City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Agenda

City Council

Monday, March 21, 2022 | **6:00 PM** | **Council Chambers**

MEMORANDUM TO:

The Honorable Mayor and
Members of the City Council
City of Jacksonville Beach, Florida

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council.

OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

A. Regular City Council Meeting held on March 7, 2022

B. Council Briefing held on March 14, 2022

ANNOUNCEMENTS

COURTESY OF THE FLOOR TO VISITORS

MAYOR AND CITY COUNCIL

CITY CLERK

CITY MANAGER

A. Accept/Reject the Monthly Financial Reports for the month of February 2022

B. Award/Reject RFP Number 02-2122 to Purvis, Gray and Company, LLP for Audit Services and authorize the Mayor and City Manager to execute the final contract

RESOLUTIONS

ORDINANCES

A. Approve/Disapprove Ordinance No. 2022-8173 Amending Ordinance No. 2020-8157 on the first reading and schedule a second reading for April 4, 2022 (Extends the moratorium on micromobility devices and motorized scooters)

B. Approve/Disapprove Ordinance No. 2022-8175 adopting a Property Rights Element into the 2030 Comprehensive Plan on the first reading and schedule a second reading for April 4, 2022

ADJOURNMENT

NOTICE

In accordance with Section 286.0105, Florida Statutes, if any person decides to appeal any decision made by the council with respect to any matter considered at such meeting, he or she will need a record of the proceedings. For such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk or to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the City Clerk's Office at (904) 247-6299 no later than one business day before the meeting.

You may use this website http://www.jacksonvillebeach.org/publichearinginfo to find information concerning the hearing process. This information is also available in the City Hall first floor display case.

Minutes of Regular City Council Meeting
held Monday, March 7, 2022, at 6:00 P.M.
in the Council Chambers, 11 North 3rd Street,
Jacksonville Beach, Florida

JACKSONVILLE BEACH

OPENING CEREMONIES:
Mayor Hoffman noted the passing of Richard Riley, who had a lifelong commitment to the Volunteer Life Saving Corps. She requested a moment of silence.

Council Member Janson provided the invocation, followed by the Pledge of Allegiance.

CALL TO ORDER:
Mayor Hoffman called the meeting to order at 6:00 P.M.

ROLL CALL:

Mayor:	Christine Hoffman		
Council Members:	Georgette Dumont	Sandy Golding	Dan Janson
	Fernando Meza	Cory Nichols	Chet Stokes

Also present were: City Manager Mike Staffopoulos, City Attorney Sandra Robinson, Chief Financial Officer Ashlie Gossett, Police Chief Gene Paul Smith, and City Clerk Sheri Gosselin.

APPROVAL OF MINUTES:
Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, and passed unanimously to approve the following minutes:

- Regular City Council Meeting held on February 23, 2022
- Council Briefing held on February 28, 2022

ANNOUNCEMENTS:
Council Member Golding acknowledged the passing of resident Jim Overby, an active community member. She congratulated the Fletcher Girls Soccer Team for their 6A State Championship win. She shared the next Citizens Police Academy Class would run April 7 through June 30, 2022.

Mayor Hoffman also congratulated the Fletcher Girls Soccer Team. She noted the team would have a premiere spot in the Opening of the Beaches parade on April 24, 2022.

COURTESY OF THE FLOOR TO VISITORS:
The following spoke in support of the VLSC (Volunteer Life Saving Corps):

- Tim Saggau, 1009 Hagler Drive, Neptune Beach, President of the Board of Directors of the VLSC, provided an overview of the Department of Labor situation.
- Maurice Rudolph, 869 Marshside Court, Jacksonville Beach

The following submitted a speaker card in support of the VLSC but did not wish to speak:

- Charles Bond, 2032 Duna Vista Court, Atlantic Beach

*Note: Mayor Hoffman allowed additional public comment upon receipt of speaker cards after Courtesy of the Floor passed. See page 3 of minutes.

MAYOR AND CITY COUNCIL: *No items*

CITY CLERK: *No items*

CITY MANAGER:

Item A **Accept/Reject the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2021**

Chief Financial Officer Ashlie Gossett noted the City remained in good financial standing. She introduced auditors Ryan Tucker and Megan Camp from Purvis Gray and Company.

Mr. Tucker provided an overview of the auditing process and highlighted the results [on file].

Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, to accept the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2021.

Discussion:
A discussion ensued regarding the highlights of the audit, areas of improvement, and comparison to other municipalities' financial standing.

Roll Call Vote: Ayes – Dumont, Golding, Janson, Meza, Nichols, Stokes, Mayor Hoffman. The motion passed unanimously.

Item B **Approve/Disapprove the Second Amendment to the Agreement with SP Plus for Parking Management Services**

Ms. Gossett noted the original agreement did not specify the dates for the fourth year of the agreement, so the amendment was to specify those dates as March 11, 2022, to October 30, 2022.

Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, to approve the Second Amendment to the Agreement with SP Plus for Parking Management Services.

Discussion: None.

Roll Call Vote: Ayes – Golding, Janson, Meza, Nichols, Stokes, Dumont, Mayor Hoffman. The motion passed unanimously.

Item C **Approve/Disapprove a Professional Services Agreement with Schneider Electric Smart Grid Solutions, LLC, in the amount of $41,896 for extended support and maintenance**

Beaches Energy Services Electrical Engineering Project Supervisor Matt Seeley provided a brief overview of the agreement.

Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, to approve a Professional Services Agreement with Schneider Electric Smart Grid Solutions, LLC, in the amount of $41,896 for extended support and maintenance.

Discussion:
Ms. Golding asked about the estimated operational timeline. Mr. Seeley responded it would be operational by June 1, 2022.

Mayor Hoffman noted she was pleased some previous issues were fixed before pursuing this item.

Roll Call Vote: Ayes – Janson, Meza, Nichols, Stokes, Dumont, Golding, Mayor Hoffman
The motion passed unanimously.

Item D **Approve/Disapprove the purchase of replacement vehicles for the Police Department in FY2022**

Police Chief Gene Paul Smith noted this was an opportunity to stabilize the fleet.

Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, to approve the purchase of replacement vehicles for the Police Department in FY2022.

Discussion:
A discussion ensued regarding the vehicle production and delivery cycle and a wrap for the recruiter's vehicle.

Roll Call Vote: Ayes – Meza, Nichols, Stokes, Dumont, Golding, Janson, Mayor Hoffman
The motion passed unanimously.

RESOLUTIONS *No items*

*Mayor Hoffman noted several speaker cards were submitted after Courtesy of the Floor to Visitors concluded, but she would allow the comments.

- Nicole Crosby, 1169 Neck Road, Ponte Vedra, spoke on balloon debris and its environmental impact.

The following submitted speaker cards regarding balloon debris but did not speak:
- Elizabeth Filippelli, 12996 Chets Creek Drive South, Jacksonville
- Kevin Brown, 1833 Kings Court, Jacksonville
- Nicole de Venage, PO Box 331101, Atlantic Beach

ORDINANCES

Item A **Approve/Disapprove Ordinance No. 2022-8171 regarding amendments to the Charter of the City of Jacksonville Beach**

Mayor Hoffman requested the City Clerk read Ordinance 2022-8171 by title only, whereupon Ms. Gosselin read the following:

"AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, SUBMITTING TO THE ELECTORS OF JACKSONVILLE BEACH PROPOSED AMENDMENTS TO THE CHARTER OF THE CITY OF JACKSONVILLE BEACH; PROVIDING BALLOT TITLES, SUMMARIES AND TEXT FOR THE PROPOSED AMENDMENTS; PROVIDING DIRECTIONS TO THE CITY CLERK; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE FOR APPROVED AMENDMENTS; PROVIDING FOR AN EFFECTIVE DATE FOR THE ORDINANCE."

Mayor Hoffman read the following:
"This ordinance is before this Council for a public hearing and consideration on its second reading. I will now open the public hearing on Ordinance 2022-8171."

Public Hearing:
No one came forward to speak on the ordinance. Mayor Hoffman closed the public hearing.

Motion: It was moved by Mr. Nichols, seconded by Ms. Golding, to approve Ordinance No. 2022-8171 regarding amendments to the Charter of the City of Jacksonville Beach on the second reading.

Discussion:
Attorney Cliff Shepard stated an unresolved issue from the previous meeting was Section 22, subsection (c). Also, he noted the Council should narrow the questions for the ballot if desired.

A discussion ensued regarding the number of electors required to initiate a petition, the percentage of electors required to sign a petition, the verification of voter signatures, and the number of questions to add to the ballot.

Motion to Amend: It was moved by Mr. Janson, seconded by Mr. Nichols, for 10 signatures to initiate a petition and a minimum of 20 percent of the electors to sign the petition.

Discussion: Ms. Dumont stated she would support 10 percent of electors to sign a petition.

Amended Motion: It was moved by Mr. Stokes, seconded by Mr. Meza, to amend the motion to require a minimum of 15 percent of the electors to sign the petition.

Discussion:
Further discussion ensued regarding the percentage of electors required to sign a petition.

Roll Call Vote on Amended Motion: Ayes – Nichols, Stokes, Dumont, Golding, Janson, Meza, Mayor Hoffman
The motion to amend passed unanimously.

Roll Call Vote on Original Motion: Ayes – Stokes, Golding, Janson, Meza, Nichols, Mayor Hoffman
Nays - Dumont
The original motion passed 6-1, as amended.

Mayor Hoffman suggested the Council discuss the frequency of the charter review.

Motion: It was moved by Mr. Janson, seconded by Mr. Nichols, to conduct a Charter Review once every five years.

Discussion:
A discussion ensued regarding the average frequency of charter reviews among other cities.

Amended Motion: It was moved by Mr. Stokes, seconded by Ms. Dumont, to amend the motion to conduct a Charter Review once every seven years.

Discussion:
City Manager Mike Staffopoulos reminded the Council of other significant initiatives they would have in the future, including a Comprehensive Plan review and a Land Development Code overhaul. He recommended seven years.

Roll Call Vote on Amended Motion: Ayes – Dumont, Golding, Janson, Meza, Nichols, Stokes, Mayor Hoffman
The amended motion passed unanimously.

Roll Call Vote on Original Motion: Ayes – Golding, Janson, Meza, Nichols, Stokes, Dumont, Mayor Hoffman
The original motion passed unanimously, as amended.

Mr. Shepard reviewed the option of adding subsection (c), a provision for conflicting measures adopted or approved to Section 22.

Motion: It was moved by Ms. Golding, seconded by Ms. Dumont, to amend the ordinance to add subsection (c) to Section 22.

Discussion:
A discussion ensued about conflicts which could occur.

Roll Call Vote: Ayes – Golding, Dumont
Nays – Janson, Meza, Nichols, Stokes, Mayor Hoffman
The motion failed 5-2.

Roll Call Vote on Original Main Motion, as Amended: Ayes – Meza, Nichols, Stokes, Golding, Janson, Mayor Hoffman
Nays – Dumont
The motion passed 6-1, as amended.

Item B **Approve/Disapprove Ordinance No. 2022-8172 amending City Code of Ordinances Chapter 2, Article II, Division 3, Section 2-51 "Enacting clause" on the second reading**

City Attorney Sandra Robinson asked for the item to be removed from the agenda. She noted the amendment could not take place before the Charter was changed.

ADJOURNMENT:
There being no further business, the meeting adjourned at 7:30 P.M.

Submitted by: Sheri Gosselin
City Clerk

Approval:

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Christine H. Hoffman, MAYOR

Date: ____________________________

Minutes of City Council Briefing
Monday, March 14, 2022 – 5:30 P.M.
Via Video Conference

JACKSONVILLE BEACH

The Council Briefing began at 5:30 P.M. The meeting was held via video conference using the Zoom platform.

The following City Council Members were in attendance:

Mayor: Christine Hoffman

Council Members: Georgette Dumont, Sandy Golding, Dan Janson, Fernando Meza, Cory Nichols, Chet Stokes (absent)

Also present were City Manager Mike Staffopoulos, Chief Financial Officer Ashlie Gossett, Chief Information Officer Bill Rieger, and City Attorney Sandy Robinson

Purpose of Briefing
The purpose of the Briefing was to update the Council members about ongoing items in the City.

City Manager
Laura Edgecombe and Allan DeVault with Build Up Downtown talk on the J-Bill
The purpose of the Build Up Downtown organization and the focus of the J-Bill was explained by the organization's Director of Development Laura Edge, and Executive Director Allan DeVault. Mr. DeVault summarized the history of the J-Bill and examples of establishments which utilized it to obtain an alcohol license with the lowered seating requirements. A conversation ensued regarding The City of Jacksonville Beach working with Build Up Downtown to possibly assist with developing the Downtown area in Jacksonville Beach. City Manager Mike Staffopoulos reviewed the next steps if Council decided to adopt a J-Bill and work with Build Up Downtown.

Council's consensus was for staff to put together an outline regarding a sample program to be presented to the Council for review at a future briefing.

ERP Program Update
Chief Financial Officer Ashlie Gossett and Chief Information Officer Bill Rieger presented information [on file] regarding an Enterprise Resource Planning (ERP) Project update.

A conversation ensued regarding the request to repurpose funds from un-optioned Gartner tasks for additional implementation support for payment processing. It was the consensus of the Council for staff to repurpose the un-optioned funds as needed.

A conversation ensued regarding the components of credit card processing fees and the offset of those fees. It was the consensus of the Council to charge a convenience fee for those using credit cards as a payment option.

Remote Participation
City Attorney Sandy Robinson reviewed the original draft resolution and the "Second Draft" resolution regarding the procedure for requesting and approving a request to attend a Council

meeting remotely. A conversation ensued regarding the suggested edits included in the Second Draft resolution. It was the consensus of the Council for Ms. Robinson to make additional edits and send another draft to the Council for review.

Order of Business

Ms. Robinson explained Section 2-33 of the City Code of Ordinances limits the Council's ability to revise the order of business for its regular meetings. Ms. Robinson stated such authority is generally provided by parliamentary procedures, most notably referenced as Robert's Rules of Order.

It was the consensus of the Council for Ms. Robinson to prepare an ordinance to repeal City Code Division 2, Rules of Order, and incorporate Order of Business into the Legislative Policies Manual. It was the consensus of the Council for Ms. Robinson to add a Consent Agenda to the Order of Business in the Legislative Policies Manual.

Height Limit Topic Revisit

Mr. Staffopoulos asked the Council for direction regarding the next steps on the height limit topic of discussion. A conversation ensued regarding the importance of sharing accurate information with the public and the importance of reaching more residents via social media. The Council's consensus was to schedule another Open House and improve marketing efforts to reach more people to attend the future Open House. Mr. Staffopoulos stated he would meet with the Mayor to review and update the information presented at the Open House to assure clarity in the message.

Miscellaneous City Manager Items

Mr. Staffopoulos updated the Council regarding the current situation with the Volunteer Life Saving Corp (VLSC). He stated the City was actively developing a new agreement to accommodate both parties. Ms. Robinson explained she was focusing on the risk management portion of the agreement. Mr. Staffopoulos stated the Council would be updated regularly as negotiations progress.

Committee Assignment Report

None

Future Briefing Topics

Council Member Nichols asked about the progress the Community Redevelopment Agency (CRA) had made over the past two and half years. He requested staff to analyze the CRA's progress and create a report for review by Council. There was a consensus by the Council for a future briefing topic regarding the performance of the CRA over the past two and a half years.

Council Member Janson suggested a full-time Community Affairs Officer position be created within the Police Department to assist with recruiting efforts, community projects, programs and to promote the agency. It was the consensus of the Council to discuss the position of a Community Affairs Officer at a future briefing topic.

Mr. Nichols congratulated Jacksonville Beach Officers and the City of Jacksonville for loaning officers to assist with the recent Orange Crush event.

The Briefing adjourned at 7:45 P.M.

Submitted by: Jodilynn Byrd
Deputy City Clerk

Approved:

____
Christine H. Hoffman, MAYOR

Date: ________________________________

JACKSONVILLE BEACH

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Ashlie Gossett, Chief Financial Officer
DATE:	01/21/2022
SUBJECT:	Monthly Financial Reports for the month of February 2022

BACKGROUND

Attached are the monthly financial reports for February 2022 as prepared by the Finance Department. These reports represent five months of activity, or 41.37% of the total annual budget, and are prepared on a cash basis.

Summary Budget Reports Exhibits 1 through 6 show the cumulative actual revenues and expenditures compared to the actual amounts at the same point in time as last fiscal year. Exhibit 7 compares actual revenues and expenditures to the budget in total by fund.

FINANCIAL IMPACT

For informational purposes only.

REQUESTED ACTION

Accept/Reject the Monthly Financial Reports for the month of February 2022

ATTACHMENTS

1. 2022-2 February Financials

AGENDA ITEM: A.
MEETING DATE: March 21, 2022

JAX BEACH

SUMMARY BUDGET REPORT

February 28, 2022

41.37% of Year Elapsed

Exhibit 1

General Fund Revenues

Revenue Category	Current Year Revenue to Date	Current Year Revenue % of Budget	Prior Year Revenue to Date	Prior Year Revenue % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
1 Taxes	11,394,484	76.48%	10,979,281	77.08%	-0.60%	415,203
2 Licenses & Permits	399,747	66.09%	287,679	56.23%	9.86%	112,068
3 Intergovernmental Revenue	1,668,402	40.31%	1,829,712	47.55%	-7.24%	(161,309)
4 Charges for Services	164,828	35.10%	158,511	36.01%	-0.91%	6,317
5 Enterprise Contributions	1,589,664	41.67%	1,564,815	41.67%	0.00%	24,848
6 Miscellaneous Revenue	64,734	19.48%	112,328	34.24%	-14.75%	(47,595)
7 Fines & Forfeitures	51,237	31.63%	52,626	34.79%	-3.16%	(1,390)
8 Interfund Transfers	232,313	45.20%	202,455	39.39%	5.81%	29,858
Total Revenues	**$15,565,409**	**62.42%**	**$15,187,408**	**63.83%**	**-1.41%**	**$378,001**

Current Year vs. Prior Year

Discussion

Total General Fund revenues are 1.41% below the prior year at the same point in time on a percent of budget basis.

1 Annual ad valorem tax distributions were received in December, bringing the tax revenue-to-date to 76.48%.

2 Permit revenues are up because of an increase in construction activity compared to the same time in the prior year.

3 Intergovernmental revenue are lower than anticipated due to the timing of the payments received from Jacksonville.

6 Miscellaneous revenue includes interest on pooled investments, auction proceeds, facility rental fees, tennis fees, and cemetery lots purchased. The decrease from the prior year is due primarily to the adjustment to market value of the City's pooled investment assets.

JAX BEACH

SUMMARY BUDGET REPORT

February 28, 2022

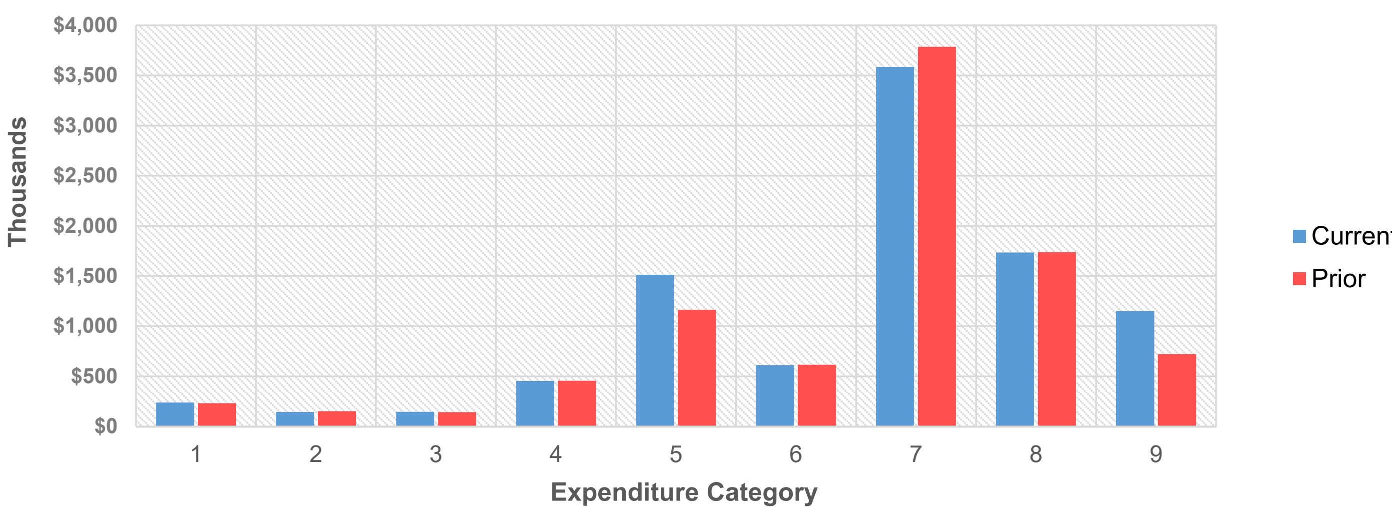
41.37% of Year Elapsed

Exhibit 2

General Fund Expenditures

Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
1 City Administration	238,187	35.56%	229,636	35.19%	0.37%	8,552
2 City Clerk	142,903	31.35%	150,974	36.41%	-5.06%	(8,071)
3 Building Maintenance	143,429	32.67%	140,555	33.10%	-0.43%	2,874
4 Planning and Development	452,055	37.40%	454,754	39.66%	-2.26%	(2,699)
5 Parks and Recreation	1,511,483	41.12%	1,163,379	31.63%	9.49%	348,104
6 Public Works	609,502	31.57%	614,745	33.14%	-1.57%	(5,243)
7 Police	3,585,456	36.09%	3,785,003	36.97%	-0.88%	(199,546)
8 Fire Services	1,734,167	51.73%	1,736,073	53.35%	-1.62%	(1,907)
9 Non-Departmental	1,150,731	33.94%	719,482	31.26%	2.68%	431,250
Total Expenditures	**$9,567,913**	**38.18%**	**$8,994,599**	**37.53%**	**0.65%**	**$573,314**

Current Year vs. Prior Year



Discussion

Total General Fund expenditures are in line with the prior year at the same point in time on a percent of budget basis.

5 Parks and Recreation expenditures increased in the current year due to the transition from volunteers to City staff for lifeguard coverage on Sundays and holidays.

7 The reduction in Police expenditures from the prior year is primarily attributable to the timing of police vehicle purchases. A police vehicle reserve was created in the General Capital Projects Fund for future purchases.

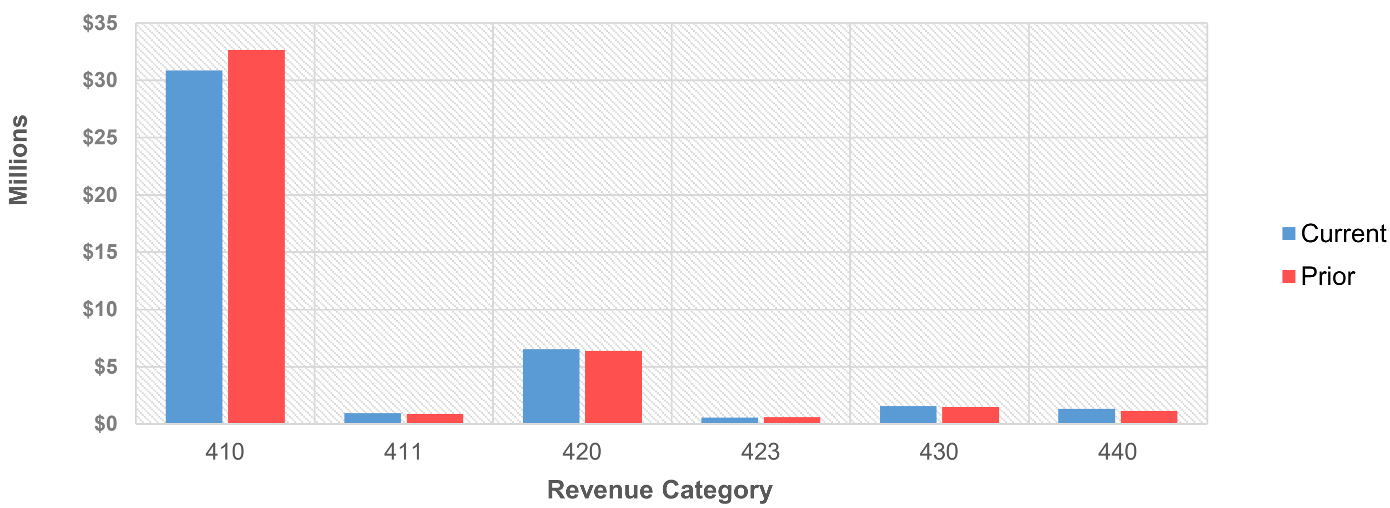
9 The increase in Non-Departmental expenditures is due to transfers to the General Capital Projects Fund for planned vehicle and heavy equipment replacements as well as City facility and infrastructure improvement projects.

SUMMARY BUDGET REPORT
February 28, 2022
41.37% of Year Elapsed

Exhibit 3
Enterprise Fund Revenues

Revenue Category	Current Year Revenue to Date	Current Year Revenue % of Budget	Prior Year Revenue to Date	Prior Year Revenue % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
410 Electric	30,850,646	37.10%	32,645,466	39.42%	-2.32%	(1,794,820)
411 Natural Gas	941,200	46.88%	873,091	39.01%	7.87%	68,109
420 Water & Sewer	6,512,640	43.08%	6,382,698	42.89%	0.19%	129,943
423 Stormwater	562,978	38.74%	593,796	41.21%	-2.48%	(30,818)
430 Sanitation	1,552,940	43.99%	1,473,814	41.33%	2.66%	79,126
440 Golf Course	1,313,949	57.79%	1,128,209	51.68%	6.11%	185,741
Total Revenues	**$41,734,353**	**38.81%**	**$43,097,073**	**40.23%**	**-1.42%**	**($1,362,719)**

Current Year vs. Prior Year



Discussion

Total Enterprise Fund revenues are under budget for the current year and slightly behind the prior year at the same point in time on a percent of budget basis.

410 The reduction in Electric revenues reflects decreased customer consumption compared to the same point in the prior year.

411 The increase in Natural Gas revenues is due to increased customer consumption compared to the same point in the prior year.

440 Golf course revenues are 6.11% ahead of the prior year on a percent of budget basis, due largely to rate adjustments adopted in January.

SUMMARY BUDGET REPORT

February 28, 2022

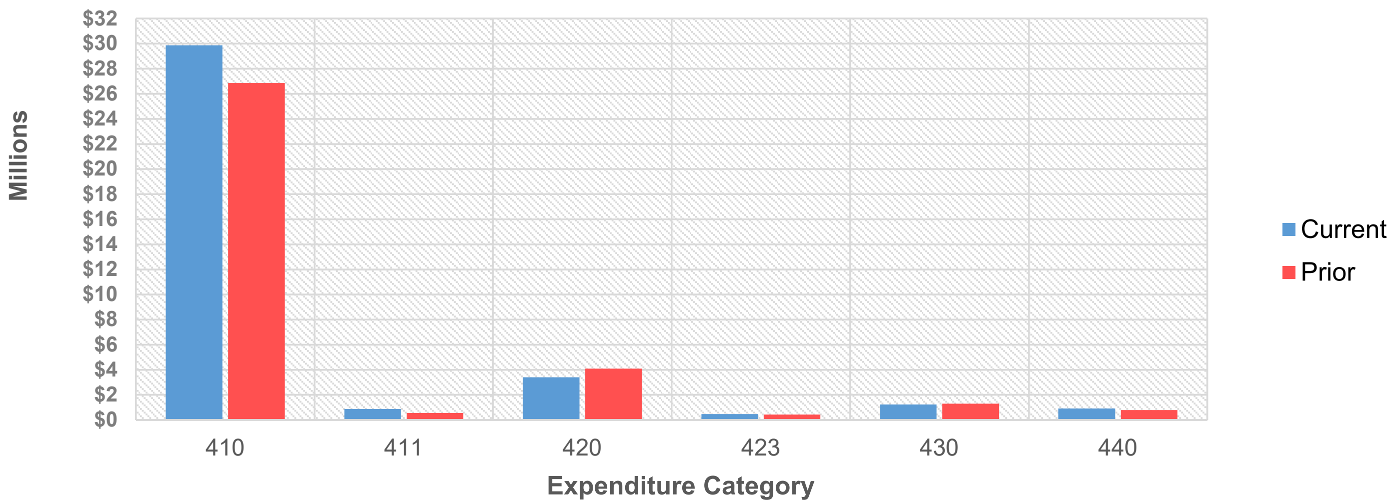
41.37% of Year Elapsed

Exhibit 4

Enterprise Fund Expenditures

Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
410 Electric	29,860,132	32.94%	26,854,599	29.93%	3.01%	3,005,532
411 Natural Gas	866,933	41.02%	550,444	28.49%	12.53%	316,488
420 Water & Sewer	3,392,169	15.77%	4,084,038	23.74%	-7.97%	(691,869)
423 Stormwater	461,086	17.22%	426,512	21.78%	-4.56%	34,573
430 Sanitation	1,229,204	29.92%	1,288,542	32.65%	-2.73%	(59,338)
440 Golf Course	912,962	37.74%	778,927	35.83%	1.91%	134,035
Total Expenditures	**$36,722,484**	**29.74%**	**$33,983,062**	**29.06%**	**0.68%**	**$2,739,422**

Current Year vs. Prior Year



Discussion

Total Enterprise Fund expenditures are under budget for the current year and consistent with amounts expended at the same point in the prior year.

410 The increase in Electric Fund expenditures is primarily due to the rising cost of purchased power.

411 Increased natural gas customer consumption and the rising cost of natural gas combined account for the increase in expenditures over the prior year.

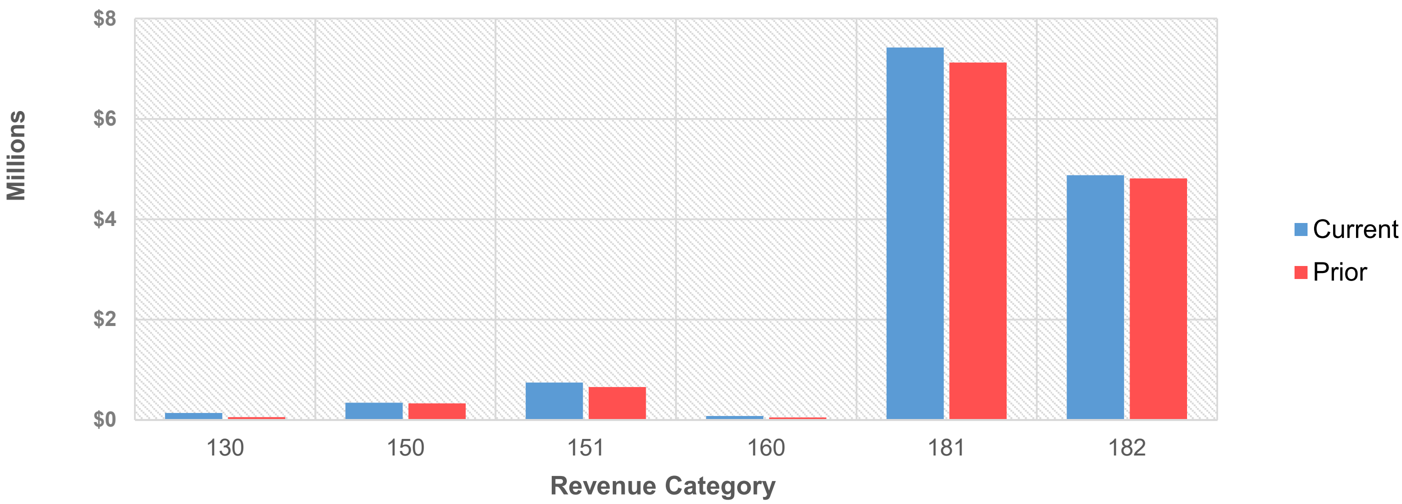
420 The decrease in Water & Sewer expenditures from the prior year is largely due to savings in debt service costs now that the City is debt free.

SUMMARY BUDGET REPORT
February 28, 2022
41.37% of Year Elapsed

Exhibit 5
Special Revenue Fund Revenues

Revenue Category	Current Year Revenue to Date	Current Year Revenue % of Budget	Prior Year Revenue to Date	Prior Year Revenue % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
130 Convention Development	139,102	37.08%	54,822	13.47%	23.61%	84,280
150 Local Option Gas Tax	340,974	42.86%	329,558	40.38%	2.48%	11,415
151 Infrastructure Surtax	743,972	52.47%	653,084	47.31%	5.16%	90,888
160 Community Dev Blk Grant	77,313	54.45%	47,455	33.42%	21.03%	29,858
181 Downtown Increment Fund	7,421,402	97.01%	7,121,388	97.87%	-0.87%	300,014
182 Southend Increment Fund	4,876,972	181.08%	4,813,573	184.37%	-3.29%	63,399
Total Revenues	**$13,599,736**	**104.02%**	**$13,019,881**	**103.06%**	**0.95%**	**$579,854**

Current Year vs. Prior Year



Discussion

Total revenues in the Special Revenue Funds are in line with the prior year actuals on a percent of budget basis.

130 Convention Development revenues reflect receipts through December 2021.

160 Community Development Block Grant revenues are received on a reimbursement basis.

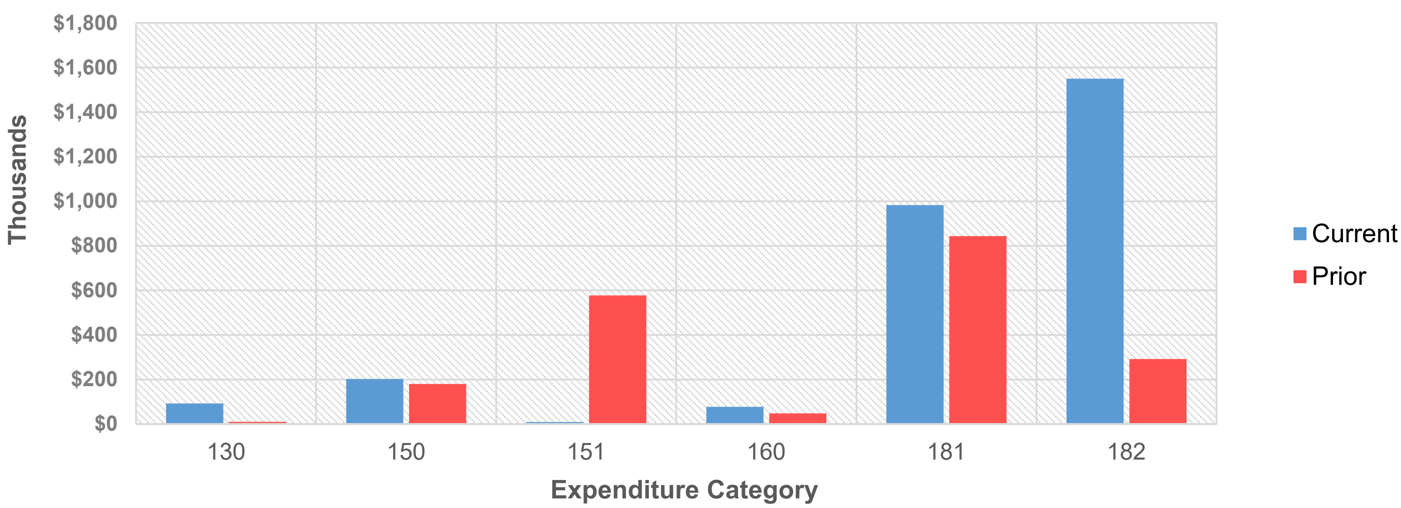
181/182 The annual tax increment distribution for both the Downtown and Southend districts were received in December.

SUMMARY BUDGET REPORT
February 28, 2022
41.37% of Year Elapsed

Exhibit 6
Special Revenue Fund Expenditures

Expenditure Category	Current Year Expenditures to Date	Current Year Expenditures % of Budget	Prior Year Expenditures to Date	Prior Year Expenditures % of Budget	% Variance *(Current Year less Prior Year)*	$ Variance *(Current Year less Prior Year)*
130 Convention Development	91,857	16.01%	9,842	5.01%	11.00%	82,015
150 Local Option Gas Tax	202,093	25.21%	179,356	22.60%	2.61%	22,737
151 Infrastructure Surtax	8,845	0.67%	576,803	63.93%	-63.25%	(567,958)
160 Community Dev Blk Grant	77,313	54.45%	47,455	33.42%	21.03%	29,858
181 Downtown Increment Fund	982,737	10.10%	843,440	20.59%	-10.49%	139,297
182 Southend Increment Fund	1,550,137	12.99%	291,267	8.50%	4.50%	1,258,870
Total Expenditures	**$2,912,982**	**11.89%**	**$1,948,164**	**20.38%**	**-8.49%**	**$964,818**

Current Year vs. Prior Year



Discussion

In total, Special Revenue Fund expenditures are under budget for the current year and 8.49% lower than the prior year on a percent of budget basis.

