

**MEETING OF MEETING
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Flow Way Community Development District's Board of Supervisors was held on Tuesday, November 11, 2014, at 1:50 p.m., at the Offices of Coleman, Yovanovich & Koester, 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

Present and constituting a quorum were:

John Asher	Chairman
Keith Berg	Vice Chairman
Stephen Reiter	Assistant Secretary
Sal Simonetti	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
David Wilems	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 1:50 p.m. The record will reflect that all supervisors are present at roll call with the exception of Supervisor Burdett.

SECOND ORDER OF BUSINESS

Administration of the oath of office for the newly elected Supervisors from the Landowners' meeting held just prior to the regular meeting.

- **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employee**
- **Form 1 – Statement of Financial Interests**

Mr. Ward stated, for the record, I'm a notary in the state of Florida and authorized to administer this oath. I'll ask that you three repeat after me and state your name - Mr. Ward administered the Oath of Office to the newly elected supervisors: Stephen Reiter and Sal Simonetti. I'll ask that you sign the original oath and print your name in the two appropriate spots, return the original oath to me, I will notarize it and make it a part of the record for you. Since you're all seated on the Board you do not need to do anything with the Supervisor of

Elections, as long as you have filed your Form 1s in the appropriate time. Since I didn't hear from the state, I'm assuming you all did that.

For the record, Mr. Burdett is not with us, so we will schedule the administration of the oath of office at your next meeting and swear him in at that time.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2015-1, canvassing and certifying the results of the November 11, 2014, Landowners Election.

Mr. Ward stated in the resolution, in Section 1, Mr. Burdett will be filled in with 226 votes, and Mr. Reiter will be filled in for seat two with the same number of votes, 226, and Mr. Simonetti will be filled in for seat five with 220 votes. Then in Section 2 of the resolution, Mr. Burdett and Mr. Reiter will serve four-year terms, and Mr. Simonetti will serve a two-year term. With those changes to the resolution, it is in order and recommended for your consideration.

Mr. Asher stated now it says 2015.

Mr. Urbancic stated yes, it's because of our fiscal year, so our resolution number's go up, as our fiscal year starts on October 1.

On MOTION made by Mr. Asher and seconded by Mr. Reiter, with all in favor, Resolution 2015-1 was approved with the changes noted above.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2015-2, re-designating the officers of the officer of the Flow Way Community Development District.

Mr. Ward stated your current slate is Mr. Asher is your Chair, and Mr. Berg is your Vice Chairman, and the balance of the Board serve as assistant secretaries. You may reorganize as appropriate or you can keep that same slate. If you do, we'll just add Mr. Burdett as an assistant secretary. It's up to you at this point.

Mr. Asher asked any reason to change anybody?

Mr. Ward asked no? Okay.

Mr. Asher stated move that we keep the same slate then.

Mr. Ward stated and we'll add Mr. Burdett as an assistant secretary.

Mr. Asher stated correct. Actually, I hope that someday he's the Chairman.

Mr. Ward stated well, he's not here. He can't do it now, because he's not on the Board yet, so we will schedule this for the next meeting for Board re-consideration.

Mr. Asher stated all right, we'll make him an assistant secretary.

On MOTION made by Mr. Asher and seconded by Mr. Simonetti, with all in favor, Resolution 2015-2 was approved as follows:

Mr. John Asher – Chairman
Mr. Keith Berg – Vice Chairman
Mr. Anthony Burdett – Assistant Secretary
Mr. Stephen Reiter – Assistant Secretary
Mr. Sal Simonetti – Assistant Secretary
Mr. James P. Ward – Secretary/Treasurer

FIFTH ORDER OF BUSINESS

Consideration of Audit Proposals.

Mr. Ward stated just in the way of some brief background. This District has never had an audit before; it was not required, however, pursuant to law, with the issuance of your bonds this past year, you now meet the threshold for conducting an audit for the year ending September 30, 2014. As with our strong engineering lobbying group in Tallahassee, the auditors seem to have one also, so there's this rather ridiculous, laborious process that we must go through in order to retain an auditor. It requires the District to advertise for auditing services that are basically non-price based, but we can ask for prices in the audit process, which we have done.

We received proposals; and during this part of the process you sit as what we call the audit selection committee, pursuant to statute, and your job is to make a recommendation to the Board of Supervisors with respect to the audit proposals that we received. I provided to you the responses to the RFP that we sent out to the various firms that I know of that are qualified to perform this audit, and they've all responded to you. I have also included an analysis of the auditor's selection proposal, which I asked you all to fill out. Hopefully, you had time to do that before the meeting, and then we can rank them and select the number one ranked auditor, and then enter into an agreement with that firm, which agreement was also included in the request for proposals.

