

**MINUTES OF A BOARD OF SUPERVISORS WORKSHOP MEETING
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT 02/25/09**

Pursuant to the foregoing Notice, the Board of Supervisors of Northern Palm Beach County Improvement District met at approximately 8:20 a.m. on February 25, 2009 in the Administrative Building and Emergency Operations Center, 359 Hiatt Drive, Palm Beach Gardens, Florida.

1. ROLL CALL

There were present Board President Deborah A. Diaz and Supervisors Ronald M. Ash, Marilyn Lew-Jacobs, Matthew J. Boykin and Adrian M. Salee; Executive Director and Secretary O'Neal Bardin, Jr.; and Northern Engineer Robert W. Lawson.

Also present were Deputy Directors Tanya W. Quickel and C. Danvers Beatty; Finance Director Katie Brunk; Director of Operations Kenneth Roundtree; Construction Manager Tim Helms; Executive Assistant Susan Scheff; General Counsel Kenneth W. Edwards of Caldwell Pacetti, et al.

2. ESTABLISHMENT OF A QUORUM

Ms. Diaz announced that a quorum was present and that it was in order to consider any business to properly come before the Board.

3. ADDITIONS OR DELETIONS TO THE AGENDA

Mr. Bardin reported that no additions or deletions to the Agenda were necessary.

4. WORKSHOP TOPICS

A. RE-INTRODUCE STAFF TO BOARD

Ken Roundtree, Dan Beatty and Katie Brunk gave a PowerPoint Presentation re-introducing Staff to the Board with a focus each staff member's years of service and job responsibilities.

B. BUDGET UPDATE

Ms. Quickel provided the Board with a budget update with an emphasis on how the District has been proactive in implementing many cost-saving measures starting several years ago. She mentioned the elimination of positions over the past few years; the implementation of various software programs; the use of competitive bidding and contract review to receive more value for the money; and the imposition of salary maximum caps for certain staff positions.

Ms. Quickel then provided an overview of the Administration and Operations budget with the District's focus shifting to Operations. She noted that, whenever possible, the District has made early debt reduction payments in order to reduce the accrual of interest.

She also stated that Northern attempts to plan major capital projects, such as road resurfacing and pump station improvements, when there are significant debt reductions in order to avoid substantial fluctuations in landowner assessments.

Mr. Salee inquired as to how prepared the District is for a "financial hurricane" in the current economic atmosphere. Mr. Bardin explained that District Staff is in regular contact with our legislators and our constituents. He also reported that the District is fully invested in U.S. Treasury Notes and that the District's assessment collections this year are in accordance with historical collection percentages.

Ms. Lew-Jacobs explained that she and Ms. Diaz comprise the Budget & Banking Committee and noted that the District holds meetings with each of the POAs/HOAs in Spring to discuss the new budget year. She stated that she attended some of these meetings during her first year as a Board Member and found it quite helpful in understanding the process. She also noted that she has seen the District Staff decrease as the District focus moves to unit maintenance.

Ms. Quickel also explained how thoroughly the fund balances for each Unit are discussed at the Budget & Banking Committee meetings.

Ms. Diaz explained that even in situations in which the District was blindsided, such as the failure of the SBA, District Staff and the Budget & Banking Committee were very proactive in making the necessary adjustments to preserve District funds. Ms. Diaz commended District Staff on their quick response to the current economic situation and for the decisions they have made to control expenses before bringing the budget to the Board.

There was some further discussion with regard to the public relations aspect of making the landowners aware of the District's work. Mr. Edwards suggested using the next newsletter to differentiate the District from a community development district as there have been recent media reports about community development districts that are struggling or failing.

Ms. Lew-Jacobs questioned the District's plan to address potential non-payment problems. Mr. Bardin explained that legal action may take place or the burden of payment may fall to the underlying landowners. Mr. Edwards also provided various legal comments and information. Mr. Bardin stated that additional information would be prepared for subsequent Board review.