130 The increase in Convention Development Fund is due to expenditures on the urban trails master plan.

151 The decrease in Infrastructure Surtax Fund expenditures is attributable to roadway milling, paving, and overlay projects undertaken in the prior year.

160 Community Development Block Grant Fund expenditures will be reimbursed by grant funding.

181 The increase in the Southend Increment Fund is due to the timing of capital improvement projects.

JAX BEACH

SUMMARY BUDGET REPORT
February 28, 2022
41.37% of Year Elapsed

Exhibit 7
Summary Revenues and Expenditures

Fund Name	Budgeted Annual Revenues	Budgeted Revenues To Date	Actual Revenues To Date	Variance Favorable/(Unfavorable)
001 General Fund	24,935,609	10,315,827	15,565,409	5,249,582
130 Convention Development Tax	375,179	155,211	139,102	(16,109)
150 Local Option Gas Tax	795,610	329,143	340,974	11,831
151 Infrastructure Surtax	1,417,833	586,556	743,972	157,417
160 Community Dev. Blk. Grant	142,000	58,745	77,313	18,568
181 Downtown Increment Fund	7,650,521	3,165,010	7,421,402	4,256,392
182 Southend Increment Fund	2,693,245	1,114,192	4,876,972	3,762,780
410 Electric Utility	83,159,691	34,403,050	30,850,646	(3,552,404)
411 Natural Gas Utility	2,007,643	830,559	941,200	110,641
420 Water & Sewer Utility	15,118,502	6,254,504	6,512,640	258,137
423 Storm Water Management	1,453,336	601,243	562,978	(38,265)
430 Sanitation Fund	3,529,867	1,460,301	1,552,940	92,639
440 Golf Course Fund	2,273,503	940,545	1,313,949	373,404
460 Leased Facilities Fund	762,177	315,312	310,258	(5,053)
500 Internal Service Funds	13,622,837	5,635,749	5,394,884	(240,865)
Total Revenues	**$159,937,553**	**$66,165,947**	**$76,604,640**	**$10,438,694**

Fund Name	Budgeted Annual Expenditures	Budgeted Expenditures To Date	Actual Expenditures To Date	Variance Favorable/(Unfavorable)
001 General Fund	25,057,752	10,366,358	9,567,913	798,444
130 Convention Development Tax	573,719	237,347	91,857	145,490
150 Local Option Gas Tax	801,509	331,583	202,093	129,490
151 Infrastructure Surtax	1,314,106	543,644	8,845	534,798
160 Community Dev. Blk. Grant	142,000	58,745	77,313	(18,568)
181 Downtown Increment Fund	9,732,253	4,026,220	982,737	3,043,482
182 Southend Increment Fund	11,929,514	4,935,224	1,550,137	3,385,087
410 Electric Utility	90,651,229	37,502,289	29,860,132	7,642,157
411 Natural Gas Utility	2,113,227	874,239	866,933	7,307
420 Water & Sewer Utility	21,511,570	8,899,307	3,392,169	5,507,138
423 Storm Water Management	2,677,429	1,107,649	461,086	646,563
430 Sanitation Fund	4,108,447	1,699,659	1,229,204	470,455
440 Golf Course Fund	2,419,201	1,000,820	912,962	87,859
460 Leased Facilities Fund	871,513	360,544	235,954	124,590
500 Internal Service Funds	13,673,250	5,656,605	4,906,735	749,869
Total Expenditures	**$187,576,717**	**$77,600,231**	**$54,346,068**	**$23,254,163**

Fund Name	Net Income/(Loss)	Net Variance Favorable/(Unfavorable)
001 General Fund	5,997,496	6,048,026
130 Convention Development Tax	47,246	129,381
150 Local Option Gas Tax	138,881	141,321
151 Infrastructure Surtax	735,127	692,215
160 Community Dev. Blk. Grant	-	-
181 Downtown Increment Fund	6,438,665	7,299,874
182 Southend Increment Fund	3,326,835	7,147,867
410 Electric Utility	990,514	4,089,753
411 Natural Gas Utility	74,267	117,947
420 Water & Sewer Utility	3,120,471	5,765,275
423 Storm Water Management	101,892	608,298
430 Sanitation Fund	323,736	563,094
440 Golf Course Fund	400,988	461,263
460 Leased Facilities Fund	74,304	119,537
500 Internal Service Funds	488,149	509,004
Total	**$22,258,572**	**$33,692,857**

Attorney Fees Paid During Month

February 28, 2022

NAME	DESCRIPTION	FUNDING SOURCE	CHECK DATE	CHECK AMOUNT
Lewis, Longman & Walker	Special Magistrate	General Fund	2/17/2022	$2,000
Roper Law, P.A.	SLG Investments vs. COJB	General Fund	2/17/2022	$1,854
Sugarman, Susskind, Braswell & Herrera, P.A.	Monthly Retainer	Pension Funds	2/17/2022	$2,550
Shepard, Smith, Kohlmyer & Hand, P.A.	Charter Review	General Fund	2/24/2022	$3,625
TOTAL ATTORNEY FEES				**$10,029**

CASH AND INVESTMENTS BY TYPE

Fiscal Year to Date

February 28, 2022

Type of Investment	10/1/2021 Beginning Balance	Investment Earnings	Realized Gain/(Loss)	Unrealized Gain/(Loss)	Fees	Net Investment Income	Net Deposits (Withdrawals)	2/28/2022 Ending Balance	Weighted Net Return*
Sawgrass Asset Management	44,639,915	341,829	(74,317)	(1,057,965)	(41,367)	(831,820)	-	43,808,095	-0.34%
Galliard Capital Management	42,652,431	223,123	(100,419)	55,423	(8,511)	169,616	0	42,822,046	0.07%
Garcia Hamilton & Associates	42,538,492	49,826	(12,751)	(5,669)	(39,734)	(8,327)	(0)	42,530,164	0.00%
State Pooled Investment Fund	22,151,012	12,463	-	-	-	12,463	10,000,000	32,163,475	0.01%
Florida Trust	19,091,550	6,795	-	-	-	6,795	10,000,000	29,098,345	0.00%
Florida Municipal Investment Trust 0-2 Yr HQ Bond Fund	12,681,578	(42,480)	-	-	-	(42,480)	(0)	12,639,097	-0.02%
Operating Cash: Bank of America	33,974,437	32,221	-	-	(72,141)	(39,920)	3,692,375	37,626,891	-0.02%
Petty Cash	6,725	-	-	-	-	-	-	6,725	0.00%
TOTAL CITY MANAGED INVESTMENTS AND CASH	**217,736,139**	**623,776**	**(187,487)**	**(1,008,211)**	**(161,752)**	**(733,674)**	**23,692,375**	**240,694,839**	**-0.32%**
Pension: Salem Mutual Fund	66,984,250	2,261,838	536,278	(3,249,964)	-	(451,848)	(1,000,000)	65,532,402	-0.39%
Pension: Sawgrass Asset Mgt	27,641,190	178,657	(263,275)	(647,244)	(45,136)	(776,997)	0	26,864,192	-0.66%
Pension: Wells Capital	18,231,624	21,531	430,784	(2,665,410)	(55,674)	(2,268,769)	-	15,962,855	-1.73%
Pension: JPMCB - Strategic Property Fund	5,782,110	-	-	514,799	-	514,799	(0)	6,296,909	0.49%
TOTAL PENSION INVESTMENTS	**118,639,174**	**2,462,026**	**703,788**	**(6,047,818)**	**(100,810)**	**(2,982,815)**	**(1,000,000)**	**114,656,359**	**-2.52%**
TOTAL CASH AND INVESTMENTS	**$336,375,312**	**$3,085,802**	**$516,301**	**($7,056,029)**	**($262,562)**	**($3,716,489)**	**$22,692,375**	**$355,351,198**	

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Ashlie Gossett, Chief Financial Officer through the Auditor Selection Committee
DATE:	02/14/2022
SUBJECT:	RFP Number 02-2122 for Audit Services

BACKGROUND

The legislature made significant changes to Section 218.391 of the Florida Statutes regarding auditor selection procedures. These changes now require local governments to establish an auditor selection committee whose primary purpose is to assist the governing body in selecting an independent auditor to conduct the annual financial statement audit. The City's current audit services agreement expired with the FY2021 audit and may not be renewed.

The City Council adopted Resolution No. 2087-2021 which established an Auditor Selection Committee and appointed its members, who are Council Member Janson (Chair), Council Member Stokes, and Patricia Roberts. The Committee met on multiple occasions to: (1) establish factors to use for the evaluation of audit services; (2) approve the technical specifications included in the Request For Proposal (RFP); (3) evaluate responses from qualified firms; and (4) rank the firms deemed to be the most highly qualified.

With the State now requiring separate audits of Community Redevelopment Agencies(CRA), and the Jacksonville Beach CRA expressing its desire to have the option to select a different auditor in the future, RFP Number 02-2122 was written for a one-year engagement with the option to renew for four additional one-year terms. The RFP was advertised publicly in January 2022 and distributed to 11 vendors. The Committee received responses from five vendors and ranked the proposals based on the following weighted evaluation criteria:

- Firm Experience (30 points)
- Staff Qualifications (20 points)
- Audit Approach (25 points)
- References (15 points)
- Fee Proposal (10 points)

Purvis, Gray and Company, LLP was ranked highest by the Committee. Purvis Gray is the City's current auditor and has provided invaluable technical assistance to the City in the area of electrical operations as well as governmental accounting. In order to bring a fresh perspective to the new audit agreement, the Committee recommends a rotation in the Audit Partner assigned to the City.

FINANCIAL IMPACT

The cost of audit services is included in both the City and Redevelopment Fund annual budgets.

REQUESTED ACTION

Award/Reject RFP Number 02-2122 to Purvis, Gray and Company, LLP for Audit Services and authorize the Mayor and City Manager to execute the final contract

ATTACHMENTS

1. Notice of Intent to Submit RFP for Approval and Award by City Council
2. Contract Agreement for Audit Services Purvis Gray 2022

City of
Jacksonville Beach
Property and
Procurement Division
1460A Shetter Avenue
Jacksonville Beach
FL 32250
Phone: 904.247.6229
Email: purchasing@jaxbchfl.net
www.jacksonvillebeach.org

This is the only recommendation notice you will receive. If there are other representatives in your firm working on this project, please forward to their attention.

NOTICE OF INTENT TO SUBMIT RFP FOR APPROVAL AND AWARD BY CITY COUNCIL

Date: February 8, 2022

From: Luis F. Flores, Property and Procurement Officer

RE: **RFP No. 02-2122**

Recommendation will be presented to the City Manager for:

RFP Number: 02-2122
Title: Audit Services

Award to: ***Purvis, Gray and Company, LLP***

Attached is the Selection Committee Collective Summary.

In accordance with the procedures set forth in Section XII K., of the City of Jacksonville Beach Purchasing Manual, a written notice of intent to file a protest must be filed with the Property and Procurement Officer within three (3) business days, Monday through Friday, 8:00 AM – 4:00 PM, after receipt by the respondent of the Notice of Intent to Submit RFP for Approval and Award By City Council from the Property and Procurement Officer.

The City reserves the right to further negotiate any proposal, including price, with the highest rated respondent. If an agreement cannot be reached with the highest rated respondent, the City reserves the right to negotiate and recommend award to the next ranked respondent or subsequent respondents, until an agreement is reached.

If awarded, please do not proceed with any work prior to receiving an official City of Jacksonville Beach Purchase Order and/or Notice-to-Proceed letter.

We would like to thank each respondent for their submittal.

Luis F. Flores

Luis F. Flores, Property and Procurement Officer
1460A Shetter Avenue, Jacksonville Beach, FL 32250

Criteria 1 - Firm Experience (30 Points)

VENDOR	Member 1	Member 2	Member 3	SCORE
Caballero Fierman Llerena & Garcia, LLP	25	24	20	23
Carr, Rigg & Inman LLC	30	25	28	27.66666667
James Moore & Co. PL	29	27	30	28.66666667
Mauldin & Jenkins, LLC	28	27	26	27
Purvis Gray and Company, LLP	30	30	30	30

Criteria 2 - Staff Qualifications (20 points)

VENDOR	Member 1	Member 2	Member 3	SCORE
Caballero Fierman Llerena & Garcia, LLP	20	16	15	17
Carr, Rigg & Inman LLC	20	17	17	18
James Moore & Co. PL	19	17	20	18.66666667
Mauldin & Jenkins, LLC	18	18	18	18
Purvis Gray and Company, LLP	20	20	20	20

Criteria - 3 Audit Approach (25 points)

VENDOR	Member 1	Member 2	Member 3	SCORE
Caballero Fierman Llerena & Garcia, LLP	20	22	20	20.66666667
Carr, Rigg & Inman LLC	25	23	22	23.33333333
James Moore & Co. PL	23	24	24	23.66666667
Mauldin & Jenkins, LLC	22	23	23	22.66666667
Purvis Gray and Company, LLP	25	25	25	25

Cirteria 4 - References (15 points)

VENDOR	Member 1	Member 2	Member 3	SCORE
Caballero Fierman Llerena & Garcia, LLP	10	12	10	10.66666667
Carr, Rigg & Inman LLC	15	13	13	13.66666667
James Moore & Co. PL	14	13	15	14
Mauldin & Jenkins, LLC	13	13	13	13
Purvis Gray and Company, LLP	15	14	15	14.66666667

Criteria 5 - Fee Proposal – (10 points)

VENDOR	Member 1	Member 2	Member 3	SCORE
Caballero Fierman Llerena & Garcia, LLP	8	7	6	7
Carr, Rigg & Inman LLC	9	10	10	9.666666667
James Moore & Co. PL	5	6	2	4.333333333
Mauldin & Jenkins, LLC	7	8	4	6.333333333
Purvis Gray and Company, LLP	10	9	8	9

VENDOR	SCORE	Rank
Purvis Gray and Company, LLP	98.6666667	1
Carr, Rigg & Inman LLC	92.3333333	2
James Moore & Co. PL	89.3333333	3
Mauldin & Jenkins, LLC	87	4
Caballero Fierman Llerena & Garcia, LLP	78.3333333	5

CONTRACT AGREEMENT FOR AUDIT SERVICES

THIS CONTRACT AGREEMENT FOR AUDIT SERVICES is made and entered into on __________ , 2022 **("Effective Date")**, by and between the **CITY OF JACKSONVILLE BEACH, FLORIDA,** a public body politic and municipal corporation organized and existing under the Laws of Florida, whose address is 11 North Third Street, Jacksonville Beach, Florida, 32250 **("City")**, and **PURVIS, GRAY AND COMPANY, LLP,** whose address is 443 East College Avenue, Tallahassee, FL 32301 **("Auditor")** (collectively the "Parties") who hereby agree as follows:

WITNESSETH:

The City and Auditor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1. PROJECT DESIGNATION. Auditor is retained by the City to perform Auditor services in connection with RFP FOR AUDIT SERVICES (RFP No. 02-2122).

2. SCOPE OF SERVICES. Auditor agrees to perform the services as identified in RFP No. 02-2122 (including all Addenda) which is attached hereto as Exhibit A and incorporated fully herein by reference.

3. TIME FOR PERFORMANCE. Auditor shall perform all services and provide all work product required pursuant to this Contract within 14 calendar days upon receiving a written notice to proceed, unless prior approval is received from the City.

4. TERM. This Contract shall be for a period of one year commencing on the Effective Date. The City may extend the Contract with the same terms and conditions for four additional one-year renewal terms, subject to Auditor acceptance.

5. PAYMENT. Auditor shall be paid by the City for completed work and for services rendered under this Contract as follows:

Agreement Year Fiscal Year Audited	Year 1 FY2022	Year 2 FY2023	Year 3 FY2024	Year 4 FY2025	Year 5 FY2026
Basic Audit (Including Pension Plans)	$75,000	$76,500	$78,000	$79,500	$81,000
Federal Single Audit, if applicable	$3,500	$3,575	$3,650	$3,725	$3,800
State Single Audit, if applicable	$3,500	$3,575	$3,650	$3,725	$3,800
CRA Audit	$6,500	$6,625	$6,750	$6,875	$7,000

   a. The total contract price, as referred to herein, shall be the total amount of payment to Auditor for services provided under this Contract for the entire term of the Contract.

b. Payment for the work provided to the City by Auditor shall be made in accordance with the Local Government Prompt Payment Act (Ch. 218.70, *et seq*., F.S.), and upon a properly submitted invoice provided that the total amount of payment to Auditor shall not exceed the total contract price without express written modification of the Contract signed by the City Manager or his designee.

c. Auditor may submit invoices to the City no more than once per month during the progress of the work for partial payment for project completed to date. Such invoices will be reviewed by the City, and upon approval thereof, payment will be made to Auditor in the amount approved.

d. Final payment of any balance due to Auditor of the total Contract price earned will be made promptly upon its ascertainment and verification by the City after the completion of the work under this Contract and its acceptance by the City.

e. Payment as provided in this section by the City shall be full compensation for work performed, services rendered and for all materials, supplies, equipment, and incidentals necessary to complete the work.

f. Auditor's records and accounts pertaining to this Contract are to be kept available for inspection by representatives of the City and State for a period of three years after the termination of the Contract. Copies shall be made available upon request at no cost to the City.

6. OWNERSHIP AND USE OF DOCUMENTS. All documents, drawings, specifications, and other materials produced by Auditor in connection with the services rendered under this Contract shall be the property of the City. Auditor shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information, reference and use in connection with Auditor's endeavors.

7. COMPLIANCE WITH LAWS. Auditor shall, in performing the services contemplated by this Contract, faithfully observe and comply with all federal, state, and local laws, ordinances, and regulations that are applicable to the services to be rendered under this Contract.

