



## VILLAGE OF PALMETTO BAY

Mayor Karyn Cunningham  
Vice Mayor John DuBois  
Council Member Patrick Fiore (Seat 1)  
Council Member David Singer (Seat 2)  
Council Member Marsha Matson (Seat 3)

Interim Village Manager Gregory Truitt  
Village Attorney John Dellagloria  
Village Clerk Missy Arocha

In accordance with the Americans with Disabilities Act of 1990, persons needing special accommodation, a sign language interpreter, or hearing impaired to participate in this proceeding should contact the Village Clerk at (305) 259-1234 for assistance no later than four days prior to the meeting.

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### AGENDA

#### SPECIAL VILLAGE COUNCIL MEETING

#### THURSDAY, JANUARY 23, 2020 – 7:00 PM

Village Hall Chambers, 9705 E. Hibiscus Street  
(305) 259-1234

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1. **CALL TO ORDER, ROLL CALL, INVOCATION, PLEDGE OF ALLEGIANCE, DECORUM STATEMENT, IN THAT ORDER:** Any person making impertinent or slanderous remarks, or who becomes boisterous, while addressing the Council may be barred from further appearance before the Council by the Mayor, unless permission to continue or again address the Council is granted by a majority vote of the Council. Applauding speakers shall be discouraged. Heckling or verbal outbursts in support or opposition to a speaker, or his or her remarks, shall be prohibited. No signs or placards shall be allowed in the Council meeting. Persons exiting the Council meeting shall do so quietly. All cellular telephones and beepers are to be silenced during the meeting.
2. **REQUESTS, PETITIONS AND PUBLIC COMMENTS**
3. **RESOLUTIONS WITH PUBLIC COMMENT:**
  - A. A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH MERCER GROUP FLORIDA, LLC TO PROVIDE PROFESSIONAL SERVICES TO RECRUIT CANDIDATES FOR THE POSITION OF VILLAGE MANAGER; AND PROVIDING AN EFFECTIVE DATE. *(Sponsored by the Village Council)*

- B. A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR AUDITING SERVICES FOR THE 2018-2019 FISCAL YEAR WITH THE FIRM OF MORRISON, BROWN, ARGIZ & FARRA, LLC (“MBAF”); AMENDING RESOLUTION NO. 2020-05; AND PROVIDING AN EFFECTIVE DATE. *(Sponsored by the Village Council)*
4. **VILLAGE COUNCIL DISCUSSION OF TRAFFIC CIRCLE ON SW 87<sup>TH</sup> AVENUE AND SW 174<sup>TH</sup> STREET**
5. **COUNCIL COMMENTS**
6. **NEXT MEETING AND ADJOURNMENT**

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WE, THE VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, HEREBY COMMIT OURSELVES TO MAINTAINING CIVILITY IN OUR PUBLIC AND POLITICAL DISCOURSE AND PLEDGE TO THE FOLLOWING PRINCIPLES:

- We will respect the right of all citizens in our community to hold different opinions;
- We will avoid rhetoric intended to humiliate or question the wisdom of those whose opinions are different from ours;
- We will strive to understand differing perspectives;
- We will choose our words carefully;
- We will speak truthfully without accusation and we will avoid distortion;
- We will speak out against violence, prejudice, and incivility in all of their forms, whenever and wherever they occur.

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PURSUANT TO FLORIDA STATUTES 286.0105, THE VILLAGE HEREBY ADVISES THE PUBLIC THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THIS COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT ITS MEETING OR HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT FOR SUCH PURPOSE, THE AFFECTED PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THIS NOTICE DOES NOT CONSTITUTE CONSENT BY THE VILLAGE FOR THE INTRODUCTION OR ADMISSION OF OTHERWISE INADMISSIBLE OR IRRELEVANT EVIDENCE, NOR DOES IT AUTHORIZE CHALLENGES OR APPEALS NOT OTHERWISE ALLOWED BY LAW.

