

NEFRC

December Monthly
**PERSONNEL, BUDGET &
FINANCE POLICY
COMMITTEE**
Meeting

December 7, 2006
9:30 a.m.

Northeast Florida Regional Council
6850 Belfort Oaks Place
Jacksonville, FL 32216



Bringing Communities Together

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MEMORANDUM

Date: November 28, 2006
To: NEFRC Personnel, Budget, and Finance Policy Committee
From: Donna Starling, Chief Financial Officer
Re: December 7, 2006, Committee Meeting

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A meeting of the Personnel, Budget, and Finance Policy Committee will be held on **Thursday, December 7, 2006, at 9:30 a.m.** at the **Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, Florida, 32216.**

AGENDA

1. Call to Order, Roll Call, Introductions – Vice Chair Fleckenstein
- *2. Approval of November 2, 2006 Meeting's Minutes – Vice Chair Fleckenstein
3. New Business
 - *A. October Financial Report – Donna Starling
 - B. Audit Update – Donna Starling
 - C. Building Refinance Update – Brian Teeple
4. Old Business
5. Next Meeting Date and Location: **Thursday, January 4, 2007
Northeast Florida Regional Council
6850 Belfort Oaks Place
Jacksonville, Florida 32216**
6. Adjournment

***Denotes Action Item**

Agenda

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Minutes of the
NORTHEAST FLORIDA REGIONAL COUNCIL
Personnel, Budget, and Finance Policy Committee Meeting
November 2, 2006

Draft

A meeting of the NEFRC Personnel, Budget, and Finance Policy Committee was held on Thursday, **November 2, 2006**, at 9:00 a.m., at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, Florida, 32216. **Chairman Sgroi** called the meeting to order with the following members present representing a quorum.

Rea Fleckenstein Bob Sgroi
Bill Basford Linda Myers

Excused: Hugh Fish

Absent: Tom Branan

Staff: Brian Teeple, Mario Taylor, Donna Starling and Angi Giles

Others:

*Approval of Minutes

Mr. Basford moved approval of the minutes of the October 5, 2006, meeting; seconded by Ms. Fleckenstein; motion unanimously carried.

New Business

*September 2006, Financial Report

Ms. Starling reported that the Council posted a Net Income of \$23,182 for the month of September and a Year to Date Net Income of \$91,191. The Business Development Corporation (BDC) posted a Net Income of \$9,914* for the month of September and a Year to Date Net Income of \$100,329. The Agency-wide totals were a Net Income of \$33,096 for the month and a Net Income of \$191,520 (includes BDC Net Income) Year to Date. The BDC payable to the Council is \$192,872 through September 2006 (*the BDC payable to RPC is decreased by this amount). Ms. Starling stated that these numbers represent the year-end numbers prior to the audit. **Ms. Fleckenstein moved approval of the September 2006 Financial Report; seconded by Mr. Basford; motion unanimously carried.**

DCA Base Contract, 2006/2007

Mr. Teeple stated that we have been operating under a letter of authorization to expend funds from DCA since the beginning of the state's fiscal year, July 1, 2006. The contract is slightly more than last year's contract due to an increase in statewide appropriation from the Legislature, from \$262,078 to \$289,017. The scope of the contract is nearly identical to last year's contract, there are no new tasks and the general contract conditions do not place any additional administrative or reporting burdens on the Council. Staff recommends that the Committee approve the contract and authorize Mr. Teeple to sign and execute the contract on the Council's behalf. **Mr. Basford moved approval of the contract and signatory authority; seconded by Ms. Fleckenstein; motion carried unanimously.**

Annual Audit Update

Ms. Starling stated that the Council is currently undergoing the annual audit; the auditors are on site now, and will be here for a couple of weeks. There are no problems at this time. The audit results will be presented to Committee in January, 2007.

Reorganization Update

Mr. Teeple informed the Committee that the most recent reorganization effectively completes the Council's reorganization efforts. The Personnel Services and Facilities Management section has been eliminated, necessitating the release of one employee from service. Several other staff members have been asked to take on additional duties. Donna Starling's title has been changed from Financial Manager to Chief Financial Officer. Donna has been functioning as the Council's CFO for some time now, and will be given responsibility of staffing the North Florida Procurement Association. Walter Bowman's title has been changed from Manager of to Director of Information Services and Data Analysis. Mr. Teeple also stated that the P3 Committee will be informed of these changes completing the reorganization process.