8. INDEMNIFICATION. To the fullest extent permitted by law, Auditor shall defend, hold harmless, indemnify and pay on behalf of the City, the City's officers, directors, partners, agents, contractors, and employees from and against any and all costs, losses, and damages, including claims for bodily injury, disease, death, personal injury and damage to property or loss of use resulting therefrom, and for professional liability (including, but not limited to, all fees and charges of

contractors, architects, attorneys, and other professionals, and all court, arbitration, or other resolution costs) caused by the negligent acts or omissions of Auditor or Auditor's officers, directors, partners, agents, contractors, employees, and Auditor's consultants, agents, and contractors in the performance and furnishing of Auditor's services under this Contract, unless such claims are a result of the City's sole negligence. Such payments on behalf of the City shall be in addition to all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

9. INSURANCE. At minimum and at all times relevant to this Contract, Auditor shall maintain in force the following insurance:

a. GENERAL INSURANCE PROVISIONS:

<u>Hold Harmless</u>: The City shall be held harmless against all claims for bodily injury, disease, death, personal injury, and damage to property or loss of use resulting there from, to the extent caused by Auditor, unless such claims are a result of the City's sole negligence.

<u>Payment on Behalf of the City</u>: Auditor agrees to pay on behalf of the City the City's legal defense for all claims described herein. Such payment on behalf of the City shall be in addition to all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

<u>Loss Control/Safety</u>: Precaution shall be exercised at all times by Auditor for the protection of all persons, employees, and property. Auditor shall comply with all laws, regulations and ordinances related to safety and health, shall make special efforts to detect hazardous conditions, and shall take prompt action where loss control and safety measures should reasonably be expected.

b. PROOF OF CARRIAGE OF INSURANCE & NAMING CITY AS ADDITIONAL INSURED:

Auditor shall furnish the City with satisfactory proof of insurance required herein. Auditor shall name the City as additional insured on Auditor's Commercial Liability, Property Damage, and Comprehensive Automobile Liability Insurance Policies. Auditor shall require that any subconsultant or subcontractor also complies with the insurance provisions set forth herein, and likewise provide proof thereof and which names the City as an additional insured on the subconsultant or subcontractor's insurance policies. The additional insured shall be provided the same coverage as the primary insured for losses arising from work performed by Auditor or its subconsultants or subcontractors. The proof of carriage or a copy of all policies shall be required prior to commencement of any work under this Contract.

The City may order work to be stopped if conditions exist that present immediate danger to persons or property. Auditor acknowledges that such stoppage will not shift responsibility for any damages from Auditor to the City.

c. COVERAGE REQUIREMENTS:

Basic Coverages Required: During the term of this Contract, Auditor shall procure and maintain the following-described insurance and/or self-insurance except for coverages specifically waived by the City. All policies and insurers must be acceptable to the City.

These insurance requirements shall not limit the liability of Auditor. The City does not represent these types of amounts of insurance to be sufficient or adequate to protect Auditor's interests or liabilities, but are merely minimums.

All insurers must carry a current A M Best rating of at least A-.

Workers' Compensation Coverage **is required.**

Auditor and all subcontractors shall purchase and maintain workers' compensation insurance for all workers' compensation obligations imposed by state law and employer's liability limits of at least $100,000 each accident, $100,000 each employee and $500,000 policy limit for disease.

Auditor and all subcontractors shall also purchase any other coverage required by law for the benefit of employees.

General Liability Coverage **is required** for Auditor and all subcontractors.

Commercial General Liability in Occurrence Form.

Coverage A shall include Bodily Injury and Property Damage coverage for liability claims arising from premises, operations, contractual liability, independent contractors, products and complete operations and including but not limited to coverage for claims resulting from explosion, collapse, or underground (x,c,u) exposures (if any).

Coverage B shall include personal injury and **is required.**

Coverage C, medical payments, is **not** required.

Amounts:	Bodily Injury:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate
	Property Damage:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate

Professional Liability is **<u>not</u>** required for Auditor and all subcontractors.

Pollution Liability is **<u>not</u>** required of Auditor and all subcontractors.

Excess or Umbrella Liability Coverage. Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it shall not be more restrictive than the underlying insurance policy coverages.

Limits of Liability:	$1,000,000	Each Occurrence
	$1,000,000	Aggregate

Commercial Liability Insurance. A Commercial Liability Insurance Policy shall be provided.

d. CERTIFICATES OF INSURANCE OF AUDITOR AND ALL SUBCONTRACTORS.

Required insurance shall be documented in Certificates of Insurance which provide that the City shall be notified at least 30 days in advance of cancellation, nonrenewal or adverse change.

New Certificates of Insurance are to be provided to the City at least 15 days prior to coverage renewals.

If requested by the City, Auditor shall furnish complete copies of Auditor’s insurance policies, forms and endorsements.

For Commercial Liability coverage, Auditor shall, at the option of the City, provide an indication of the amount of claims, payments, or reserves chargeable to the aggregate amount of liability coverage.

NOTE: Any subcontractors approved by the City shall be required to provide proof of insurance identical in amounts as required by the Contract to perform related services. All coverages shall name the City as “additional insured.”

Receipt of certificates or other documents of insurance or policies or copies of policies by the City, or by any of its representatives, which indicate less coverage than required will not constitute a waiver of Auditor's obligation to fulfill the insurance requirements herein.

10. INDEPENDENT CONTRACTOR. Auditor and the City agree that Auditor is an independent contractor with respect to the services provided pursuant to this Contract. Nothing in this Contract shall be construed to create the relationship of employer and employee between the Auditor and the City. Neither Auditor nor any employee, subcontractor, or agent of Auditor shall be entitled to any benefits accorded City employees by virtue of the services provided under this Contract. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security, or for contributing to the state industrial insurance program, or for performing or not performing any other act consistent with the duties of an employer with respect to Auditor, or any employee, subcontractor, or agent of Auditor.

11. SUBCONTRACTING. Auditor may subcontract services to be performed hereunder with prior approval of the City. No such approval will be construed as making the City a party of or to such subcontract, or subjecting the City to liability of any kind to any subcontract. No subcontract shall, under any circumstances, relieve Auditor of its liability and obligation under this Contract; and despite any such subcontracting, the City shall deal through Auditor, and subcontractors will be dealt with as workers and representatives of Auditor.

12. COVENANT AGAINST CONTINGENT FEES. Auditor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Auditor, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Auditor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Contract.

    For breach or violation of this warranty, the City shall have the right to annul this Contract without liability or, in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

13. DISCRIMINATION PROHIBITED. Auditor, with regard to the work performed by it under this Contract, will not discriminate on the grounds of race, color, national origin, religion, creed, age, sex, or the presence of any physical or sensory handicap in the selection and retention of employees or procurement of materials or supplies.

14. ASSIGNMENT. Auditor shall make no assignment of its rights or obligations under this Contract without first obtaining the written consent of the City, which may be granted or withheld at the City's sole discretion.

15. NON-WAIVER. Waiver by the City of any provision of this Contract or any time limitation provided for in this Contract shall not constitute a waiver of any other provision.

16. TERMINATION. The obligation to provide further services under this Contract may be terminated:

    a. *For cause*. By either the City or Contractor upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

    b. *For convenience*. By the City, effective upon the receipt of notice by Contractor.

    Nothing herein shall operate to bind future City Councils. The City's performance and obligation to pay under this Contract is contingent upon annual appropriation by the City Council.

17. GOVERNING LAW, VENUE, AND DISPUTE RESOLUTION. This Contract shall be governed by the laws of the State of Florida. Both parties agree that the courts of the State of Florida shall have jurisdiction of any claim arising in connection with this Contract. Venue shall be in Duval County, Florida. In the event of litigation arising out of this Contract, the prevailing party shall be entitled to the award of attorney's fees and costs at both the trial and appellate level.

    The parties agree to meet and confer to negotiate all disputes between them in good faith for a period of 30 calendar days from the date of notice prior to exercising their individual rights under other provisions of this Contract, or under law.

18. NOTICES. All notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given: (i) upon delivery or refusal to accept when sent by recognized courier service that obtains a signed receipt upon delivery; or (ii) upon delivery or refusal to accept when sent by registered or certified U.S. Mail return receipt requested, postage prepaid; or (iii) by facsimile with confirmed receipt.

If to Auditor:
Purvis Gray and Company, LLC
Attn: Ryan Tucker, Partner
443 East College Avenue

If to the City:
City of Jacksonville Beach, Florida
Finance Department
Attn: Ashlie Gossett, CFO

Tallahassee, FL 32301 11 North 3rd Street
Jacksonville Beach, FL 32250

Or such other address as either party may specify in writing to the other party by notice in accordance with this paragraph.

19. ENTIRE AGREEMENT. This Contract, together with attachments or addenda, represents the entire and integrated agreement between the City and Auditor and supersedes all prior negotiations, representations, or agreements written or oral. This Contract may be amended only by written instrument signed by both City and Auditor. Should any conflicts exist between this Contract Agreement and RFP No. 02-2122, this Contract Agreement shall prevail.

20. HEADINGS. The headings used in this Contract are for general reference only and do not have special significance.

21. SURVIVAL. All express representations, indemnifications, or limitations of liability included in this Contract will survive its completion or termination for any reason.

22. SEVERABILITY. Any provision or part of this Contract held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the City and Contractor, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

23. PUBLIC RECORDS. Sealed documents received by the City in response to an invitation are exempt from public records disclosure until 30 days after the opening of the Bid unless the City announces intent to award sooner, in accordance with §119.07, F.S.

The City is public agency subject to Ch. 119, *et seq.*, F.S. Auditor shall comply with Florida's Public Records Law. Specifically, Auditor shall:

a. Keep and maintain public records required by the City to perform the service.

b. Upon request from the City's custodian of public records, provide the City with a copyof the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Ch. 119, F.S., or as otherwise provided by law.

c. Ensure that public records that are exempt or that are confidential and exempt from public record disclosure requirements are not disclosed except as authorized by law forthe duration of the contract term and, following completion of the contract, Auditor shall destroy all copies of such confidential and exempt records remaining in its possession once Auditor transfers the records in its possession to the City.

d. Upon completion of the contract, Auditor shall transfer to the City, at no cost to the City, all public records in Auditor's possession. All records stored electronically by Auditor must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems ofthe City.

IF AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CH. 119, F.S., TO AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS:

SHERI GOSSELIN, CITY CLERK
11 NORTH 3RD STREET
JACKSONVILLE BEACH, FLORIDA, 32250
904-247-6253
CITYCLERK@JAXBCHFL.NET

REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK
[SIGNATURE PAGE(S) FOLLOW]

IN WITNESS WHEREOF, the City and Auditor have executed this Contract Agreement as of the date and year above written.

CITY:

CITY OF JACKSONVILLE BEACH, FLORIDA

ATTEST:

Sign:______________________________	Sign: ______________________________
Print: Sheri Gosselin	Print: Christine Hoffman
Title: City Clerk	Title: Mayor
Date:______________________________	Date: ______________________________
Approved as to form and legal sufficiency:	Sign:______________________________
	Print: Michael J. Staffopoulos
______________________________	Title: City Manager
Sandra R. Robinson, City Attorney	Date:______________________________

AUDITOR:

PURVIS GRAY AND COMPANY, LLP

ATTEST:

Sign:______________________________	Sign:______________________________
Print:______________________________	Print:______________________________
Title:______________________________	Title:______________________________
Date:______________________________	Date:______________________________

(CORPORATE SEAL)

EXHIBIT A

RFP 02-2122 AUDIT SERVICES

City of Jacksonville Beach

Property and Procurement Division
1460A Shetter Ave., Jacksonville Beach, FL 32250
Tel: 904-247-6229

REQUEST FOR PROPOSALS

RFP Number:	**02-2122**
RFP Title:	**Audit Services**

Submittal Deadline	
Day:	Wednesday
Date:	**January 26, 2022**
Time:	**2:00 P.M.**
Location:	Property and Procurement
Address:	1460A Shetter Ave., Jacksonville Beach, FL 32250

ANTICIPATED TIME LINE: The **anticipated** schedule for this RFP is as follows:

RFP Advertised	22-December-2021
Deadline to Submit Questions	14-January-2022
Addendum (if necessary) Issued	19-January-2022
Submission Deadline	**26-January-2022**
RFP Opened	26-January-2022

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SECTION A: OVERVIEW

OVERVIEW

1. PURPOSE:

The Auditor Selection Committee for the City of Jacksonville Beach, Florida is seeking proposals from qualified firms of Independent Certified Public Accountants to provide auditing services for the City's General Purpose, Retirement Plans, and Community Redevelopment Agency Financial Statements. The audits are to be performed in accordance with generally accepted auditing standards, the provisions of the Federal Single Audit Act, the provisions of the Florida Single Audit Act, the State of Florida Rules of the Auditor General, and any other applicable rules or regulations.

2. RFP DUE DATE: 2:00 PM WEDNESDAY JANUARY 26, 2022

RFPs will be received until 2:00 P.M., Wednesday, January 26, 2022, and then opened publicly by the Property and Procurement Division, First Floor O&M Building, 1460A Shetter Avenue, Jacksonville Beach, Florida 32250.

3. QUESTIONS AND REQUESTS FOR CLARIFICATION:

No verbal interpretations will be made of any documents. Requests for such interpretations shall be made in writing or via email at Purchasing@jaxbchfl.net no later than **Friday, January 14, 2022**. Interpretation will be in the form of an addendum and will be published on the RFP section of the City's website.

4. ELIGIBILITY

The respondent(s) must be an independent certified public accountant licensed pursuant to Chapter 473 F.S. and have been retained and paid by local governmental entities in the State of Florida to perform audits pursuant to Sections 163.387(8), 215.97, 218.39, and 288.8018(1) F.S. within the last five years.

5. CONTRACT AWARD:

The City reserves the right to enter into a contract with the selected firm(s) that the City deems to offer the best overall qualifications and experience. In addition, the City Manager, as the City's representative, in his sole discretion, reserves the right to cancel this RFP, to reject any and all proposals, to waive any and all informalities and/or irregularities, or to re-advertise with either the identical or revised specifications, if it is deemed to be in the best interest of the City to do so.

The City reserves the right to negotiate with the highest rated respondent. If an agreement cannot be reached with the highest rated respondent, the City reserves the right to negotiate and recommend award to the next ranked respondent or subsequent respondents, until an agreement is reached.

The City reserves the right to award this contract to one or more firms. In the event of a multiple award, the City will designate a Primary and Secondary Contractor. The Secondary

Contractor will be used if the Primary Contractor is unable to cope with the demands of the project, or if performance standards are unacceptable, or if the contract is terminated for cause or convenience.

6. SUBMITTAL REQUIREMENTS:

Submit completed package **one (1)** original plus **five (5)** copies and **one (1)** USB thumb drive in one sealed envelope. Packages received without the requested information or quantities may be rejected.

It is incumbent upon the respondent to ensure that all copies of the proposal package submittals are complete and exact replicas of each other.

Clearly mark the submittal envelope with the RFP number, RFP title and Respondent name.

It is incumbent upon the Respondent to ensure that proposal package submittals are received by the Property and Procurement Division on time. Submissions received after the due date and time will not be considered.

SECTION B: GENERAL PROVISIONS

GENERAL PROVISIONS

1. INSTRUCTIONS TO RESPONDENTS:

- **Specifications** that are **explicit** to this particular **Request for Proposals Number 02-2122** are found in **SECTION C,** which begins on **page 19**.

- **The Minimal Proposal Package shall consist of the following:**

  Form 1: Proposal Tender Form (3 pages)
  Form 2: RFP Award Notice
  Form 3: Required Disclosure
  Form 4: Drug-Free Workplace Compliance
  Form 5: Non-Collusion Affidavit, and
  Form 6: Non-Bankruptcy Affidavit
  W-9

  All forms must be completely filled out, appropriately executed and submitted as part of the proposal package. These start on **page 32**.

  Failure to comply with the requirements of this paragraph may be construed by the CITY as proper grounds for disqualifying any proposal at the CITY's sole discretion.

2. TERMS AND CONDITIONS:

A. General. It is the purpose and intent of this contract to secure the supplies and/or services listed herein for the City of Jacksonville Beach, Jacksonville Beach, Florida, hereinafter called the "CITY."

B. Time for CITY Acceptance. Unless otherwise specified herein, the submitter will allow ninety (90) days from the last date for the receiving of proposals for acceptance of its submittals by the CITY.

C. Effective Contract Term Start Date. The effective contract term start date shall be the date of award by the CITY or date of Notice to Proceed, whichever is later.

D. Extension of Contract. If the CITY should advertise for RFP's, the contract resulting from this RFP shall automatically be extended month-to-month past its term end date. This will allow the CITY to receive and assess proposals, to award a new contract, and to ensure a smooth, cooperative and seamless transition between contractors; to minimize impact and disruption to customers; and, to maintain safety and health standards.

E. Contract Termination. Subject to a thirty (30) day written notice, the CITY reserves the right to terminate the resulting contract for the following causes:

   1) The CONTRACTOR fails to perform the work in a satisfactory manner as determined by the CITY.

2) The CONTRACTOR fails to perform the work in a timely manner as determined by the CITY.
3) *For convenience.* By the CITY, effective upon the receipt of notice by CONTRACTOR. The CITY's performance and obligation to pay under this Agreement is contingent upon annual appropriations.

F. Award.

1) The CITY reserves the right to waive informalities, to reject any and all proposals, in whole or in part, and to accept the proposal(s) that in its judgment will best serve the interest of the CITY.
2) The CITY specifically reserves the right to reject any conditional proposal and will normally reject those that make it impossible to determine the true amount of the submittal. Each item must be itemized separately and no attempt shall be made to tie any item or items together.

G. Inspection. All supplies and workmanship shall be subject to inspection and test after arrival at destination. In case any articles are found to be defective, or otherwise not in conformity with the specification requirement, the CITY shall have the right to reject such articles.

H. Payments. The Contractor shall be paid, upon the submission of invoices in triplicate, the prices stipulated herein for articles delivered and accepted. Invoices must show Purchase Order Number.

3. ADDITIONAL INFORMATION:

The information in this RFP package is provided to facilitate responses. Much effort was made to provide necessary and accurate information, but the CITY is not to be penalized for any lack of completeness. If you require further information regarding this submittal, please contact Luis F. Flores, Property and Procurement Officer in the Property and Procurement Division at (904) 247-6229.

4. ADDENDA TO THE RFP:

If any addenda are issued to this RFP, a good faith attempt will be made to deliver a copy to each of those respondents, who, according to the records of the Property and Procurement Division previously requested a copy of this RFP. However, prior to submitting a proposal, it shall be the responsibility of the respondent to contact the CITY's Property and Procurement Division at Purchasing@jaxbchfl.net to determine if any addenda were issued and if so, to obtain such addenda for attachment to, and consideration with, the RFP. Respondents should either acknowledge receipt of such addendum(s) on their proposal, or attach such addendum(s) to their proposal. Additionally, all documents associated with this RFP are available on the CITY's webpage:

https://www.jacksonvillebeach.org/Bids.aspx

5. USE OF PROPOSAL RESPONSE FORMS:

All submittals must include the forms provided in Section F of this package. Failure to comply may preclude consideration of the submission. Supplemental information may be attached to these forms.