C. DISCUSSION: REAL PROPERTY EXCHANGE DRAFT POLICY

Mr. Edwards explained the typical exchange procedure process and stated that he prepared the draft policy based upon how transactions typically have been handled in the past. The proposed policy sets forth threshold criteria, including requiring the property being conveyed to the District be equal in acreage, if not more, than the amount being exchanged, and the District would require the other party to pay for any necessary expenses, such as title fees, etc.

Mr. Salee asked if this proposed District Policy has been discussed with any of the units that are currently considering property exchanges with the District. Mr. Edwards indicated that it had not, but that it was a good suggestion and he would send it to representatives of Unit No. 31 BallenIsles and Unit No. 18 Ibis, since both Units are currently anticipating property exchanges in the near future.

D. DISCUSSION: REAL PROPERTY AND IMPROVEMENTS ACQUISITION

Mr. Bardin reviewed the background surrounding the real property and improvements acquisition issue.

Mr. Edwards presented a memorandum indentifying the pros and cons of real property and facility acquisitions. He explained that the few experiences the District has had with these types of acquisitions have been problematic.

Mr. Ash had another meeting he had to attend and left the Workshop meeting at this time.

Mr. Edwards stated that the issue at hand is to provide District Staff with direction on how to handle acquisition inquires when contacted by developer/landowners.

Ms. Lew-Jacobs discussed the background of the proposed Sembler development and stated that she is opposed to these types of acquisition requests.

Ms. Diaz explained that she initially felt the District should develop a procedure to consider these requests, but noted that she was unaware of the problems that have resulted in past incidents.

Mr. Salee inquired about the usefulness of a cost benefit analysis as a requirement of the policy.

Mr. Bardin noted that he would like consensus for District Counsel and Staff to develop a policy on requests for this type of transaction.

Mr. Bardin received Board consensus to put together a draft for further consideration at the March or April Regular Board Meeting.

E. DISCUSSION: ETHICS AND GIFTS

Mr. Bardin explained that various members of Northern's Board had inquired about the policies and procedures currently in place that govern ethics and gifts. A memo was provided to the Board which outlined the State and Federal laws which govern the Board and a few of the District Staff, but Mr. Bardin wanted to know if the Board was interested in developing further policies for the District Staff and Board to

follow. He noted that Palm Beach County is working on developing a set of guidelines to be adopted and followed by County Staff.

Mr. Edwards asked if the Board would like District Staff to monitor and review what County Staff adopts with regard to this matter and use that policy as a basis for their guidelines and there appeared to be Board consensus.

Ms. Lew-Jacobs noted that currently there is a distinction in how popularly-elected and landowner-elected Board seat holders must disclose and whether or not they can vote on items where they have disclosed a potential conflict. Mr. Edwards confirmed and explained the specific disclosure requirements for the two types of Board Member seats.

Ms. Diaz asked for an update on reinstating the Mission Review Committee meetings. Ms. Quickel informed her that Representative Domino's office confirmed his participation with this Committee, but explained that he would not be available to begin meeting until May.

Ms. Lew-Jacobs asked if District Staff was able to find a replacement for Senator Atwater and Ms. Quickel responded that other Senators' offices had been contacted, but Northern had not yet located a replacement. Ms. Quickel also explained that a Mission Review Committee "history packet" would be provided to the Committee members for review prior to the upcoming May meeting of the Mission Review Committee.

Mr. Edwards then gave an overview of Chapter 112, Florida Statutes, and explained that the Federal Honest Services Act is very broad and is not dependent on compliance or non-compliance with Chapter 112.

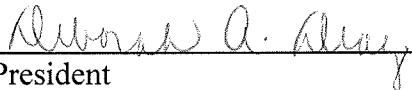
Ms. Lew-Jacobs noted that the County would be holding a workshop on Honest Services Fraud that she was hoping to attend by phone.

5. RECEIVE AND FILE


- Proof of Publication of Meeting Notice – a copy of which is contained in Northern’s files.

6. ADJOURN

There being no further business to come before the Board, the Workshop meeting then preceded to the Facilities Tour and then adjourned.



President



Secretary