

# Melbourne-Tillman Water Control District



## Board Agenda

# Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS  
TUESDAY, OCTOBER 25, 2016  
9:00 AM



**Call to Order** Joe Hale, President

**Pledge of Allegiance** Joe Hale, President

**Roll Call** Debbie Leclair

Board Members:

Conroy Jacobs (Palm Bay Sept 2018)  
Joe Hale (Brevard Sept 2019)  
Robert Hinkel (Palm Bay Sept 2017)  
David Isnardi (Brevard Co Sept 2019)  
Conroy Jacobs (Palm Bay Sept 2018)  
Keith Mills (West Melbourne Sept 2018)  
Drew Powshok (Brevard Co Sept 2019)  
Jim Tapp (Palm Bay Sept 2019)

Staff & Support:

Dan Anderson, District Manager  
Debbie Leclair, Asst Mgr./Admin. Oper.  
Secretary/Treasurer  
Jim Beadle, Attorney  
Nancy Wingo, Court Reporter

## **Recognition of Guests and Support Staff**

Matt Soyka, District Engineer  
Mike McCabe, Deputy Engineer  
George Balaban, Bohler Engineering  
Cole Oliver, Rossway Swan  
Bruce Moia, MBV Engineering

## **Announcements**

Joe Hale, Drew Powshok, Jim Tapp, and Dave Isnardi have all been reappointed to the Board, with their terms expiring September 30, 2019.

# Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS  
TUESDAY, OCTOBER 25, 2016  
9:00 AM

The District's annual inventory was performed on October 17, 2016 by Bob Hinkel. No discrepancies were found. A copy of the letter is attached. (Attachment 1)

## **Public Comments**

## **Presentations**

George Balaban with Bohler Engineering, and Cole Oliver with Rossway Swan, both representing Cumberland Farms, will request the District vacate a 20-ft access easement for construction of Cumberland Farms in exchange to harden the remaining 40-ft maintenance easement along Canal C-37 at the northeast corner of Malabar Road and Minton Road. The 20-ft access easement will also will serve public utilities for the installation of a 4-inch force main. (Attachment 2)

Bruce Moia with MBV Engineering, representing Palm Bay Utilities, will request the use of Canal C-37 for the installation of a 4-inch force main from Malabar Road north approximately 1,000-ft. (Attachment 3)

## **Regular Business**

- Approval of the August 23, 2016 minutes of the MTWCD Board of Director's Meeting (Attachment 4)
- Approval of the Operating Statement through September 30, 2016 (Attachment 5)

## **New Business**

The annual election of Board Officers is required (President, Vice-President, Secretary/Treasurer, and District Attorney).

The Manager's annual review, his anniversary date was October 6.

## **Old Business**

At the last meeting, August 23, 2016, the Board authorized the District Manager to sign a one year engagement letter with Carr, Riggs & Ingram for auditing services for fiscal year 2015/2016. The cost was not to exceed \$13,000 and the agreement was for \$12,000. The Board has the option of bidding out the auditing services for the District, or continuing with Carr, Riggs & Ingram. The procedures for receiving bids are regulated in Chapter

# Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, OCTOBER 25, 2016

9:00 AM

218.391 of the Florida Statutes which is attached. If the Board wishes to continue with Carr, Riggs & Ingram, and not go through the bidding process, a partner rotation could be requested which would allow a new auditing team to oversee the District's audit. (Attachment 6)

## **Staff Reports**

- Manager's Report, Dan Anderson  
Update on storm response (Hurricane Matthew)
- Engineer's Report, Matt Soyka
- Attorney's Report, Jim Beadle
- Secretary/Treasurer's Report, Debbie Leclair

## **Closing**

- Meeting Schedule –

The next Board Meeting is scheduled for Tuesday, December 6, 2016 at 9:00 am in the City of West Melbourne Council Chambers.

- Board Member Reports  
Conroy Jacobs  
Joe Hale  
Bob Hinkel  
Dave Isnardi  
Keith Mills  
Drew Powshok  
Jim Tapp
- Adjourn

*If a Board Member has a request for any agenda item you may raise it at any time or you may let staff know and it will be formally included in the agenda package distributed to the Board prior to each meeting. As usual, staff is available in person, by telephone, or by e-mail to discuss the agenda prior to each and every Board Meeting.*

# Attachment

1

Bob Hinkel  
106 Memory Lane NE  
Palm Bay, Florida 32907

October 17, 2016

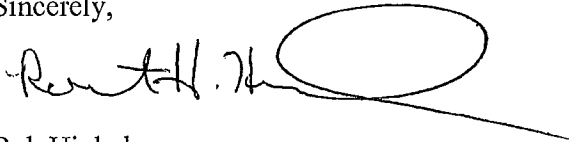
Melbourne-Tillman Water Control District  
5990 Minton Road  
Palm Bay, Florida 32907

RE: Annual Inventory

On Monday, October 17, 2016, I completed the MTWCD Annual Inventory with staff member John Gergen. Random items were selected from the inventory listing and all were identified and located.

