

**MINUTES OF A BOARD OF SUPERVISORS MEETING
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT 07/27/11**

Pursuant to the foregoing Notice, the Board of Supervisors of Northern Palm Beach County Improvement District met at approximately 8:11 a.m. on July 27, 2011 in the Administrative Building and Emergency Operations Center, 359 Hiatt Drive, Palm Beach Gardens, Florida.

1. ROLL CALL

There were present Board Vice-President Adrian M. Salee and Supervisors Matthew J. Boykin, and L. Marc Cohn; Executive Director and Secretary O'Neal Bardin, Jr.; District Engineer Robert W. Lawson and General Counsel Kenneth W. Edwards of Caldwell Pacetti, et al.

Also present were Deputy Director C. Danvers Beatty; Finance Director Katie Brunk; Executive Assistant Susan Scheff; Director of Operations Kenneth Roundtree; Construction Manager Tim Helms; Budget & Assessment Roll Manager Laura Ham; Kevin Schanen of Kimley-Horn & Associates; Fred Roth of Michael B. Schorah & Associates, Inc.; David Brobst of Wantman Group, Inc.; Ken Tuma of Urban Design Kilday Studios; and Butch Beechler on behalf of The Bear's Club (Unit No. 44).

2. ESTABLISHMENT OF A QUORUM

Mr. Salee 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. APPROVAL OF MINUTES

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the Minutes of the June 8, 2011 Regular Meeting and the June 22, 2011 Regular Meeting.

5. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

Mr. Salee called for any comments from the public for items not on the Agenda to which there was no response.

6. CONSENT AGENDA

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the following Consent Agenda General Items:

- General

Consider Approval of National Pollution Discharge Elimination System (NPDES)
Third Term Permit Interlocal Agreements

City of Boca Raton
City of Boynton Beach
City of South Bay

Town of Lake Park
Village of Palm Springs

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the following Consent Agenda Change Orders:

- Unit No. 44 Lynch Paving & Construction Co. Inc. – Final Lift of Asphalt (C.O. No. 3)

- General Total Maintenance Building Services, Inc. for Field Cut Mowing
Adding Unit No. 49 to Contract (C.O. No. 3)

Total Maintenance Building Services, Inc. for Lawn Cut Mowing
Adding 3% Increase to Annual Contract Price (C.O. No. 3)_____

copies of which are contained in Northern files.

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the following Consent Agenda payments:

Approved Disbursements from July 27, 2011 Board Meeting					
			NOTE	L/O	
	BOND	EIPC	Proceeds	Funding	TOTAL
Unit No. 2C – Scripps II/Briger Tract			22,273.28		22,273.28
Unit No. 14 - Eastpointe		24,026.25			24,026.25
Unit No. 18 – Ibis Golf & Country Club		43,714.63			43,714.63
Unit No. 19 – Regional Center		875.00			875.00
Unit No. 44 – The Bear’s Club		41,255.95			41,255.95
		109,871.83	22,273.28		132,145.11

copies of which are contained in Northern files.

7. UNIT OF DEVELOPMENT NO. 2C–SCRIPPS II/BRIGER

- **Status Report**

Ken Tuma reported that they are currently working on a Notice of Proposed Change regarding minor traffic modifications and the change is supported by both the City of Palm Beach Gardens and Palm Beach County. He explained that there was a recent legislative change to the Growth Management Bill allowing for four year time extensions for Developments of Regional Impact and he intends to apply for the time extension for this project.

Mr. Bardin stated that a meeting has been scheduled with Mr. Tuma and Shannon LaRocque of Palm Beach County to discuss the impact of the time extension on Northern’s debt financing process. He expects that the one-time assessment will be levied next year.

Mr. Cohn asked what the one-time assessment covers and Mr. Bardin explained that it covers principal and interest for the loan taken out in 2010 to finance preparation of the Unit’s Plan of Improvements and Report of Engineer and is expected to be assessed on the 2012/2013 tax roll. Mr. Edwards added that other factors could change the timing of the levy of the one-time assessment.

8. UNIT OF DEVELOPMENT NO. 11-PGA NATIONAL

- **Consider Resolution No. 2011-07 Accepting Unit No. 11A Improvements**

Mr. Bardin explained that the adoption of this resolution finalizes the subject matter of the earlier public hearing.

Mr. Edwards explained that the Resolution contains findings of fact and authorizes the acceptance of the Unit 11A improvements by Unit 11. He stated that once this takes place, Unit 11A may then be dissolved. The basis for acceptance of the improvements has been certified by Mr. Lawson and his certification is attached to the Resolution.

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving Resolution 2011-07.

9. UNIT OF DEVELOPMENT NO. 18-IBIS GOLF & COUNTRY CLUB

- **Consider Purchase Order to American Power Rodding for Pipe Cleaning**

Mr. Beatty explained that we have initiated a pipe cleaning and inspection program as part of Northern's five year capital improvement plan. He stated that this is the first unit being addressed in this multi-year program. It has been 20 years since the pipes have been cleaned and Staff is hoping to find them in good shape.