6. DEVIATIONS FROM REQUESTED PLAN:

The contract terms and conditions stipulated in this RFP are those required by the CITY. Respondents are required to submit their qualification, which comply with the requested services. Any deviations from the services requested should be clearly noted.

7. CONFLICT WITH SPECIMEN CONTRACTS:

Unless specifically noted to the contrary as a deviation from the RFP, the submission of Respondent′s specimen contract with a Respondent's proposal submittal shall not constitute notice of the Respondent′s intent to deviate from the RFP in a restrictive manner. Unless specifically noted otherwise, the attachment of the Respondent′s specimen contract shall be deemed to be an offer in at least full compliance with the RFP, and the Respondent expressly agrees to reform said contract to the extent inconsistent in a restrictive manner from the RFP. That is, submission of a Respondent′s contract shall be deemed solely an offer of supplemental terms and conditions not otherwise addressed in the RFP or a broadening of terms and conditions to the benefit of the CITY beyond that required by the RFP.

8. ERRORS IN SUBMITTALS:

Respondents shall fully inform themselves as to the conditions, requirements and specifications before submitting their qualifications. Failure to do so will be at the Respondent′s own risk, and a Respondent cannot secure relief on a plea of error. Neither law nor regulations make allowance for errors either of omission or commission on the part of the Respondents.

9. LEGAL AND REGULATORY COMPLIANCE:

Respondents must agree to comply with all applicable federal, state and local laws, ordinances, rules and regulations as the same exist and as may be amended from time to time, including, but not limited to the Public Records Law, Chapter 119, Florida Statutes. In accordance with Section 119.0701, Florida Statutes, the following provisions are included in this contract:

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CITY CLERK, CITY OF JACKSONVILLE BEACH, 11 N. 3RD STREET, JACKSONVILLE BEACH, FLORIDA 32250, OFFICE: (904) 247-6250 Ext. 10, email address CityClerk@jaxbchfl.net.

The CONTACTOR shall comply with public records laws of Florida, specifically to:

1. Keep and maintain public records required by the public agency to perform the service.
2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the public agency.
4. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

10. CANCELLATION/NON-RENEWAL/ADVERSE CHANGE/RATE INCREASE NOTICE:

The CITY should be given at least a 90-day notice of cancellation, non-renewal, adverse change or increase in rates. (If applicable) **N/A**

11. WAIVER/REJECTION OF REPONSES:

The CITY reserves the right to waive formalities or informalities in submissions and to reject any or all submittals or portions of submittals, or to accept any submittals or portions of submittals deemed to be in the best interest(s) of the CITY or to negotiate or not negotiate with the Respondent.

12. AUTHORIZED OFFER:

The person submitting the proposal should indicate the extent of authorization by the Company to make a valid offer in the proposal summary that may be accepted by the CITY to form a valid and binding contract.

If the person submitting the proposal is not authorized to submit a proposal that can be bound by CITY acceptance, such a person should also obtain the signature of an authorized representative of the Respondent's firm, that may result in a bound contract upon the CITY's acceptance.

13. EVALUATION OF RESPONSES:

The CITY will evaluate each response based on all the criteria set forth in the RFP. Fees may be requested as part of the response package. However, if fees are requested, the CITY reserves the right at its sole discretion to exclude the fees from the evaluation process. The evaluation process will consider all other requested criteria to determine which firm is the most highly qualified to perform the required services.

14. USE OF PROPOSAL BY OTHER AGENCIES

It is hereby made a part of this RFP that the submission of any proposal response to the advertisement request constitutes a proposal made under the same terms and conditions, for the same contract price, to other government agencies if agreeable by the submitter and the government agency.

At the option of the vendor/contractor, the use of the contract resulting from this solicitation may be extended to other governmental agencies including the State of Florida, its agencies, political subdivisions, counties and cities.

Each governmental agency allowed by the vendor/contractor to use this contract shall do so independent of any other governmental entity. Each agency shall be responsible for its own purchases and shall be liable only for goods or services ordered, received and accepted. No agency receives any liability by virtue of this RFP and subsequent contract award.

15. PUBLIC ENTITY CRIMES STATEMENT:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit a proposal on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, sub-contractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in **Section 287.017**, for **CATEGORY TWO** for a period of 36 months from the date of being placed on the convicted vendor list.

16. CONFLICT OF INTEREST CERTIFICATE:

All solicitations once advertised, and until the appropriate authority has approved an award recommendation, are under the “Cone of Silence”. This limits and requires documentation of communications between potential proposers and/or proposers on City solicitations, the City’s professional staff, and the City Council members.

Any lobbying by or on behalf of the respondent will result in rejection/disqualification of said proposal. Respondents shall refrain from any contact with City Council members and staff or the Evaluation Committee regarding this proposal.

DURING THE PERIOD BETWEEN PROPOSAL SUBMISSION DATE AND THE CONTRACT AWARD, RESPONDENTS, INCLUDING THEIR AGENTS AND REPRESENTATIVES, SHALL NOT DIRECTLY DISCUSS OR PROMOTE THEIR

PROPOSAL WITH ANY MEMBER OF THE CITY COUNCIL OR CITY STAFF EXCEPT UPON THE REQUEST OF THE CITY OF JACKSONVILLE BEACH PROPERTY AND PROCUREMENT DIVISION IN THE COURSE OF CITY-SPONSORED INQUIRIES, BRIEFINGS, INTERVIEWS, OR PRESENTATIONS.

This provision is not meant to preclude respondents from discussing other matters with City Council members or City staff. This policy is intended to create a level playing field for all potential respondents, assure that contract decisions are made in public, and to protect the integrity of the RFP process. Its purpose is to stimulate competition, prevent favoritism and secure the best work and materials at the lowest practicable price, for the best interests and benefit of the taxpayers and property owners. Violation of this provision may result in rejection of the respondent's proposal.

17. DISCRIMINATION CLAUSE:

An entity or affiliate who has been placed on the discriminatory vendor list may not submit on a contract to provide goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not award or perform work as a contractor, supplier, sub-contractor, or consultant under contract with any public entity, and may not transact business with any public entity.

18. SAFETY REQUIREMENTS FOR CONTRACTORS PROVIDING SERVICES TO CITY:

A. The Contractor shall comply with all Federal/State Occupational Safety and Health Act (OSHA) Standards including 29 CFR 1910 and any other rules and regulations applicable to construction and maintenance activities in the State of Florida. The Contractor shall also comply with Chapter 442, Florida Statutes (Toxic Substances in the Workplace) and any county or city or any other agency’s rules and regulations regarding safety. The Contractor must employ all possible means to prevent contamination or pollution of air, waterways and soil.

B. The CITY’s safety personnel or any supervisor or inspector may, but is not required to, order that the work be stopped if a condition of immediate danger is found to exist. Nothing contained herein shall be construed to shift responsibility or risk of loss for injuries or damage sustained as a result of a violation of this Article from the Contractor to the CITY; and the Contractor shall remain solely and exclusively responsible for compliance with all safety requirements and for the safety of all persons and property at the project site.

C. The parties hereto expressly agree that the obligation to comply with applicable safety provisions is a material provision of this contract and a duty of the contractor. The CITY reserves the right to require demonstration of compliance with the safety provisions of this contract. The parties agree that such failure is deemed to be a material breach of this agreement; and the Contractor agrees that upon such breach, all work pursuant to the contract shall terminate until demonstration to the CITY that the safety provisions of this agreement have been complied with. In no event shall action or failure to act on the part of the CITY be construed as a duty to enforce the safety provisions of this agreement nor shall it be construed to create liability for the CITY for any act or failure to act in respect to the safety provisions of this agreement.

19. INSURANCE REQUIREMENTS:

19. (A) GENERAL INSURANCE PROVISIONS

Hold Harmless: The City shall be held harmless against all claims for bodily injury, disease, death, personal injury, and damage to property or loss of use resulting there from, to the extent caused by the Contractor, unless such claims are a result of the City's sole negligence.

Payment on Behalf of the City: The Contractor agrees to pay on behalf of the City, the City's legal defense, for all claims described herein.

Such payment on behalf of the City shall be in addition to all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

Loss Control/Safety: Precaution shall be exercised at all times by the Contractor for the protection of all persons, employees, and property. The Contractor shall comply with all laws, regulations and ordinances related to safety and health, shall make special efforts to detect hazardous conditions, and shall take prompt action where loss control and safety measures should reasonably be expected.

19. (B) PROOF OF CARRIAGE OF INSURANCE & NAMING CITY AS ADDITIONAL INSURED

The Contractor shall furnish the City with satisfactory proof of carriage of insurance required herein. The Contractor shall name the City of Jacksonville Beach (City) as additional insured on the Contractor's, and any sub-consultant or sub-contractor's Public Liability, Property Damage and Comprehensive Automobile Liability Insurance Policies. The additional insured shall be provided the same coverage as the primary insured for losses arising from work performed by the Contractor or its sub-consultants or subcontractors. The proof of carriage or a copy of all policies shall be required prior to commencement of any work under this Contract.

The CITY may order work to be stopped if conditions exist that present immediate danger to persons or property. The CONTRACTOR acknowledges that such stoppage will not shift responsibility for any damages from the CONTRACTOR to the Organization.

19. (C) COVERAGE REQUIREMENTS:

Basic Coverages Required: During the term of this contract, the Contractor shall procure and maintain the following-described insurance and/or self-insurance except for coverage's specifically waived by the City. All policies and insurers must be acceptable to the City.

These insurance requirements shall not limit the liability of the Contractor. The City does not represent these types of amounts of insurance to be sufficient or adequate to protect the Contractor's interests or liabilities, but are merely minimums.

All insurers must carry a current A M Best rating of at least A-

Worker's Compensation Coverage is **required**.

The CONTRACTOR and all subcontractors shall purchase and maintain worker's compensation insurance for all workers' compensation obligations imposed by state law and employer's liability limits of at least $100,000 each accident, $100,000 each employee and $500,000 policy limit for disease.

The CONTRACTOR and all subcontractors shall also purchase any other coverage required by law for the benefit of employees.

General Liability Coverage is **required for Contractor and all subcontractors.**

Commercial General Liability in Occurrence Form.

Coverage A shall include Bodily Injury and Property Damage coverage for liability claims arising from premises, operations, contractual liability, independent Contractors, products and complete operations and including but not limited to coverage for claims resulting from explosion, collapse, or underground (x,c,u) exposures (if any).

Coverage B shall include personal injury and is **required.**

Coverage C, medical payments is **not required**.

Amounts:	Bodily Injury:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate
	Property Damage:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate

Products and Completed Operations are **required for Contractor and all subcontractors.**

Amount:		$1,000,000	Aggregate

Business Auto Liability Coverage is **required for Contractor and all subcontractors.**

Business Auto Liability Coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.

Amounts:	Bodily Injury:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate
	Property Damage:	$1,000,000	Each Occurrence
		$1,000,000	Aggregate

Professional Liability is **not required** for Contractor and all subcontractors.

Pollution Liability is **not required** of Contractor and all subcontractors.

The City requires Pollution/Environmental Liability insurance covering cleanup costs including on-site discovery and third party liability, on-site and off-site third party pollution liability coverage, natural resources damage coverage.

Limits of Liability:	$1,000,000	Each Pollution Event Limit
	$1,000,000	Aggregate Policy Limit

Excess or Umbrella Liability Coverage.

Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it shall not be more restrictive than the underlying insurance policy coverages.

Limits of Liability:	$1,000,000	Each Occurrence
	$1,000,000	Aggregate

<u>Claims Made Coverage – No Gap</u>

If any of the required professional or pollution liability insurance is provided on a “claims made” form, such coverage shall extend for a period of not less than 36 months following completion of the contract. In the event of termination of claims made policy, extended coverage may be provided by assurance that extended discovery coverage of at least 36 months will be purchased from the expiring insurer, or by assurance that the succeeding insurer will provide retroactive coverage with an inception date of at least on or before the effective date of this contract.

19. (D) CERTIFICATES OF INSURANCE OF CONTRACTOR AND ALL SUBCONTRACTORS.

Required insurance shall be documented in Certificates of Insurance which provide that the CITY shall be notified at least 30 days in advance of cancellation, nonrenewal or adverse change.

New Certificates of Insurance are to be provided to the CITY at least 15 days prior to coverage renewals.

If requested by the CITY, the CONTRACTOR shall furnish complete copies of the CONTRACTOR's insurance policies, forms and endorsements.

For Commercial General Liability coverage, the Contractor shall at the option of the City, provide an indication of the amount of claims, payments, or reserves chargeable to the aggregate amount of liability coverage.

<u>NOTE</u>: Any subcontractors approved by the City shall be required to provide proof of

insurance identical in amounts as required by the contract to perform related services. All coverages shall name the City as "additional insured".

Receipt of certificates or other documents of insurance or policies or copies of policies by the City, or by any of its representatives, which indicate less coverage than required will not constitute a waiver of the successful respondent(s)' obligation to fulfill the insurance requirements herein.

~~20. PERFORMANCE AND PAYMENT BONDS:~~ N/A

~~Simultaneously with his delivery of the executed contract to the CITY, a respondent, to whom a contract has been awarded, must deliver to the CITY executed Performance and Payment Bonds on the prescribed forms each in an amount of one-hundred percent (100%) of the total amount of the accepted Bid/Proposal, as security for the faithful performance of the contract and for the payment of all persons performing labor or furnishing materials or equipment in connection therewith. The Performance and Payment Bonds shall have as the surety thereon only such surety company or companies as are authorized to write bonds of such character and amount under the laws of the State of Florida and with a resident agent in the county in which the project is located. The Attorney-in-Fact or other officer who signs the Performance and Payment Bonds for a surety company must file with such bonds a certified copy of his Power-of-Attorney authorizing him to do so.~~

~~The Performance and Payment Bonds shall remain in force for one (1) year from the date of final acceptance of the work as a protection to the CITY against losses resulting from latent defects in materials or improper performance of work under contract, which may appear or be discovered during that period.~~

21. BANKRUPTCY:

No firm will be issued a contract for the work, where a key representative has filed for bankruptcy personally or has been an officer or principal of a firm, which has filed bankruptcy in the past seven (7) years. Attached is a Non-Bankruptcy Affidavit form. All submitted proposals must include this form executed by the proper representative of the respondent company. **(See attached Form 6)**.

22. NONEXCLUSIVE:

Notwithstanding the contract resulting from this RFP, the CITY reserves the right to follow its normal purchasing procedures at any time to procure additional services for any of the types of work noted in this RFP. Contractor agrees and understands that the contract shall not be construed as an exclusive arrangement and further agrees that the City may, at any time, secure similar or identical services at its sole option.

23. DRUG FREE WORKPLACE COMPLIANCE FORM:

Attached is a Drug Free Workplace Compliance Form. All submitted proposals must include this form executed by the proper representative of your company. **(See attached Form 4).**

24. WARRANTY:

All warranties express and implied shall be made available to the City for goods and services covered by this solicitation. All goods furnished shall be fully guaranteed by the successful respondent against factory defects and workmanship. At no expense to the City, the successful respondent shall correct any and all apparent and latent defects that may occur within the manufacturer's standard warranty.

25. PROTEST:

Any respondent who perceives themselves aggrieved in connection with a recommended award may protest to the Property and Procurement Officer. A written notice of intent to file a protest must be filed with the Property and Procurement Officer within three (3) days after receipt by the respondent of the Notice of Intent to Submit RFP for Approval and Award by City Council, in accordance with the procedures set forth in Section XII K., City of Jacksonville Beach Purchasing Manual.

In the event of a timely protest, the City shall not proceed further with award of the contract and agreement until all administrative remedies are exhausted, or until the City Manager determines the award of the contract is immediately necessary to protect the public health, welfare, or safety.

26. FRAUD AND MISREPRESENTATION:

Any individual, corporation, or other entity that attempts to meet its contractual obligations with the City through fraud, misrepresentation, or material misstatement, may be debarred for up to five (5) years. The City, as a further sanction, may terminate or cancel any other contracts with such individual, corporation, or entity. Such individual or entity shall be responsible for all direct or indirect costs associated with termination or cancellation, including attorney's fees.

27. OMISSIONS IN SPECIFICATIONS:

The scope of services or description of items contained within this solicitation describes the various functions and classes of work required as necessary for the completion of the project. Any omissions of inherent technical functions or classes of work within the specifications and/or statement of work shall not relieve the respondent from furnishing, installing, or performing such work where required to the satisfactory completion of the project.

28. FORCE MAJEURE:

The City and the successful respondent are excused from the performance of their respective obligations under the contract when and to the extent that their performance is delayed or prevented by any circumstances beyond their control, including fire, flood, explosion, strikes or other labor disputes, natural disasters, public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance provided that:

a) The non-performing party gives the other party prompt written notice describing the particulars of the force majeure, including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the force majeure.

b) The excuse of performance is of no greater scope and of no longer duration than is required by the force majeure.
c) No obligations of either party that arose before the force majeure causing the excuse of performance are excused as a result of the force majeure.
d) The non-performing party uses its best efforts to remedy its inability to perform.

Notwithstanding the above, performance shall not be excused under this section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the successful respondent shall not constitute a force majeure. The term of the contract shall be extended by a period equal to that during which either party's performance is suspended under this section.

29. PROPOSAL AWARD NOTICE FORM:

Attached is a Proposal Award Notice Form. All submitted proposals are to include this form to be notified of the recommendation of award. **(See attached Form 2).**

30. INDEMNIFICATION:

The firm, without exception, shall indemnify and hold harmless the City of Jacksonville Beach, its officers, agents, and employees from any and all liability of any nature and kind including costs and expenses for, or on account of, any copyrighted materials, patented or unpatented invention processes, or article manufactured or used in relation to this RFP. If the firm uses any design, device, or material covered by letters-of-patent or copyright, it is mutually agreed and understood, without exception, that the fees charged by the firm shall include all royalties or costs arising from the use of such design, device, or material.

31. RFP IS NOT A BID:

This Request for Proposals is not to be considered a bid. The City will evaluate responses based on the criteria set forth in this RFP. The evaluation process is to consider all requested criteria to determine which firm is the most highly qualified to perform the required services.