I am pleased to report that no discrepancies were noted.

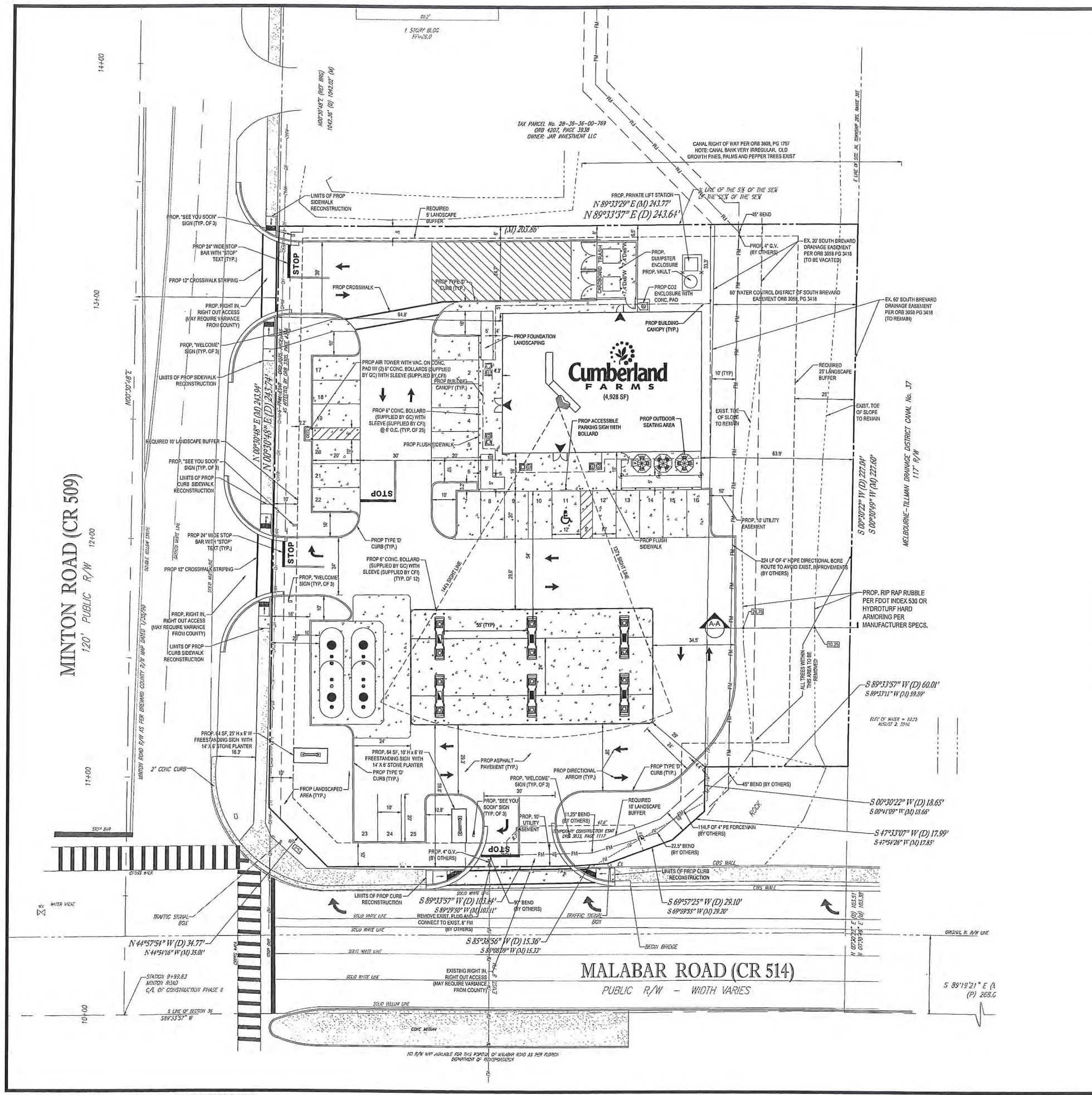
Sincerely,

A handwritten signature in black ink, appearing to read "Bob Hinkel", with a large, stylized flourish at the end.

