

MINUTES OF AUDIT COMMITTEE BRIGHTON LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Audit Committee of the Board of Supervisors of the Brighton Lakes Community Development District was held Tuesday, August 27, 2013, at 6:00 p.m. at the Brighton Lakes Recreation Center, 4250 Brighton Lakes Boulevard, Kissimmee, Florida.

Present and constituting a quorum were:

Michelle Incandela	Committee Chairman
Jennifer Palmer	Committee Vice Chairman
John Mastromarino	Committee Member
John McGrath	Committee Member
Dolores Pieters	Committee Member

Also present were:

Gary L. Moyer	District Manager
Jennifer Kilinski (<i>by phone</i>)	Attorney
Brian Smith	Field Manager
Residents and members of the public	

This represents the context and summary of the meeting.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Moyer called the meeting to order at 6:40 p.m.

Mr. Moyer called the roll, indicating a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Ratification of Evaluation Criteria

Mr. Moyer stated we are going through the process of selecting an auditor, which is all driven by State law that tells us how we go about this process. We advertised in the newspaper for auditors who have an interest in auditing our books and records to reply to us with their credentials and their qualifications. That has been done. We prepared a set of evaluation criteria for this process. The Board will ultimately select an auditor based on their qualifications. We provided a scoring sheet for that purpose in which we will review the personnel that will be assigned to the audit at 30 points, the proposer's experience in governmental audits and CDD audits in particular at 20 points, the understanding of the scope of work at 10 points, the ability to furnish the required services at 20 points, and the price at 20 points. We placed a notice in the newspaper and received four responses: Berger, Toombs, Elam, Gaines & Frank; Carr, Riggs & Ingram ("CRI"); Grau & Associates; and Stroemer & Company.

On MOTION by Ms. Palmer, seconded by Ms. Pieters, with all in favor, unanimous approval was given to ratify the evaluation criteria.

THIRD ORDER OF BUSINESS

Ratification of Staff's Actions in Advertising the RFP

On MOTION by Mr. McGrath, seconded by Ms. Pieters, with all in favor, unanimous approval was given to ratify staff's actions in advertising the RFP.

FOURTH ORDER OF BUSINESS

Ranking of the Auditing Proposals

Mr. Moyer stated our accounting staff reviewed the proposals for the Board and made notations on the scoring table based on the evaluation criteria. Certainly the intent is for the committee to review this material and score them anyway you want. I can tell you for the most part, all of these auditing firms are qualified. Three out of the four have extensive government auditing and CDD auditing experience. I am familiar with them and I deal with all of these firms. I can tell you that there is really no substantial difference in professionalism with these firms. You are not supposed to select an auditor solely on price because we do need to factor in all of these other criteria. Clearly, price plays an important role in the selection process. It is nice that we are permitted to consider price. A lot of professional services that governments retain, for example for an engineer, under the Consultants' Competitive Negotiations Act, you cannot consider price in that selection. The law says that in this process, we can.

Ms. Pieters asked have we used any of these firms before?

Mr. Moyer stated I believe we have used Grau & Associates previously, and we are currently using Carr, Riggs & Ingram.

Ms. Pieters stated so we can look at this from our experience viewpoint.

Mr. Moyer stated yes.

Ms. Incandela stated Mr. Moyer indicated that three of the four firms have heavy governmental experience. Which one has the least amount of governmental experience?

Mr. Moyer stated Stroemer does not have a lot. They do have some. They are located in Naples so they have a lot of experience in the Collier County area, but they certainly do not have significant CDD experience. CDDs are a little different although we are all governments and we pretty much operate under the same laws and requirements, but we are a little different.

Ms. Incandela stated that is the concern I have is someone who does not have specific experience with CDDs. that is important to consider.

Mr. McGrath stated I believe Grau mentioned that their fee is based on the assumption that the books will be audit ready. We have always had them audit ready, and we expect that Severn Trent will continue to have it audit ready.

Mr. Moyer stated we will close the books in October, and when we will turn it over to the auditors in November, it is audit ready.

Ms. Incandela asked does anyone have any strong feelings one way or the other toward any particular firm?

Ms. Pieters stated the auditor that we used last year was Carr, Riggs & Ingram. We did not have any problem with them. I would strongly want to look at them again.