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# **PUBLIC NOTICE**



## VILLAGE OF PALMETTO BAY NOTICE OF SPECIAL COUNCIL MEETING

**NOTICE IS HEREBY GIVEN** that the Village of Palmetto Bay shall be conducting a Special Council Meeting on Thursday, January 23, 2020 at 7:00 p.m. at Village Hall, 9705 E. Hibiscus Street, Palmetto Bay, FL 33157. This Special Council Meeting is for the purposes of discussing and acting on:

- I. The approval of the agreement between The Mercer Group, Inc. ("the firm") and the Village of Palmetto Bay for engaging the services of an executive recruiter to conduct a search for a permanent Village Manager
- II. The approval of the agreement between Morrison, Brown, Argiz & Farra, LLC and the Village of Palmetto Bay for the 2018-2019 fiscal year audit
- III. A traffic circle on SW 87<sup>th</sup> Avenue and SW 174<sup>th</sup> Street

Any meeting may be opened and continued, and, under such circumstances, additional legal notice would not be provided. Any person may contact the Village Hall at (305) 259-1234 for information. In accordance with the Americans with Disabilities Act of 1990, persons needing special accommodation (or hearing impaired) to participate in this proceeding or to review any documents relative thereto should contact the Village for assistance at (305) 259-1234 no later than four (4) days prior to the proceedings.

If a person decides to appeal any decision made by the Village Council, with respect to any matter considered at a meeting or hearing, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made; such record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

*Missy Arocha, Village Clerk*

[www.palmettobay-fl.gov](http://www.palmettobay-fl.gov)



# ITEM 3A

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RESOLUTION NO. 2020-\_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH MERCER GROUP FLORIDA, LLC TO PROVIDE PROFESSIONAL SERVICES TO RECRUIT CANDIDATES FOR THE POSITION OF VILLAGE MANAGER; AND PROVIDING AN EFFECTIVE DATE. (Sponsored by the Village Council)**

**WHEREAS**, pursuant to Resolution 2020-04, the Council selected The Mercer Group Florida, LLC (“Mercer”) as the professional search firm to recruit candidates for the position of Village Manager; and

**WHEREAS**, Mercer has submitted an Agreement for execution by the Village Council; and

**WHEREAS**, the Village Council wishes to authorize the Mayor to sign the Agreement enabling Mercer to commence its services.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE OF PALMETTO BAY, FLORIDA, THAT:**

**Section 1.** The above-recitals are true and correct and made part of this Resolution.

**Section 2.** The Mayor is hereby authorized to execute the Agreement with Mercer, the Agreement attached as Exhibit “1”.

**Section 3.** The proposal submitted by Mercer dated January 23, 2020, is incorporated and made a part of this Resolution as if set forth in full.

**Section 4.** This Resolution shall take effect immediately upon its adoption.

**PASSED and ADOPTED** this 23<sup>rd</sup> day of January 2020.

1 Attest:

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**Missy Arocha**  
**Village Clerk**

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**Karyn Cunningham**  
**Mayor**

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10 APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE  
11 USE AND RELIANCE OF THE VILLAGE OF PALMETTO BAY, FLOR-  
12 IDA ONLY:

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**John C. Dellagloria**  
**Village Attorney**

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**FINAL VOTE AT ADOPTION:**

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Council Member Patrick Fiore \_\_\_\_\_

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Council Member David Singer \_\_\_\_\_

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Council Member Marsha Matson \_\_\_\_\_

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Vice-Mayor John DuBois \_\_\_\_\_

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Mayor Karyn Cunningham \_\_\_\_\_



# Mercer Group Florida LLC

*Consultants To Management*

## AGREEMENT

This AGREEMENT, made as of this 23<sup>rd</sup> day of January, 2020, by and between **THE MERCER GROUP, INC. dba MERCER GROUP FLORIDA, LLC** and the Village of Palmetto Bay, a municipal corporation. (the "Parties")

### **WITNESSETH:**

WHEREAS, Palmetto Bay (hereinafter referred to as the "Village") has expressed an interest in engaging the services of an executive recruiter to conduct a search for a Village Manager for the Village and

WHEREAS, The Mercer Group, Inc. (hereinafter referred to as "Mercer") has submitted a proposal in response to the Village's request; and

WHEREAS, the Village has selected Mercer's proposal as the proposal which best meets its needs and the Village desires to hire Mercer to conduct the Village's search for a new Village Manager, and

WHEREAS, Mercer desires to assist the Village in conducting the Village's search for a Village Manager.

