

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 Friday, June 24, 2011, at 2:00 p.m. at the Celebration Community Center, 851 Celebration Avenue, Celebration, FL 34747.

Present and constituting a quorum were:

Jim Durham	Chairman
Russell Stokes	Vice Chairman
Kimberly Locher	Supervisor

Also present were:

Gary Moyer	Manager: Moyer Management Group
Cheryl Stuart	Attorney: Hopping Green & Sams
Brian Smith	Severn Trent Services

FIRST ORDER OF BUSINESS

Roll Call

Mr. Durham called the committee meeting to order at 4:00 p.m.

Mr. Moyer called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Establishment of RFP Evaluation Criteria

Mr. Moyer stated our audit engagement will expire at the end of this audit period, which is currently with Grau & Associates. We are required to go through a procedure to solicit proposals from other auditing firms, including Grau if they desire to submit a proposal. The first part of the process is for the Board to consider the evaluation criteria, so that the firms who are submitting a proposal to the District will know by what basis this committee will review those proposals and base your recommendation to the Board of Supervisors on the criteria.

Mr. Stokes asked is this consistent with what we have used in previous years? Are they the same points and criteria?

Mr. Moyer stated yes.

Mr. Stokes asked are there any changes?

Mr. Moyer stated no.

Ms. Stuart stated the list of criteria is consistent with what the committee has used in years past. The committee has the choice whether or not to consider price. You have to

take into account, pursuant to Statute, the ability of personnel, experience, and the ability to furnish the required services. You may or may not include price, which is up to you.

Mr. Stokes stated I believe we have historically asked them to include their price.

Ms. Stuart stated the allocation of points is also at the discretion of the committee. The points are not set forth by Statute. Price cannot be the only determining factor, so you cannot weight that disproportionately. On the criterion for Understanding the Scope of work, most of the time these firms are experienced in understanding our type of audit. You might want to give that fewer points and assign the Ability of Personnel more points, in particular, looking at things like workload and the ability of the depth of their staff.

Mr. Moyer stated I think that is fine.

Mr. Durham stated one of the criteria is very clear that they must have experience as one of the requirements or else it is grounds for dismissal of their proposal. Has staff had any issues historically with that circumstance where that is assigned 80% of the points? Have any of your Districts undergone a more expensive audit because of the weighting system?

Mr. Moyer stated I think what you will find is there are several firms that have extensive experience with Community Development Districts. There may be some others that will submit proposals that have strong experience with other governmental audits, albeit not CDDs, but that will still qualify them for this committee to consider. The scoring process is for the committee to determine which firm is best qualified to provide that service.

Mr. Durham asked have you had circumstances where you have gotten caught short where, because of the way the weighting system works, you end up choosing an auditor at a significant premium over and above a normal fee?

Mr. Moyer stated no.

Ms. Stuart stated my experience is that these are fairly competitive on price. They all look at how complicated the District is, how many bond issues are outstanding, how many different funds there are. Some Districts have just a general fund and no bonds, and some Districts have seven bond issues and many funds. The pricing tends to reflect that.

Mr. Durham asked is there a circumstance where two submissions have experienced personnel but there is a significant difference in price, but yet the higher-priced firm ends up having the best point total?

Mr. Moyer stated we have not experienced that. I suspect that when the proposals are received, you will end up having a very narrow difference in the weighting and scoring of the criteria. Most of these firms have very good personnel and very good experience. There will not be much of a point spread between those two criteria. In many cases, it gets down to price as a determining factor. We are not making the selection based on solely price, but in many cases, that plays a significant factor in the decision.

Ms. Stuart stated one of my clients had a situation where one auditor had governmental experience, not CDD experience, and the cluster of proposal pricing was \$3,500 to \$5,500, with one auditor proposed \$20,000. That is someone who does not understand what they are looking at if they are that far out of range.

Mr. Durham stated in that scenario, it affects their score for Understanding the Scope of Work.

Ms. Stuart stated that is correct, and also the Ability of Personnel.

Mr. Durham stated I want to protect the District so that the end result is the best value for the money and to have the ability to use good judgment.

Ms. Stuart stated one thing is changing for all of them pursuant to new legislation. I suggest we assign more points to the Ability of Personnel due to workload. The law will now require audits to be complete within nine months after the end of the fiscal year instead of 12 months. Everyone will now have an earlier deadline, and everyone's workload might be a factor going forward.

Mr. Durham stated that falls under Ability to Provide Required Services.

Ms. Stuart stated that is correct, as well as the Ability of Personnel, which is described as existing workload. I suggest modifying those two criteria by 10 points, increasing #1 Ability of Personnel and decreasing #3 Understanding of Scope of Work. I think that will give you more flexibility in dealing with the changes that are being required.

On MOTION by Mr. Stokes, seconded by Ms. Locher, with all in favor, approval was given to the RFP selection criteria, modified to increase #1 to 30 points and decrease #3 to 10 points, as discussed.
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THIRD ORDER OF BUSINESS

Authorization to Proceed with an RFP

Ms. Stuart stated staff will proceed to solicit proposals for the committee to review prior to the August 9, 2011, meeting.

On MOTION by Ms. Locher, seconded by Mr. Durham, with all in favor, approval was given for staff to proceed with the RFP for auditing services, with the modified criteria, to be considered on Tuesday, August 9, 2011.

FOURTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Locher, seconded by Mr. Stokes, with all in favor, the meeting adjourned at 4:10 p.m.