

**MINUTES
BUDGET AND BANKING COMMITTEE MEETING
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
December 9, 2009**

The Budget and Banking Committee met to discuss the following items on December 9, 2009 in the Northern Administrative Complex, 359 Hiatt Drive, Palm Beach Gardens, Florida.

1. ROLL CALL

The full membership of the Committee, comprised of Board Supervisors Marilyn Lew-Jacobs, Deborah Diaz and Matthew Boykin, was present.

Also present were Executive Director O'Neal Bardin, Jr.; Deputy Directors Tanya W. Quickel and C. Danvers Beatty; Executive Assistant Susan Scheff; Finance Director Katie Brunk; Budget Manager Laura Ham; Director of Operations Kenneth Roundtree ; General Counsel Kenneth W. Edwards of Caldwell Pacetti, et al.; and Clark Bennett of Spectrum Municipal Services, Inc.

2. ESTABLISH A QUORUM

Ms. Lew-Jacobs announced that a quorum was present and that it was in order to consider any business to come before the Committee.

3. REORGANIZE THE COMMITTEE

A **motion** was made by Ms. Diaz, seconded by Mr. Boykin and unanimously passed that Ms. Lew-Jacobs continue to serve as Chair of this Committee.

4. ADDITIONS OR DELETIONS TO THE AGENDA

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

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

Ms. Lew-Jacobs called for any comments from the public for items not on the Agenda to which there was no response.

6. APPROVAL OF MINUTES – SEPTEMBER 23, 2009

A **motion** was made by Ms. Diaz, seconded by Mr. Boykin and unanimously passed approving the September 23, 2009 Committee meeting minutes as presented.

7. REGULAR AGENDA

• **Consider Request for Proposals for Financial Advisory Services**

Ms. Quickel stated that as a result of the Committee’s previous recommendation, the Board ratified a Request for Proposals for Financial Advisory Services. Three submittals were received and made available to the Committee for their review.

Ms. Diaz suggested that a review of the selection ranking sheets be done in order to make a Committee recommendation.

Ms. Lew-Jacobs inquired about what debt the District anticipates Unit No. 2C may incur and Mr. Bardin reviewed the timing and the debt that is currently anticipated.

Ms. Diaz stated that although she believes all of the applicants are equally qualified, she prefers Clark Bennett’s company, Spectrum Municipal Services, Inc., since it is a Small Business Enterprise, Mr. Bennett has history with the District and his company is local.

Ms. Lew-Jacobs agreed with Ms. Diaz and also noted that Mr. Bennett’s experience in dealing with Palm Beach County sets him apart from the other qualified candidates.

The Committee asked about references and Ms. Brunk informed them that she received favorable references for the other two companies being considered.

The Committee submitted their rankings as follows and recommend Spectrum Municipal Services for the position:

1. Spectrum Municipal Services – 308 points
2. Public Financial Management – 257 points
3. First Southwest – 254 points

Mr. Bennett thanked the Committee.

- **Consider: Debt Policy and Procedures**

Ms. Quickel reviewed the new Debt Policy and Procedures which were developed following a Committee recommendation based upon recent Palm Beach County changes to its various underwriting policies and procedures. She noted that the Policy was developed using recommended GFOA practices and she highlighted two of the more pertinent areas for Committee review and consideration.

A **motion** was made by Ms. Diaz, seconded by Mr. Boykin and unanimously passed recommending Board approval of the draft Debt Policy and Procedure for inclusion into the Accounting Procedures Manual at its December 16, 2009 Regular Meeting.

- **Consider: Additional Debt Finance Committee Member**

Ms. Quickel reported that another recommendation resulting from Palm Beach County's recent changes to various underwriting policies and procedures was Northern's creation of a Debt Finance Committee to be composed of the Budget and Banking Committee Members and one additional member. She explained that the recommended qualifications of the additional Committee member were for someone who is a fulltime resident experienced, preferably retired from and inactive in the underwriting industry and with no conflict of interest related to Northern. Three resumes were provided for the Committee's consideration. Ms. Quickel noted that each person has strong qualifications relevant to the work of the Debt Finance Committee, but one of them, Ms. Richman, has since left her position with Evergreen Investments to establish her own company.

A general discussion followed with regard to the qualifications of the applicants.

The Committee reached a consensus and recommended John Green, CPA, CGFM, CGFO, and Director of Financial Services for the Solid Waste Authority, based upon his experience as a CPA and the fact that he is also serving on the County's Debt Finance Committee.

Ms. Quickel stated that if the Board approves the recommendation, Mr. Green would be contacted to confirm his participation in the District's Debt Finance Committee.

- **FEMA Large Project Status Report**

Ms. Quickel reported that Staff continues to work with the FEMA representatives who are reviewing the Large Projects from Hurricanes Frances, Jeanne, and Wilma. There was some additional discussion with regard to the dispute between PGIT and FEMA on insurance coverage and Ms. Quickel responded that Northern has no additional information regarding the insurance concerns at this time.

She explained that Staff will continue to provide updates as the review work continues.

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

- **Consider: Accounting Manual Revision – Section 2 Disbursement Cycle**

Ms. Quickel explained that the Board last approved revisions to the Accounting Manual at their November 4, 2009 Board Meeting. This recommendation included ongoing revisions focused on a presentation format covering six major control areas – purchasing, disbursements, revenue, payroll, treasury, and debt.

The current suggested revision pertains to the disbursement control area including key controls and was presented to the Committee for their review. She noted that this section describes the process through which the individual documents verifying purchases and the receipt of goods are brought together, reviewed and approved to assure valid payment of vendor invoices.

A **motion** was made by Mr. Boykin, seconded by Ms. Diaz and unanimously passed recommending approval by the Board to these changes to Section 2 of the Accounting Manual.

- **Audit Update**

Ms. Quickel provided the Committee with an update regarding Northern's Audit Task List. She reported that Northern is on schedule for the audit to be completed at the end of February 2010, with the first draft scheduled to be presented to the Budget & Banking Committee in early March 2010. She noted that following the Committee's consideration of the draft audit, the Audit Report will be presented to the Board at their March 2010 Board meeting.

Ms. Lew-Jacobs asked how the PGIT and FEMA issues will impact the preparation of the District's financial statement and Ms. Quickel responded that this issue is still being worked on and no determination has been made at this time.

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

8. MISCELLANEOUS

None.

9. COMMENTS FROM THE COMMITTEE

There were no comments from the Committee.

10. ADJOURN

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