; Sergio Rudin <Sergio.Rudin@bbklaw.com>
Subject: RE: documentation submitted to receive discounts

Chair Schmitz and Trustees (BCC'd),

I will not be discussing any confidential personnel matters with individual Trustees. I will keep the full Board informed to personnel information that potentially impacts the organization as a whole. The purpose of sending the email related to another Director yesterday was simply to inform the full Board that the individual would not be available for the next week if individual Trustees tried to contact him.

Bobby Magee
General Manager
Incline Village General Improvement District
893 Southwood Blvd.

WELLS COMMENT
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Incline Village, NV 89451
Office: 775-832-1365

From: Sara Schmitz <schmitz_trustee@ivgid.org>
Sent: Thursday, August 8, 2024 6:19 AM
To: Bobby Magee <bma@ivgid.org>
Cc: Sergio Rudin <Sergio.Rudin@bbklaw.com>; Erin Feore <ekf@ivgid.org>
Subject: Re: documentation submitted to receive discounts

Bobby,

Since the Resolution is very clear, the lack of ability to provide the required documentation is troubling. This appears to be non-compliance with Board policy. As GM, you're responsible for ensuring staff is following policy.

If policy has not been followed, I assume you will be documenting this lack of compliance in personnel records.

Please confirm.

Sara

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From: Bobby Magee <bma@ivgid.org>
Sent: Monday, August 5, 2024 12:36:29 PM
To: Sara Schmitz <schmitz_trustee@ivgid.org>
Subject: Re: documentation submitted to receive discounts

I will see what we can dig up.

From: Sara Schmitz <schmitz_trustee@ivgid.org>
Sent: Monday, August 5, 2024 12:27:35 PM
To: Bobby Magee <bma@ivgid.org>
Subject: documentation submitted to receive discounts

Bobby,

Could you please share the documentation provided to the District to receive Discounted use of the venue? I am having trouble finding some of the non-profit status on the IRS website and since it is to be provided prior to use per Resolution, if you could please share.

The only one I was able to location was the Mountain 9'rs as a 501(c) 7. According to the IRS website, the Teesters appears to have been revoked and I couldn't find the others including the Incliners.

Thanks!

Sara