



South Florida Water Management District

Governing Board Audit and Finance Committee MEETING MINUTES

January 12, 2009

9:00 AM

District Headquarters - Storch Room
3301 Gun Club Road
West Palm Beach, FL 33406

Members Present:

Eric Buermann

Michael Collins

Charles Dauray

Paul C. Huck Jr.

1. Call meeting to Order - Charles Dauray, Chair

Chair Dauray called the meeting to order at 9:05 am.

Governing Board members Pat Rooney and Melissa Meeker were in attendance at the meeting.

2. Approval of Minutes

Approval of Minutes from the October 8, 2008, meeting held in West Palm Beach, Florida

Motion made by Michael Collins, seconded by Eric Buermann, to approve the minutes of October 8, 2008. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, Not present: Paul Huck. Motion passed.

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

Annette Carter, Director, Office of Governing Board & Executive Services, read into the record:

Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer. Based upon that authority, the Chairman has determined that good cause exists to make certain changes to the Agenda. These changes are being made in order to permit the Committee to efficiently accomplish necessary public business at this meeting and to reflect the items on the agenda that have been requested or suggested to be deleted, revised, supplemented or postponed. These changes have been listed in the Committee Addendum available at the entrance to this meeting room.

4. SAP Transition and 3 Year Plan Update - Paul E. Dumars, Sr., Chief Financial Officer, and Sharon Trost, Chief Information Officer (ext. 6212 and 6814)

Paul Dumars, Chief Financial Officer, reported on the SAP Solutions 3-Year Plan. Mr. Dumars presented information on the SAP Solutions Center, SAP project modules incorporated into SAP, and the disruptions of SAP due to certain events.

Sharon Trost, Chief Information Officer, Information Technology Department, reported on IT support for the SAP project. She reported on the number of full-time employees supporting the SAP Solutions Center, and the number of IT contractors since the June 2006 implementation.

The Committee discussed the return on investment of the system, business process improvements, and planned optimization of the software. The goal of the transition plan and associate 3-year timeframe is to:

- Reduce the number of SAP contractors.
- Train District staff to perform SAP support roles.
- Hire future District staff with SAP experience.
- Maintain only those contractors for duties that would be difficult to recruit and retain as District employees.

Mr. Collins commented on the costs and efficiency of SAP, training full-time employees and maintaining contract SAP employees.

Mr. Olliff reported on the technical expertise of SAP contract workers and the SAP implementation plan. Mr. Olliff also reported on the Internal Control Committee that was created to decide how the SAP system is modified in order to meet Best Business Practices.

Mr. Collins provided information on the audit of Acceler8 and the Board requesting audit project reports from the USACE and the Department of Interior.

Kim Taplin, USACE, reported on the project system software the Corps utilizes.

5. Overview of Financial Controls and Invoice Payment Processes - Rich Sands, Division Director, Enterprise Project Management (ext. 2902)

Rich Sands, Director, Enterprise Project Management Division, reported on financial controls prior to SAP. He reported on SAP's ability to manage the District's work and processes for plant maintenance, projects, processes and inventory. Mr. Sands then presented an example of improved SAP reporting and management functionality.

Mr. Olliff reported Mr. Sands will be demonstrating the SAP financial reports at the next Audit & Finance Committee meeting.

6. Discussion of Revenues, Baseline Operating Costs and Debt Service Levels - Thomas W. Olliff, Assistant Executive Director, Paul E. Dumars, Sr., Chief Financial Officer, and Doug Bergstrom, Budget Division Director (ext. 2132, 6212, and 6214)

Doug Bergstrom, Director, Budget Division, presented background information on the District business process, follow up on the December 15 financial forecast presentation and criteria for the Committee to consider process additions for upcoming planning and budgeting.

Staff presented options for establishing a range of potential recurring revenue impacts to guide future planning. Staff suggested utilizing the "more likely" scenario for potential ad valorem impacts, assuming the possibility of going to the District's 30 percent debt ratio cap, and planning for no recurring state funding for land management functions.

In addition, staff has begun an analysis of one-time balances to address one-time cash needs - including outstanding land contracts and potential litigation settlements - and will add business process steps to identify funding trade-offs and alternatives designed to address potential recurring revenue shortfalls.

Mr. Collins commented on future funding for construction projects and programs mandated by the legislature such as TMDL implementation and Settlement Agreement projects. He requested a re-evaluation including these mandated projects.

Ms. Wehle commented on the TMDL implementation, the Everglades Forever Act, the long-term plan, and policy decisions that will need to be made by the Governing Board.

Bill Sudow, Sidley Austin LLP, commented on language in the U.S. Sugar land acquisition and the fiduciary responsibility of the Governing Board.

7. Government Finance Officers Association (GFOA) Presentation to District on Certificate of Achievement for Excellence in Financial Reporting - Chris Flierl, Division Director, Accounting & Financial Services (ext. 6078)

Ms. Davidson, Financial Services Director, City of Boca Raton, presented the District with the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. This award represents achieving the highest standards in governmental accounting and financial reporting and was awarded for the development of the District's Fiscal Year 2007 Comprehensive Annual Financial Report.

8. Public Comment

There was no public comment.

9. Adjourn

Chair Dauray adjourned the meeting at 10:25 am.

Charles Dauray
Chairman
Audit and Finance Committee

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWMD