

**MINUTES OF A BOARD OF SUPERVISORS MEETING  
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT 11/04/09**

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Pursuant to the foregoing Notice, and as was continued to a date and time certain, the Board of Supervisors of Northern Palm Beach County Improvement District met at 8:00 a.m. on November 4, 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 and Matthew J. Boykin; 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.; Laurent Van Cott of Southern Design Group, Inc.; Fred Roth of Schorah & Associates; Amy Eason of AECOM; Tad Rowe of Simmons & White; Rocky Biby of Kimley-Horn; David Scott of JJG; Patrick Figurella of Calvin, Giordano; Ken Tuma of Urban Design Studio for Scripps II/Briger Tract – Unit 2C; Butch Beechler, Ira Fenton and David Shaw of The Bear's Club – Unit 44; Ken Blair of Seven Kings; and William G. Capko of Lewis, Longman & Walker, P.A.

**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. APPROVAL OF MINUTES**

A **motion** was made by Mr. Boykin, seconded by Ms. Lew-Jacobs and unanimously passed approving the Minutes of the September 23, 2009 Regular Meeting.

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

Ms. Diaz 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 Ms. Lew-Jacobs, seconded by Mr. Ash and unanimously passed approving the following Consent Agenda General Item:

- General

Consider Purchase Order No. 10-7 to Lewis, Longman & Walker, P.A.  
for Special Legislative Services

copies of which is contained in Northern files.

A **motion** was made by Ms. Lew-Jacobs, seconded by Mr. Ash and unanimously passed ratifying the following Consent Agenda payments:

<b>Ratified Disbursements from November 4, 2009 Board Meeting</b>					
			<b>NOTE</b>	<b>L/O</b>	
	<b>BOND</b>	<b>EIPC</b>	<b>Proceeds</b>	<b>Funding</b>	<b>TOTAL</b>
<b>Unit No. 2C – Scripps II/Briger Tract</b>				<b>652.50</b>	<b>652.50</b>
<b>Unit No. 9A – Abacoa I</b>		<b>5,118.00</b>			<b>5,118.00</b>
<b>Unit No. 9B – Abacoa II</b>		<b>34,358.01</b>			<b>34,358.01</b>
<b>General</b>		<b>28,416.74</b>			<b>28,416.74</b>
		<b>67,892.75</b>		<b>652.50</b>	<b>68,545.25</b>

copies of which are contained in Northern files.

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

- Ken Tuma of Urban Design Studios addressed the Board to give them an overview of the development. Mr. Tuma stated that the project's assessment report was approved by the Treasure Coast Regional Planning Council (TCRPC) in September. The Development of Regional Impact (DRI) is currently being reviewed by the City of Palm Beach Gardens and is scheduled for approval at a special City Council Meeting on November 12, 2009, but a postponement to January 14, 2010 will be requested at that time. He further stated that the project is a mixed use development of residential and commercial units as well as the Scripps Biotechnical campus, all of which encompasses 681 acres. Mr. Tuma explained that the developers are currently going through the various agency approval processes.

Ms. Lew-Jacobs asked about some of the concerns of the TCRPC and the Town of Jupiter and Mr. Tuma explained how those concerns are being addressed.

- Mr. Bardin explained the background of the Proportionate Share Agreement. Palm Beach County, the Lester Family Trust, the City of Palm Beach Gardens, the Florida Department of Transportation and the Florida Turnpike Enterprise are negotiating an Agreement to address the funding and construction of the offsite roadway improvements associated with the proposed project. According to the current draft of this Agreement, the County will prefund their share of the cost (\$4,500,000), plus an advance of \$1,500,000 on behalf of the Lester Family Trust, for the improvements and maintain those moneys in a separate fund. He stated that the County has asked Northern to execute its Consent to this Agreement wherein Northern agrees not to levy debt service assessments against the County's property for any contribution Northern may be asked and agree to make for any of the listed offsite improvements.

Mr. Edwards noted that the Agreement and the Consent have not yet been finalized. He has reviewed the Agreement and submitted revised language. It is still being reviewed and a revised version will come before

the Board at a later date after all of the parties have had the opportunity to review the Agreement and submit their comments.

A general discussion followed with regard to why the District would get involved in an Agreement when the Board has not been asked nor has the Board consented to funding improvements for the proposed development. There was concern that the District is not currently a party to this Agreement, and by giving its consent, the District would somehow be obligated to help fund this project. Several Board Members also expressed concern regarding the perception that Northern was just a “bank” for the development.

