

MINUTES OF AUDIT COMMITTEE MEETING
MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT

The Audit Committee meeting of the Middle Village Community Development District was held Monday, May 9, 2022 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065.

Present and constituting a quorum were:

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| Michael Steiner | Chairman |
| Tim Hartigan | Vice Chairman |
| Jeremy Spellman | Supervisor |
| Jonel Hicks | Supervisor |

Also present were:

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| Marilee Giles | District Manager |
| Mike Eckert | District Counsel (by telephone) |

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles called the meeting to order at 2:00 p.m.

SECOND ORDER OF BUSINESS

Review and Ranking of Proposals for Audit Services

Ms. Giles stated at the March meeting, the Board approved the auditor selection evaluation criteria. That evaluation criteria meets the statutory requirements. Those criteria are ability of personnel, proposer's experience, understanding the scope of work, ability to furnish the required services and price, all equally weighted at 20 points. Today we have two proposals that the committee will rank and make a selection. Once you make the selection, the Board will direct staff to get an engagement letter from the top ranked proposer. Although you are currently using Grau & Associates, both of these companies are reputable and we use them with several of our districts in Northeast Florida.

Chairman Steiner stated there are a couple of things I noticed in the proposals. Both of the candidates referenced GMS and I thought it would be good to get an assessment from GMS as to whether they had any feedback on either of them. We've had Grau since 2008 and to my knowledge we haven't had any problems. I contacted Marilee and she got some information from one of our accountants. They prefer to work with Grau over all others and they've never

had any problems with them. They've always turned in the audits on time, start working earlier, and it's easy to reach them if they have any questions. The other proposer basically failed to turn in audits on time because they were understaffed, it was almost impossible to reach them, and they do everything at the last minute. Based on that additional information, as far as the ability of personnel, I gave Grau 15 points and gave Berger Toombs 5 points. For experience, because we've had them since 2008, I gave the advantage to Grau with 15 points and 5 points to Berger Toombs. As far as understanding the scope of work, I chose to give each of them 10 points. Ability to furnish the required services, they have the ability to do that, so I gave them both 10 points. I gave 5 points to Grau for price. They are \$6,722 higher than Berger Toombs, but keep in mind this is a five-year contract, so you're looking at \$1,344 average increase for every year. Berger Toombs got 15 points for being priced lower. That comes out to 55 points total for Grau and 45 points total for Berger Toombs. This is just from my research on it. If you want some information about whether they're stressed or not, Grau has 15 employees assigned, Berger has 28. But then, if you look, Berger has around 900 accounts and Grau has 297. From that standpoint it looks like we have more people available to support. With the nature of today where there are high turnovers, and costs going up, I'd be concerned that we would get hung out because somebody is over extended.

Vice Chairman Hartigan stated I'm leaning towards Grau, especially if we have a good track record with them. After reading both of them I was swaying towards Berger, but with GMS's input, the fact that the second one did not provide audits in a timely fashion pretty much closes it for me. We can't afford to have a lack of attention to detail and submission on time. The price is slightly different, but quality of work is always well worth it. The increases I see over the next five years are fine. I'm in favor of going with Grau and retaining what we currently have.

Chairman Steiner asked so you're comfortable with the ranking?

Vice Chairman Hartigan responded I'm very comfortable. Actually, I'd probably raise Grau up by at least another five points.

Chairman Steiner asked where you would take that additional deduction?

Vice Chairman Hartigan responded the on-time reporting is the biggest for me. Your report is fine the way it is.

Chairman Steiner stated I've already deducted five points for the failure to report and so forth.

On MOTION by Chairman Steiner seconded by Vice Chairman Hartigan with all in favor ranking Grau & Associates number one with 55 points and Berger Toombs number two with 45 points was approved.

THIRD ORDER OF BUSINESS

Other Business

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Adjournment

On MOTION by Chairman Steiner seconded by Mr. Spellman with all in favor the Audit Committee Meeting was Adjourned.