Mr. Mastromarino asked why is it we used Carr, Riggs & Ingram last year but Grau in previous years? Was there an issue?

Mr. Moyer stated we have used Carr, Riggs & Ingram for a couple years. We went through this process three years ago, and everyone presented their qualifications. I believe the price for Carr, Riggs & Ingram was much lower than the other firms.

Mr. McGrath stated it was lower by \$4,000 or \$5,000.

Ms. Palmer stated it was a significant difference.

Mr. Moyer stated as Ms. Pieters said, they did a really good job. We have a good product at a lower price.

Ms. Palmer stated they are familiar with our organization and how we run our books, which is always a plus.

Mr. Mastromarino stated without the price being a driving factor, one of the auditors provided us a three-year price plan whereas the others only provided a one-year price. Could we expect potentially the same increases from the one firm that provided pricing for three years? Or could the second year be significantly greater than the first?

Mr. Moyer stated since Grau is familiar with our books, I would be very surprised if there is a significant increase. I am not saying that will not be some increase, but I do not see them coming back and saying they want an additional \$2,000 next year.

Mr. McGrath stated if that were to happen, we still have the freedom to solicit other proposals.

Mr. Moyer stated that is correct.

Mr. McGrath stated I was particularly pleased to see Grau addressed the disaster recovery plan. The others may have it, but they did not mention it in their proposal. If we are grading points on the ability to furnish the services, I would score 20 for Grau and the others at fewer points.

Ms. Incandela asked is that something that Carr Riggs does but is just not mentioned?

Mr. Moyer stated yes.

Mr. McGrath stated Berger Toombs has it, also.

Ms. Palmer stated I agree with Ms. Pieters that I am more comfortable keeping our current auditor because they know us and they know what to expect. I think it will make a cleaner, simpler process.

Mr. Mastromarino stated one of the driving factors in my decision was experience with CDDs. that being the case, Grau spelled out more experience in their summary. The other Board members have more experience than I do, and I respect the Board's position. I did not feel that Carr Riggs addressed CDDs specifically.

Mr. McGrath stated the idea of paying \$1,000 less for the same basic service, assuming we will get the same service, I am comfortable going with Grau just on the basis of saving \$1,000 annually, with the assurance that if we discover that we made a mistake, the following year we can go through this process again.

Ms. Palmer stated we do not know that we will get that same price if we request proposals again.

Mr. McGrath stated that is true.

Ms. Pieters stated what I see with Carr Riggs, we used them last year and they provided us with a proposal of much more than they are giving us this year. So they have done us a favor and have reduced their fees.

Ms. Palmer stated that means that if they continue next year, we will have roughly the same fee and will not see that increase. It seems like they know the product and are offering a lower fee.

Mr. McGrath stated it appears that we are trying to decide between Grau and Carr Riggs as the top-ranked firm. We appreciate the other two firms providing their proposal.

Ms. Incandela stated when it comes to \$1,000 in savings, because this is so crucial and important, the errors here could be monstrous and costly for us to fix. I would rather go with someone that has my confidence already who has proven to me that they will do

quality work in my community and who works closely with Mr. Moyer so that he would be alerted to any problems or issues. He is comfortable with their expertise.

Mr. McGrath stated I cannot argue that. It sounds like Carr, Riggs & Ingram is our favored choice.

Ms. Kilinski asked did the Board score points to all the firms that provided a proposal?

Ms. Palmer stated yes, Severn Trent provided a summary of all the firms and we followed through individually to score points.

Ms. Kilinski stated I am hearing that the evaluation criteria included a point allocation for each of the areas, and that the highest scoring firm was Carr, Riggs & Ingram.

Ms. Palmer stated that is correct.

On MOTION by Ms. Pieters, seconded by Ms. Palmer, with all in favor, approval was given to rank Carr Riggs & Ingram as the number-one ranked firm to provide auditing services.

FIFTH ORDER OF BUSINESS

Recommendation to the Brighton Lakes CDD Board

Mr. Moyer stated the recommendation of the auditing committee to the Board of Supervisors will be to recommend Carr, Riggs & Ingram as the selected auditing firm.

SIXTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

SEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Incandela, seconded by Mr. McGrath, with all in favor, the meeting adjourned at 6:50 p.m.

Gary L. Moyer, Secretary

Michelle Incandela, Committee Chairman