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VILLAGE OF NORTH PALM BEACH

AUDIT COMMITTEE

MEETING MINUTES

NOVEMBER 28, 2017

ATTENDING:

COMMITTEE

ED KATZ

DON KAZIMER

EMERY NEWELL ESQ.

CHRISTIAN SEARCY

DAVE TALLEY

TOM MAGILL CHAIRMAN

ABSENT

RICHARD PODELL (Notice received)

ADMINISTRATION

ANDY LUKASIK- VILLAGE MANAGER

SAMIA JANJUA-FINANCE DIRECTOR

CHUCK HUFF- SPECIAL PROJECTS DIRECTOR

COUNCIL

DARRYL AUBREY Ph.D. - MAYOR

BOB GEBBIA- VICE MAYOR

GUESTS

REBECCA GEYER- PFM SENIOR ANALYST

MICHAEL VILLELLA-FINANCE DIRECTOR-JUPITER

Meeting called to order at 4:30 PM

ITEMS DISCUSSED:

1. Minutes of October 2nd meeting were corrected to include Dave Talley as present. Minutes were then approved.
2. September closing data was not available at this time. Ms. Janjua will provide when it is complete.
3. Mr. Lukasik and Mr. Huff reported on the status of the clubhouse project. The current outlook is for continued operation for food and beverage until roughly May 1, 2018. Golf course renovation is scheduled for May 1 with demolition to follow almost coincidentally. Mr. Huff indicated his expectation that construction drawings would be submitted in time to meet the 12/31/2017 for code submission. Mr. Lukasik indicated that a change in Village Purchasing policy would allow the Village to employ a Construction Manager At-Risk procedure for the clubhouse effort. This approach, he feels will give the Village the best chance at minimum cost and control during the construction process. The Committee expressed its approval of this approach.

The Chairman expressed a continuing concern about the total cost estimated (Oct. 6, 2017) at \$15.9 million. The possible need for up to an added \$1 million from current planning was outlined. Mr. Lukasik indicated continuing effort along with Gaudet Associates to examine all potential cost savings.

4. Village Investments: This discussion centered on consideration of potential changes in allocation of Village investments. Ms. Geyer and Mr. Villella expressed their judgements concerning current market and interest rate outlooks. The discussion centered on the continuing need to exercise prudent, minimal risk coupled with adding return. Mr. Searcy gave a clear discussion of "ladder investments." The consensus reached was that extending the maturity range of the current portfolio was not recommended at this time. The expected change in the discount rate suggests that any extension of the maturity profile should be delayed

Use of unsecured bank or investment house bonds was discussed. They were dropped from consideration due to the likelihood of increased risk.

A change in our use of standby checking and savings accounts will take place. The Finance Director and PFM will utilize Prime Obligation and Investment Pools as an alternate.

The upshot of this discussion are the following changes in Investment Policy:

- a. Florida Prime (SBA) From 25% to 50%
- b. Intergovernmental Investment Pool: From 100% to 50%.

These policy changes were approved by the Committee

The meeting adjourned at 4:25 PM/

Tom Magill

Chairman