



# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Minutes Finance Board

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Monday, August 5, 2024

3:00 PM

Town Hall

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**Rescheduled from July 23, 2024**

Meeting was called to order at 3:01 PM with Chairman Piccarreto presiding.

### ROLL CALL

**Present** 3 - Chairman Kevin Piccarreto, John Hail, and Kathleen Perrott

**Excused** 2 - Lawrence Copp, and Tom Kurey

### CITIZENS COMMENTS

No Citizens Comments

### APPROVAL OF MINUTES

[24-0117](#) Approval of May 14, 2024 Meeting Minutes

**Kathleen Perrott moved to approve the minutes. Seconded by John Hail.**

**Aye:** 3 - Chairman Piccarreto, Hail, and Perrott

**Absent:** 2 - Copp, and Kurey

### GENERAL AGENDA

[24-0111](#) FY2023 Annual Comprehensive Financial Report and Audit

Gay Lancaster, Town Manager-introduced Amy Lockhart as the Interim Finance Director.

Amy Lockhart, Interim Finance Director-stated audit came back clear as an unmodified opinion; no significant deficiencies.

Ms. Lancaster stated it was presented to the Commission on July 9th and was accepted.

No questions of the board.

[24-0112](#)

## Investment Schedule - FY2024 3rd Quarter Results

Ms. Lockhart spoke on the investment schedule; the Town was still with the State of Florida; spoke on average interest rate in FL SAFE account and is earning 5.4%, 5.55% in the State Board of Administration fund.

[24-0116](#)

## Review of Approved Resolution 2024-18 and the new Agreement for the State Revolving Fund Loan program (SRFLP): Lead Service Line Loan

Ms. Lockhart spoke on Resolution 2024-18 approved by the Commission on July 9th for additional funding; increased loan amount.

No questions of the board.

[24-0114](#)

## Maximum Millage Preliminary approved at the July 9, Town Commission

Ms. Lockhart spoke on Maximum Millage Preliminary rate approved by the Commission at 6.9777; projected review is to increase the general fund. Ms. Perrott questioned last time an increase was done, Ms. Lockhart addressed.

[24-0115](#)

## FY2025 Budget Overview

Ms. Lockhart provided overview; spoke on the general fund.

Ms. Lancaster spoke on restructuring of staff, movement from programming to line item budget, GFOA standards; presenting a clear picture of operating costs, previously operating in a deficit, spoke on prudent operations, importance on spending money for infrastructure, maintenance needs, capital equipment replacement funds.

Mr. Piccarreto questioned vehicle purchase; Ms. Lancaster addressed prior leases coming to an end, need to replace that vehicle.

Mr. Hail questioned time frame of replacements. Ms. Lancaster addressed.

Ms. Perrott questioned if numbers presented include millage increase. Ms. Lockhart stated it does not.

Ms. Lockhart spoke on increasing fund to 15% of equipment replacement value in a fund.

Ms. Perrott questioned where deficit was; Ms. Lockhart stated deficits were in water and solid waste, equipment replacement savings not properly transferred over.

Mr. Piccarreto spoke on total deficit of \$697,000, questioned amount to be put away this year, around 300,000.

Ms. Lockhart spoke on town facilities not budgeted for; bringing fund to 15% helps to catch up for replacement needs; General fund balance is \$4.3 million unrestricted, by policy 20% of reserves to be saved, all ad valorem has been received, must last from June to early December; spoke on personnel, legislative/town commission budget, executive budget, other governmental services includes permitting and facility maintenance; finance and administration, which includes finance and accounting, communications, human resources, and fire services contract; cyber security framework

is required by statute, will require a onetime contract with a 3rd party; police department and expenses/revenue related to off duty, increase to sheriff contract, equipment to be replaced, includes their share of the 15% toward the capital equipment replacement fund.

Nanette Freeman, Human Resource Manager-addressed question regarding number of personnel in police department. Ms. Lancaster spoke on utilization of part time officers to be able to fully staff.

Ms. Lockhart spoke on Parks and Streets, adjustments to staff in those departments, anticipates increases to contracts.

Ms. Perrott questioned responsibility of sidewalks, Ms. Lancaster addressed.

Ms. Lockhart resumed presentation of Parks and Streets budget, capital needs are two fuel tanks and their proportionate share of the 15% cap replacement reserve; spoke on recreation staff changes, increase to field trip costs, 15% share of equipment replacement reserve.

Ms. Lockhart addressed question regarding deficit in recreation. Ms. Lancaster stated the department was seen as a service, changes being made to recoup costs of field maintenance.

Mr. Piccarreto questioned kids using fields. Ms. Lancaster spoke on potential for key cards or way for members to access.

Ms. Lockhart recapped items that need to be replaced this year, totaling \$313,000; spoke on equipment replacement fund projected balance and recommended increase to be 15% of the estimated \$3.5 million equipment value; opportunity for ARPA fund use.

Ms. Lancaster stated ARPA funds can be used to fill in gaps, however it is not a long term solution; restrictions on how funds can be used; vote for millage was to allow trim notice to go out reflecting the preliminary millage rate, proposed rate is maximum that it could be.