Mr. Beatty stated that quotes were solicited from three of Northern's annual contractors for the proposed cleaning and inspection work and American Power Rodding provided the lowest and best bid.

Mr. Boykin asked if a machine is used to do this work and Mr. Beatty responded in the affirmative and briefly explained the process.

A **motion** was made by Mr. Cohn, seconded by Mr. Boykin and unanimously passed approving a Purchase Order No. 11-391 to American Power Rodding in the amount of \$65,623.95.

10. UNIT OF DEVELOPMENT NO. 20 – JUNO ISLES

- **Consider Resolution No. 2011-08 Authorizing Real Estate Transactions**

Mr. Bardin reviewed the Board's prior action of approving the possible sale of three parcels to their adjacent landowners. Two of the landowners expressed an interest and entered into Purchase Agreements with Northern. This Resolution authorizes certain Board Members and Staff to execute the necessary documents for both closings.

Mr. Edwards explained that one of the parcels is scheduled to close today and the documents should be available for execution after the meeting adjourns.

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving Resolution No. 2011-08.

11. UNIT OF DEVELOPMENT NO. 44 – THE BEAR'S CLUB

- **Consider Confirmation, Partial Release & Assignment/Conveyance of Conservation Easement**
- **Consider Acceptance of Bill of Sale**
- **Consider Quit Claim Deed**

Mr. Bardin explained that these items are a result of the discussions at last month's Board Meeting and Mr. Edwards would be presenting them.

Mr. Edwards stated that the first item for Board consideration was a revised Confirmation, Partial Release and Assignment/Conveyance of the Conservation Easement. He explained that this revised document addresses a concern expressed by South Florida Water Management (SFWMD) that two of Northern's easements should be subordinated to the Conservation Easement being conveyed to SFWMD. He also noted that this document releases several more parcels from the Conservation Easement than what was previously discussed. He stated that Northern Staff and Consultants have reviewed this revised and expanded document and have no objections.

Mr. Edwards stated that the Bill of Sale Absolute is in favor of Northern and applies to culverts needed for flowage. This transfer is needed to address the Landowner's removal of wetlands without a permit but flowage is still needed for Northern's surface water management needs. Northern Staff and Consultants have recommended acceptance of the Bill of Sale.

Mr. Edwards explained the Quit Claim Deed was prepared to facilitate the Landowner's request that Northern return several parcels of land within the Golf Course. He noted that he provided a memorandum at the last Board meeting and the issue was discussed at length. This document will convey four tracts of land to the Landowner as was originally requested last year. Mr. Edwards explained that this conveyance is not opposed by Northern Staff or the District Engineer; however, he stands by his original opinion which was outlined for the Board at their last meeting.

Mr. Boykin asked if the property requested last year is what is included in the Quit Claim Deed and Mr. Edwards responded that this covers the property originally discussed last year as a property exchange, but now Northern is giving the property to the Landowner without requiring an exchange.

Mr. Salee asked what the purpose of this process is and Mr. Bardin explained that it removes Northern from the issue the Landowner has with the U.S. Army Corps of Engineers, among other things.

Mr. Edwards brought up the earlier financial charges the Board previously imposed when the Landowner made changes to the property in question without a permit, and explained Mr. Bardin had been working with the Landowner on this. Mr. Bardin explained that the Landowner has agreed to pay any related expenses incurred during the negotiation of the transaction since last year, as well the \$5,000 penalty imposed by Northern for the work the Landowner performed without a permit. He stated this payment will be received if the Board approves these documents, which Staff is recommending the Board approve. It was the consensus of the Board that this payment must be received prior to the release of these documents.

Mr. Edwards also acknowledged the Board's previous concern about setting a precedent and advised that the Board's motion should clarify that this action does not establish a Northern precedent. This is necessary for the reasons he stated, including the primary reason for Northern's agreement to this conveyance which is to remove Northern from the U.S. Army Corps of Engineers issue as previously mentioned by Mr. Bardin.

A **motion** was made by Mr. Cohn, seconded by Mr. Boykin and unanimously passed approving the three documents and the previously discussed transactions with The Bear's Club with emphasis on the special regard and uniqueness of these transactions, thus avoiding setting a Northern precedent for future requests of this nature.

12. GENERAL

- **Consider Bank of New York Mellon (BNYM) Revised Fee Structure for Trustee Services**

Ms. Brunk explained that in May, Regions Bank approached Northern Staff with a proposal for the provision of trustee services which was presented to and recommended by the Budget & Banking Committee. However, the Committee's recommendation to Board was tabled at the June Board meeting due to information obtained subsequent to the Committee's recommendation. She explained when Staff contacted Bank of New York Mellon (BNYM) about the switch, they asked if they could counteroffer and their proposal is competitive. She noted they have offered to lower their fees on all current issues and subsequent issues saving approximately \$4,000 per year from the current fee schedule. She also noted that Northern's Investment Advisor, PFM, brought to Staff's attention that Regions Bank is rated BBB- with a negative outlook by Standard and Poors, Moody's and Fitch; whereas BNYM is rated AA.