Bob Hinkel  
Board of Directors  
Melbourne-Tillman Water Control District

# Attachment

2



MINTON ROAD (CR 509)  
120' PUBLIC R/W

MALABAR ROAD (CR 514)  
PUBLIC R/W - WIDTH VARIES

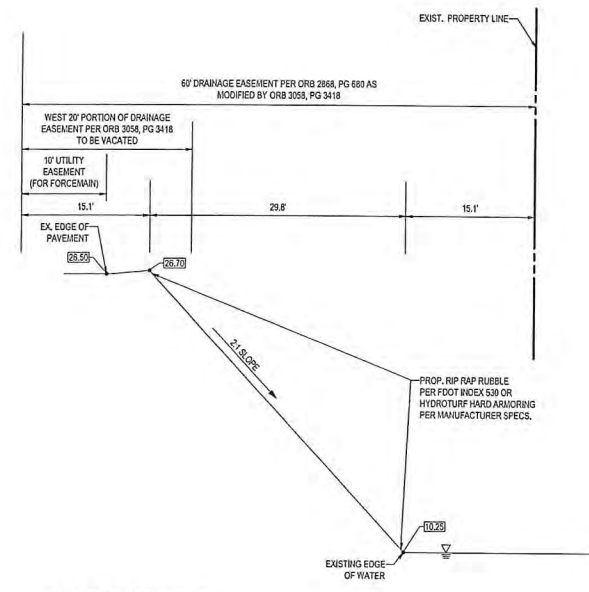
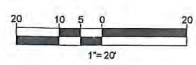
# SITE DATA TABLE

SITE ADDRESS	6375 MINTON ROAD
JURISDICTION	CITY OF PALM BAY
ZONING DISTRICT	COMMUNITY COMMERCIAL (CC) CONDITIONAL USE ONLY
SITE AREA	±1.43 AC
EXIST. PROPERTY	GAS STATION
BUILDING SETBACKS	
FRONT	30'
SIDE INT.	10'
SIDE CORNER	25'
REAR	25'
REQUIRED PARKING	25 SPACES (1 PER 200 SF)
PROVIDED PARKING	25 SPACES

## SITE NOTES:

## VARIANCES

1. 10' LANDSCAPE BUFFER REQUIRED ALONG SOUTH PROPERTY FRONTAGE . 4.4' PROVIDED ALONG SOUTH. (VARIANCE REQUIRED).



SECTION A-A

**BOHLER ENGINEERING**

SITE CIVIL AND CONSULTING ENGINEERING  
LANDSCAPE ARCHITECTURE  
PROGRAM MANAGER  
SUSTAINABLE DESIGN

TRANSFORMATION SERVICES  
CHARLOTTE, NC  
TAMPA, FL  
SOUTH FLORIDA  
NEW YORK, NY  
BALTIMORE, MD  
SOUTH BEND, IN  
NEW YORK, NY  
PHILADELPHIA, PA

REVISIONS			
REV	DATE	COMMENT	BY

**811**

KNOW WHAT'S BELOW  
ALWAYS CALL 811  
BEFORE YOU DIG  
It's fast. It's free. It's the law.

NOT APPROVED FOR CONSTRUCTION

PROJECT No.: FLB150025  
DRAWN BY: LT  
CHECKED BY: GB  
DATE: 10/13/16  
SCALE: 1" = 20'  
CAD I.D.: SPZ

PROJECT: **SITE DEVELOPMENT PLANS** FOR **Cumberland FARMS** LOCATION OF SITE **NEC OF MINTON RD & MALABAR RD CITY OF PALM BAY, FL BREVARD COUNTY**

**BOHLER ENGINEERING**

2255 GLADES ROAD, SUITE 305E  
BOCA RATON, FLORIDA 33431  
Phone: (561) 571-0260  
Fax: (561) 571-0281  
FLORIDA BUSINESS CERT. OF AUTH. NO. 30968  
LANDSCAPE ARCHITECT BLS14000018-00000001

