

**MINUTES  
DEBT FINANCE COMMITTEE MEETING  
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT  
March 17, 2010**

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The Debt Finance Committee discussed the following items on March 17, 2010 at 8:30 a.m. 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; as well as John Green, CPA, CGFM, CGFO was present.

Also present were Executive Director O’Neal Bardin, Jr.; Deputy Director C. Danvers Beatty; Executive Assistant Susan Scheff; Finance Director Katie Brunk; Budget Manager Laura Ham; General Counsel Kenneth W. Edwards of Caldwell Pacetti, et al.; District Financial Advisor Clark Bennett of Spectrum Municipal Services, Inc.; District Bond Counsel Mark E. Raymond, Esquire and Ken Tuma of Urban Design Kilday Studios (Unit 2C).

**2. ORGANIZE THE COMMITTEE**

It was the consensus of the Committee to appoint Mr. Boykin to serve as Chair and he accepted the appointment.

**3. 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.

**4. ADDITIONS OR DELETIONS TO THE AGENDA**

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

## 5. REGULAR AGENDA

- **Consider Bond Refunding**
  - **Unit of Development No. 16, Series 1999**
  - **Unit of Development No. 44, Series 2000B (Taxable)**

Mr. Bardin explained that SunTrust Bank presented a proposal to the District's Financial Advisor to refund the Unit of Development No. 16 Series 1999 and the Unit of Development No. 44, Series 2000B (taxable) bonds. Subsequent to the proposal, SunTrust determined that it had a potential conflict of interest regarding Unit No. 16 since they are the mortgage holder for several large projects in that Unit. As a result, it has since withdrawn its proposal for Unit No. 16.

Mr. Bennett then addressed the Committee and explained that after reviewing the initial proposals, he recommended that the Committee grant its approval for the Unit 44 transaction to move forward. He also requested direction as to whether he should contact other lenders with regard to the potential Unit 16 bond refunding.

A **motion** was made by Ms. Lew-Jacobs, seconded by Ms. Diaz and unanimously passed recommending the Board request the Financial Advisor put the potential Unit of Development No. 16, Series 1999, bond refunding out to bid with other banks.

The Committee considered the information provided by Mr. Bennett and Mark Raymond, Northern's Bond Counsel, regarding the advance refunding of the Unit of Development No. 44, Series 2000B (taxable) outstanding bonds.

There was a general discussion about what the determining factors are between taxable and tax exempt bonds and why the Unit No. 44, Series 2000B bonds are considered taxable.

Ms. Lew-Jacobs asked if the District has a policy and if so, does this comply with it since the District was approached by the bank about the refunding opportunity.

Mr. Bennett responded that he did not know if the District has such a policy but noted that the County does and they view an unsolicited offer as a bank having taken the initiative when others did not, so the County does not feel the need to put it up for bid.

A separate discussion followed with regard to the past underwriter rotation schedule and Ms. Diaz asked if the underwriters will be pre-qualified to which Ms. Brunk responded that as the Unit 2C formation process continues, the District will begin pre-qualifying underwriters.

Mr. Green asked if banks can be pre-qualified and Mr. Bennett responded that it would be difficult to do since banks change their policies from day to day.

A **motion** was made by Ms. Lew-Jacobs, seconded by Ms. Diaz and unanimously passed recommending the Board approve the Bond Resolution to refund the Unit of Development No. 44, Series 2000B (taxable) bonds.

- **Consider Scripps II/Briger Temporary Funding (Unit 2C)**

Mr. Bardin explained that Unit of Development No. 2C was created to finance, construct and maintain infrastructure for the Scripps/Briger development project. Northern has the authority to levy a “one time” assessment against the property within the Unit in order to finance the start up/organizational cost of adopting a Plan of Improvements and Engineers Report. This “one time” assessment can be pledged to repay a promissory note issued to cover these start up expenses. He further explained that the date of the levy of the “one time” assessment will be determined prior to the issuance of the promissory note. The expenses associated with the start up and organization of this unit are estimated at \$1,052,000, including the engineering, landscape architecture and legal fees. The issuance of the promissory note will be competitively bid to local lending institutions by Northern’s Financial Advisor.

Mr. Bardin stated that before the financing can occur, a Landowner's Agreement must be approved and a development order must be issued by the City of Palm Beach Gardens. A draft Landowner's Agreement is now being circulated and the zoning matter is scheduled for the City Council's consideration in April.

Mr. Bardin also stated that construction must commence within three years of development order approval which is due to occur on April 1, 2010.

Mr. Bardin reviewed a couple of the units that have gone through this process in the past.

Mr. Green asked Mr. Bardin to review the processes that the District goes through during unit formation. Mr. Bardin went through the process and also confirmed that as to Unit No. 2C, the County is in agreement with the process as well.

There was further discussion with regard to the timing of each step of plan adoption and implementation and when the Committee and Board would be presented with items for consideration.

This information was presented for informational purposes and no Committee action was required.

**6. MISCELLANEOUS**

The Proof of Publication was received and filed.

**7. COMMENTS FROM THE COMMITTEE MEMBERS**

Ms. Diaz asked about the timing of a Request for Qualifications for underwriters and Ms. Brunk responded that she will begin preparing one and will bring it to the Committee for review.

**8. ADJOURN**

There being no further business to come before the Debt Finance Committee, the meeting adjourned.