



**Clerk of the Circuit Court**  
**Board of County Commissioners**  
Marion County  
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**Internal Audit Division**

**David R. Ellspermann**  
*Clerk of the Circuit Court*  
**Wallace K. Watford**  
*Internal Auditor*

Post Office Box 1030, Ocala, Florida 34478-1030  
110 NW First Avenue, Ocala, Florida 34475

Telephone: (352) 671-5604  
Facsimile: (352) 671-5600

**MEMORANDUM**

TO: Stuart McElhaney, Life Safety Services Bureau Chief  
Andy Race, Facilities Management Director

FROM: David R. Ellspermann, Clerk of the Circuit Court  
Wallace K. Watford, Internal Auditor

DATE: May 19, 2006

RE: FOLLOW-UP REVIEW: AGREEMENT TO CONSTRUCT FIRE STATION

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We published a report (No. 2004-04 dated June 21, 2004) concerning Internal Audit Division activities pertaining to the Agreement to construct a fire station on County Road 225A in Golden Ocala. Our report noted that this Agreement contained a right to audit the project costs. We stated our intent to exercise this right to audit, which we have now done.

**Background**

Marion County and RLR Investments LLC, the developer of Golden Ocala (Developer), entered into an Agreement, dated July 15, 2003, to construct a fire station on CR 225A. The Developer conveyed 1.46 acres to the County on September 19, 2001 for the location of a fire station, for which it was allowed \$23,545 in future Fire Rescue Impact Fee credits. County and Developer agreed that the total cost of construction would be \$706,992. The first \$300,000 would be paid by Developer and would be subsequently reimbursed by County from budgeted funds. The next \$100,000 of construction cost would be contributed solely by Developer. The remaining \$306,992 would be reimbursed to Developer from future Fire-Rescue impact fees.

Our original report concluded that the Developer demonstrated good faith compliance with the Agreement and was entitled to the reimbursement of \$300,000. We also concluded that the County departments performed their required duties promptly. Our report noted that there had been five contract change orders, totaling \$81,097, which had not yet been approved by BCC. If approved, the total construction costs would be \$788,089.

Our original report contained two recommendation: 1) County management should promptly address the issue of change orders and no impact fees be used until the matter is resolved; 2) County management should determine that the actual impact fee credits are properly calculated and ensure appropriate procedures are in place to account for the credits and future payments.

## **FOLLOW-UP REVIEW: AGREEMENT TO CONSTRUCT FIRE STATION**

### **Activities Performed**

We made inquiries of County and Developer personnel concerning the total project costs. We reviewed project cost documentation from the Developer that supported the total project costs and compared to related County records.

We confirmed that the Developer was subsequently reimbursed the appropriate amounts from Fire-Rescue impact fees as noted in our report.

We inquired of County personnel whether the Developer had used the available \$23,545 from Fire-Rescue Impact Fees credited as compensation for the conveyed real property.

### **Conclusions**

County management implemented both recommendations included in our original report. BCC approved the total contract changes orders of \$81,097 on November 16, 2004, which was paid to the Developer by check dated December 8, 2004. The County appropriately accounted for the amount and disposition of the impact fees subsequently paid to Developer.

The County and Developer agree that the total construction cost of the fire station was \$788,089. The Developer has not yet used the allowed \$23,545 in future Fire Rescue Impact Fee credits that resulted from the conveyed real property.

Our review allowed us to conclude that the Developer and County have complied with the Agreement. The total cost of the project was appropriate and all credits have been reimbursed to the Developer.

C: Patrick G. Howard, County Administrator  
Gisela R. Salas, Deputy County Administrator  
John Carter, Management Services Bureau Chief  
John W. Garri, Finance Director  
Kevin Gartner, RLR Investments LLC