The first thing I'll do is let's find out if anybody was good enough to fill out that auditor selection form before the meeting.

Mr. Berg stated yes, but I filled out the ranking backwards.

Mr. Ward stated that's okay, as long as you were consistently backwards. I'm heard that Mr. Berg has filled his out, so why don't you tell us what your selection was, how you ranked everybody. You all can either fill your own auditor analysis form out, or you can accept Mr. Berg's ranking of the auditors. Mr. Berg?

Mr. Berg stated I had Grau as an initial choice, they were also a low price. They also had the highest list of comparable engagements that were specifically CDDs, 250 to 300, some CDDs that they did, which far exceeded anybody else from what they provided. So that kind of pushed them over the top of the list for the ranking. They were a smaller firm, I think they said they had 15 staff, half were CPAs, and they were out of Boca. Their experience seemed to be good with the resumes that they gave. Pretty close to a tie, just slightly below them was McDermott, so I could go with either, McDermott or Grau, the two favorites.

Again, McDermott was low, he was only \$2,500 difference. McDermott also had experience on CDDs, they're out of Orlando, they were another smaller firm with 26 people. Then there's a cluster then of Keefe and Dufresne and Carr. However, Carr didn't provide the information that was asked for in the mandatory elements, so I couldn't verify the top half except for the quality control report. They didn't provide the information asked for in their documentation like everybody else, so I'm sure they're qualified, perhaps, but they just didn't provide it. They were huge, they were national, they have 1,200 employees.

The question I had was what is the budget for this? They range from \$18,500 to \$33,000. One of them inferred that they looked it up, and our budget was \$32,500?

Mr. Ward stated our budget is not \$32,500. Our budget is \$6,500.

Mr. Urbancic stated, just for the record, and I know you guys know this, we're considering price as one of the criterion. The statute says if you consider it, it can't be the trump card, so that's why Jim laid out on the spreadsheet that it's kind of an equal factor, so we're considering it, but it's not unequally weighted versus everything else.

Mr. Berg stated so, from my past CDD experience, I don't recall the entities that I dealt with, so I don't have any personal experience with any of these, I'm just going off the submittals, so any input that you all have.

Mr. Asher stated I think I have, over the years, worked with all of these at one time or another; all the names are familiar, and never had an issue from a board standpoint. We've always had clean audits, and it's not an issue.

Mr. Urbancic stated yes, it's more like invisible to the board other than a report, it's your Manager who gets it.

Mr. Ward stated yes - the brunt of it.

Mr. Asher stated I would ask the Manager, from an ease of working with and providing information and receiving feedback, and the data, transfer of data back and forth, is there a preference, one way or the other, someone that's easier to deal with and more responsive?

Mr. Ward stated the best of all of the six, in terms of responsiveness and, as I like to say, my least amount of babysitting that's required is the McDermott firm. The most amount of babysitting is Grau. Carr is pretty good, I've not worked with Dufresne, and Keefe is actually pretty good. Grau does an audit for one my other CDDs, as does McDermitt; either one of them is fine with me, McDermitt is just a little quicker in responding, and they require less babysitting, but either one of them is fine with me.

Mr. Berg stated hearing that, I lean towards McDermitt from what I gather.

Mr. Asher stated I would agree. I've dealt with Stromer on numerous occasions from a homeowner's standpoint, and they would probably be engaged with the developer from a homeowner's standpoint, so it's probably good that they not do the CDD. Just thinking ahead, you know, years down the road. That would be the other one that I've dealt with and had a lot of confidence with, so I think I would second Mr. Berg's recommendation on McDermitt based on the lack of babysitting and being more responsive.

Mr. Ward asked any other discussion, questions? All those in favor of the selection of McDermitt as your auditor is in order.

On MOTION made by Mr. Berg and seconded by Mr. Asher, with all in favor, the selection of McDermitt Davis & Company, LLC, as the District's auditor was approved.

Mr. Urbancic asked do you want to rank the other ones for the sake of?

Mr. Ward stated he ranked them. I'll just go with that ranking.

SIXTH ORDER OF BUSINESS**Staff Reports****a) District Attorney**

Mr. Urbancic stated just really quick, and I could have brought the article, but apparently, and, Jim, you might have seen this in the papers over on your coast, just be wary of public records requests, even as a developer-controlled CDD. There's an outfit that is making some headlines about their requests for public records, and the number of lawsuits that they're undertaking against people, not only governmental entities, but third-party consultants who are doing work for governmental entities. So just be wary, to the extent you get some public records request; if you do, ask Jim or ask me. The public records law is out there for people intending to use it for a proper purpose, and there are some people using it for, what is arguing improper purpose, and setting quotas as to how many lawsuits they can file for public records requests.