**GEORGE BALABAN**  
LICENSE  
No. 74543  
STATE OF FLORIDA  
PROFESSIONAL ENGINEER  
10/13/16

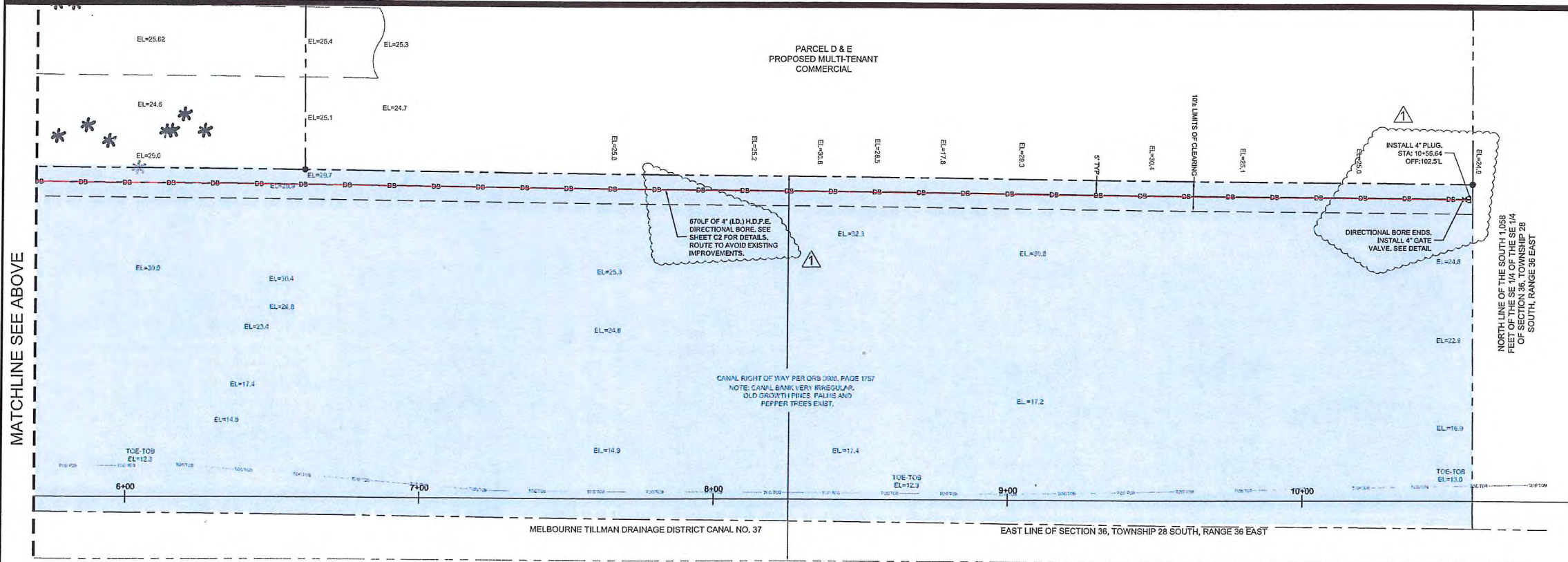
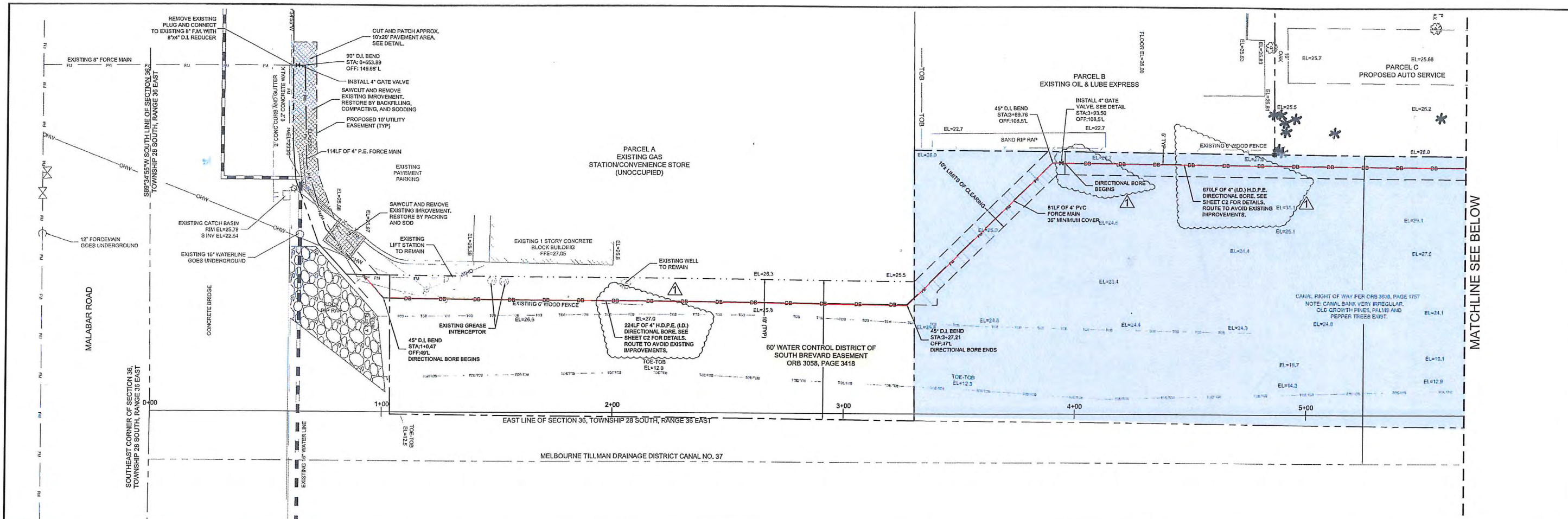
SHEET TITLE: **SITE PLAN**

