

MINUTES OF AUDIT SELECTION COMMITTEE MEETING HARMONY COMMUNITY DEVELOPMENT DISTRICT

The audit selection committee meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, September 29, 2016, at 5:45 p.m. at Harmony Golf Preserve Clubhouse, 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Supervisor
Kerul Kassel	Supervisor
Mark LeMenager	Supervisor

Also present were:

Gary Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young, van Assenderp & Qualls, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Rick Mansfield	Davey Commercial Grounds
Gerhard van der Snel	Harmony District Staff
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Berube called the meeting to order at 5:45 p.m.

Mr. Berube called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. LeMenager asked why are we having this meeting, and why is a request for qualifications (RFQ) requested for a contract that is \$4,900, given that this meeting will cost \$800 plus staff time? I looked at the agenda when I received it this afternoon from Ms. Brenda Burgess, and it sounds like those \$10,000 hammers that the Senator from Wisconsin used to regale against.

Mr. Moyer stated this is required by Chapter 287, Florida Statutes, that tells us how we go about hiring certain people. It does not matter that this amount is significantly under the bidding threshold, because you are absolutely right that it is. Selecting an auditor requires that there be an audit selection committee that goes through this process and that we advertise the RFQ, which is one of the things we will ask the Board to authorize. It will probably cost more than it is worth. We do not have a lot of choice in the matter.

THIRD ORDER OF BUSINESS**Audit Committee Selection Process****A. Establishment of RFQ Evaluation Criteria**

Mr. Moyer stated as part of the RFQ and the notice that I will request the committee approve that we advertise, we have to tell respondents to the RFQ how we are going to select the most-qualified response. So we need to discuss criteria and the weighting of that criteria. The five categories provided are equally weighted at 20 points each. The responses that you will get will be from auditors who will list who the auditor is, their company, work experience, history with CDDs, personnel they have, and the experience of the personnel. That becomes the criteria that the Board will use in determining the most-qualified response. The first category is the ability of the personnel, the second is the proposer's experience, the third is understanding the scope of work, the fourth is the ability to furnish the required services on time, and the fifth is price. In the response, they will provide an audit outline of what they are going to do and how they are going to proceed to do it.

Mr. LeMenager asked can we make price 100 points?

Mr. Moyer stated they tell you that in reality, you should not do that. You will find that the people who respond to these do a lot of CDD audits, and about six firms in the State do a lot of CDD audits. They will all meet the other four criteria or be within a point of two of each other. The reality is, when you get down to it, price probably plays the most significant part of the selection process.

Mr. Berube stated for clarity, we are talking about auditing services that are currently being provided by Grau & Associates.

Mr. Moyer stated yes.

Mr. Berube stated they have been doing this for the last three years, actually longer than that. The current contract was for three years, and we are at the end of that time period which is why we are doing it at this time.

Mr. Moyer stated that is correct. The legislature in the past year or two amended that section to say it is okay to use an auditor for a couple cycles, but you cannot use them for more than six years. Prior to that time, you could continue with the same auditing firm, but now we have to go through the process. We will go back to see if Grau has been doing our audits for six years. If that is the case, we will have to select a different firm.

Mr. Farnsworth asked is that a forced change? If you are not unhappy with the firm, you are still forced to change after six years?

Mr. Moyer stated yes. I will send the legislation to you. It is to get a new set of eyes on the accounting records.

Mr. Berube stated it makes sense. Most of these are boilerplate. They review everything and tell you it is all good based on the information we gave them. When you read the management letters, they basically say they used all our numbers so do not blame them if they do not find anything wrong. The legislature is thinking that if one firm has been rolling through for six years and keeps regurgitating the same information, maybe someone else ought to look to see if a mistake has been made. I understand. They will all probably be around the same price anyway. That has been our history. It is probably not a bad idea to make a switch and verify if Grau has been doing it right. They probably have, but we will see.

On MOTION by Mr. Walls, seconded by Ms. Kassel, with all in favor, unanimous approval was given to the evaluation criteria for the auditing services request for qualifications as presented.

B. Authorization to Proceed with the RFQ

Mr. Moyer stated I will ask the Board to authorize staff to advertise the RFQ and to proceed with the process.

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to authorize staff to proceed with the RFQ for auditing services.

FOURTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

FIFTH ORDER OF BUSINESS

Committee Member Comments

Ms. Kassel stated we just need to know how many years we have had Grau as our auditor.

Mr. Moyer stated I will provide that.

Ms. Kassel asked do we get paid for this meeting?

Mr. Moyer stated no because you are serving as committee members. You are Supervisors for the Board, but in this meeting, you are serving as a committee.

Harmony CDD
September 29, 2016, audit committee

SIXTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Berube, seconded by Mr. Farnsworth, the meeting adjourned at 5:55 p.m.
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Gary L. Moyer, Secretary

Steve Berube, Chairman