

**WORKSHOP MEETING
BOARD OF COMMISSIONERS
TOWN OF REDINGTON SHORES
THURSDAY, DECEMBER 20, 2007 – 5:00 P.M.**

MINUTES

Present upon roll call: Commissioner Wojcik, Commissioner Branch, Vice Mayor Adams and Mayor Armstrong. Absent: Commissioner Holthaus

NEW BUSINESS

SBA Investments

Mayor Armstrong explained the workshop meeting was called to bring the Commission up to date on the Town's investment pool funds at the State Board of Administration (SBA). The Town has three funds up at the state, General, Sewer and Capital funds. As more information was obtained in regard to the SBA situation, as much of the monies the town could move was moved and deposited into the town's Wachovia accounts.

Commissioner Wojcik reported to the Commission he was part of a conference call today regarding Certificate of Deposit Account Registry Service (CDARS) and submitted the following information.

1. CDARS = Certificate of Deposit Account Registry Service.
2. QPD = Qualified Public Depository Banks.
3. The CDARS presentation was sponsored by Promontory Interfinancial Network, (PIN), LLC
4. PIN provided evidence that the CDARS program was legal under FL law and recognized by the FDIC as an insurable product under the FDIC program.
5. PIN confirmed that they use only QPD institutions.
6. The CDARS program:
 - a. Utilizes a local bank into which the Town would deposit public funds through the purchase of CDs.
 - b. That night, the CDs purchased would be distributed to the appropriate number of participating banks across the country so that each CD was under the \$100,000 insurance maximum provided by the FDIC.
 - c. The CDs were liquid on maturity dates.
 - d. The CDs carried competitive interest rates.
 - e. To provide increased liquidity, they recommended "stepping" the purchase of the CDs, such as every week or on a similar periodic schedule.
 - f. PIN receives fees from the Banks, not directly from the Town.
7. Advantages:
 - a. CDs are fully insured with the FDIC.
 - b. Work with one, local bank.
 - c. CD level interest rates.
 - d. One monthly statement.
8. Disadvantages:
 - a. Requires management by Town staff of the CD maturities, interest rates, and liquidity schedule.
 - b. Early withdrawal penalties are prohibitive.
 - c. The "local" banks offered are not in Redington Shores or the adjacent communities.

Mayor Armstrong introduced Ken Wheatley and Joe Callaghan representatives of Wachovia Bank. Mr. Wheatley handles the government affairs. Mr. Wheatley addressed the Commission, explaining that as a municipality of the State of Florida all funds are considered public funds, which have to be maintained by a qualified public depository. The first \$100,000.00 of the funds are insured by FDIC. The remaining funds are insured through the qualified public depository act in the state of Florida. The Commission discussed with Mr. Wheatley options for the monies wired down from the SBA: CD's, which need to be managed, and Redington Shores being a small municipality does not have the staff for this management. Another choice would be a

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public fund money market account, which is exactly like the town's checking accounts as far as collateral. After further discussion the Commission asked Town Clerk, Mary Palmer to set up a meeting with Mr. Wheatley, Tom Pease, Town Auditor and Town Clerk Palmer to discuss using a public fund money market account and report back to the Commission.

MISCELLANEOUS

None

Respectfully submitted,

Mary F. Palmer, CMC
Town Clerk