NOW THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by all parties hereto, Mercer and the Village hereby agree as follows:

1. Mercer agrees to provide services and support to the Village in the conduct of the Village's search for a Village Manager. Mercer agrees to conduct the Village's project in accordance with the scope of services outlined in its Proposal to the Village dated December 20, 2019, in response to the Village's request. Mercer's proposal is incorporated as if set out in full.
2. The Village agrees to compensate Mercer for its services in the amount of Seventeen Thousand Seven Hundred Fifty Dollars (\$17,750.00) for professional services to conduct the search. Payments to Mercer are to be made as outlined in Mercer's proposal to the Village.
3. The Village and Mercer both agree that this Agreement shall be governed by the laws of the State of Florida, with venue for any action to be Miami-Dade County, Florida.
4. SUNSHINE LAW. As Mercer's role is to screen applications and make recommendations for the position of Village Manager, Mercer acknowledges that it

will be subject to, and will comply with, Chapter 286, Florida Statutes.

5. PUBLIC RECORDS. Mercer shall comply with the requirements of Florida's Public Records law. In accordance with Section 119.0701, Florida Statutes, Mercer shall (a) keep and maintain public records that ordinarily and necessarily would be required by the Village in order to perform the service under the contract; (b) provide the public with access to public records on the same terms and conditions that the Village would provide the records and at a cost that does not exceed the cost provided under Florida's Public Records law; (c) ensure that public records that are exempt from public records disclosure requirements are not disclosed except as authorized by law; and (d) meet all requirements for retaining public records and transfer, at no cost, to the Village all public records in possession of Mercer upon termination of the contract. All records stored electronically must be provided to the Village in a format that is compatible with the information technology system of the Village.
6. The Village and Mercer agree that in the event any dispute arises between the Parties, the complaining Party shall promptly notify the other of the dispute in writing. Each Party shall respond to the other in writing within ten (10) working days of receipt of such notice.
7. The Village and Mercer agree that any amendments to this Agreement shall be made in writing and executed by the Parties. No proposed amendment which is not in writing and executed by the Parties shall affect the terms of this Agreement.
8. The Parties shall have the right at either's convenience to terminate this Agreement following five (5) days written notice to the affected Party. Should either Party terminate this Agreement, the Village shall only be obligated to pay Mercer for those services already provided.

**VILLAGE OF PALMETTO BAY**

BY: \_\_\_\_\_  
Karyn Cunningham, Mayor

**ATTEST:**

\_\_\_\_\_  
Missy Arocha, Village clerk

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John C. Dellagloria, Village Attorney

**THE MERCER GROUP, INC. dba MERCER GROUP FLORIDA LLC**

BY:

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Dona Higginbotham  
Senior Vice President

**VILLAGE OF PALMETTO BAY  
PROJECTED TIMELINE – MERCER GROUP FLORIDA, LLC**

<b>PROJECTED TIMELINE</b>	<b>DELIVERABLE</b>
<b>One week following execution of agreement</b>	Kickoff Meeting with appropriate staff. In-person or by conference call, as desired
Week One	*Develop Characteristics & Attributes of a Successful Candidate. *Develop Compensation Package and Job Description
Week Three	Approve Recruitment Materials
Week Three - Search Officially Opens	Access Data Base for Targeted Recruitment of Qualified Individuals Ads Placed
Weeks Three through Seven	Send Recruitment Materials to potential candidates Invitation Letter
Weeks Three through Seven	Outreach Telephone Calls
As received	Acknowledge Receipt of Application Materials
Week Seven	Closing Date for Receipt of Applications as defined
Ongoing through Week Seven	Screen Applications Against Selection Criteria Consultant Interviews of Top Candidates
Week Eight	Meet/conference to Review Top Candidates and assist in the selection of Finalists.
Weeks Nine & Ten	Conduct Reference and Background Checks
Week Ten	Send Interview Guide for the recommended Finalists
Week Eleven/Twelve	Conduct Interviews of Selected Finalists
Week Eleven/Twelve	Make Selection
Week Eleven/Twelve	Negotiate Agreement
At close of search process	Notify Candidates Not Selected



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**RESOLUTION NO. 2020-\_\_\_\_\_**

**A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR AUDITING SERVICES FOR THE 2018-2019 FISCAL YEAR WITH THE FIRM OF MORRISON, BROWN, ARGIZ & FARRA, LLC (“MBAF”); AMENDING RESOLUTION NO. 2020-05; AND PROVIDING AN EFFECTIVE DATE.**  
*(Sponsored by the Village Council)*

**WHEREAS**, in early January 2020, the Village Council recognized the urgency to have the fiscal year 2018-2019 audit completed by June 30, 2020; and

