

MINUTES OF MEETING
GARDENS AT HAMMOCK BEACH
COMMUNITY DEVELOPMENT DISTRICT

The Audit Committee meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District was held on Friday, May 21, 2021 at 12:30 p.m. at Hilton Garden Inn Palm Coast, 55 Town Center Boulevard, Palm Coast, Florida.

Present were:

David Lusby
Clint Smith
William Livingston
George Flint

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 12:30 p.m. All Committee Members were present.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Are there any comments from the public? Hearing none,

THIRD ORDER OF BUSINESS

Audit Services

A. Approval of Request for Proposals and Selection Criteria

Mr. Flint: This is the standard form of the Request for Proposals (RFP) that we typically use. We are asking for qualified auditors to provide proposals that would include pricing for five separate one-year agreements. They would provide pricing for Fiscal Year 2021, which is the year we are in through 2025. It also includes proposed Selection Criteria, which include *Ability of Personnel, Proposer's Experience, Understanding of Scope of Work, Ability to Furnish the Required Services and Price*. These criteria are laid out for the Board; however, you can exclude price if you choose to make this selection solely on qualifications. You have the ability to do that; however, we recommend that you include price because it is price competitive. Each of the criteria are weighted equally at 20 points, although you could change that if you felt one aspect was more important than the others. Normally we equally weigh them.

Mr. Lusby: So this is for one-year, Fiscal Year 2021. Do we have to do this every year?

Mr. Flint: No, we ask for five years, but you enter into one-year Engagement Letters. So you don't have to bid it out again until the end of the five-year term.

Mr. Lusby: If you are happy with them, you can just roll it over year-by-year.

Mr. Flint: If for some reason we are not happy with them during the course of their engagement, there would be a 30-day termination clause. Normally, we do not have issues.

Mr. Lusby: So if their proposals come in early September, they would be at a meeting weeks later?

Mr. Flint: We would have these likely on the July 30th agenda. So when you have your public hearing on your budget for July 30th, we would have the proposals.

Mr. Lusby: It says Friday, September 3rd.

Mr. Flint: That needs to be changed because we changed the public hearing date.

Mr. Lusby: That is plenty of time.

Mr. Flint: So we will change the due date, now that we changed the public hearing date on the budget. We will do it two weeks before, which is July 16th. Thanks for catching that. Are there any other comments or questions on the RFP or criteria?

Mr. Livingston: Just one other question. Obviously, the audit fee is pretty low because there is not much activity. Typically, as we get into public bonds and so forth, does the audit fee increase?

Mr. Flint: It doesn't go up drastically. It may increase when you issue bonds by about \$1,500, due to the fact that there is a bond issue out there.

Mr. Livingston: So it is not a major increase.

Mr. Flint: They usually range between \$5,000 and \$6,500. You may have some complicated Districts that own a golf course and there are a lot more transactions where the fee may be \$15,000, but the normal fee is \$5,000. We manage the Viera East CDD, which owns the golf course.

Mr. Livingston: How old is that?

Mr. Flint: Pretty old. We manage four CDDs that own golf course and there are only five or six auditors in the State.

Mr. Livingston: Do they have to go back a long way?

Mr. Flint: Yes. I believe the Viera East District was created in 1992. Deer Run has a private golf course. That is one that you play on.

Mr. Lusby: That is Grand Reserve.

Mr. Flint: The CDD is the Deer Run CDD.

Mr. Lusby: Do they own the golf course?

Mr. Flint: No, it's private. That is a CDD community.

Mr. Livingston: It is a pretty nice golf course.

Mr. Lusby: I played on that golf course.

Mr. Livingston: They do a good job keeping it up.

Mr. Flint: It's one of the few that makes money.

Mr. Lusby: Do you need a motion?

Mr. Flint: Yes, a motion to approve the RFP and Selection Criteria.

On MOTION by Mr. Lusby seconded by Mr. Smith with all in favor the Request for Proposals for auditing services and Selection Criteria as amended were approved.

B. Approval of Notice of Request for Proposals for Audit Services

Mr. Flint: Then we have the form of the notice that we will run in the newspaper. We will modify the date in that notice to reflect July 16th as the due date. Are there any questions on the notice? If not, we need a motion to approve the form of the notice.

On MOTION by Mr. Smith seconded by Mr. Livingston with all in favor the Notice of Request for proposals for audit services, amending the due date to reflect July 16, 2021 was approved.

C. Public Announcement of Opportunity to Provide Auditing Services

Mr. Flint: We will publicly announce the opportunity for any qualified auditing firms to provide a proposal to the CDD for auditing services in accordance with the Instructions to Proposers that are included in the agenda.

FOURTH ORDER OF BUSINESS

Adjournment

Mr. Flint: If there's nothing further, we need a motion to adjourn the Audit Committee.

On MOTION by Mr. Livingston seconded by Mr. Smith with all in favor the Audit Committee meeting was adjourned.



Secretary/Assistant Secretary

Chairman/Vice Chairman