

MINUTES OF COMMITTEE MEETING ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT

A meeting of the audit committee of the Board of Supervisors of the Enterprise Community Development District was held Wednesday, December 10, 2008, at 4:00 p.m. at 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Matt Kelly	Chairman
Russell Stokes	Vice Chairman
Lance Montague	Supervisor
Pat Wasson	Supervisor

Also present were:

Brenda Burgess	Moyer Management Group
Roy Van Wyk (<i>by phone</i>)	Attorney: Hopping Green & Sams
Tucker Frazee (<i>by phone</i>)	Attorney: Hopping Green & Sams
Chuck Bell	Engineer: PBS&J
Jim Parker	Walt Disney Imagineering
Brian Smith	Severn Trent, Management Division

FIRST ORDER OF BUSINESS

Roll Call

Mr. Kelly called the committee meeting to order at 4:25 p.m.

Ms. Burgess called the roll and stated a quorum was present for the meeting.

Ms. Burgess stated this is Mr. Montague's first meeting as a Board member since he was elected in the November landowner's election, so we need to administer the oath of office to him. The committee was designated by the Board to be Board members, and it was not to a specific name or office. For the record, I am a Notary of the State of Florida and am authorized to administer oaths of office.

Ms. Burgess administered the oath of office to Mr. Montague.

Ms. Burgess stated I will ask Mr. Montague to sign the written oath of office that we will make a part of the minutes of this meeting.

SECOND ORDER OF BUSINESS

Ranking of Auditing Firm Proposals

Ms. Burgess stated the committee has considered this information for the past couple meetings. We received six proposals. There is a scoring sheet included in the regular agenda package. Staff reviewed the proposals and made some comments on this scoring sheet on each of the proposals. We did appropriately advertise for these proposals in the newspaper, requested any interested firms to submit their qualifications, which they have done, and now it is up to the Board serving as the audit committee to review those

proposals and rank them. At the end of this process we need for you to rank the top three. You can rank all of them but we need at least the top three ranked. The difference between auditing proposals and engineering services is that we can ask for a price from the auditor but that cannot be your only determining factor in selecting an auditor. We can take rankings from you individually or you can come up with one ranking as a Board, where we go through the ability of personnel, their experience, their understanding of the scope of work, and their ability to provide the services. We need to score those, come up with a score for each firm and a subsequent ranking.

Mr. Kelly stated I prefer to come up with one ranking as a Board. I think that might make it easier.

Ms. Burgess stated the accounting staff did provide some notes to assist you in your review of the materials. Hoyman Dobson is the District's current auditor and they have been the auditor since the inception of the District.

Mr. Stokes asked is their fee the same as last year? What is the budget for auditing services?

Ms. Burgess stated in the general fund, we budgeted \$12,000 and in the water/sewer fund, we budgeted \$26,000 for a total budget of \$36,000. They do spend quite a bit of time on the water/sewer fund for the utility operations. They will provide one audit for the District but they will audit all of the different funds: the capital projects fund, water/sewer fund, general fund, and all the debt service funds for each bond issue.

Mr. Van Wyk stated to make it easy, we can probably say they are all equal for a majority of the categories and so give them the maximum number of points for that category. If it comes down to price, which it usually does, you can rank them in order of price. Keep in mind that you do not have to select the lowest proposal but because we asked for price as one of the ranking categories, it should be reflected in the points that you award to them. I would recommend you go through all of the categories and score each firm. If they are all qualified and have qualified personnel, give them each 20 points. Do that for each category, add them up and then come up with the ranking based on points. These are essentially the same proposers that we see responding to auditing proposals.

Ms. Burgess stated the manager has direct knowledge and has worked with four of these companies. We have heard of the other two simply because they submit proposals.

Mr. Kelly stated I do not see from Crosland that they do any other governmental work.

Ms. Burgess stated then you would probably score them lower on understanding of the scope of work and experience with governmental auditing. That will reflect in your scoring. They are not a firm that we have ever used.

Mr. Van Wyk stated I am not familiar with that firm either.

Mr. Stokes stated you mentioned you are familiar with four of the six. Which of the four?

Ms. Burgess stated Berger Toombs, Grau & Associates, Hoyman Dobson, and Keefe McCullough.

Mr. Van Wyk stated we also work with those four firms.

Ms. Burgess stated we know they all have governmental experience.

Mr. Kelly stated I do not see where Harvey Covington does special District work. They do governmental work, but not for special Districts.

Ms. Burgess stated that is correct, and there is a difference.

Mr. Kelly stated you can argue that those two receive fewer points for experience.

Mr. Stokes stated Crosland submitted a price of \$11,000.

Ms. Burgess stated that relates to understanding the scope of work. They need to understand we have a general fund, a water/sewer fund, a couple of bond issues. They need to price their audit accordingly. They are going to charge us only one fee. When we prepare the budget, we understand that two-thirds of their work is related to the water utility operations, so we will make that adjustment when we pay their invoice. We wanted to budget for that appropriately, rather than having the entire amount come from the general fund.

Mr. Stokes asked do all these prices reflect the same scope?

Ms. Burgess stated they are all responding to the same request for proposals (RFP).