Business Development Corporation Update

The committee returned to its discussion regarding the advantages and disadvantages of reorganizing the BDC. Mr. Teeple brought the Committee's attention to a list of names that are illustrative of the fact that there is a substantial pool of potential members for a reformulated BDC. None of the people on the list have been contacted, but they represent the four categories required by SBA – lenders, government, business and community organizations. The debt owed to the Council by the BDC is currently \$192,872. Mr. Teeple noted that if the BDC is to continue and go forward competitively, that there will need to be additional staffing considerations made. Mr. Teeple anticipates that in order to make the project viable, there will be no excess revenue in the coming fiscal year, due to using that revenue for staffing issues. Mr. Teeple stated that the Council is out of time at this juncture and a decision is required at this meeting. **Mr. Basford moved that the Council reorganize the BDC membership to comply with SBA guidelines (Option 1); seconded by Commissioner Myers; motion passed unanimously.**

Old Business

None.

Next Meeting Date and Location

The next meeting is scheduled for **Thursday, December 7, 2006**, at 9:30 a.m., at the **Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, FL 32216.**

Adjournment

There being no further business to discuss, the meeting was adjourned at 9:59 a.m.

Agenda

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MEMORANDUM

DATE: November 28, 2006
TO: Northeast Florida Regional Council
THRU: Hugh D. Fish, Secretary/Treasurer
FROM: Donna Starling, ^{DS} Chief Financial Officer
RE: October 2006 Financial Report

Northeast Florida Regional Council posted a Net Income of \$15,119 for the month of October and a Year to Date Net Income of \$15,119. The Business Development Corporation posted a Net Income of \$4,000 for the month of October and a Year to Date Net Income of \$4,000. The Agencywide totals were a Net Income of \$19,119 for the month and a Net Income of \$19,119 (includes BDC Net Income) Year to Date.

BDC payable to the Council is \$188,871 through October 2006.

*The BDC Payable to RPC is decreased by this amount.

Regional Council - Agencywide	Adopted Budget 06/07	October, 2006	YTD	Represents % of Fiscal Year	Budget Variance
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Revenues					
Planning and Development	\$ 1,173,390	62,565	62,565	5%	-3%
Emergency Preparedness	\$ 955,759	92,720	92,720	10%	2%
County	\$ 586,359	48,863	48,863	8%	0%
Healthy Start	\$ 5,600,034	157,280	157,280	3%	-5%
Business Development Corporation	\$ 545,444	25,488	25,488	5%	-3%
Regional Data Center	\$ 166,023	9,288	9,288	6%	-2%
Tenant Revenue	\$ 85,000	6,177	6,177	7%	-1%
AME Ministerial Alliance	\$ 319,331	18,350	18,350	6%	-2%
Anticipated Revenue/Other	\$ 24,000	11,851	11,851	49%	41%

TOTAL REVENUES	\$ 9,457,340	\$ 432,563	\$ 432,563		
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Expenses					
Salaries and Fringe	\$ 3,231,719	219,020	219,020	7%	-1%
Contract/Grant Direct Expenses	\$ 5,457,861	147,643	147,643	3%	-5%
Common/Indirect - Allocated Expenses*	\$ 438,107	29,710	29,710	7%	-1%
General Fund Expense*	\$ 302,260	17,072	17,072	6%	-2%

TOTAL EXPENSES	\$ 9,429,947	\$ 413,445	\$ 413,445		
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Net Income (loss)	\$ 27,393	\$ 19,119	\$ 19,119		
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*Excludes Salaries & Fringe

Planning and Development	Adopted Budget		09/30/07	October 2006	440	Represents 3% of Fiscal Year	Budget Variance
	10/01/06						

Revenues							
Local Gov't T.A./DCA	\$	480,801	29,501	29,501		6%	-2%
DRI	\$	266,000	15,585	15,585		6%	-2%
TD	\$	110,000	8,715	8,715		8%	0%
SHIP/Weatherization	\$	187,600	8,763	8,763		5%	-3%
FIAM Training	\$	25,000	-	-		0%	-8%
Special Projects	\$	30,000	-	-		0%	-8%
Other Revenue	\$	73,989	-	-		0%	-8%

TOTAL REVENUES	\$	1,173,390	\$	62,565	\$	62,565	5%
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Expenses							
Salaries/Fringe	\$	650,850	38,773	38,773		6%	-2%
Direct	\$	66,948	4,915	4,915		7%	-1%
Common/Indirect	\$	455,592	21,066	21,066		5%	-3%

TOTAL EXPENSES	\$	1,173,390	\$	64,754	\$	64,754	6%
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Net Profit (Loss)	\$		\$	(2,189)	\$	(2,189)	
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		Adopted Budget		Represents 9%		Budget	
		10/01/06		of Fiscal Year		Variance	
Emergency Preparedness		09/30/07	October, 2006	YTD			