SHEET NUMBER: **CFG04.0**



# Attachment

3

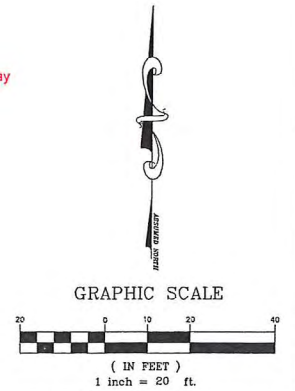


- LEGEND**
- EXISTING 16" WATER MAIN
  - EXISTING TOP OF BANK
  - EXISTING TOE OF BANK
  - EXISTING UTILITY POLE
  - EXISTING OAK TREE
  - EXISTING PINE TREE
  - EXISTING FENCE
  - EXISTING OVERHEAD WIRE
  - EXISTING ELEVATIONS
  - PROPOSED FORCE MAIN
  - PROPOSED DIRECTIONAL BORE

NOTES:  
 1. PROPOSED FORCE MAIN TO HAVE 36" COVER, MINIMUM.

■ MTWCD Canal 37 Right-of-Way  
■ MTWCD Drainage Easement

72 HOURS BEFORE DIGGING  
 CALL TOLL FREE  
**811**  
 KNOW WHAT'S BELOW



REVISIONS	DATE	JOB NO.
1. REVISED PIPE	9-19-16	16-1050
2.		
3.		
4.		
5.		
6.		
7.		

DATE	JOB NO.
9-19-16	16-1050

**MBV ENGINEERING, INC.**  
 MOIA BOWLES VILLAMIZAR & ASSOCIATES  
 CONSULTING ENGINEERS CA #3728

1250 W. EAU GALLIE BLVD., UNIT L  
 MELBOURNE, FL 32935  
 PH. (321) 253-1510  
 FX. (321) 253-0911  
 VERO BEACH, FL - PH (772) 669-0035  
 FT. PIERCE, FL - PH (772) 466-9055

PALM BAY

**MINTON ROAD FORCE MAIN EXTENSION**

FLORIDA

**UTILITY PLAN**

ELEVATIONS ARE PER NAVD-1988

SHEET	<b>C-1</b>
OF	2
DATE:	06/15/16
SCALE:	16-1050

# Attachment

4

# **MELBOURNE-TILLMAN WATER CONTROL DISTRICT**

## **MINUTES**

August 23, 2016

### **CALL TO ORDER**

The regular scheduled meeting of the Melbourne-Tillman Water Control District (MTWCD) Board of Directors was called to order by Joe Hale, President, on Tuesday, August 23, 2016 at 9:00 AM in the City of West Melbourne Council Chambers, Veterans Memorial Complex, 2285 Minton Road, West Melbourne, Florida.

### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was recited by all present.

### **ROLL CALL**

The following Board Members were present:

Joe Hale  
Robert Hinkel  
Dave Isnardi  
Conroy Jacobs  
Keith Mills  
Drew Powshok

Absent: Jim Tapp

Also present:

Dan Anderson, District Manager  
Jim Beadle, District Attorney  
Debbie Leclair, Secretary/Treasurer

### **RECOGNITION OF GUESTS/VISITORS/STAFF**

Bill Harrell, Assistant Manager/Operations  
Matt Soyka, District Engineer  
Mike McCabe, Deputy District Engineer  
Nancy Wingo, Veritext Court Reporting  
Ken Moran, Atlantic Properties

### **ANNOUNCEMENTS**

The Manager announced that Bill Harrell, Assistant Manager/Operation, will be retiring September 30, 2016. He stated that Bill has been with the District for 26 years.

