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## South Florida Water Management District

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### Governing Board Audit and Finance Committee MEETING MINUTES

February 10, 2010

8:30 AM

Hilton, Palm Beach Airport, Ballroom

150 Australian Ave.

West Palm Beach, FL 33406

Members Present:

**Michael Collins**

**Joe Collins**

**Charles Dauray**

Members Absent:

**Eric Buermann**

**1. Call to Order** - Charles Dauray, Chair

Chair Dauray called the meeting to order at 8:40 a.m.

Governing Board members Kevin Powers, Patrick Rooney and Jerry Montgomery were in attendance at the meeting.

**2. Approval of Minutes**

Approval of the Minutes for the September 9, 2009, Audit & Finance Committee meeting held in West Palm Beach, Florida

Motion made by Mike Collins, seconded by Joe Collins, to approve the Audit & Finance Committee meeting minutes of September 9, 2009. Vote called. Voting yes: Mike Collins, Charles Dauray, Joe Collins. Motion passed.

**3. Changes to Agenda** - Annette Carter, Director, Office of Governing Board & Executive Services

There were no changes to the agenda.

**4. Inspector General's Update** - John Williams, Inspector General, Office of the Inspector General (ext. 6128)

John Williams, Inspector General, provided an update and written report on the status of various audits and investigations being undertaken by the Office of Inspector General.

Mr. Williams also presented the following two reports for the Committee's approval:

- An audit of compliance with the Lake Okeechobee Protection Act; and
- A survey of participants in the District's Small Business Enterprise Program.

Motion made by Mike Collins, seconded by Joe Collins to approve an audit of compliance with the Lake Okeechobee Protection Act, and approve the survey of participants in the District's Small Business Enterprise Program.

Vote called. Voting yes: Michael Collins, Joe Collins and Charles Dauray. Motion passed.

**5. Audit Recommendations Follow-Up Report** - Tim Beirnes, Director of Auditing, Office of the Inspector General (ext. 6398)

John Williams, Inspector General, Office of the Inspector General, also presented the quarterly Audit Recommendations Follow-Up Report. The report showed that management is doing an excellent job of implementing the Inspector General's audit recommendations.

**6. Treasury Year End Performance FY09** - Steve Freilich, Treasurer, Office of Budget Management & Enterprise Solutions (ext. 6819)

Steve Freilich, Treasurer, Office of Budget Management & Enterprise Solutions, presented the Committee with an overview of the District's treasury function. The responsibilities of the Treasury staff and the District's internal Treasury Investment Committee are to ensure the prudent management of public funds including debt and cash management and to ensure that all District banking and investment activity complies with Florida statutory requirements. The presentation included a historical overview of the performance and earnings of the District's investment portfolio. In addition, accomplishments for Fiscal Year 2009 were presented as well as performance for the first quarter of Fiscal Year 2010 and the investment goals for the remainder of the fiscal year.

The Audit & Finance Committee also discussed the possibility of adding a Governing Board member as part of the District's internal Treasury Investment Committee and it was determined that it was not necessary at this time.

**7. District Business Performance FY10** - Rich Sands, Director, Business Performance Management Office (ext. 2902)

**A) Budget**

**B) Projects**

**C) Process**

Rich Sands, Director of the District's Business Performance Management Office reviewed the status of the District's Fiscal Year 2010 Business Plan; the District's current encumbrance and burn rates; and the progress the District has made in the areas of invoice management and project execution. Significant areas of improvement over the previous fiscal year were highlighted.

**8. Budget Module Implementation Update and FY11 Budget Development Timeline - Michael Smykowski, Director, Budget Office (ext. 6295)**

Michael Smykowski, Budget Director, reviewed the status of the District's SAP budget module implementation and reviewed upcoming budget development timelines. Mr. Smykowski noted that staff has completed the blueprint phase of the budget module implementation project and is currently testing 5 of the 8 budget forms that will be utilized in the new budget module. A full schedule of end user training has also been developed. Currently, the implementation team is working to complete the budget module in time for the Fiscal Year 2011 budget development cycle.

The decision to use the new SAP budget module or continue to use the District's existing Oracle system for Fiscal Year 2011 budget development is scheduled for March 16, 2010.

**9. Rating Agency Update - Paul E. Dumars, Sr., Chief Financial Officer, Office of Budget Management & Enterprise Solutions (ext. 6212)**

Paul Dumars, the District's Chief Financial Officer, presented results of recent bond rating reviews by both Fitch and Moodys rating agencies. He reported that the District's AA rating was affirmed by both rating agencies for the 2006 COPs issuance. He also noted the District's outlook under present conditions was rated as being stable.

**10. Public Comment**

There was no public comment.

**11. Adjourn**

Chair Dauray adjourned the meeting at 10:01 a.m.

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Charles Dauray  
Chairman  
Audit and Finance Committee

Recorded By:

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Cathy Widness  
Administrative Assistant Senior  
Governing Board and Executive Services  
SFWMD