Revenues							
Emergency Preparedness Local TA	\$	438,832	26,638	26,638	6%		-2%
Hurricane Study	\$	40,000	-	-	0%		-8%
DCA LEPC	\$	44,909	2,909	2,909	6%		-2%
HMEP	\$	30,000	5	5	0%		-8%
Terrorism Statewide Coordination	\$	150,000	19,994	19,994	13%		5%
Terrorism Exercise Area 3	\$	20,000					-8%
FHS Terrorism Conference	\$	45,000					-8%
SHSGP Terrorism	\$	75,000	16,921	16,921	23%		15%
Statewide Exercise Evaluation	\$	86,000					-8%
State Training Video	\$	-	10,796	10,796			-8%
Cultural Workshop	\$	-	15,458	15,458			-8%
Other Revenue	\$	26,018	-	-	0%		-8%

TOTAL REVENUES	\$	955,759	\$	92,720	\$	92,720	10%
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Expenses							
Salaries/Fringe	\$	407,562	39,211	39,211	10%		2%
Direct	\$	282,435	38,687	38,687	14%		6%
Common/Indirect	\$	265,762	14,822	14,822	6%		-2%

TOTAL EXPENSES	\$	955,759	\$	92,720	\$	92,720	10%
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Net Profit (Loss)	\$		\$	(0)	\$	(0)	
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BDC	Adopted Budget				
	10/01/06				
	09/30/07	October, 2006	YTD	Represents 9% of Fiscal Year	Budget Variance

Revenues					
Processing	\$ 166,000	\$ -	\$ 560	0%	-8%
Interest	\$ 42,000	\$ -	\$ -	0%	-8%
Servicing	\$ 267,000	\$ 24,928	\$ 24,928	9%	1%
Other	\$ 70,444	\$ -	\$ -	0%	-8%

TOTAL REVENUES	\$ 545,444	\$ 25,488	\$ 25,488		
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Expenses					
Salaries/Fringe	\$ 351,830	\$ 14,339	\$ 14,339	4%	-4%
Direct Expenses	\$ 41,750	\$ 2,195	\$ 2,195	5%	-3%
Common/Indirect	\$ 151,864	\$ 4,954	\$ 4,954	3%	-5%

TOTAL EXPENSES	\$ 545,444	\$ 21,488	\$ 21,488		
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Net Profit (Loss)		\$ 4,000	\$ 4,000		
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Healthy Start	Adopted Budget 10/01/06 - 09/30/07	October, 2006	YTD	Represents 8% of Fiscal Year
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Revenues				
Department of Health	\$ 4,099,113	16,489	16,489	0%
Federal Healthy Start (Magnolia)	\$ 925,000	110,152	110,152	12%
Azalea	\$ 76,160	-	-	0%
Mom Care - SOBRA	\$ 489,276	29,668	29,668	6%
Other	\$ 10,485	972	972	9%

TOTAL REVENUES	\$ 5,600,034	157,280	157,280	
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Expenses				
Salaries/Fringe	\$ 697,423	46,841	46,841	7%
Direct Expenses	\$ 4,529,376	91,124	91,124	2%
Common/Indirect	\$ 373,235	19,315	19,315	5%

TOTAL EXPENSES	\$ 5,600,034	157,280	157,280	
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ASSETS

October 2006

Current Assets:

Regional Council Cash	1,104,869
Healthy Start Cash	121,352
Regional Council Accounts Receivable	621,142
BDC Accounts Receivable	155,388
Healthy Start Accounts Receivable	88,693
Due from other funds - BDC	188,871

Total Current Assets 2,280,315

Property and Equipment:

Office furniture and equipment	709,317
Software	115,200
Land	271,910
Building	1,928,090
Building improvements	467,168

Less accumulated depreciation 928,180

Total Property and Equipment, net 2,563,502

Other Assets:

Closing Cost 18,757

Total Other Assets 18,757

Total Assets 4,862,574

LIABILITIES

Current Liabilities:

Accounts payable	103,098
Due to other funds	188,871
Loan deposits	161,888
Accrued salaries and leave	162,606
Regional Council Deferred Revenue	640,612
Healthy Start Deferred Revenue	132,564
Tenant deposits	10,104
Notes payable - current portion	71,221

Total Current liabilities 1,490,863

Long-Term Liabilities:

Notes payable - long-term portion 1,541,974

Total long-term liabilities 1,541,974

Total Liabilities 3,032,837

EQUITY

Equity and Other Credits:

Contributed capital	197,936
Retained earnings	1,631,802

Total Equity and Other Credits 1,829,738

Total Liabilities, Equity and Other Credits 4,862,574

YTD Comparison

05/06 06/07

AGENCYWIDE

October	\$	1,817*	\$	19,119*
November	\$	28,162*		
December	\$	16,521*		
January	\$	9,482*		
February	\$	19,109*		
March	\$	27,931*		
April	\$	44,333*		
May	\$	108,112*		
June	\$	115,289*		
July	\$	140,848*		
August	\$	158,424*		
September	\$	191,520*		

BDC

October	\$	9,852	\$	4,000
November	\$	15,275		
December	\$	36,530		
January	\$	27,282		
February	\$	21,503		
March	\$	15,473		
April	\$	14,692		
May	\$	65,651		
June	\$	74,177		
July	\$	81,726		
August	\$	90,416		
September	\$	100,329		

* Includes BDC Year to Date totals.



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MEMORANDUM

DATE: November 28, 2006
TO: Northeast Florida Regional Council
FROM: Donna Starling,^{DS} Chief Financial Officer
RE: October Investment Report

Sweep Account Interest

September Interest \$3371

Florida Local Government Investment Trust

Current Balance \$13,659

Agenda

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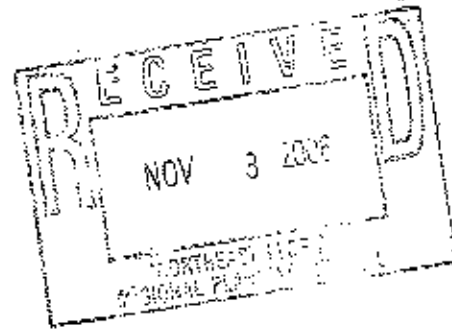
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MERCANTILE BANK

395 South Sixth Street
Maitland, FL 32063

November 2 2006

Northeast Florida Regional Planning Council
Brian D. Teeple, CEO
6850 Belfort Oaks Place
Jacksonville Florida 32216



Dear Mr. Teeple:

Mercantile Bank (hereafter the 'Bank') is pleased to offer you a revenue note commitment (hereafter the "Note") subject to the following terms and conditions:

- Borrower:** Northeast Florida Regional Planning Council
- Revenue Note amount:** \$1,960,000.00 (This will be a refund to the original amount of \$1,960,00.00 to do capital improvements to the building located at 6850 Belfort Oak Place Jacksonville, Florida.)
- Repayment terms:** The term will be fixed for a period of ten years amortized over a twenty year term. After the first 10 years the rate will adjust annually at the tax exempt rate equal to the banks prime lending rate.
- Interest rate:** The interest rate will be fixed for ten years at a rate of 5.25%. Payments will be based on the actual number of days elapsed divided by 360 days. This rate pre-supposes that the notes will be a bank-qualified, tax-exempt issuance, pending counsel's review and opinion.
- Bank commitment fees:** The bank is waiving the loan fee.
- Bank counsel fees:** Bank counsel's fees will be paid by the borrower at closing. Bank counsel will produce all documents and provide the legal opinion and tax exempt status of new notes.
- Prepayment:** This note may be prepaid, without penalty.
- Use of proceeds:** Proceeds will be used for capital improvements to the building located at 6850 Belfort Oaks Place, Jacksonville, Florida.
- Collateral:** This loan will be secured with a pledge of all unrestricted revenues of the council.
- Successors and assigns:** This Commitment Letter shall be binding on all parties thereto, their successors, assigns and representatives.

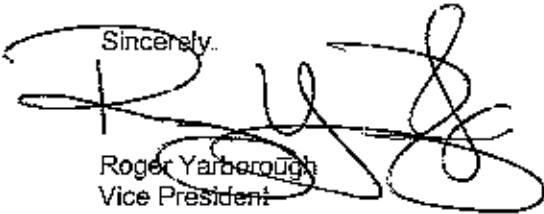
Material adverse change: This Commitment Letter is conditioned upon there having occurred no act, omission or undertaking which would, singly or in the aggregate, have a materially adverse effect upon the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower, any of its subsidiaries, or of any guarantor, or upon the ability of the Borrower to perform any material obligations arising under the revenue note documents.

Acceptance: If the terms and conditions of this Commitment Letter meet with your approval, please indicate your acceptance by signing and returning the original to us. This Commitment shall become null and void if not accepted within 15 (fifteen) days and closed within sixty (60) days of the date hereof.

Entire agreement: This Agreement, together with revenue note documents, supersedes all prior written or oral understandings or agreements between Borrower and Bank with respect to the matters addressed in the revenue note documents.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

Sincerely,



Roger Yarborough
Vice President
Relationship Manager

Acknowledged and agreed to this 17th day of November, 2006

Northeast Florida Regional Planning Council

By:



Its:

Chief Executive Officer