**WHEREAS**, the Village Council, for reasons stated at the meeting of January 6, 2020, gave Notice to the then-auditors that the Village was terminating their services; and

**WHEREAS**, on January 6, 2020, Resolution No. 2020-05 as originally written correctly referenced the 2018-2019 fiscal year audit, but was inadvertently amended to read the 2019-2020 fiscal year; and

**WHEREAS**, the Council clearly intended for the audit to be performed for the 2018-2019 fiscal year; and

**WHEREAS**, the Council wishes to execute the Engagement Letter attached as Exhibit “1” for MBAF to perform auditing services for the Village’s 2018-2019 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE OF PALMETTO BAY, FLORIDA, THAT:**

**Section 1.** The Village Council hereby authorizes the execution of the Engagement Letter with MBAF attached as Exhibit “1” for auditing services for the Village’s 2018-2019 fiscal year.

**Section 2.** That Resolution No. 2020-05 is hereby amended to remove all references to fiscal year 2019-2020 and replace it with fiscal year 2018-2019 throughout the Resolution.

**Section 3.** That upon the completion of all actions necessary for

1 the preparation, submission and approval of the fiscal year 2018-2019  
2 audit, the Council shall begin the selection process pursuant to Section  
3 218.391, Florida Statutes for future auditing services.

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5 **Section 4.** This Resolution shall take effect immediately upon its  
6 adoption.

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8 **PASSED** and **ADOPTED** this 23<sup>rd</sup> day of January 2020.

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10 Attest:

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14 **Missy Arocha**  
15 **Village Clerk**

16 **Karyn Cunningham**  
17 **Mayor**

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APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE  
USE AND RELIANCE OF THE VILLAGE OF PALMETTO BAY, FLOR-  
IDA ONLY:

**John C. Dellagloria**  
**Village Attorney**

**FINAL VOTE AT ADOPTION:**

Council Member Patrick Fiore \_\_\_\_\_

Council Member David Singer \_\_\_\_\_

Council Member Marsha Matson \_\_\_\_\_

Vice-Mayor John DuBois \_\_\_\_\_

Mayor Karyn Cunningham \_\_\_\_\_

January 10, 2020

Gregory H. Truitt  
City Manager  
Village of Palmetto Bay  
9705 East Hibiscus Street  
Palmetto Bay, Florida 33157

Re: Village of Palmetto Bay

Dear Mr. Truitt:

You have requested that we, Morrison, Brown, Argiz & Farra, LLC (the "Firm"), audit the financial statements of the Village of Palmetto Bay, Florida (the "Organization"), which comprise the financial statements of the governmental activities, each major fund and the remaining aggregate remaining fund information as of and for the year ended September 30, 2019, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this engagement letter (the "Letter"). Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Village's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedule
- 3) Schedule of Funding Progress-Other Post-Employment Benefits

The following supplementary information will be presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information will be subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* of the Comptroller General of the United States of America. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole.

- 1) Combining Balance Sheet – Nonmajor Governmental Funds
- 2) Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

An independent member of Baker Tilly International

**Auditor Responsibilities.** We will conduct our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

In making our risk assessments, we consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion.

**Management Responsibilities.** Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence;
  - d. With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

4. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the Organization's auditor;
5. For identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities; and
6. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Our responsibility is to audit your financial statements in accordance with professional standards. Even though we may produce your financial statements, present you with draft financial statements, assemble your financial statements, and print them on our printers or forward them to you electronically or otherwise assist in preparing them, the Organization's financial statements are inherently the Organization's, since they summarize the transactions the Organization recorded in its business records. We are not a party to those transactions. We only audit a sample of them and the balances created by them.

With respect to any nonattest services we perform, the Organization's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

**Reporting.** We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the council of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing of internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

We may utilize secure, online third-party portals to communicate and exchange information. Furthermore, financial statements will be delivered through a secure online platform, the RIVIO Clearinghouse. If you have not previously signed up for this secure platform, please advise us so that we may provide further instructions.

**Additional Audit Engagement Terms.** We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

The timing of our audit will be scheduled for performance and completion as follows:

	<i>Begin</i>	<i>Complete</i>
Mail confirmations		No later than February 28, 2020
Perform year-end audit procedures	February 2020	May 2020
Issue audit report		No later than June 1, 2020

Mr. Truitt  
Village of Palmetto Bay, Florida  
January 10, 2020  
Page 4 of 7

Lisette Rodriguez, CPA is the Engagement Principal for the audit services specified in this letter. Her responsibilities include supervising the Firm's services performed as part of this engagement and signing or authorizing another qualified Firm representative to sign the audit report.