The Manager announced the terms for Joe Hale, Drew Powshok, and Jim Tapp will expire on September 30, 2016. He also announced that Dave Isnardi's term expires on December 31, 2016.

### **PUBLIC COMMENTS**

There were no public comments.

### PRESENTATIONS

The Manager stated that the Tough Mudder Event Production, Inc. would like to request the use of District Canals C-10, C-11, C-12, C-33 and C-34. He explained that the Tough Mudder Event is scheduled for November 5 & 6, 2016. Jim Beadle, District Attorney, reviewed the agreement stating that it was identical to the agreement from last year. He stated that the waiver that was just handed to each Board Member was the new waiver that will be part of the agreement. Dave Isnardi **motioned** to approve the agreement with the new waiver. Drew Powshok **seconded the motion**. The Board voted 6-0 to **accept the motion**.

### BUDGET

The Manager requested a budget adjustment which would transfer \$41,500 from Fuel, Gas, & Oil, (Account 5520010), with \$35,000 going to Repair & Maintenance Services (Account 5460000), \$4,000 to Court Reporter Services (Account 5330100), and \$2,500 to Legal Services (Account 5313300). He explained that due to the lower costs of gas and fuel throughout the year, that account was under budget and those funds could help offset costs due to unexpected repairs along with extra costs in legal and court reporter services. Dave Isnardi **motioned** to approve the budget adjustments as presented. Conroy Jacobs **seconded the motion**. The Board voted 6-0 to **accept the motion**.

### REGULAR BUSINESS

Conroy Jacobs **motioned** to approve the minutes of the June 28, 2016 Board Meeting. Dave Isnardi **seconded the motion**. The Board voted 6-0 to **approve the motion**.

Keith Mills **motioned** to approve the Operating Statement through July 31, 2016. Bob Hinkel **seconded the motion**. The Board voted 6-0 to **approve the motion**.

### NEW BUSINESS

The Manager reviewed Resolution 2016-01, Authority to Levy User Fees. Dave Isnardi **motioned** to adopt Resolution 2016-01. Conroy Jacob **seconded the motion**. The Board voted 6-0 to **accept the motion**.

The Manager reviewed Resolution 2016-02, Appropriation of Funds. Conroy Jacobs **motioned** to adopt Resolution 2016-02. Keith Mills **seconded the motion**. The Board voted 6-0 to **accept the motion**.

The Manager reviewed an Engagement Letter from Carr, Riggs & Ingram for auditing services. He explained that this proposal was for a five-year engagement and included a \$1,000 annual increase from the last engagement term. He explained that, if the Board wished, Carr, Riggs & Ingram would agree with a one year engagement. The Board discussed the process of requesting bids for the District's auditing services. The Manager explained that Carr, Riggs & Ingram could assign another Partner in the Auditing Department to oversee the District's audit. Dave Isnardi **motioned** to continue with a one-year engagement with Carr, Riggs & Ingram, not exceeding \$13,000 for a one-year engagement. Bob Hinkel **seconded the motion**. The Board voted 6-0 to **accept the motion**.

### OLD BUSINESS

The Manager explained that at the April 26, 2016 Board meeting agreed to contract with Mike Haridopolos, MJH Consulting, for consulting/lobbying services for the District's legislative changes. He explained that this was to be a one year term with the option to renew for another year. The Manager continued to explain that this expense was not budgeted and would need to be funded

from reserves for the remainder of the 2015/2016 fiscal year as well as 2016/2017. Dave Isnardi **motioned** to the funding from reserves for payment to MJH Consulting. Drew Powshok **seconded the motion**. The Board voted 6-0 to **accept the motion**.

### MANAGER'S REPORT

The Manager announced that the employment of Scott Moffitt has been terminated as of August 10, 2016. He stated that Scott was an Aquatic Applicator. The Manager also stated that Steve White, a Heavy Equipment Operator, resigned effective August 18, 2016. He explained that the Heavy Equipment position has already been filled by Kenneth Moss who started on Monday, August 22, 2016.