SECTION C:

SPECIFICATIONS

SPECIFICATIONS

1. OBJECTIVE

The Auditor Selection Committee for City of Jacksonville Beach (the "CITY"), is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal year ending September 30, 2022, and the four subsequent fiscal years. The CITY expects the Auditor to express an opinion on the fair presentation of its General Purpose Financial Statements, the Financial Statements for the City's Public Employees' Retirement System, and the Financial Statements for the City's Community Redevelopment Agency in conformity with Generally Accepted Accounting Principles.

2. BACKGROUND INFORMATION

2.1. General

2.1.1. The City of Jacksonville Beach (the "City") is a municipal corporation of the State of Florida, occupying 8.06 miles in Northeast Florida. Founded in 1907, the City is a coastal community with a population of approximately 23,394.

2.1.2. The City operates under a Council-City Manager form of government. The City Council consists of a Mayor and six Council members. The City Manager is appointed by the City Council.

2.1.3. The City has approximately 335 full-time and 136 part-time positions and provides the full range of services normally associated with a municipality, including public safety, cultural and recreational activities (including parks, two cemeteries, and an 18-hole golf course); planning and zoning; public works (such as street, sidewalk, and right-of-way maintenance); and utility services (including electric, natural gas, water, sewer, and storm water; and garbage collection).

2.1.4. The City operates on a total annual budget of just over $179 million for the fiscal year ending September 30, 2022.

2.1.5. The City has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 28 consecutive years and the GFOA Distinguished Budget Presentation Award for the past 27 consecutive years.

2.2. Financial Reporting

2.2.1. The financial reporting entity (the City) includes all the funds and account groups of the City of Jacksonville Beach, Florida, as well the Jacksonville Beach Community Redevelopment Agency (CRA), which is reported as a discretely presented component unit.

2.2.2. Basis of Accounting – All Government Funds are accounted for using the modified accrual basis of Accounting. All Proprietary Funds are accounted for using the accrual basis of accounting.

2.2.3. Fund Structure - The City uses the following fund types and account groups in its financial reporting, but the number of Funds may be increased or decreased depending on the City's requirements.

Fund Type/Account Group	Number of Funds
General Fund	1
Special Revenue Funds	12
Debt Service Funds	0
Capital Funds	2
Enterprise Funds	7
Internal Service Funds	11
Fiduciary Funds	3

2.2.4. Grants – The City expects to have grant activity levels sufficient to require compliance with the Single Audit Act for the years covered in this agreement.

2.2.5. Past Annual Financial Reports and Budgets – The most recent Annual Comprehensive Financial Report and Annual Budget can be found on the City's website: https://www.jacksonvillebeach.org/366/Financial-Information-Annual-Budget

2.2.6. The City maintains three defined-benefit plans for General Employees, Police Officers, and Firefighters. In November 2019, The City entered into an agreement with the City of Jacksonville to provide fires services to the residents and businesses of the City. Effective November 23, 2019 the City's firefighters became employees of the City of Jacksonville. Consequently, the City closed the Firefighters' Pension plan to new members on November 22, 2019.

2.3. Computer System

2.3.1. The City's network operating system in Windows with Microsoft Office as the Primary software.

2.3.2. The City is undergoing an ERP implementation project to convert its Financials, Utility Billing, and Payroll applications from Central Square (formerly Superion/SunGard) to Tyler/Munis. The Munis Financials application including General Ledger and Purchasing was implemented in April 2018. The tentative implementation dates for Utility Billing and Payroll are early 2023.

2.3.3. The City continues to utilize Central Square for all other applications including Inventory, Fixed Assets, Work Orders, Building Permits, and Business Tax Receipts.

3. CONTRACT PERIOD

The firm selected will be retained for a maximum period of five (5) years. The resulting contract(s) for audit services will be for one (1) year, with four (4) additional one-year extensions, if mutually agreeable by both parties and under the same terms and conditions as the original Agreement, including any Amendments and Revisions thereto, unless otherwise modified by mutual agreement of the City of Jacksonville Beach and Contractor. Each year the engagement will be dependent upon a satisfactory completion of the prior annual audit. The fiscal years and their corresponding audit engagement periods are as follows;

Fiscal Year	Audit Engagement Period
October 1, 2021 to September 30, 2022	April 1, 2022 to March 31, 2023
October 1, 2022 to September 30, 2023	April 1, 2023 to March 31, 2024
October 1, 2023 to September 30, 2024	April 1, 2024 to March 31, 2025
October 1, 2024 to September 30, 2025	April 1, 2025 to March 31, 2026
October 1, 2025 to September 30, 2026	April 1, 2026 to March 31, 2027

4. SCOPE OF SERVICES

4.1. The City expects the Auditor to express an opinion on the fair presentation of its basic financial statements in conformity with applicable generally accepted accounting principles.

4.2. The Auditor is also to provide an opinion on the combining and individual non-major fund statements and schedules in relation to the basic fund statements taken as a whole.

4.3. The Auditor shall also be responsible for performing certain limited procedures involving required supplementary information and statistical schedules required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

4.4. In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls and perform tests and report on compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

4.5. The Auditor shall assist the City in implementing all applicable Government Accounting Standards Board (GASB) accounting and reporting standards, as issued or revised.

4.6. The City will send its Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada (GFOA) annually for review and consideration in their Certificate of Achievement for Excellence in Financial Reporting program. The City shall retain ultimate responsibility for preparation of the Annual Comprehensive Financial Report in compliance of the GFOA standards for the award; however, the Auditor shall assist in proof reading of entire document and conduct an overall review including layout, design, and suggested improvements.

4.7. To comply with the requirements of Chapter 175 and 185, Florida Statutes, the City requires an independent audit showing a detailed listing of assets and a statement of all income and disbursements for the year for the Police Officers' Retirement System Fund, the Firefighters' Retirement System Fund, and the General Employees' Retirement System Fund. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. A Combining Statement of Plan Net Position and Combining Statement of Changes in Net Position are required in the audited financial statements.

4.8. Prepare and complete the Annual Financial Report (AFR) for the City's Community Redevelopment Agency (CRA). Include a finding as to whether the CRA complies with Florida Statutes Sections 163.387(6) and (7); and Rules of the Auditor General – Section 10.556(10)(7).

4.9. The Auditor will prepare all adjusting journal entries converting data reported in governmental funds for presentation as governmental activities in the government-wide financial statements. The entries will be prepared on a conversion worksheet in an electronic format mutually agreed to by the auditor and the City. All entries will be reviewed with the Chief Financial Officer prior to issuance of the financial statement draft, and a copy of the electronic worksheet will be provided to the City.

4.10. The City of Jacksonville Beach will prepare the Management Discussion and Analysis (MD&A), and the City shall retain ultimate responsibility for the preparation and content of this document. However, the Auditor shall provide the assistance in proof reading entire MD&A, performing an overall review, and suggesting improvements to MD&A.

4.11. The Auditor shall be required to make an immediate written report of irregularities, illegal acts or indications of illegal acts, if any, and immediately make the City Manager aware of same.

4.12. The audit shall also include a review of the Annual Financial Report provided to the Department of Financial Services, to assure consistency with the City's financial statements.

4.13. If needed, the Auditors will provide bond covenant compliance letters where required by bond documents. In addition, the Auditors will prepare the schedules disclosing certain information required by the covenants for presentation in a separate section of the Annual Comprehensive Financial Report.

4.14. The Auditor shall provide technical advice, as requested, for accounting and tax issues that may arise during the contract period.

4.15. The City may issue one or more official statements for the sale or refunding of bonds during the term of this contract. The official statement will contain the general-purpose financial statements. The Auditor shall be required to issue, upon request, a "comfort letter" and other documents necessary to issue or refund the bonds. Fees for such requests made by the City of Jacksonville Beach shall be based on hourly fees submitted by the Auditor.

4.16. The Auditor shall provide the City of Jacksonville Beach with a copy of each external quality control review (peer review) conducted during the time period engaged by the City of Jacksonville Beach.

5. AUDITING STANDARDS TO BE FOLLOWED

5.1. Section 218.39, Florida Statutes, and any other applicable Florida Statutes.

5.2. Rules of the Florida Department of Financial Services.

5.3. Rules of the Auditor General, State of Florida, Chapter 10.550 (Local Government Audits).

5.4. Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants.

5.5. Codification of Governmental Accounting and Financial Reporting Standards - Governmental Accounting Standards Board.

5.6. Government Auditing Standards issued by the Comptroller General of the United States.

5.7. Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Office of Management and Budget.

5.8. Federal Single Audit Act of 1984 and amendments of 1996.

5.9. Florida Single Audit Act (Section 215.97, Florida Statutes).

5.10. Statements on Auditing Standards (GAAS).

5.11. Any other applicable federal, state, local regulations or professional guidance not specifically listed above, as well any additional requirements, which may be adopted by these organizations in the future.

6. REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's Financial Statements, the Auditor shall issue:

6.1. A report on the fair presentation of the basic financial statements as a whole, in conformity with accounting principles generally accepted in the U.S. (Auditor's opinion)

6.2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

6.3. A report on compliance with laws and regulations.

6.4. The "management letter" as required by Section 218.39(4), Florida Statutes.

6.5. Reports required by the Single Audit Act of 1996 and OMB Circular A-133 to include:

6.5.1. An "in-relation-to" report on the schedules of federal and state financial assistance.

6.5.2. An opinion on the financial statements and on the supplementary schedule of expenditures of federal awards.

6.5.3. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
6.5.4. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.
6.5.5. A schedule of findings and questioned costs (if applicable).
6.5.6. A report on compliance with requirements applicable to State grants and aids appropriations.

6.6. For any irregularities and illegal acts, the auditor shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the CFO, City Manager and City Council as appropriate.

6.7. The schedules of federal and state financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance, are to be issued in conjunction with the financial report.

7. REPORT PRODUCTION

7.1. The Auditor will prepare and print the Annual Comprehensive Financial Report including all financial statements, footnotes, schedules, including client-requested schedules to meet bond requirements, etc., and required reports during the contract period. The Auditor will bind all into a single document with covers, tabs, dividers and combs provided by the City. Twenty five (25) copies of the final report and one (1) copy in Adobe Acrobat (.PDF) format, shall be delivered to the Chief Financial Officer no later than <u>March 1</u> following the end of the fiscal year under audit.

7.2. The Auditor will provide fifteen (15) copies each of the annual general, police, and fire pension fund reports and independent auditors' report by <u>March 1</u>. The Auditor will be responsible for the actual preparation of these reports unless otherwise negotiated, and one (1) copy in Adobe Acrobat (.PDF) format, shall be delivered to the Chief Financial Officer no later than January 31 following the end of the fiscal year under audit.

7.3. The Auditor will provide fifteen (15) copies of the Community Redevelopment Agency annual report and independent auditors' report by <u>March 1</u>. The Auditor will be responsible for the actual preparation of these reports unless otherwise negotiated, and one (1) copy in Adobe Acrobat (.PDF) format, shall be delivered to the Chief Financial Officer no later than January 31 following the end of the fiscal year under audit.

8. AUDIT STAFF REQUIREMENTS

8.1. The partner-in-charge of the audit and the Audit Manager shall be free to attend up to three public meetings for discussion of the audit reports. The firm will also be available for consultation and advice to the Finance Department and the City Manager.

8.2. The Auditor will designate two (2) "key" members of the audit team. The Auditor may replace any staff assigned to the CITY'S engagement provided that replacements have substantially the same or better qualifications or experience. The CITY retains the right to approve or reject replacements. The CITY reserves the right to request the Auditor to replace assigned staff that are disruptive or that do not appear to be conducting themselves in a professional manner.

8.3. The Auditor shall report to the City, at least weekly, the status of any potential audit adjustments, so that the City may have adequate opportunity to investigate, gather information and respond if necessary. Final audit adjustments shall be submitted to the City of Jacksonville Beach no later than December 31 following the end of the fiscal year under audit. All adjustments posted to the financial statements must be agreed to by the City of Jacksonville Beach and reconciled to the City's accounting records by City staff, prior to release of the final audit report.

8.4. The Auditor agrees to notify the City immediately should any disciplinary actions be taken or complaints filed with any regulatory bodies against any of the auditor staff or the Auditor itself.

9. AUDIT SCHEDULE AND DUE DATES FOR DELIVERABLES

The schedule for each Fiscal Year Audit will be as follows:

Interim Fieldwork	By September 30
Year-end Fieldwork	By December 31
Review Financial Statements – Initial Draft	By January 10
Review Financial Statements – Final Draft	By February 10
Deliver final PDF and printed financial reports to Chief Financial Officer	By March 1
Presentation to Council and Boards	By March 31
Submission to State	By March 31
Submission to GFOA	By March 31

9.1. The Auditors shall submit not later than January 31st a management letter which shall identify management weaknesses observed, assess their effect on financial management and propose steps to eliminate them.

9.2. The Auditor shall submit not later than January 31st a written draft report of any recommendations to strengthen internal controls.

10. CITY RESPONSIBILITIES

10.1. The City will provide the auditor with reasonable work space, desk and chairs for the audit. The Auditor will also be provided with inquiry access to the financial system software and photocopying facilities.

10.2. City staff will prepare confirmation letters on City letterhead to be provided to the audit firms for mailing.

10.3. City staff will prepare the working trial balance, work papers to support balance sheet accounts, some notes to the Financial Statements, Statistical Tables, and Management Discussion and Analysis (MD&A).

11. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

11.1. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years after the release of the audit, unless the firm is notified, in writing, by the City of the need to extend the retention period. The auditor will be required to make working papers available upon request, without charge, to any federal, and/or state agency. The auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers related to matters of continuing accounting significance.

SECTION D:

EVALUATION AND AWARD PROCEDURES

EVALUATION AND AWARD PROCEDURES

EVALUATION PROCESS

1. The Request for Proposal (RFP) submitted by the respondent must include information documenting how the respondent meets the evaluation criteria below, and will be evaluated based on the weighting identified below. The City will not return RFP submittals to the respondents.

2. **EVALUATION CRITERIA**

Evaluation Factor *(Section E: Submittal Requirements)*	**Maximum Points**
Firm Experience	30
Staff Qualifications	20
Audit Approach	25
References	15
Fee Proposal	10
Total	**100**

The Committee may, at its discretion, request (or not) the top ranked firms to make oral presentations. Not all firms may be asked to make such presentations. The evaluation criteria and methodology for such presentations will be as follows:

Presentation Evaluation Factor	**Quality**	**Maximum Points**
Presentation	Command presence of briefer; clarity of speech; rapport with committee	5
Approach	Philosophy of Firm; methodology for project; addresses scope items	7
Procedure	Actual/measurable milestones; interim deliverables/reports	7
Commitment	Communication plan; availability of Firm/staff; stability of Firm	6
	Total	**25**

SECTION E:

SUBMITTAL REQUIREMENTS

SUBMITTAL REQUIREMENTS

Proposals should be prepared simply and economically, providing a straightforward, concise description of the proposer's ability to fulfil the requirements of the RFP. The narrative portion and the materials presented in response to this Request for Proposals should be submitted in the same order as requested and must contain, at a minimum, the following:

1. Experience of Firm (30 Points)

- Provide a statement as to whether the firm is local, regional, or national. The firm must have been established in Florida and performed continuous CPA services for a minimum of five (5) years. The firm must be a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- Describe the size of the firm, the number of offices, the number of partners and professionals, and the size of the governmental audit staff.
- Provide an affirmative statement that the Proposer and all assigned key professional staff are properly licensed to practice in Florida.
- Indicate the number of government clients, the types of governments served and the types of engagements for the firm.
- Describe the firm's approach to continuing professional education with particular attention to continuing professional education related to government sector engagements. Specifically indicate if your firm holds seminars and offers CPE to clients at no charge. If so, indicate approximate times (i.e. month) and locations held in a typical year. (Note: this requirement is mandatory).
- Describe the firm's approach to the peer review process and provide a report of the most recent peer review. Indicate whether that peer review included a review of local government client activities.
- Describe any disciplinary actions that have been instituted or proposed against the firm during the last three years and any pending disciplinary matters of which the firm is aware with state regulatory bodies, or professional organizations.
- Describe the results of any state or federal reviews of the firm's government client audit work during the past three (3) years, and describe any pending reviews of which the firm is aware.
- Describe any instance that the firm withdrew from an engagement prior to the agreed contract expiration date.
- Provide an affirmative statement that the firm is independent of the CITY as defined by generally accepted auditing standards (mandatory).
- Provide a summary of any litigation filed against the Proposer in the past three (3) years which is related to the services that the Proposer provides in the regular course of business. The summary shall state the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amounts involved.
- Provide a financial statement, annual report, or other similar evidence of the Proposer's financial stability.

2. Qualifications of Staff (20 Points)

- Indicate the location of the firm's primary office that will staff the CITY engagement, the number of partners and professionals in the office, the number of governmental auditing staff. The CITY places a high priority on the timely completion of the audit;

therefore, submitting firms should demonstrate adequate staffing capability.

- Indicate the partner-in-charge and professional staff that will be assigned to the CITY audit.
- For each person named above, provide as part of your proposal a resume which includes the following information:
  - Formal education and supplemental education relative to governmental accounting and auditing
  - Experience in government, governmental accounting and in the private sector
  - Experience in auditing governmental units specifying governmental clients served, the type of engagement and the capacity served
  - Membership in various national and state governmental accounting boards, committees, or associations (past and present).
  - Professional designations (e.g. Certified Public Accountant (CPA) license), and other awards.
  - Active and meaningful participation in the local chapters of such organizations, such as service as an officer or as a guest speaker.
- Describe your assigned staff's experience in preparing governmental financial statements and in providing assistance in obtaining the Certificate of Achievement for the ACFR.
- Describe your assigned staff's experience in auditing electric and natural gas utilities.

3. Audit Approach (25 Points)

- Describe the type and extent of analytical procedures to be used in the engagement, specifically the extent to which statistical sampling is to be used in the engagement.
- Describe the approach that would be taken in auditing computer related activities.
- Describe how the audit engagement would be segmented and indicate the number of hours that would be devoted to each segment.
- Describe the approach to be taken to gain and document an understanding of the CITY'S internal control structure.
- Describe the approach to be taken in determining laws and regulations that will be subject to audit test work.
- Describe the approach to be taken in drawing audit samples for purposes of tests of compliance.
- Describe cost-effective audit techniques that may be anticipated or recommended for this engagement.
- Describe the interim and final examination techniques to be used in the engagement.
- Describe the assistance that could be provided in meeting the requirements of the Certificate of Achievement for Excellence in Financial Reporting. Describe the approach that the firm would take to ensure that the timetable would be met. Provide a timetable for completion of the work to include camera ready copy of the CAFR delivered no later than two weeks prior to the scheduled CAFR presentation to the Commission each year of the engagement.
- Describe the process that the firm will take to produce a meaningful Management Letter. Include a recent Management Letter developed in connection with local government audits.
- Provide specific assurances that the firm and each individual staff member assigned to the engagement are free from personal or external impairments to independence

and are organizationally independent and will maintain an independent attitude and appearance.