Upon issuance of draft financial statements, you shall have 14 calendar days to authorize us to issue our report on the financial statements. If additional time is needed by you, it may require us to perform additional procedures. We will bill the Organization separately for these additional services.

You understand that the financial statements are the Organization's responsibility. You will review all such statements prior to issuing them for completeness and accuracy and advise us of any errors or omissions known to you.

Our audit services under this engagement terminate upon the delivery of the audit report to you.

**Fees.** Our fees are based upon the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, such as travel, report production, word processing, tax return processing, postage, etc. We estimate that our total annual fee will be \$50,000. Audit fees will be payable one-third upon the first week of fieldwork, one-third during fieldwork and the remaining balance will be due at the delivery of the audit report.

Work may also be subject to a revisitation of the fee, if we determine that the Organization has encountered a material adverse (or beneficial) change or unexpected circumstances have arisen since the Organization executed this Letter. Work may be suspended, if in our determination, sufficient evidential matter is not provided in a timely manner for us to efficiently conduct our audit procedures.

#### **OTHER ENGAGEMENT TERMS**

**Organization.** Our accounting practice is conducted through two separate legal entities, Morrison Brown Argiz and Farra, LLC and MBAF CPAs, LLC (collectively, the "Joint Firm"). There is a contractual relationship with the Joint Firm to provide professional services jointly between the two entities and to share personnel where necessary or appropriate based on the facts and circumstances of each engagement. To enable us to provide our services to you more efficiently, we request that you consent to our sharing with the Joint Firm the information that we obtain from you in the course of our engagement. Unless you indicate otherwise, your acceptance of this engagement shall be understood by us as your consent to allow us to make disclosures to the Joint Firm of your confidential information that we may obtain in the course of our engagement, as we determine to be necessary for the performance of our services pursuant to this engagement.

Morrison, Brown, Argiz & Farra, LLC is an independent member of Baker Tilly International. Baker Tilly International Limited is an English Company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Morrison, Brown, Argiz & Farra, LLC is not Baker Tilly International's agent and does not have authority to bind Baker Tilly International or act on Baker Tilly International's behalf. Baker Tilly International, Morrison, Brown, Argiz & Farra, LLC and the other independent member firms of Baker Tilly International have no liability for each other's acts or omissions. In addition, neither Baker Tilly International nor any other member firm has a right to exercise management control over any other member firm.

**Engagement fees and expenses.** Whenever possible, we will attempt to use your assistance in the preparation of schedules and analyses of accounts. Such assistance could reduce our time requirements and facilitate the timely conclusion of this engagement. We estimate our fees based upon anticipated cooperation from you and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss the related reasons with you before we incur additional costs.

You will also be billed for travel and other out-of-pocket costs such as word processing, report production, tax return processing, postage, etc. We may render invoices as our work progresses, rather than one invoice at the conclusion of the engagement, and all invoices are due when rendered. If we pursue collection of any outstanding unpaid balance due us, it is also specifically agreed that you shall be responsible for our attorney's fees and court costs. If we elect to terminate our services for nonpayment, or if we terminate our services as professional standards

Mr. Truitt  
Village of Palmetto Bay, Florida  
January 10, 2020  
Page 5 of 7

require, or if in our determination, sufficient evidential matter is not provided in a timely manner for us to efficiently conduct our services, or if our services are terminated by you, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed the services related to this engagement. You will be obligated to compensate us for all time expended based upon our then current hourly rates and to reimburse us for all out-of-pocket expenditures through the date of termination.

In accordance with Firm policy, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If work has been suspended as collections are past due more than thirty (30) days, we have the right to halt our services until such time as all amounts due are paid in full, without any obligation to complete work in progress; and further shall have the right to retain / withhold our work-product and certain proprietary documentation upon which such work-product is based until all of our fees and expenses have been paid. We also reserve the right to withdraw from the engagement should any invoice remain outstanding over thirty (30) days. If you dispute any of our invoices, you must inform the Engagement Principal in writing of the particular circumstances within thirty (30) days of your receipt of the invoice. Otherwise, you hereby agree to waive any objection to the fees and expenses reflected on our invoices.

