



**Housing Finance Authority
of Palm Beach County**

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Chairperson

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Vice Chair

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Secretary

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**HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES OF AUDIT COMMITTEE
MEETING**

Meeting Date & Time:

9:30 A.M., Friday September 14, 2018

Location:

PBC Airport Center
100 Australian Avenue
First Floor Training Room 1-470
West Palm Beach

Attendance Sign-in Sheet/others

Faye Johnson

Staff and professionals:

David Brandt, Executive Director
Jennifer Hamilton, administrative assistant
Skip Miller - general counsel – Greenspoon Marder
Amanda Kumar – bond trustee/custodian - US Bank
Jim Hutchison – auditor - Caler, Donten, Levine

I. Call to Order

a. Roll call and establishment of quorum

Chairman Franklin announced the start of the audit committee meeting at 9:35 a.m. The five (5) members present constituted an audit committee quorum for this session:

Patrick Franklin, Chair
James Harper, Secretary
Clark Bennett
Robin Henderson
Chuck St. Lawrence

II. Public comment on Agenda Items

There was no comment from the public.

III. Agenda Approval

The ED noted that due to a scheduling conflict with the fourth floor training room, the audit committee meeting for October 12 would be held in Room 1-470.

IV. New Business

Item (a) Discussion of draft auditor Request for Proposals, evaluation and ranking process

Executive director David Brandt ("ED") began the discussion of the timeline for the auditor selection process by stating that he had published a notice in the Palm Beach Post on September 4 that the Request for Proposals ("RFP") for audit services was expected to be available today after consideration by the audit review committee. He advised because a month had been lost because of the cancellation

of the August meeting that the window for proposers to reply to the RFP had to be shorten from 30 days down to two weeks in order to have time for review of proposals, selection of a firm and the negotiation of an engagement, and the submission of same for Board of County Commission ("BCC") approval before the end of the year. He stated that because the Authority's audit will now only cover the general fund, and not outstanding multi-family bond issues, that the scope is significantly less than it had been in the past and therefore he thought the shorter RFP response timeframe should not adversely affect prospective proposers.

Mr. Harper expressed his concern about the term of the contract period being too long. The ED advised that the previous contract had a three year initial period and then there were options for two, three year renewals, and that he proposed following Palm Beach County's current engagement which has the same three-year initial period but then two, two-year renewal options. Mr. Harper asked if the contract could be for one year with an option to renew for an additional year. General counsel Skip Miller said yes but one of the negatives is that a lot of firms will just say it's not worth effort. Chairman Franklin stated that you need some continuity for an audit engagement and that a one or even two year term is probably too short. Mr. St Lawrence and Mr. Bennett agreed that an initial three year term is preferable.

Mr. St. Lawrence then made a motion to approve the RFP as proposed by staff.

There was further discussion as to whether the engagement period would be just three years or with the options for renewal. The ED advised that staff's recommendation, as outlined in the draft RFP, includes the option of the Authority to extend the engagement for an additional two, two-year periods. GC Miller stated that after three years if the board doesn't take action to renew the contract is over, so it would have to affirmatively take the action to renew it for either of the additional two-year periods.

Mr. Harper said the BCC is trying to get some diversity with its contracts but that he was willing to go along with the initial three years and then have the contract come back up for a discussion. Chairman Franklin stated that's exactly the motion that's on the table does. **Following further discussion by the board and staff the Chair asked if there was a second to the motion which Mr. Harper provided.**

GC Miller added that before the vote he wanted to point out that the Florida statute regarding auditor selection requires the audit committee to do specific things including determining what factors will be used in selecting a proposal. He stated

that those are outlined in the RFP including compensation as one of the factors, and that the audit committee is approving those as part of the approval of the RFP. Mr. Harper state that he would like the ED to follow up with the Office of Small Business to be sure they are aware the RFP has been issued. The ED advised that he has had conversations with them, including when the RFP would be posted to the Authority's website, and would also follow up with them today and ask that they contact all of their approved vendors regarding the issuance of the RFP.

The Chair stated that the motion had been made and seconded, the board has discussed it, and called the question. The motion passed unanimously by vote of 5-0.

VII. Other matters

a. Matters of Authority members

None.

b. Matters of the Executive Director and Professionals

None.

c. Matters of the public

None.

d. Next meeting date

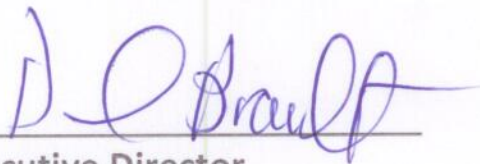
The Chair announced the next audit committee meeting for 9:30 a.m., October 12, 2018 at the PBC Airport Center, Risk Management Training Rm 1-470, 100 Australian Avenue, West Palm Beach.

VIII. Adjournment


Mrs. Henderson moved to adjourn the audit committee meeting. Mr. Harper said

second. The motion passed unanimous by a vote of 5-0.

Respectfully submitted,



Executive Director



Secretary