### ENGINEER REPORT

The District Engineer announced that the tropical depression is being monitored and if needed will begin a slow drawdown of the water levels as standard operating procedure.

The Deputy Engineer announced that would be a meeting for the C-10 reservoir tomorrow. He explained that the meeting will be with St. Johns River Water Management District, Melbourne-Tillman, City of Palm Bay, and Brevard County. He explained that the C-10 reservoir is the second phase of the C-1 Rediversion Project allowing additional water from the system to be pumped into the reservoir reducing the amount that is discharged through the MS-1 structure and ultimately reducing the pollutant load into the lagoon.

### ATTORNEY REPORT

There was no Attorney report.

### SECRETARY/TREASURER REPORT

There was no Secretary/Treasurer report.

### CLOSING

The District's final budget hearing with the County Commissioners is scheduled for Tuesday, September 13, 2016, at 5:30 pm. This will be held at the Government Center Commission Room, Building C, 2725 Judge Fran Jamieson Way, Viera.

The next regular Board Meeting is scheduled for Tuesday, October 25, 2016, at 9:00 am in the City of West Melbourne Council Chambers.

### DIRECTOR'S REPORTS

Joe Hale – Stated that District Staff did a great job, over a long period of time, on getting the User Fee increase

Bob Hinkel – Congratulations to Staff for their hard work on the User Fee increase

Dave Isnardi – Thanked the District Staff, stated that the resolution from the City of Palm Bay was being worked on and will be presented to District Staff before it is taken to the City Council, and stated that with the potential of increased development the Board may want to consider meeting once a month instead of the current every other month.

Conroy Jacobs – Announced that he has been working on the data he received with the acreage of the municipalities within the District for consideration regarding the makeup of the Board. He stated that he is in the process of digitizing the data and will bring it back to the Board. He also thanked the staff on fee increase.

Page 4 of 4  
Minutes  
August 23, 2016

Keith Mills – Good job on the User Fee increase

Drew Powshok – Good job on the User Fee increase. Asked about wetland mitigation issue he had mentioned at the previous meeting. The Manager stated that it would be discussed with SJRWMD, but nothing has been finalized.

**ADJOURN**

Joe Hale, President adjourned the meeting at 10:06 am.