Requests for additional services outside of the scope of this Letter are appreciated, though such requests will need to be addressed as a new engagement. The terms and conditions of that new engagement will be governed by a separate engagement letter. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this Letter.

This engagement is subject to final approval and acceptance by the Morrison, Brown, Argiz, & Farra, LLC engagement acceptance committee.

**Engagement documentation, retention and production.** The documentation for this engagement is our property and constitutes confidential information. Our relationship is strictly confidential. It is our policy that we will not release information from our files regarding you without first obtaining your consent, subject to compliance with applicable law and judicial process. The Joint Firm shall be under the same duty as we are to preserve the confidentiality of your information. However, we may be requested to make certain documentation available to regulators pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected documentation to regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. In the event we are requested or authorized by you or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for you, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

We may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this Letter. By your signature below, you consent to having confidential information transmitted to entities outside of the Joint Firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside of the Joint Firm.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file is our property, and we will provide copies of such documents at our discretion.

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Without the Engagement Principal's express prior written approval, you agree not to supply our work-product to any third party. You agree to release, defend and indemnify the Joint Firm and its personnel from any and all claims, liabilities, costs and expenses attributable to your wrongful distribution of our work-product to any third party in violation of this paragraph.

**Dispute Resolution.** Should any problem arise concerning our professional services in any respect, you agree to: (1) immediately inform the Engagement Principal in writing of the existence and full and exact nature of the problem. Such notification must be made within ninety (90) days of the completion or termination of our services under this Letter; and (2) afford us the first opportunity to address/correct any purported problem(s) and afford a reasonable time in which to do so. If any dispute, controversy or claim arises in connection with or in any way related to the performance or breach of this Letter (including disputes regarding the validity or enforceability of this Letter), either party may, upon written notice to the other party, request that the matter be mediated. Each party will be responsible for its own mediation related expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. Any mediation under this Letter will be conducted in Miami, Florida by a neutral mediator acceptable to both parties.

**Arbitration.** If any dispute, controversy or claim arises in connection with the performance or breach of this Letter (including disputes regarding the validity or enforceability of this Letter) and cannot be resolved by mediation (or if all of the parties to this Letter agree to waive that process), then the dispute, controversy or claim will be settled by arbitration in accordance with the Rules of the American Arbitration Association ("AAA") for the Resolution of Accounting Firm Disputes. The arbitration hearings will take place in the city where our office handling this engagement is located, unless the parties jointly agree to a different locale. Such arbitration shall be conducted before a panel of three persons, one chosen by each party, and the third selected by the two party-selected arbitrators. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive, indirect or consequential damages. The award issued by the arbitration panel may be confirmed in a judgment by any Federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including (1) the fees and expenses of the AAA and the arbitrators and (2) the costs, including reasonable attorneys' fees, necessary to confirm the award in court, will be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel. Such arbitration shall be binding and final. In agreeing to arbitration, both parties acknowledge that in the event of any dispute, controversy, or claim, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead both parties are accepting the use of arbitration for resolution.

**Releases.** Neither party to this Letter shall be liable to the other party for: (i) any consequential damages (including, without limitation, lost revenue or lost profits) or incidental, special or punitive damages, even if advised of the possibility of such damages, or (ii) for acts of negligence, in connection with or arising out of the services performed hereunder, unless it is also proven to an arbitration panel that the party was an intentional wrongdoer in accordance with law of the jurisdiction where arbitration occurs. Any damages assessed us under any circumstances shall be limited to the engagement fees incurred and paid pursuant to this Letter. In the event that we become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligations, agreements, and/or costs.

**Other.** This Letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this Letter will only become effective if evidenced by a written amendment to this Letter, signed by all the parties. Failure to perform under this Letter does not constitute a waiver. If any portion of this Letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Letter. This Letter will be interpreted under the laws of the State of Florida.

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In accordance with the requirements of Government Auditing Standards, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please indicate your acceptance of the above understanding by signing this Letter in the space provided below and returning it in the enclosed envelope. A copy of this Letter is enclosed for your records.

We appreciate the opportunity to be your certified public accountants and look forward to working with you.

Respectfully,

**MORRISON, BROWN, ARGIZ & FARRA, LLC**



Miguel G. Farra, CPA, JD  
For the Firm

**AGREED AND ACCEPTED ON BEHALF OF Village of Palmetto Bay, Florida:**

\_\_\_\_\_  
By: Gregory H. Truitt

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date