Mr. Stokes asked is it their responsibility to find out that information?

Ms. Burgess stated yes. We include in the RFP that any information they want, we can provide. The RFP was clear for the proposals.

Mr. Stokes asked why is Berger Toombs so much lower? That is my concern. It looks like a reasonable range is \$20,000 to \$36,000 and I am concerned that their bid is so low.

Ms. Burgess asked did they include any information in their proposal on how many hours they thought the audit would take to complete? That may be an issue where they do not totally understand the scope.

Ms. Wasson stated on the sheet, staff did not indicate that they had a complete understanding of the scope of work, where you did for the others. Staff acknowledged that they did not even understand it.

Ms. Burgess stated that would indicate that when the accounting staff read through the proposals, they did not think the auditing firm understood the full scope of work. That would make sense since they have not done any special District auditing.

Mr. Stokes asked do you have the proposals from the last year?

Mr. Burgess stated we do have them but not in my office.

Mr. Stokes stated I am curious to see if they had a similar price last year.

Mr. Kelly stated we went through this committee process three years ago and selected one firm for three years.

Mr. Stokes stated there are some large discrepancies in price.

Mr. Kelly stated when I read the scope of services, it is boiler plate language for all of them. It does not seem to be specific or detailed to this District.

Mr. Stokes asked is there an opportunity to discuss this with them to be sure they understood the scope of work?

Mr. Kelly stated I do not know what our schedule is with regard to the need to select an auditor. We typically meet every other month.

Ms. Burgess stated that is correct. We do want to make sure that we have the audit completed in time to meet any bond requirements, which is typically by the end of March. They will need some time for field work. Once a firm has submitted their proposal, we have to take that at its face value plus any other information that we happen to know.

Mr. Van Wyk stated that is correct. We cannot go back and ask for any information from proposers. We should score them based on the proposals.

Ms. Wasson stated I think Grau is the number-one ranked firm.

Ms. Burgess stated Grau does quite a number of our Districts. I have heard Mr. Moyer say at other meetings that his only concern might be that they do too many and we want to make sure they can complete the audit since we are starting a little bit later in the

year. Having said that, we will emphasize with them that they will need to complete it when we need it done.

Ms. Wasson stated they did 35 Districts for Severn Trent for last year and 35 for 2007. They completed them all satisfactorily and they said they are the most experienced in auditing CDDs.

Ms. Burgess stated they are the firm that does the most audits for the Districts that Severn Trent manages.

Ms. Wasson stated they answered the question for disaster recovery.

Ms. Burgess stated they have done fine work for our other Districts so they are definitely qualified.

Mr. Kelly stated it seems they understand there are different funds that need to be audited. There is no question they seem to be thorough.

Ms. Burgess stated let us look at ability of personnel. Do we believe they are all equally qualified?

Mr. Kelly stated I see no reason they are not.

Ms. Burgess stated then we will score all of them 20 points. For experience, for those who have done CDD work, give them 20 points.

Ms. Wasson stated give the other two firms 10 points.

Ms. Burgess stated understanding the scope of work is the next category.

Mr. Kelly stated we had a question on Berger. Score them 15 points.

Ms. Wasson stated I gave Crosland 5 points.

Mr. Kelly stated give Grau 20 points, Harvey Covington 20 points, and Hoyman 20 points.

Ms. Wasson stated I gave Keefe 15 points.

Ms. Burgess stated ability to furnish required services is the next category.

Ms. Wasson stated we have questions on the first one.

Mr. Kelly stated score them 15 points. I scored Crosland 5 points.

Ms. Wasson stated I scored Grau 20 points, Harvey 18 points because they did not address the disaster recovery, and I gave Hoyman 18 points for the same reason.

Mr. Kelly stated they have done it for each year and I think we know they are 20 points. We know they have done a good job for us.

Ms. Burgess stated give Keefe 18 points since they did not address disaster recovery. If you were scoring these proposals just on price, we would give the lowest price 20 points and everyone an increment lower than 20.

Ms. Wasson stated I would throw out the first one since we have all questioned some of their responses.

Mr. Van Wyk stated since their price is inconsistent with where everyone else is, I would think you would rank them very low.

Ms. Burgess asked how about 5 points for Berger since they are out of line with the rest of the proposals?

Mr. Kelly stated yes. I think we ought to take the prices in order of low to high. The \$18,000 proposal gets 20 points, 15 points for the next two prices.

Ms. Wasson stated I would give the next one 15 points also. It is close.

Mr. Kelly stated 5 points for Keefe. Their price is too high.

Ms. Burgess stated following is the results of the scoring: Berger Toombs 75, Crosland 55, Grau 100, Harvey Covington 85, Hoyman Dobson 95, and Keefe 78. By ranking them in order of score, they are #1 Grau, #2 Hoyman Dobson and #3 Harvey Covington.

THIRD ORDER OF BUSINESS

Recommendation for the Board of Supervisors

Ms. Frazee stated the committee will make its recommendation to the Board at the regular meeting.

Ms. Burgess stated the committee has completed the work it was tasked to perform.

FOURTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Stokes, seconded by Mr. Montague, with all in favor, the meeting adjourned at 4:50 p.m.