It's out there, the legislature is apparently going to take a look at it, if you believe some of the statements, so just be cautious, because there are some people out there using it for improper reasons to generate attorneys' fees.

Mr. Asher asked what are they doing that we need to be aware of? What are their requests entailing, so we can be aware of how we would see it, basically.

Mr. Urbancic stated they could email any one of you, requesting public records, and a lot of times, in a lot of these lawsuits, they're asking engineering firms for public records, and engineering firms aren't responding, so engineering firms are getting hit with mega public records lawsuits, according to the articles I've read. So it would be something that may look innocuous, saying, "Please provide me with a copy of such and such a document in your records," or, "This here is a public records request." And, in the past, I've seen this outfit actually send it to supervisors; sometimes they send it to the registered agent, sometimes the manager, but other times it's just members of the Board.

Mr. Ward stated up until this point, they've been innocuous requests. They've been schedules of meetings, things that are kind of easy, a set of minutes or things like that, or they want the minutes from last year, something of that kind of nature. In this particular District, we actually have gotten them, since I've been involved with it again, and usually the requests have gone to Greg, and he sends it to me, and I just normally respond to it. But

they've expanded their public records law requests recently, so if you get them, as Greg said, the best thing to do is to just get either one of us involved in it. We will help you through it, but the important thing is not to ignore it, is to make sure we respond to it, because we will get hit with a lawsuit, and the professionals will get hit with a lawsuit also if we don't respond.

Mr. Asher asked what would be our appropriate response then if we don't have those records?

Mr. Urbancic asked if we don't have the specific record?

Mr. Asher stated if a Board member doesn't have those records.

Mr. Ward stated that is your response, you don't have them. "What you're asking for, I have no such record."

Mr. Asher stated well, if they want a copy of something, as long as you don't have it saved somewhere on your email.

Mr. Ward stated, as a Board member, the easiest thing for you to do is really just coordinate that with Greg or I. Unless somebody has communicated to you all that we don't know about, it's going to be in the District's record. So, in that instance, you should coordinate with us. The District Engineer, however, is a different story, because their records are generally separate, and we do not have copies of all of that stuff. So you, as the District Engineer, you need to pay very close attention as to what you're being asked to respond to, if you get a request, and we will help you through it for sure.

Mr. Asher asked how about discussions as the developer on future bond issues? You know, how many units do we have, what kind of debt do we want to place on them, what kind of infrastructure do we have to support that debt, those type of conversations that do deal with, and I do probably have emails and records of?

Mr. Urbancic stated I think the question is, is it really you with your developer hat on, or is you as the Chairman of this Board having those discussions. More likely than not, it's probably you with your developer hat on having those discussions and wouldn't be subject to it, but if there were a more specific record, and you got a request, and you have a concern, we'll probably look at the particular record and say, "Hey, yes, maybe we should just disclose it or maybe we shouldn't."

Mr. Asher stated because I do have those conversations, and phone calls, and short meetings which haven't been discussed with the rest of the Board members for that purpose.

A Male Speaker stated that would be like in the Tortuga CDD or whatever the other one is, where they say they keep emails separate, save them in a different email box, that kind of stuff.

Mr. Urbancic stated that's a good idea, keep all your CDD stuff segregated from anything else. It's a good idea if you can do it.

Mr. Asher stated they delete all ours anyway after a year. I know mine go after a month, because there are so many of them.

Mr. Urbancic stated well, if you do get something that's CDD related, it has to be preserved, it's like seven years.

Mr. Ward stated well, email transitions, I consider emails transitory, and under the statute and are deletable if their value is lost, once their value is lost, so I do not keep records, even as a permanent record for the District. The law is very, very clear on what we keep, how long we keep it, but transitory records, things that have lost their value can generally be disposed of immediately, specifically emails are referenced in there. Other documents, there are longer periods of time. Minutes, for example, are permanent, resolutions are permanent, agreements are permanent, accounting records are permanent. They vary between five and seven years. There's all sorts of different retention requirements on these documents.

If you have a question, just send us what it is you have, and we can make the determination whether or not we have to keep it, or whether we have to dispose of it, or whether we need to disclose it to whoever.

Mr. Urbancic stated that's it for me.

c) District Engineer

No report

b) District Manager

Mr. Ward stated I have nothing for you.

Mr. Ward asked anything from the Board?

Mr. Asher stated I have a request. Can we get our meetings noticed in an Outlook meeting request?

Mr. Ward stated yes.

Mr. Asher stated we're all running so crazy. These guys didn't have this meeting scheduled, and I got something later in the week. It would be very helpful for us to have the year's meetings, and as they get canceled, it's real easy to send a cancelation, and you move on.

Mr. Ward stated okay, Outlook is not my most favorite thing, but I'll do my best at that for you.

