

Minutes of the
NEFRC Personnel, Budget, and Finance Policy Committee Meeting
August 3, 2006

A meeting of the NEFRC Personnel, Budget, and Finance Policy Committee was held on Thursday, August 3, 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.

	Hugh Fish Karen Stern	Bill Basford Linda Myers	Bob Sgroi
Excused Absence:	Rea Fleckenstein	Jerry Holland	Clare Berry
Absent:	Tom Branan		
Staff:	Brian Teeple, Mario Taylor, Donna Starling, Jeff Alexander, Lee Brown and Angi Giles		
Others:	Sonia Himmelberg, Mercantile Bank		

*Approval of Minutes

Chairman Sgroi moved approval of the minutes of the June 1, 2006, meeting; seconded by Mr. Basford; motion unanimously carried.

New Business

*May 2006, Financial Report

Ms. Starling reported that the Council posted a Net Income of \$12,820 for the month of May and a Year to Date Net Income of \$42,461. The Business Development Corporation (BDC) posted a Net Income of \$50,959* for the month of May and a Year to Date Net Income of \$65,651. The Agency-wide totals were a Net Income of \$63,779 for the month and a Net Income of \$108,112 (includes BDC Net Income) Year to Date. The BDC payable to the Council is \$225,049 through May 2006 (*the BDC payable to RPC is decreased by this amount). **Mr. Fish moved approval of the May Financial Report; seconded by Mr. Basford; motion unanimously carried.**

Ms. Starling stated that the increase in BDC income is due to a large interest check and processing fees received in May.

*June 2006, Financial Report

Ms. Starling reported that the Council posted a Net Loss of \$1,349 for the month of June and a Year to Date Net Income of \$41,112. The Business Development Corporation (BDC) posted a Net Income of \$8,526* for the month of June and a Year to Date Net Income of \$74,177. The Agency-wide totals were a Net Income of \$7,177 for the month of June and a Net Income of \$115,289 (includes BDC Net Income) Year to Date. The BDC payable to the Council is \$216,523 through June 2006 (*the BDC payable to RPC is decreased by this amount). **Mr. Basford moved approval of the June Financial Report; seconded by Mr. Fish; motion unanimously carried.**

Mr. Fish asked if there were any signs that the markets would affect BDC loans. Mr. Teeple responded that, in previous experience, as interest rates climb the 504 product (the loan product) becomes more attractive, even though fewer people are seeking loans. A discussion followed regarding the residential real estate market, and Senate Bill 360.

*Investment Recommendation Presentation

Donna Starling introduced Sonia Himmelberg of Mercantile Bank to discuss sweep investments of the Council bank accounts. Mr. Teeple stated that a meeting took place between the Council and **Mr. Fish** (as the Treasurer) prior to bringing the investment recommendation to the Committee. The bank discussions began as the Council took a look at the note on the Council building due to the fact that this note was fixed in rate for the first 5 years, and will now begin to float. The bank suggested several options to consider regarding investment opportunities. In the "Overnight Investment Sweep – Repurchase Agreement" excess funds are automatically invested at the close of business each day; funds swept into the repurchase agreement are secured by US Government or Agency securities at 101% collateralization; current interest rate is 4.14%. Mercantile offered 3 options to the Council, Option 1 and 3 included Healthy Start accounts, Option 2 included only Regional Council accounts. A discussion followed the presentation. **Mr. Fish** stated reservations regarding federal regulations concerning Healthy Start funds. **Mr. Fish** recommended to Committee that Option 2 be chosen. Mr. Teeple stated that Staff would investigate federal regulations and report back to the Committee. **Commissioner Myers** stated that the sweep investment is a fantastic opportunity. Mr. Taylor reported that the sweep can be stopped at any time; there are no time limits or costs associated with the sweep. **Mr. Fish moved that the recommendation be presented to the full board for implementation of Option 2; seconded by Mr. Basford; motion unanimously carried.**

Mr. Teeple stated that it is not atypical for government and/or public entities to use a "sweep" for investment, and that this investment is consistent with our investment policy.

*NEFRC becoming the FEMA Disaster Recovery Representative for the Region

Mr. Alexander presented a program whereas the region could represent the counties post-disaster, and address the financial issues that arise following a disaster, particularly regarding funds management, grants disbursement, identifying and dealing with the federal and state government and other programs that flood into a community and create an excessive burden in managing these monies and where they belong. Mr. Alexander recommends that the Committee have 3 sessions, of approximately an hour each regarding pre-disaster, post disaster, and during a disaster; what needs to be done, what is being done now, and what things need to be done by the county or local government in order to insure the funds are received. The Staff will take direction from the Committee in regards to what kind of program the Committee would like to see put in place, and how to move forward. An interlocal

agreement would be needed between the Council and its member counties. The Council would be used to supplement county agencies and provide direct assistance to those counties, upon their approval. **Mr. Fish** suggested a continuation due to time constraints, to be held on August 28, 2006 at the Northeast Florida Regional Council.

Old Business

Next Meeting Date and Location

The next meeting is scheduled for Thursday, September 7, 2006, at 9:00 a.m., at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, Florida, 32216.

Adjournment

There being no further business to discuss, the meeting was adjourned at 10:05 a.m.