Mr. Edwards confirmed that if the District chooses to give its consent to the Proportionate Share Agreement, using his submitted revisions, it will in no way be obligated to fund any of the improvements.

Ms. Lew-Jacobs asked that Northern’s website be updated to include the status of the Scripps II/Briger Tract project. Mr. Tuma advised that the request could easily be met by adding a link to City of Palm Beach Gardens’ webpage on the project.

This item was presented for informational purposes only, and no Board action was requested.

**8. UNIT OF DEVELOPMENT NO. 44 – THE BEAR’S CLUB**

Mr. Bardin explained that the Developer of the Bear's Club previously conveyed various tracts of land, including wetlands to Northern. The Developer has advised that approximately five acres of a portion of one of these wetlands has dried up due to subsequent off-site works that have disrupted the flow of water to that area. As a result, the Developer believes this 5-acre parcel is no longer needed by Northern for the purpose for which it was given and has asked to have it returned.

Mr. Bardin further explained that the Unit No. 44 Developer's Agreement that was entered into between Northern and this Developer allows Northern to return acreage to the entity that gave it to Northern for no consideration if the acreage is no longer needed for the purpose for which it was given.

Ms. Diaz asked if there has been an official determination that the 5-acre parcel is no longer being used as a wetland. Mr. Bardin responded that the Developer's environmentalist has made that determination but, at a minimum, the Developer would have to get approval of this determination and obtain appropriate permit amendments from all applicable regulatory agencies, including the South Florida Water Management District, the Town of Jupiter and the Army Corps of Engineers, prior to the conveyance.

Mr. Bardin noted that the Developer has suggested that an Agreement be entered into and mentioned that the attorney for the Developer was in attendance.

Mr. David Shaw, attorney for the Developer, addressed the Board. He stated that the Developer is asking for an Agreement so that there is no misunderstanding as to the conditions that it will need to satisfy in order to have Northern return the acreage to them, plus authorize the submittal of necessary applications and requests. They are currently seeking direction from the Board on whether it is willing to consider their request. If it is, they will then proceed to prepare and submit an Agreement for Board consideration.

Mr. Ash expressed his concern over returning the land just because the last couple of years have been dry. He also stated that Northern would want to be an active participant in the agency determination process.

Mr. Edwards explained that the process would be for the Developer's attorney to draft an Agreement which he then would review. The Agreement would then go to the Engineering Review Committee for consideration. He confirmed that the responsibility for payment of any costs incurred by Northern as a result of this review process would also be addressed in the Agreement.

Mr. Boykin was curious as to what initiated the landowner request and stressed that he is always hesitant to turn over wetlands for the purposes of development.

It was the consensus of the Board that the attorney for the Developer and District Counsel could move forward with drafting an Agreement for Board consideration provided it addresses all of their issues and concerns.

**9. UNIT OF DEVELOPMENT NO. 49 – NORTHERN PALM BEACH CO. BUSINESS PARK**

Mr. Beatty explained that the purpose of the Easement Deed is to allow Northern access to the on-site water management facilities for maintenance purposes, in accordance with the Second Amendment to the Plan of Improvement. These facilities are located within the property east of Congress Avenue.

A **motion** was made by Mr. Ash, seconded by Mr. Boykin and unanimously passed approving the acceptance of the Easement Deed.

**10. MISCELLANEOUS REPORTS**

**A) ENGINEER**

- Mr. Lawson had nothing to report.

**B) ATTORNEY**

- Mr. Edwards had nothing to report.

**C) EXECUTIVE DIRECTOR**

- Ms. Quickel reported that the District's Investment Advisor, Raymond James & Associates, Inc. submitted its annual invoice in the amount of \$28,416.74 for services rendered. She confirmed that it complies with the contract which specifies an annual fee of six (6) basis points of the average monthly invested assets, as shown on the monthly account statements. In dollars, this is \$600 per year per \$1 million of invested assets.

Ms. Quickel also reported that Northern received correspondence from Raymond James terminating the existing Investment Advisor Contract effective October 22, 2009. Northern Staff concur with termination of the contract based on positive signs in the financial market and the recent review and changes made in Northern's investments. She stated that Northern Staff will continue to provide the monthly investment report as part of the Board package. Staff will also discuss any potential reinstatement of Investment Advisory Services with the Budget and Banking Committee.

A **motion** was made by Mr. Boykin, seconded by Ms. Lew-Jacobs and unanimously passed approving the annual invoice from Raymond James in the amount of \$28,416.74 and ratifying termination of the contract on October 22, 2009.