Respectfully,

Debbie Leclair  
Secretary  
Board of Directors

# Attachment

5



# MELBOURNE-TILLMAN WATER CONTROL DISTRICT

## Operating Statement through Septebmer 30, 2016

	Actual \$	FY 2016		FY 2016 Modified	Over/Under	Percentage
	To Date	Approved Budget	Approved Budget Adjustments			
<b>Revenue</b>						
User Fees	\$ 1,685,166	\$ 1,753,108		\$ 1,753,108	\$ (67,942)	96%
Permits	\$ 94,030	\$ 10,000		\$ 10,000	\$ 84,030	940%
Miscellaneous Income	\$ 44,557	\$ 28,000		\$ 28,000	\$ 16,557	159%
<b>Revenue</b>	<b>\$ 1,823,753</b>	<b>\$ 1,791,108</b>		<b>\$ 1,791,108</b>	<b>\$ 32,645</b>	
Balance Forward		\$ 3,240,634		\$ 3,240,634	\$ (3,240,634)	0%
<b>TOTAL INCOME</b>	<b>\$ 1,823,753</b>	<b>\$ 5,031,742</b>		<b>\$ 5,031,742</b>	<b>\$ 2,882,315</b>	
<b>Expenses</b>						
<b>Salary &amp; Benefits</b>						
Salaries	\$ 939,424	\$ 1,031,757		\$ 1,031,757	\$ 92,333	91%
Health Insurance	\$ 288,321	\$ 326,532		\$ 326,532	\$ 38,211	88%
Retirement	\$ 84,924	\$ 86,382		\$ 86,382	\$ 1,458	98%
FICA/Medicare	\$ 68,785	\$ 78,929		\$ 78,929	\$ 10,144	87%
Workers' Comp	\$ 22,205	\$ 36,300		\$ 36,300	\$ 14,095	61%
<b>SALARY &amp; BENEFITS</b>	<b>\$ 1,403,660</b>	<b>\$ 1,559,900</b>			<b>\$ 156,240</b>	
<b>Operations</b>						
Professional Services	\$ 42,751	\$ 47,200	\$ 14,000 1,2	\$ 61,200	\$ 4,449	91% <i>Legal, Drug Testing, Accounting &amp; Court Reporting, Engineering Testing, Misc. Prof Serv.</i>
Contract Services	\$ 8,316	\$ 8,400		\$ 8,400	\$ 84	99% <i>Uniforms, Garbage Service</i>
Travel	\$ 2,656	\$ 5,000		\$ 5,000	\$ 2,344	53% <i>Travel</i>
Communications	\$ 8,048	\$ 13,500		\$ 13,500	\$ 5,452	60% <i>Postage, Telephone Service</i>
Utilities	\$ 7,923	\$ 8,500		\$ 8,500	\$ 577	93% <i>Utility, Solid Waste Assessment</i>
Rentals	\$ 8,160	\$ 9,200		\$ 9,200	\$ 1,040	89% <i>Rentals</i>
Liability Insurance	\$ 82,084	\$ 85,000		\$ 85,000	\$ 2,916	97% <i>Insurance</i>
Repair & Maintenance	\$ 120,288	\$ 99,600	\$ 35,000 1	\$ 134,600	\$ (20,688)	121% <i>Repair &amp; Mnt Serv, Repair &amp; Maintn. Sup, Auto &amp; Eqpm Parts, Mnt Agrmts.</i>
Current Charges	\$ 24,788	\$ 28,475		\$ 28,475	\$ 3,687	87% <i>Tax Coll, Bnk Fees, Pyrl. Exp, Lic &amp; Permits, Advertising, Unemplm</i>
Office Supplies	\$ 5,205	\$ 7,200		\$ 7,200	\$ 1,995	72% <i>Office Supplies</i>
Operating Supplies	\$ 310,514	\$ 405,000	\$ (41,500) 1	\$ 363,500	\$ 94,486	77% <i>Operating Supplies, Fuel, Gas &amp; Oil, Aquatics</i>
Books & Training	\$ 6,268	\$ 14,000		\$ 14,000	\$ 7,732	45% <i>Books, Pubs., Memberships, Training Costs</i>
Restricted Reserves	\$ -	\$ 2,559,267	\$ (7,500) 2	\$ 2,551,767	\$ 2,559,267	<i>Reserves</i>
<b>OPERATIONS</b>	<b>\$ 627,002</b>	<b>\$ 3,290,342</b>		<b>\$ 3,290,342</b>	<b>\$ 2,663,340</b>	
<b>Capital Outlay</b>						
Improvements Other than Buildings	\$ 81,532	\$ 100,500		\$ 100,500	\$ 18,968	81%
Buildings	-	\$ 8,000		\$ 8,000		
Machinery	\$ 35,975	\$ 64,500		\$ 64,500	\$ 28,525	56%
Computer Hardware	\$ -	\$ 2,500		\$ 2,500	\$ 2,500	0%
Computer Software	\$ 1,258	\$ 6,000		\$ 6,000	\$ 4,742	21%
<b>CAPITAL OUTLAY</b>	<b>\$ 118,765</b>	<b>\$ 181,500</b>		<b>\$ 181,500</b>	<b>\$ 54,735</b>	
<b>TOTAL EXPENSE</b>	<b>\$ 2,149,427</b>	<b>\$ 5,031,742</b>		<b>\$ 5,031,742</b>	<b>\$ 2,882,315</b>	

1 Approved August 23, 2016 \$41,500.00 from Fuel Gas & Oil  
 \$35,000.00 to Repair & Maintenance Services  
 \$4,000.00 to Court Reporter Services  
 \$2,500.00 to Legal Services

2 Approved August 23, 2016 \$7,500.00 from Reserves  
 \$7,500.00 to Miscellaneous Professional Services

# Attachment

6

Select Year:  

## The 2016 Florida Statutes

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[Title XIV](#)  
TAXATION AND  
FINANCE

[Chapter 218](#)  
FINANCIAL MATTERS PERTAINING TO POLITICAL  
SUBDIVISIONS

[View Entire  
Chapter](#)

### **218.391 Auditor selection procedures.—**

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. [218.39](#).

(2) The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center shall establish an audit committee. Each noncharter county shall establish an audit committee that, at a minimum, shall consist of each of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, or a designee, and one member of the board of county commissioners or its designee. The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. [218.39](#); however, the audit committee may serve other audit oversight purposes as determined by the entity's governing body. The public shall not be excluded from the proceedings under this section.

(3) The audit committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the audit committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

History.—s. 65, ch. 2001-266; s. 1, ch. 2005-32.