4. References (15 Points)

- List the most significant engagements (maximum of 5) performed in the last five years with Florida governmental clients for which your assigned staff has provided audit services similar to the engagement described herein. Include the principal client contact name, title, e-mail address, and telephone numbers.

5. Fee Proposal (10 Points)

- Provide a statement setting forth the Proposer's understanding of the work to be done and a positive commitment to perform the work within the specified time period.

Cost and Time Proposal

	Year 1	Year 2	Year 3	Year 4	Year 5	Estimated Hours
Basic Audit	$	$	$	$	$	
Federal Single Audit, if applicable	$	$	$	$	$	
State Single Audit, if applicable	$	$	$	$	$	
CRA Audit	$	$	$	$	$	

	Partner	Manager	Senior	Staff	Clerical
Hourly Rates					

NOTE:

Some items mentioned in the Submittal Requirements above are also mentioned in Section C: Specifications as required deliverables. This duplication is intentional and is intended to emphasize key elements to be addressed.

SECTION F:

SUBMITTAL FORMS

FORM 1

PROPOSAL TENDER FORM (Page 1 of 3)

RFP NUMBER: 02-2122

RFP DATE: _______________ , 2022

TO: THE CITY OF JACKSONVILLE BEACH, FLORIDA

FROM: ____

____

Submitter is solely responsible for developing / determining / verifying for this contract work all methods necessary to provide satisfactory fully completed contract work under the provisions of the RFP, to the City's satisfaction, to include costs for all labor, all sub-contractor work, all taxes, all insurance, and any / all other contract related work and/or cost / expense that is not listed, and all of which shall be the basis for the respondent's Fee Proposal.

Respondent must provide a fee proposal. All entries in the proposal must be made clearly in ink. Prices on the Proposal Tender Form must be written in figures. Proposals in which the prices obviously are unbalanced may be rejected by the City at its sole discretion.

In accordance with the RFP to provide the completed work for **Audit Services** for the City of Jacksonville Beach, Florida, subject to the Specifications and Addenda, if any, all of which are made a part of the respondent's Proposal, thereof, the undersigned hereby submits the **Proposal Tender Form** for the **Audit Services Fee** as follows:

Cost and Time Proposal

	Year 1	Year 2	Year 3	Year 4	Year 5	Estimated Hours
Basic Audit	$	$	$	$	$	
Federal Single Audit, if applicable	$	$	$	$	$	
State Single Audit, if applicable	$	$	$	$	$	
CRA Audit	$	$	$	$	$	

	Partner	Manager	Senior	Staff	Clerical
Hourly Rates					

The City reserves the sole prerogative whether or not to order / contract for any and all work listed in this proposal, and when the work is to be done, all in the best interests of the City. The respondent agrees that this proposal shall be good and may not be withdrawn for a period of 90 days after the opening of proposals.

FORM 1

PROPOSAL TENDER FORM (Page 2 of 3)

The respondent understands that the CITY reserves the right to: 1) reject all proposals and waive informalities, in whole or in part, in the proposals, and 2) to accept the proposal that in its judgment will best serve the interest of the CITY.

ADDENDA RECEIPT VERIFICATION

Respondent shall acknowledge receipt of all addenda, if any, to the Request for Proposals, by filling in Addenda Numbers and dates below.

Addendum #: ____	**Dated:** _____	**Addendum #:** ____	**Dated:** _____
Addendum #: ____	**Dated:** _____	**Addendum #:** ____	**Dated:** _____

PROPOSAL DOCUMENT TURN-IN CHECKLIST

The following documents are to be completed, signed and submitted as part of the Proposal Submittal Package in response to this RFP. Failure to provide the listed documents may be cause for the CITY to consider rejection of the submitted proposal. This consideration will be at the sole discretion of the CITY.

INITIAL Check-Off	FORM	SECTION TITLE
[______]	1	**PROPOSAL TENDER FORM** (completed Pages 33 thru 35)
[______]	2	**RFP AWARD NOTICE FORM – Mandatory Cover Sheet** (completed Page 36)
[______]	3	**REQUIRED DISCLOSURE FORM** (completed Page 37)
[______]	4	**DRUG-FREE WORKPLACE COMPLIANCE FORM** (completed Page 38)
[______]	5	**NON-COLLUSION AFFIDAVIT** (completed Page 39)
[______]	6	**NON-BANKRUPTCY AFFIDAVIT** (completed page 40)
[______]		**EXPERIENCE OF FIRM**
[______]		**QUALIFICATIONS OF STAFF**
[______]		**AUDIT APPROACH**
[______]		**REFERENCES**
[______]		**FEE PROPOSAL**
[______]		**W-9** (Attach completed and signed form, which can be obtained from www.irs.gov)

NOTE: Please INITIAL Check-Off of each *document / activity / requirement* that is attached to the *Proposal Tender Form* and/or is required by the RFP and/or Addenda.

By:_________________________________ _________________________________
Signature of Authorized Submitter Title (typed or neatly printed)

FORM 1

PROPOSAL TENDER FORM (Page 3 of 3)

COMPANY NAME: ______________________________

ADDRESS: ______________________________

CITY, STATE & ZIP CODE: ______________________________

TELEPHONE NUMBER: ______________________________

LICENSE NUMBER: ______________________________

(If Corporation, President, Secretary and Treasurer identification)

PRESIDENT: ______________________________

SECRETARY: ______________________________

TREASURER: ______________________________

SEAL: (if Proposal is by a Corporation.)

FORM 2

RFP AWARD NOTICE

City of Jacksonville Beach

1460A Shetter Avenue, Jacksonville Beach, FL 32250, (904) 247-6229

NOTICE: Items 1 to 6 are to be completed by the respondent. The respondent is to submit the form to the CITY along with the Proposal Tender Form and other required documents.

1. Company Name: ______________________________

2. Address: ______________________________

3. City, State & Zip: ______________________________

4. Attention: ______________________________

5. Phone: ______________ Fax: ______________

6. E-mail address: ______________________________

PLEASE PRINT CLEARLY

****
ITEMS BELOW TO BE COMPLETED BY THE CITY OF JACKSONVILLE BEACH
****

Proposals were received and evaluated, and the following recommendation will be presented to the City Manager for award of **RFP No. 02-2122** per the attached Proposal Tabulation form(s).

A written notice of intent to file a protest must be filed with the Property and Procurement Officer within three (3) days after receipt by the respondent of the Notice of Intent to Submit RFP for Approval and Award by City Council from the Property and Procurement Officer in accordance with the procedures set forth in Section XII K., City of Jacksonville Beach Purchasing Manual.

If awarded RFP, please do not proceed with any work prior to receiving an official City of Jacksonville Beach Purchase Order and/or Notice-to-Proceed letter.

Thank you for your proposal.
Sincerely,

CITY OF JACKSONVILLE BEACH
/s/Luis F. Flores
Property and Procurement Division

FORM 3

REQUIRED DISCLOSURE

The following disclosure is of all material facts pertaining to any felony conviction or any pending felony charges in the last three (3) years in this State or any other state or the United States against (1) respondent, (2) any business entity related to or affiliated with respondent, or (3) any present or former owner of respondent or of any such related or affiliated entity. This disclosure shall not apply to any person or entity which is only a stockholder, which person or entity owns twenty (20) percent or less of the outstanding shares of a respondent whose stock is publicly owned and traded:

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Signed: ___________________________ Title: _______________________

Contractor: _________________________

FORM 4

DRUG-FREE WORKPLACE COMPLIANCE

IDENTICAL TIE PROPOSALS - Preference shall be given to businesses with drug-free workplace programs. Whenever two or more proposals, which are equal with respect to price, quality and service, are received by the State or by any political subdivision for the procurement of commodities or contractual services, a proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie proposals will be followed if none of the tied vendors have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs and the penalties that may be imposed upon employees for drug abuse violations.

3) Give each employee engaged in providing the commodities or contractual services that are under contract a copy of the statement specified in subsection (1).

4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under contract, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

____
Vendor's Signature

FORM 5

NON-COLLUSION AFFIDAVIT

____, being first duly sworn deposes and says that:

1. He (it) is the ____, of _____________the respondent that has submitted the attached proposal;

2. He is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;

3. Such proposal is genuine and is not a collusive or sham proposal;

4. Neither the said respondent nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affidavit, have in any way, colluded, conspired, connived or agreed, directly or indirectly, with any other respondent, firm or person to submit a collusive or sham proposal in connection with the Contract for which the attached proposal has been submitted; or to refrain from responding in connection with such Contract; or have in any manner, directly or indirectly, sought by agreement or collusion or communication, or conference with any respondent firm, or person to fix the price or prices in the attached proposal or of any other respondent or to fix any overhead, profit, or cost elements of the proposal price or the proposal price of any other respondent, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against other Respondents, or any person interested in the proposed Contract;

5. The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the respondent or any other of its agents, representatives, owners, employees or parties in interest, including his affidavit.

By: ____

Sworn and subscribed to before me this ______ day of ________,20____,
in the State of _________________________, County of ____________________.

____ Notary Public

My Commission Expires: ____________________________

FORM 6

NON-BANKRUPTCY AFFIDAVIT

STATE OF ____________________)

COUNTY OF ___________________)

____ is an officer and member of the firm of _______________________________________, being first duly sworn, deposes and states that;

1. The subsequent certification statement is a true and accurate statement as of the date shown below.

2. The affiant understands that the intentional inclusion of false, deceptive or fraudulent statements on this Non-Bankruptcy Affidavit constitutes fraud; and, that the City of Jacksonville Beach, Florida, considers such action on the part of the affiant to constitute good cause for denial, suspension, revocation, disqualification, or rejection of affiant's participation in **RFP #: 02-2122**.

3. Certification Statement: This is to certify that the aforementioned firm has not filed for bankruptcy in the past seven (7) years and that no owner/officer or principal of the aforementioned firm has filed for bankruptcy personally in the past seven (7) years or has been an owner/officer or principal of a firm which has filed for bankruptcy in the past seven (7) years.

____
Affiant Signature

Sworn to before me this _______ day of ___________, 20_____ by _____________.
(Name of affiant)

He/She is personally known to me or has produced _______________________as identification.

____
Signature of Notary

_________________________________ _____________________________
Notary's Printed Name Expiration of Notary's Commission

Affix Seal Here:

W-9 Form (Attach completed and signed form, which can be obtained from www.irs.gov)

APPENDIX

Appendix A

CITY OF JACKSONVILLE BEACH
FISCAL YEAR 2022 ADOPTED BUDGET

Fund Description	Individual Funds	Major Funds	Non-Major Govt Funds	Non-Major Enterprise Funds	Internal Service Funds	Pension Funds
General Fund	$ 24,935,608	$ 24,935,608				
Special Revenue Funds						
Convention DevelopmentTax	418,667		418,667			
Court Costs Training	7,813		7,813			
Local Option Gas Tax	731,995		731,995			
Infrastructure Surtax	1,224,200		1,224,200			
Community Dev Block Grant	142,000		142,000			
Radio Communications	109,595		109,595			
Downtown Tax Increment	7,754,135	7,754,135				
Southend Tax Increment	5,052,026	5,052,026				
Justice Assistance Grant	-		-			
Tree Protection	3,000		3,000			
Law Enforcement Trust	9,100		9,100			
Equitable Sharing Trust	173,780		173,780			
Capital Projects						
General Capital Projects	4,201,000	4,201,000				
Infrastructure Capt Proj	-		-			
Enterprise Funds						
Electric Utility	87,594,835	87,594,835				
Natural Gas Utility	1,885,930			1,885,930		
Water & Sewer Utility	13,197,236	13,197,236				
Stormwater Management	2,214,977			2,214,977		
Sanitation	4,108,447			4,108,447		
Golf Course	2,273,503			2,273,503		
Leased Facilities	871,513			871,513		
Internal Service Funds						
City Manager	698,578				698,578	
Finance	4,372,966				4,372,966	
Information Services	1,347,538				1,347,538	
Human Resources	697,122				697,122	
Fleet Maintenance	663,664				663,664	
Meter Service	909,963				909,963	
Operations Facility	416,332				416,332	
Insurance/Gen Liability	997,737				997,737	
Insurance/Workers Comp	558,937				558,937	
Health Insurance Fund	2,960,000				2,960,000	
Trust Funds						
General Employee Pension	5,476,233					5,476,233
Police Pension	1,919,189					1,919,189
Fire Pension	1,130,734					1,130,734
Grand Total	**$ 179,058,353**	**$ 142,734,840**	**$ 2,820,150**	**$ 11,354,370**	**$ 13,622,837**	**$ 8,526,156**

Appendix B

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control that we consider to be a significant deficiency as described below.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2019-1 Bank Reconciliations
Condition – The timely reconciliation of bank accounts is one of the key components of a sound system of internal controls. Due to the implementation of a new accounting software system and staffing changes in the finance department, bank reconciliations for the months ended February 2019 through September 2019 were not completed until January 2020.

Effect – The lack of timely bank account reconciliations results in an increased risk that errors or irregularities will go undetected for extended periods of time.

Recommendation – We recommend the City implement procedures to ensure that all bank reconciliations are reconciled within 20 days of month-end.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding
The City's response to the finding identified in our audit is included in the accompanying Management's Response on pages 143 and 144. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

March 9, 2020
Tallahassee, Florida

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on Compliance for Each Major Federal Program
We have audited the City of Jacksonville Beach's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the fiscal year ended September 30, 2019. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with Federal Statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program
In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended September 30, 2019.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Internal Control Over Compliance
City management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 9, 2020
Tallahassee, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF JACKSONVILLE BEACH, FLORIDA

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issues on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal Programs:	
	CFDA Number
Disaster Grants – Public Assistance	97.036
Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

See Finding 2019-1 in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PURVIS GRAY

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have examined the City of Jacksonville Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2019, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

March 9, 2020
Tallahassee, Florida

PURVIS GRAY

MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2019, and have issued our report thereon dated March 9, 2020.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Independent Accountant's Reports on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 9, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1, *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no findings or recommendations disclosed in the preceding audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4, *Rules of the Auditor General,* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

Financial Condition and Management
Sections 10.554(1)(i)5.a and 10.556(7), *Rules of the Auditor General*, require that us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we offer the following recommendations.

2019-2 Work Order Closings
Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon completion. The delay in closing the work orders appears to be due to staffing changes in the City's finance department.

Effect – Not closing work orders can lead to under depreciation of the City's electric utility system and could impact future rate making decisions. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

Additional Matters
Section 10.554(1)(i)3, *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

March 9, 2020
Tallahassee, Florida

JACKSONVILLE BEACH

FINANCE DEPARTMENT

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

March 5, 2020

Auditor General's Office
Local Government Section
Claude Denson Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Auditor's Report on Internal Control and Management Letter Comments

The following is the City of Jacksonville Beach's response to the independent auditor's report on internal control and management letter comments.

2019-1 Bank Reconciliations

Condition – The timely reconciliation of bank accounts is one of the key components of a sound system of internal controls. Due to the implementation of a new accounting software system and staffing changes in the finance department, bank reconciliations for the months ended February 2019 through September 2019 were not completed until January 2020.

Effect – The lack of timely bank account reconciliations results in an increased risk that errors or irregularities will go undetected for extended periods of time.

Recommendation – We recommend the City implement procedures to ensure that all bank reconciliations are reconciled within 20 days of month-end.

Management's Response to Comment 2019-1 – Bank Reconciliations

The City agrees with the auditor's comments and will implement the recommendation.

In 2018, the City converted its general ledger, accounts payable, and purchasing software modules to a new enterprise resource planning (ERP) system. Utility billing and cash receipting continue to take place in the legacy system which requires transaction data to be regularly imported into the new system. It is the City's intention to migrate all financial functions to one software system; however, our ERP conversion project is progressing slower than projected.

Initial configuration settings in the new system for imports and batch posting grouped the different bank accounts (i.e. depository, accounts payable, payroll, returned items, etc.) into one account for review purposes. This resulted in a higher level of complexity, which delayed monthly bank reconciliations. To address this issue, we made some configuration changes to mitigate the impact of operating between two software systems and developed new procedures that will help to separate each bank reconciliation and expedite the overall process.

We are also working to cross-train all accounting staff in bank reconciliations so that this important process continues without disruption.

2019-2 Work Order Closings

Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon their completion. The delay in closing the work orders appears to be due to staffing changes in the finance department.

Effect – Not closing work orders can lead to under depreciation of the electric utility system. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

Management's Response to Comment 2019-2 – Work Order Closings

The City agrees with the auditor's comments and will implement the recommendation.

The work order (job costing) system resides in the legacy software system. Because the general ledger and accounts payable systems have been converted to the new software system, any electric infrastructure capital expenditures must be exported back to the legacy system before a work order may be closed to a plant account for depreciation. An extended vacancy in the position responsible for work order processing further delayed the closing process.

The following actions will be taken to improve the situation. A new accounting position has been added to support the additional responsibilities associated with operating in both the new and legacy software systems. As the new staff receives training in work order processing, policies and procedures for current operations will be formalized.

In the near future, the City intends to seek out a new asset management and job costing software that integrates with the chosen ERP system to eliminate the manual import/export processes.

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

February 23, 2021
Tallahassee, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have examined the City of Jacksonville Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2020, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 23, 2021
Tallahassee, Florida

PURVIS GRAY

MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2020, and have issued our report thereon dated February 23, 2021.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Reports on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1, *Rules of the Auditor General,* requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address finding 2019-01 disclosed in the preceding financial audit report. The following finding was disclosed in the preceding audit report and has not been resolved.

2019-2 Work Order Closings
Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon completion. The delay in closing the work orders appears to be due to staffing changes in the City's finance department.

Effect – Not closing work orders can lead to under depreciation of the City's electric utility system and could impact future rate making decisions. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

Current Year Status – Management has made progress in closing out older work orders. However, there are a small number of work orders from 2017 that still need to be closed. In addition, there are a larger number of work orders from 2018 and 2019 that still need to be researched closed to the plant accounts. The impact of the under depreciation on the system for the fiscal year ended September 30, 2020 was not considered to be material to the Electric Fund as a whole. Additionally, we noted there are some minor unreconciled differences between the work order subsidiary ledgers and the corresponding working trial balance amounts. We recommend these differences be researched and the appropriate records adjusted accordingly.