- Mr. Bardin presented the Community Information and Press Box Report.
- Mr. Bardin also took a moment to clarify that when Northern Staff receives requests from landowners, such as the Unit 2C Scripps II/Briger and Unit 44 Bear's Club items presented today, they are initially brought to the Board for discussion and direction. Only after receiving Board feedback, does Staff move forward and bring back items for Board consideration.

## **11. COMMITTEE REPORTS**

- **BUDGET & BANKING COMMITTEE**

### **Raymond James Investment Recommendations**

Ms. Quickel reported that Tom Greene of Raymond James & Associates, Northern's Investment Advisor, presented an investment update to the Committee. He explained that Northern has been invested in U.S. Treasury Bills since late 2008 as a result of the financial and economic crisis. This is in compliance with Northern's Investment Policy; however, four out of eight months in 2009 reflect overall investment earnings slightly below the benchmark of the average rate of return on the three month U. S. Treasury Bill. Raymond James presented the Committee with additional yield information for consideration.

Ms. Quickel stated that because of improvements in the banking and investment industry, Raymond James recommended returning to the Prime Money Market Funds. Detailed portfolio analysis was performed and provided to the Committee on five Prime Money Market Funds and related fees.

She noted that the Committee agreed by consensus that an appropriate allocation of pooled cash funds into some of the selected Prime Money Market Funds was reasonable at this time. The funds considered provide clear, detailed information about their holdings and are free of structured investment vehicles ("SIV's")

which proved extremely problematic in the past to many funds. Staff will re-allocate pooled cash into a minimum of two Prime Money Market accounts and review the possibility of specific investment of the Debt Reserve Funds.

Ms. Quickel also noted that there was discussion regarding specific potential structuring (‘laddering’) of the approximate \$14 million Debt Reserve Funds within the Trust Funds based on maturities as well as specific investment restrictions per each bond statement. Staff will review this portion of the Trust Funds in detail and report back to the Committee at their next meeting.

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

**Palm Beach County Policies related to Issuance, Management Monitoring, and Evaluation of all Debt Obligations and the Competitive Selection of Bond Underwriters.**

Ms. Quickel reported that Northern Staff was directed by the Board to monitor Palm Beach County as it considered changes to various underwriting policies and procedures. She provided the Committee with detailed information regarding recent County actions. Most significantly, the County adopted policies which establish a County Financing Committee (CFC) which will be involved in every decision-making aspect of debt-related activities; established a preference for competitive sales of bonds, while retaining the flexibility to utilize negotiated sales when recommended by the CFC; and required a Request for Proposal (RFP) process for all outside professionals involved in debt, including financial advisor, bond/disclosure counsel and underwriters.

The Committee decided to establish a District Financing Committee to be comprised of the current members of the Budget & Banking Committee and an additional member who is an experienced, full-time resident of the District and preferably retired from and inactive in the underwriting industry with no conflicts of interest related to Northern.

She also reported that, following discussions with Northern’s Bond Counsel who was in attendance, the Committee tasked District Staff with developing formal District Debt Policy and Procedures, as well as a Request for Proposal (RFP) process for all outside professionals involved in debt. The Committee recognized

that Bond Counsel had been competitively bid in 2004 and all current legal contracts were recently renewed; therefore, RFPs will be issued first for the Financial Advisor, and, later for Underwriters to establish a pre-qualified pool.

Ms. Quickel then presented the RFP for Financial Advisory Services which she noted was reviewed by Northern's General Counsel and is being advertised in accordance with the schedule specified. She also noted that additional activities are underway and will be reported back to the Budget and Banking Committee on a monthly basis or as part of the monthly Board Meeting.

A **motion** was made by Mr. Ash, seconded by Ms. Lew-Jacobs and unanimously passed approving the establishment of a District Financing Committee and ratifying the issuance of the Request for Proposal for Financial Advisory Services.

#### **GASB Statement No. 45 – Other Post Employment Benefits (“OPEB”)**

Ms. Quickel reported that Northern has received the GASB Statement No. 45 Other Post Employment Benefits (“OPEB”) calculations from their consultant, Bolton Partners, Inc., and the GASB 45 Actuarial Valuation Results Letter was included in the Board materials for their review.

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

#### **Accounting Manual Revision – Section 1 Purchasing Cycle**

Ms. Quickel stated that the Board last approved revisions to the Accounting Manual at their January 23, 2008 Board Meeting. This recommendation included ongoing revisions focused on a presentation format covering six major control areas – purchasing, disbursements, revenue, payroll, treasury, and debt. She explained that the Committee considered the first revision which was related to the purchasing control area of the Manual, a copy of which is in the Board's materials. She further explained that the public bid threshold increase for construction projects from \$200,000 to \$300,000 which was recently passed by the Florida

Legislature and incorporated into the Engineering Standards Manual was also incorporated into the revised Section 1 Purchasing Policies.

