

**MINUTES
BUDGET AND BANKING COMMITTEE MEETING
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
May 11, 2011**

The Budget and Banking Committee was called to order at approximately 8:44 a.m. on May 11, 2011 in the Northern Administrative Complex, 359 Hiatt Drive, Palm Beach Gardens, Florida.

1. ROLL CALL

Board Supervisors Matthew Boykin and Michael O'Rourke were present.

Also present were Executive Director O'Neal Bardin, Jr.; Executive Assistant Susan Scheff; Finance Director Katie Brunk; Budget Manager Laura Ham; General Counsel Kenneth W. Edwards of Caldwell Pacetti, et al.; and Barbara Buck and Vladimir Munoz of Regions Bank.

2. ESTABLISH A QUORUM

Mr. Boykin announced that a quorum was present and that it was in order to consider any business to come before the Committee.

3. ADDITIONS OR DELETIONS TO THE AGENDA

Mr. Boykin reported that there were no additions or deletions to the agenda.

4. APPROVAL OF MINUTES –March 9, 2011

A **motion** was made by Mr. O'Rourke, seconded by Mr. Boykin and unanimously passed approving the March 9, 2011 Committee meeting minutes as presented.

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

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

6. REGULAR AGENDA

• **Presentation of the Proposed Budget for Fiscal Year (FY) 2011/2012**

Ms. Brunk presented the proposed FY 2011/2012 Budget to the Committee. She gave a PowerPoint presentation and highlighted some information from the proposed Budget. She explained that the proposed FY 2011/2012 budget shows a 4% decrease from the FY 2010/2011 budget. Ms. Brunk presented a chart comparing the proposed FY 2011/2012 budget to the FY 2010/2011 budget and reviewed the increases and decreases.

Ms. Brunk also addressed those proposed assessment increases greater than 3%, as well as the proposed assessment rate comparative information included in the Committee's materials. She then reviewed the process for finalizing the 2012 budget.

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

• **Consider Regions Bank Proposal for Trustee Services**

Ms. Brunk explained that Northern uses the services of a trustee to deposit bond funds and provide debt service for the approximately 25 bond issues currently outstanding. Some of the duties of the trustee include acting as the paying agent for debt service payments, mandatory sinking fund redemptions, bond holder notifications and bond calls.

She stated that in 2006, Northern issued a Request for Proposal for Trust Services. Bank of New York Mellon (BNYM) was awarded the trustee services by the Board of Supervisors. BNYM has performed well, but they do not provide any investment management services.

There was a brief discussion with regard to the Northern debt service accounts that are currently being managed by PFM Asset Management, Inc.

Ms. Brunk reported that Regions Bank approached Northern last month to discuss a proposal to provide trustee services to Northern. She explained the several informational items provided by

Regions Bank that were included in the Committee materials. She noted that Staff evaluated the proposal and determined that a savings of approximately \$5,200 per year in trustee fees could be realized by switching to Regions Bank. Trustee fees for any new issues would be \$500, whereas BNYM is charging \$1,000.

Ms. Brunk explained that Regions Bank is also proposing better investment opportunities which could provide Northern with up to \$10,000 more per year than its current investments. She explained that if the Committee recommends and Board chooses to make the switch, the optimal date to change trustee services would be after August 1 when the next debt service payments are scheduled and before September 1. Trustee fees are due on September 1 and are paid in advance without an option for refund.

A **motion** was made by Mr. O'Rourke, seconded by Mr. Boykin and unanimously passed recommending the Board approve award of successor trustee services to Regions Bank and authorize Northern's Bond Counsel to prepare an Agreement of Resignation, Appointment and Acceptance for consideration at the Board's next regular meeting on May 25, 2011.

7. RECEIVE AND FILE

- The Proof of Publication was received and filed.

8. COMMENTS FROM THE COMMITTEE

There were no comments from the Committee.

9. ADJOURN

There being no further business to come before the Budget & Banking Committee, the meeting adjourned.