Ms. Perrott questioned what percentage cost increase in the budget from current year in the general fund; Ms. Lockhart stated it is 18%. Ms. Perrott questioned if there is a way to compare like to like to better show increase.

Ms. Freeman spoke from personnel perspective, restructuring has been done for cost savings, some full time positions have been made part time; working diligently to reduce costs on the personnel side, no COLA increases, merit eligible, insurance increases.

Ms. Lancaster will provide as much detail for comparison as possible.

Ms. Perrott commented on capital reserve fund; Ms. Lancaster spoke on potential for incremental savings.

Ashley Bernal, Assistant to the Town Manager-spoke on Infrastructure Fund; major projects are completion of the bluff study, Carl and Shirley, Belleair Creek study, recreation building hardening, transfer-out department service fund; important to discuss rising project costs, reviewing CIP quarterly rather than annually with engineer to better gauge costs; historic assessment of the bridge on Indian Rocks Road phase III must be done.

Ms. Lancaster spoke on meeting that must be held for stakeholders to speak on bridge and historic assessment; state statute requirements; county sewer force main that will need included in design; no plan for waterline replacement in original plan.

Ms. Perrott questioned if phase II could be done first due to challenges with engineering on III; Ms. Lancaster stated it is being looked into, the round-about will need redesigned; challenges; contractor and material costs are increasing rapidly.

Ms. Bernal continued presentation with projected fund balance; appropriations are not guaranteed so they are not projected; spoke on upcoming projects.

Mr. Piccarreto questioned plan for increasing fund balance; Ms. Lancaster spoke on stripping services down or increasing revenue; main source is ad valorem, limited commercial means mostly residential; 1.25 mill dedicated to infrastructure; need to save dollars.

Mr. Hail spoke on new water plant; questioned pipes to be replaced. Ms. Lancaster spoke on replacements being done as projects are completed; spoke on Black and Veatch study findings, no urgent problems, however goal is to replace a percentage of pipe annually; plant may start construction in 2025.

#### [24-0118](#)

#### Solid Waste Rate Proposal FY2025

Ms. Lockhart stated staff is requesting a 5% increase to rates; increase to personnel, recycling contract, Pinellas County disposal fees, fuel costs, reserves for a new truck.

Mr. Piccarreto spoke on recent increases, questioned if it will occur annually. Ms. Lancaster spoke on previously approved annual increase which expires this year, most likely need to increase annually.

Board discussion on recycling costs; waste to energy plant; percentage of residents desiring recycling.

Ms. Lancaster seeking recommendation.

**Kathleen Perrott moved to support the rate increase. Seconded by John Hail.**

**Aye:** 3 - Chairman Piccarreto, Hail, and Perrott

**Absent:** 2 - Copp, and Kurey

#### [24-0120](#)

#### Water Rate Proposal

Ms. Lockhart spoke on deficit in water budget, increase to Pinellas County rates by 5% in October, installation of pipe to replace galvanized pipe, increase maintenance costs to meters and hydrants, need to establish a capital equipment replacement fund; loan forgiveness does not include the administrative fee and any items needed to furnish the building; staff looked at water base fees and usage fees separately to calculate amount needed.

Discussion ensued regarding water used for irrigation; number of people using wells; water schedule; driving people to use less potable water; future potential for reclaimed water use.

Ms. Lockhart spoke on charges for service; tier one users are not being charged enough to cover our cost of purchasing the water; seeking board comments on retaining a three tiered model or moving to a four tiered model; to make the deficit in the current 3

tier structure, water base fee would need to increase by 22-25% increases to each tier would be needed.

Ms. Lancaster stated average consumption is 14,000 gallons per month; suggests the four tier system, better distribution of costs and charges.

Ms. Perrott questioned clarification on rate changes per tier. Ms. Lockhart addressed.

Mr. Piccarreto questioned advantage of 4 tier. Ms. Lockhart stated it smooths out usage and increases the expense; less of an increase for lower user; commercial customers not seeing an increase.

Ms. Lancaster looking for a recommendation. Ms. Perrott in agreement to move to a 4 tier system to break gap from 4,00 to 25,000.

**Kathleen Perrott moved to recommend the 4 tier approach. Seconded by John Hail.**

**Aye:** 3 - Chairman Piccarreto, Hail, and Perrott

**Absent:** 2 - Copp, and Kurey

[24-0134](#)

Request for Finance Board members to serve on the Town's Audit Committee

Ms. Lockhart discussed the audit committee; need volunteers to work on the committee. Ms. Lancaster discussed the previous audit committee, need for an RFP as the contract with Saltmarsh is ending, looking for volunteers to serve on the committee, member Tom Kurey has said he will serve, Ms. Perrott, Mr. Piccarreto, and Mr. Hail will serve. Consensus to hold the next Finance Board meeting on the 28th and hold the Audit Committee meeting after.

## **OTHER BUSINESS**

Ms. Lockhart spoke on future demands on cash; construction costs for water treatment plant, will need to start planning for funding, infrastructure as well.

Ms. Perrott commended staff for meeting materials.

## **ADJOURNMENT**

No further business; meeting adjourned in due form at 4:59 PM.

## **APPROVED:**

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**Chairman**