Ms. Quickel stated that the Committee recommends the Board approve the revised Section 1 Purchasing Policies for inclusion in the Accounting Manual. Staff will continue with additional revisions in the upcoming fiscal year which will periodically be submitted to the Committee for consideration and approval. Staff will also include a summary of key controls.

A **motion** was made by Mr. Boykin, seconded by Ms. Lew-Jacobs and unanimously passed approving the revised Section 1 Purchasing Policies for inclusion in the Accounting Manual.

**FEMA Large Project Status Report.**

Ms. Quickel stated that Staff continues to work with FEMA representatives who are reviewing the Large Projects from Hurricanes Frances, Jeanne, and Wilma and a spreadsheet was provided in the Board materials with the current status and notes regarding each project.

Ms. Quickel informed the Board that since the time of the Committee meeting, District Staff has been made aware of another item to be pursued and the District is in the process of filing two additional claims with PGIT, due to FEMA's recommendation. The first claim is for the 2004/2005 Hurricane Season which encompasses Hurricanes Frances and Jeanne in the estimated amount of up to approximately \$650,000 and the second is for the 2005/2006 Season encompassing Hurricane Wilma and is in the estimated amount of up to approximately \$400,000. She explained that this is being done at FEMA's request and has been reviewed by District Counsel.

Mr. Edwards stated that the problem lies with claims having previously been submitted for these storm events and the passage of time since these new claim submittals. FEMA appears to be communicating their view that Northern had applicable coverage from PGIT for one or more of these years.

Under the circumstances, Mr. Edwards advised that the District obtain experienced insurance counsel to review the District's Agreement with PGIT. He noted there are potential statute of limitation issues, but the determination of when a particular statute of limitation commences to run is frequently a factual issue that needs to be resolved.

It was the consensus of the Board that the District does need to engage counsel for this matter.

A general discussion followed with regard to what factors to consider when engaging counsel, but it was noted that time is of the essence.

A **motion** was made by Mr. Ash, seconded by Mr. Boykin and unanimously passed authorizing District Counsel and District Staff to engage legal counsel experienced in insurance issues with a cap of \$25,000.00 in fees and expenses.

There was further discussion as to what guidance the District may need with regard to these issues in the future. Board members will be monitoring other municipalities with regard to this issue.

### **Arbitrage Information**

Ms. Quickel reported that Northern engaged Linda Dufresne, C.P.A. of GNP Services, CPA, PA in 2004 to provide arbitrage calculation services. All arbitrage calculations were prepared for Northern to be in compliance and there are is no longer any arbitrage liability in Unit 11, PGA National.

## **12. RECEIVE AND FILE**

Mr. Bardin presented the following items to be received and filed:

- Volume No. 5 of the Operations Department Newsletter;
- Northern's Quarterly Financial Statements; and
- Proof of Publication of Meeting Notice

copies of which are contained in Northern's files.

Ms. Quickel noted the new quarterly financial information provided at the request of the Board and thanked Katie Brunk and Laura Ham for their assistance.


**13. COMMENTS FROM THE BOARD**

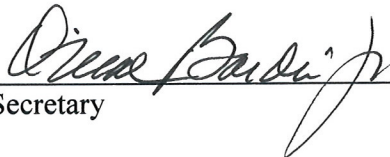
Ms. Lew-Jacobs commented that her term ends in November 2010 and she will not be running again. She believes the Budget & Banking Committee has been dealing with and will continue to be dealing with some very complex issues. She stated that the Committee is currently composed of two CPAs, but depending upon the future composition of the Board, the Board may want to consider adding an experienced member of the community to help with this Committee as well as the other Committees if the need arises.

Ms. Diaz stated that she, Ms. Lew-Jacobs and Mr. Boykin attended the Florida Association of Special Districts Certified District Officials' program which focused on Strategic Planning. The issue of the development of a strategic plan for the District arose after the last Personnel Committee meeting, but had been placed on hold. She noted that the District Staff should look into engaging FASD's speaker as a facilitator of the District's Strategic Planning efforts. There was further discussion with regard to the relevancy of the Strategic Planning program, and Mr. Bardin confirmed that District Staff will look into engaging her company for that purpose.

**14. ADJOURN**

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

  
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President

  
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Secretary