Official Title and Legal Authority
Section 10.554(1)(i)4, *Rules of the Auditor General,* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes.

Financial Condition and Management
Sections 10.554(1)(i)5.a and 10.556(7), *Rules of the Auditor General*, require that us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2, *Rules of the Auditor General,* requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters
Section 10.554(1)(i)3, *Rules of the Auditor General,* requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

February 23, 2021
Tallahassee, Florida

JACKSONVILLE BEACH

FINANCE DEPARTMENT

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

February 25, 2021

Auditor General's Office
Local Government Section
Claude Denson Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Auditor's Management Letter Comments

The following is the City of Jacksonville Beach's response to the independent auditor's management letter comments.

2019-2 Work Order Closings

Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon their completion. The delay in closing the work orders appears to be due to staffing changes in the finance department.

Effect – Not closing work orders can lead to under depreciation of the electric utility system. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

Current Year Status – Management has made progress in closing out older work orders. However, there are a small number of work orders from 2017 that still need to be closed. In addition, there are a larger number of work orders from 2018 and 2019 that still need to be researched, closed and unitized to the plant accounts. The impact of the under depreciation for the fiscal year ended September 30, 2020 was not considered to be material to the Electric Fund as a whole. Additionally, we noted there are some small unreconciled differences between the work order subsidiary ledgers and the corresponding working trial balance amounts. We recommend these differences be researched and the appropriate records adjusted accordingly.

Management's Response to Comment 2019-2 – Work Order Closings

The City agrees with the auditor's comments and will implement the recommendation.

In 2018, the City converted its general ledger, accounts payable, and purchasing software modules to a new enterprise resource planning (ERP) system, however, the work order (job costing) and fixed asset systems remain in the legacy software system. Any electric infrastructure capital expenditures must be exported back to the legacy system before a work order may be closed to a plant account for depreciation. As a result, the reconciliation process is more complex and time consuming.

During 2020, training was conducted and staff made significant progress. Administration has directed additional staff resources in the electric department to help complete the prior year closeouts and to proactively monitor work order activities to ensure that transactions are correctly processed between the two software systems, thus reducing the potential for future reconciling items.

The City intends to seek out a new asset management and job costing software that integrates with the chosen ERP system to eliminate the manual import/export processes.

JACKSONVILLE BEACH

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Sandra R. Robinson, City Attorney
DATE:	03/02/2022
SUBJECT:	Ordinance No. 2022-8173 Amending Ordinance No. 2020-8157 (First Reading)

BACKGROUND

On December 21, 2020, the City Council approved Ordinance No. 2020-8157 which instituted a temporary moratorium on the commercial leasing, rental, and use of commercially leased or rented electric personal assistive mobility devices, micromobility devices, and motorized scooters in the City for a period of 12 months from its effective date (*i.e.*, December 21, 2021), or until it is repealed by the City Council as part of its adoption of permanent regulations, whichever is sooner. On December 20, 2021, the City Council approved Ordinance No. 2021-8169 which amended Ordinance No. 2020-8157 and extended the temporary moratorium for four months from the original effective date (until April 21, 2022).

At the City Council Briefing on February 28, 2022, the City Attorney provided the City Council with options to assist in the discussion and/or decision as to whether and/or how a commercial shared mobility program could be implemented in the City. At that time, it was the consensus of the City Council that extending the temporary moratorium once more is necessary to provide the City Council with ample opportunity to evaluate the options provided at the Briefing.

Ordinance No. 2022-8173 amends Ordinance No. 2020-8157 by extending the moratorium an additional 16 months from the original effective date (April 21, 2023).

FINANCIAL IMPACT

None.

REQUESTED ACTION

Approve/Disapprove Ordinance No. 2022-8173 Amending Ordinance No. 2020-8157 on the first reading and schedule a second reading for April 4, 2022

ATTACHMENTS

1. Ordinance No. 2022-8173

AGENDA ITEM: A.
MEETING DATE: March 21, 2022

Introduced by: ______________________________
First Reading: ______________________________
Second Reading: ____________________________

ORDINANCE NO. 2022-8173

AN ORDINANCE BY THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING ORDINANCE NO. 2020-8157 WHICH IMPOSED A TEMPORARY MORATORIUM ON THE COMMERCIAL RENTAL AND LEASE, AND USE OF RENTED AND LEASED, ELECTRIC PERSONAL ASSISTIVE MOBILITY DEVICES, MICROMOBILITY DEVICES, AND MOTORIZED SCOOTERS; CONTINUING THE BASIS FOR THE EMERGENCY MORATORIUM; AND EXTENDING THE MORATORIUM 16 MONTHS FROM THE ORIGINAL EFFECTIVE DATE.

WHEREAS, Article VIII, Section 2 of the Florida Constitution and Section 166.021, Florida Statutes, provides that municipalities have governmental, corporate, and proprietary powers to enable municipalities to conduct municipal government, perform municipal functions, and render municipal services; and

WHEREAS, in accordance with City Code of Ordinances Section 2-55, on December 21, 2020, the City Council approved Ordinance No. 2020-8157 which instituted a temporary moratorium on the commercial leasing, rental, and use of commercially leased or rented electric personal assistive mobility devices, micromobility devices, and motorized scooters in the City for a period of 12 months from its effective date (*i.e.*, December 21, 2021), or until it is repealed by the City Council as part of its adoption of permanent regulations, whichever is sooner; and

WHEREAS, on December 20, 2021, the City Council approved Ordinance No. 2021-8169 which amended Ordinance No. 2020-8157 and extended the temporary moratorium for four months from the original effective date (until April 21, 2022); and

WHEREAS, on February 28, 2022, the City Attorney provided the City Council with options to assist in the discussion and/or decision as to whether and/or how a commercial shared mobility program could be implemented in the City; and

WHEREAS, it is the consensus of the City Council that extending the temporary moratorium once more is necessary to provide the City Council with ample opportunity to evaluate the options of governing the regulations for the renting or leasing of electric personal assistive mobility devices, micromobility devices, and motorized scooters in the City; and

WHEREAS, the City finds a legitimate public purpose and it is in the best interests of the public health, safety, and welfare to extend the temporary moratorium on the commercial leasing, rental, and use of commercially rented or leased electric personal assistive mobility devices, micromobility devices, and motorized scooters in the City until such time as appropriate City regulations are in place.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. RECITALS AND LEGISLATIVE FINDINGS. The above recitals and legislative findings are ratified and made a part of this Ordinance.

SECTION 2. That Section 2 of Ordinance No. 2020-8157, is hereby amended as follows[1]:

> **TEMPORARY MORATORIUM.** A temporary moratorium is imposed on the commercial leasing, rental, and use of commercially leased or rented electric personal assistive mobility devices, micromobility devices, and motorized scooters in the City. While this temporary moratorium is in effect, the City shall not authorize, allow, accept, process, or approve any application relating to the operation or commercial leasing and renting of these devices and scooters. This moratorium applies to any business that operates out of a hotel, motel, store, vendor stand, or any other local business location in the City, and to any online business operation that makes these devices and scooters locally available for rent or lease in the City. Nothing in this Ordinance shall be construed as a limit on the lawful use of privately-owned devices and scooters. Those individuals who use their privately-owned devices and scooters are required to follow all Florida Laws and City Ordinances relating to these devices and scooters. This moratorium is imposed pursuant to the City's police and regulatory powers to protect the public health, safety, and welfare of the community at large. The moratorium imposed by this Ordinance shall remain in effect for a period of ~~12~~ 28 months from its effective date (until April 21, 2023) or until it is repealed by the City Council as part of its adoption of permanent regulations, whichever is sooner.

SECTION 3. CONFLICTING ORDINANCES. That all ordinances or parts of ordinances in conflict with this Ordinance or parts thereof previously adopted or entered by the City in conflict with this Ordinance are temporarily suspended to the extent inconsistent herewith and until a future ordinance is permanently addresses the subject matter.

SECTION 4. SEVERABILITY. If any section, subsection, clause, or provision of this Ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this Ordinance.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect and be enforceable in all aspects immediately upon final reading and approval by the City Council for the City of Jacksonville Beach as authenticated herein.

AUTHENTICATED THIS _____ DAY OF ___________, A.D., 2022.

____
Christine H. Hoffman, Mayor

____
Sheri Gosselin, City Clerk

Approved as to form and legal sufficiency:

____
Sandra R. Robinson, City Attorney

[1] ~~Strikethrough~~ text indicates deletions, underline text indicates additions.

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Heather Ireland, Director Planning and Development Department
DATE:	02/17/2022
SUBJECT:	Ordinance No 2022-8175 Adopting a Property Rights Element into the 2030 Comprehensive Plan (First Reading)

BACKGROUND

During the 2021 legislative session, the Florida Legislature adopted House Bill 59, which was signed into law by the Governor and became effective on July 1, 2021. House Bill 59 requires all local governments to adopt a Property Rights Element into their existing Comprehensive Plans. The proposed new element has one new Goal, one new Objective, and one new Policy, in compliance with Florida Statutes.

The required Property Rights Element serves to ensure that private property rights are considered in local decision making by governmental entities. A local government was provided the option to adopt the statement of rights provided in House Bill 59.

The proposed new Property Rights Element addition to the 2030 Comprehensive Plan shall read as follows:

Goal PR 1.
The City will respect judicially acknowledged and constitutionally protected private property rights, in accordance with the legislative intent of the Community Planning Act established in Chapter 163, Florida Statues.

Objective PR 1.1
The City will ensure that private property rights are considered in local decision making.

Policy PR 1.1.1
The following private property rights shall be considered in local decision making:

1. The right of a property owner to physically possess and control his or her interests in the property, including easements, leases, or mineral rights.

2. The right of a property owner to use, maintain, develop, and improve his or her property for personal use or for the use of any other person, subject to state law and local ordinances.

3. The right of the property owner to privacy and to exclude others from the property to protect the owner's possessions and property.

4. The right of a property owner to dispose of his or her property through sale or gift.

Pursuant to House Bill 59, each local government must adopt a Property Rights Element into its

Comprehensive Plan by the earlier of the date of the adoption of its next proposed plan amendment that is initiated after July 1, 2021, or the date of the next scheduled evaluation and appraisal of its Comprehensive Plan. Jacksonville Beach is not due for a scheduled evaluation and appraisal. However, staff has received a private application for amendment to the Comprehensive Plan, which has triggered the requirement for the transmittal and adoption of a new Property Rights Element.

The Department of Economic Opportunity (DEO) has notified all local governments that any proposed comprehensive plan amendment packages submitted after July 1, 2021, will be returned to the local government if the package does not include a property rights element, or if the comprehensive plan does not already include the required property rights element.

The Planning Commission considered staff's application for an amendment to the adopted 2030 Comprehensive Plan to add the required Property Rights Element at their regular public meeting held on December 13, 2021. The Planning Commission unanimously voted to recommend approval by City Council to transmit the proposed Comprehensive Plan amendment to the State for review. The City Council voted unanimously to transmit the proposed amendment to the State for Expedited State Review on January 18, 2021. The State has completed their review and has no comments on the proposed amendment. No other State reviewing agencies had any comments. Pursuant to State Statute, the City has 180 days to hold a public hearing to adopt the amendment to the Comprehensive Plan.

FINANCIAL IMPACT

None.

REQUESTED ACTION

Approve/Disapprove Ordinance No. 2022-8175 adopting a Property Rights Element into the 2030 Comprehensive Plan on the first reading and schedule a second reading for April 4, 2022

ATTACHMENTS

1. Ordinance No 2022-8175 Property Rights Element Adoption
2. Florida Department of Economic Opportunity Letter

Introduced by: ______________________
1st Reading: ________________________
2nd Reading: _______________________

ORDINANCE NO. 2022-8175

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA ADOPTING AMENDMENTS TO THE JACKSONVILLE BEACH 2030 COMPREHENSIVE PLAN TO ADOPT A NEW PROPERTY RIGHTS ELEMENT WITH A NEW GOAL, OBJECTIVE AND POLICY TO MEET THE REQUIREMENTS OF SECTION 163.3177(6), FLORIDA STATUTES; PROVIDING DIRECTIONS TO THE PLANNING AND DEVELOPMENT DEPARTMENT, FOR LEGISLATIVE FINDINGS, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 163.3167 Florida Statutes, the City of Jacksonville Beach ("City") is required to maintain a comprehensive plan to guide its future development and growth; and

WHEREAS, the City Council adopted a Comprehensive Plan for the City on October 15, 1990 by Ordinance No. 7474; and

WHEREAS, effective July 1, 2021, the Florida Legislature adopted Florida Statutes, Section 163.3177(6)(i) which requires the City of Jacksonville Beach to include a property rights element within its Comprehensive Plan; and

WHEREAS, the City of Jacksonville Beach has the authority to amend its Comprehensive Plan pursuant to Chapter 163, Part II, Florida Statutes; and

WHEREAS, the City has initiated an amendment to the 2030 Comprehensive Plan in order to incorporate a Property Rights Element with a required goal, objective, and policy to meet the requirements of Section 163.3177(6)(i), Florida Statutes; and

WHEREAS, Section 163.3184, Florida Statutes, provides that a local government shall, following an advertised public hearing, transmit by affirmative vote of not less than a majority of the members of the governing body present at the hearing, proposed comprehensive plan amendments to the applicable reviewing agencies and local governments; and

WHEREAS, on December 13, 2021, the City Planning Commission, acting as the Local Planning Agency at an advertised public hearing, unanimously recommended transmittal of the proposed amendments in application PC#14-21, to the Florida Department of Economic Opportunity (DEO); and

WHEREAS, on January 18, 2022, the City Council adopted Resolution No. 2098-2022, tentatively approving the proposed amendment to the 2030 Comprehensive Plan, application PC#14-21, and authorized the transmittal of same for review by the DEO and other State agencies; and

WHEREAS, after receiving comments from the reviewing agencies, Section 163.3184(3)(c)1., Florida Statutes, requires a local government to hold a second public hearing on whether to adopt one or more comprehensive plan amendments; and

WHEREAS, the application has been reviewed and the changes proposed therein are deemed to be consistent with the overall adopted 2030 Comprehensive Plan, and the City has been instructed by the DEO that it may proceed with the adoption of the proposed Comprehensive Plan Text amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. RECITALS AND LEGISLATIVE FINDINGS. That the above recitals and legislative findings are ratified, correct, and made a part of this Ordinance.

SECTION 2. AMENDMENTS TO THE 2030 COMPREHENSIVE PLAN. That the proposed amendments to the 2030 Comprehensive Plan, as set forth in “Exhibit A” attached to this Ordinance, are hereby approved and adopted.

SECTION 3. SUBMIT ADOPTION PACKAGE TO DEO. That the Planning and Development Director is hereby authorized and directed to transmit the adoption package to the DEO.

SECTION 4. CONFLICTING ORDINANCES. That all ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 5. SEVERABILITY. It is the intention of the City Council that if any section, subsection, clause, or provision of this Ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this Ordinance.

SECTION 6. EFFECTIVE DATE. This amendment shall take effect on the forty-sixth day following its adoption, in accordance with the law.

AUTHENTICATED THIS _____ DAY OF ____________________, 2022.

____
Christine H. Hoffman, Mayor

____
Sheri Gosselin, City Clerk

Approved as to form and legal sufficiency:

____
Sandra R. Robinson, City Attorney

City of Jacksonville Beach
Comprehensive Plan Amendment
Responding to House Bill 59
Property Rights Element Requirements
(s. 163.3177(6), Florida Statutes)

PROPERTY RIGHTS ELEMENT
GOALS, OBJECTIVES, AND POLICIES

Goal PR 1.

The City will respect judicially acknowledged and constitutionally protected private property rights, in accordance with the legislative intent of the Community Planning Act established in Chapter 163, Florida Statues.

Objective PR 1.1

The City will ensure that private property rights are considered in local decision making.

Policy PR 1.1.1

The following private property rights shall be considered in local decision making.

1. The right of a property owner to physically possess and control his or her interests in the property, including easements, leases, or mineral rights.

2. The right of a property owner to use, maintain, develop, and improve his or her property for personal use or for the use of any other person, subject to state law and local ordinances.

3. The right of the property owner to privacy and to exclude others from the property to protect the owner’s possessions and property.

4. The right of a property owner to dispose of his or her property through sale or gift.

Ron DeSantis
GOVERNOR

FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Dane Eagle
SECRETARY

January 26, 2022

The Honorable Christine Hoffman
Mayor, City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Dear Mayor Hoffman:

The Department of Economic Opportunity ("Department") has reviewed the proposed comprehensive plan amendment for the City of Jacksonville Beach (Amendment No. 22-01ESR) received on January 19, 2022. The review was completed under the expedited state review process. We have no comment on the proposed amendment.

The City should act by choosing to adopt, adopt with changes, or not adopt the proposed amendment. For your assistance, we have enclosed the procedures for adoption and transmittal of the comprehensive plan amendment. In addition, the City is reminded that:

- Section 163.3184(3)(b), F.S., authorizes other reviewing agencies to provide comments directly to the City. **If the City receives reviewing agency comments and they are not resolved, these comments could form the basis for a challenge to the amendment after adoption.**

- **The second public hearing,** which shall be a hearing on whether to adopt one or more comprehensive plan amendments, **must be held within 180 days** of your receipt of agency comments or the amendment shall be **deemed withdrawn** unless extended by agreement with notice to the Department and any affected party that provided comment on the amendment pursuant to Section 163.3184(3)(c)1., F.S.

- **The adopted amendment must be rendered to the Department.** Under Section 163.3184(3)(c)2. and 4., F.S., the **amendment effective date** is 31 days after the Department notifies the City that the amendment package is complete or, if challenged, until it is found to be in compliance by the Department or the Administration Commission.

If you have any questions concerning this review, please contact Benjamin Naselius, Planning Analyst, by telephone at (850) 717-8421 or by email at Benjamin.Naselius@deo.myflorida.com.

Sincerely,

Barb Powell

Barbara Powell, Regional Planning Administrator
Bureau of Community Planning and Growth

BP/bn

Enclosure(s): Procedures for Adoption

cc: Heather Ireland, AICP, Planning and Development Director, City of Jacksonville Beach
Margo Moehring, Director of Policy & Planning, Northeast Florida Regional Council