Ms. Brunk stated Staff recommends that the Board accept the counteroffer proposal by BNYM, but reevaluate the provision of trustee services next year. Staff will work closely with BNYM to provide

information on their investment options and have the District's Financial Advisor assist Staff with choosing the best investment options.

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the Revised Fee Structure with Bank of New York Mellon.

- **Discuss Report of Engineer Process**

Mr. Bardin explained that over the past few months, Northern Staff has been reviewing the elements involved in the formation of a unit of development. The next step to be reviewed is the Report of Engineer (ROE) preparation and adoption process and he explained that Mr. Lawson has prepared a PowerPoint presentation on this process, a copy of which is attached.

Mr. Lawson went through his presentation explaining the elements of the ROE.

Mr. Bardin explained that a ROE will be presented for the Plan of Improvements in the Scripps II/Briger project. He stated that it explains how the assessments will be levied and is a tool to avoid instances of unintended consequences.

Mr. Edwards handed out a sample Notice of Public Hearing form and related resolution to the Board, copies of which are attached. He reviewed the requirements for advertising the ROE and explained that the Unit's benefits must exceed the estimated cost of construction. Adoption of a resolution follows approval of the ROE and allows 30 days for the public to contest the action.

A general discussion followed regarding how benefits are measured.

This item was presented for information only and no Board action was required.

- **Hurricane Preparedness Update**

Mr. Roundtree began a PowerPoint presentation on Northern's Hurricane Preparedness by crediting all of Northern's Staff for their part in preparing for possible storm events. He explained that the height of the

hurricane season is from August 15 to September 15 and reviewed Northern's annual preparation and pre-storm activities.

Mr. Salee asked about the existence of backup instructions and schematics located at each pump station in case of emergency. Mr. Roundtree explained that all of Northern's employees receive training for emergencies and Mr. Bardin emphasized that proper training is imperative.

Ms. Brunk continued the presentation by covering Northern's participation in the Palm Beach County's Web Emergency Operations Center Program. She also noted that Northern has a Hurricane Manual and Debris Management Plan which are updated regularly and address some of the documentation Mr. Salee was previously asking about. She also reviewed some of the agencies Northern works with during storm events as well as public information.

This item was presented for information only and no Board action was required.

13. MISCELLANEOUS REPORTS

A) ENGINEER

- Mr. Lawson had nothing to report.

B) ATTORNEY

- Mr. Edwards had nothing to report.

C) EXECUTIVE DIRECTOR

- Mr. Bardin noted the Community Information Report, the Press Box Report and the website tracking data were included in the Board materials for review.

14. COMMITTEE REPORTS

• PERSONNEL COMMITTEE

Mr. Bardin reported that the Personnel Committee met on July 13, 2011. He explained that as a result of direction given on May 11, 2011, Northern's Labor Counsel, Lara Donlon, provided updated and revised drafts

of Northern's Code of Ethics Policy and Outside Employment Policy. The Committee recommended adoption of these policies, as well as the accompanying Resolution No. 2011-09, which was prepared by Mr. Edwards.

A **motion** was made by Mr. Boykin, seconded by Mr. Cohn and unanimously passed approving the updated and revised policies and Resolution 2011-09 as presented.

• **APPOINTMENT COMMITTEE**

Mr. Bardin reported that the Appointment Committee met on July 20, 2011 to consider the appointment of a replacement to Mr. O'Rourke's seat. The Committee decided to follow the previously approved Board Vacancy Appointment Policy. Mr. Bardin stated that a press release has been sent and the Property Owners Associations located south of PGA Boulevard have been contacted. He noted that two people have expressed interest thus far, Bob Nichols and Wesley Lauer. Mr. Lauer has expressed some conflict of interest concerns and Mr. Edwards will contact him. The next step will be to schedule meetings for the Committee to conduct interviews with any interested parties.

This report was presented for information only and no Board action was required.

15. RECEIVE AND FILE

The following items were presented to be received and filed:

- Northern's Quarterly Financial Report; and
- Proof of Publication of Meeting Notice

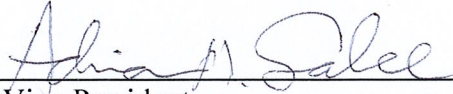
copies of which are contained in Northern's files.

16. COMMENTS FROM THE BOARD

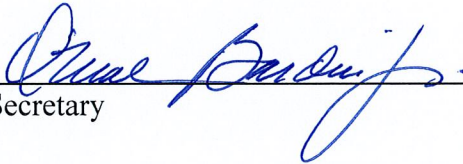
There were no comments from the Board.

17. ADJOURN

There being no further business to come before the Board, the meeting was adjourned.



Vice-President



Secretary