Mr. Asher stated we would greatly appreciate it. We almost didn't have the Landowners meeting today.

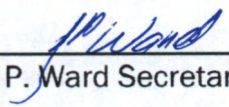
Mr. Ward asked any other requests?

EIGHTH ORDER OF BUSINESS

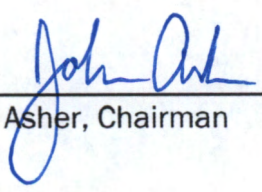
Adjournment

Mr. Ward stated a motion to adjourn would be in order.

On MOTION made by Mr. Reiter and seconded by Mr. Asher, with all in favor, the meeting was adjourned at 2:07 p.m.



James P. Ward Secretary



John Asher, Chairman

OATH OR AFFIRMATION OF OFFICE

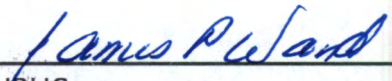
I, SALVATORE J. SIMONETTI, a citizen of the State of Florida and of the United States of America, and being an officer of the **Flow Way Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Flow Way Community Development District, Collier County, Florida.**

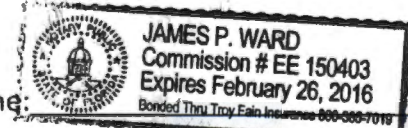

Signature

Printed Name: SALVATORE J. SIMONETTI

STATE OF FLORIDA
COUNTY OF COLLIER

Sworn to (or affirmed) before me this 11 day of NOVEMBER, 2014, by SALVATORE J. SIMONETTI, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.


NOTARY PUBLIC
STATE OF FLORIDA

Print Name: 
My Commission Expires: _____

OATH OR AFFIRMATION OF OFFICE

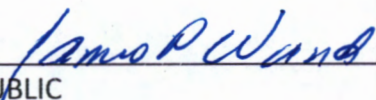
I, STEPHEN REITER, a citizen of the State of Florida and of the United States of America, and being an officer of the **Flow Way Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Flow Way Community Development District**, Collier County, Florida.


Signature

Printed Name: STEPHEN REITER

STATE OF FLORIDA
COUNTY OF COLLIER

Sworn to (or affirmed) before me this 11 day of NOVEMBER, 2014, by STEPHEN REITER, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.


NOTARY PUBLIC
STATE OF FLORIDA

Print Name _____
My Commission Expires _____

	JAMES P. WARD Commission # EE 150403 Expires February 26, 2016 <small>Thru Troy Fain Insurance 800-385-7019</small>
--	--

KB 15th 10/19

Flowway Community Development District

Analysis of Auditor Proposals



Firm Names:

GRAU KEEFE STROEMER DUFRENSE CARR McDIRMIT

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.
- d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

✓	✓	✓	✓		✓
✓	✓	✓	✓		✓
✓	✓	✓	✓		✓
✓	✓	✓	✓	✓	✓
✓	✓	✓	✓		✓

Legend for Mandatory Elements:
Y = Meets Criteria
N = Does Not Meet Criteria

<i>Letra</i>	<i>Boca</i>	<i>Ft. Ldn.</i>	<i>Mpls, MN</i>	<i>Orjpk</i>	<i>W-Road</i>	<i>ORL</i>
<i>ST-R&C/CPA</i>	<i>15/8</i>	<i>69</i>	<i>50</i>		<i>1200/200</i>	<i>20</i>
	Y	Y	Y	Y	N	Y

Point Range

2. Technical Qualifications:

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

1-5	<u>5</u>	2	1	2	<u>4</u>	<u>4</u>
1-5	5	5	3	2	5	5
1-5	5	5	5	5	5	5

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

1-5	5	5	5	3	5	5
1-5	5	3	5	5	2	5
1-5	5	3	5	5	2	5

Sub-Total: Technical
Weighting Factor

30	23	24	22	23	29
0.6	0.6	0.6	0.6	0.6	0.6

Total Points: Technical

18.0	13.8	14.4	13.2	13.8	17.4
------	------	------	------	------	------

Budget = 6,500
32,500

18,500	33,000	23,725	28,750	31,000	21,000
--------	--------	--------	--------	--------	--------

3. Price:

1-5

5	1	5	2	1	5
---	---	---	---	---	---

Weighting Factor

0.4	0.4	0.4	0.4	0.4	0.4
-----	-----	-----	-----	-----	-----

Total Points: Price

2.0	0.4	2.0	0.8	0.4	2.0
-----	-----	-----	-----	-----	-----

Total Points: Technical/Price:

20.0	14.2	16.4	14.0	14.2	19.4
------	------	------	------	------	------

5 = high

- double sided
- 350
copy's

- Arbitrage rebate etc.
- WBE