



# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Minutes Finance Board

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Monday, September 16, 2019

4:00 PM

Town Hall

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**Welcome. We are glad to have you join us. If you wish to speak, please wait to be recognized, then step to the podium and state your name and address. We also ask that you please turn-off all cell phones.**

### ROLL CALL

**Present** 4 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, Kevin Piccarreto, and John Hail

**Excused** 3 - John Prevas, Mary Griffith, and James Ingersoll

Others present: Richard Cristini and Deputy Mayor Rettstatt

### CITIZENS COMMENTS

### APPROVAL OF MINUTES

[19-0224](#)

Approval of August 1, 2019 and August 15, 2019 Meeting Minutes

Chairman Olson stated the board had before them the approval of the August 1, 2019 and August 15, 2019 meetings; need motion to approve August 1, 2019 meeting.

Chairman Olson called for approval of the minutes of August 15, 2019.

**Kevin Piccarreto moved to approve minutes of August 1, 2019. Seconded by Dan Hartshorne.**

**Aye:** 4 - Chairman Olson, Vice Chairman Hartshorne, Piccarreto, and Hail

**Absent:** 3 - Prevas, Griffith, and Ingersoll

**Dan Hatshorne moved to approve minutes of August 15,2019. Seconded by Kevin Piccarreto.**

**Aye:** 4 - Chairman Olson, Vice Chairman Hartshorne, Piccarreto, and Hail

**Absent:** 3 - Prevas, Griffith, and Ingersoll

### GENERAL AGENDA

[19-0254](#)

Discussion and Evaluation of BB&T Revenue Bond Refinance

JP Murphy, Town Manager, discussed previous action and discussion from the board and the Commission related to current market rates and debt issuances. Staff re-engaged Mr. Jay Glover, who previously spoke on this matter, to begin a

conversation with BB&T. After much discussion, BB&T would honor a fifteen year deal with 2.46%. The agreement also eliminates the prepayment penalty on the current agreement. The prepayment penalty portion of the conversation was a major discussion piece. There are some options, but Mr. Glover suggested taking the non-callable options and the Town will most likely not be able to prepay these items.

Mr. Murphy stated the two deals represent savings of \$400,000 to the town. Mr. Murphy recommends that the town should partner with BB&T instead of going out to search more markets for opportunities.

Mr. Hartshorne asked about the two costs, requesting clarification on the 2.516%. Mr. Murphy stated that the \$22,000 and \$26,500 of fees would be split between the two deals. The rate stays the same, even though it affectively is more than the 2.46%.

Mr. Olson asked if the debt service will be recorded as a \$2 million increase of \$4 million increase? Mr. Murphy stated that it will show as \$4 million of new funds. Mr. Olson asked where the slack will be picked up in future budgets. Mr. Murphy stated that there are some major revenues for the infrastructure fund which bring in more than \$330,000 per year, which would cover the additional \$258,000 of debt payments. Ultimately, these three sources would be more than enough to cover the increase in the debt service payment.

Mr. Hail asked about the plan for the \$4 million, to which Mr. Murphy stated that it is going towards the Capital Improvement Plan, or however the Commission wishes to utilize it - which would most likely be towards the CIP.

Mr. Murphy discussed various roadway and other capital improvement projects.

Mr. Olson raised a few instances of concern, such as Penny for Pinellas potentially ending in 2030, which would result in \$500,000 loss of being able to pay the debt service. European interest rates are also unmanageable, but Mr. Hartshorne does not think that America will experience negative interest rates. However, they could go closer to 0%.

Mr. Murphy stated that staff was concerned about Penny IV not going through, but we have a number of tools available, such as increasing stormwater fees, which have not been touched since early 2000's. Any of these other fund sources could be used to support the debt service payment. Mr. Murphy stated that a gas tax may be coming in the future years.

Mr. Olson asked for clarification on the recommendation.

Mr. Hartshorne made a comment on the initial borrowing of funds; stated that Belleair needs to pick projects that are needed and visible to reduce blowback from residents.

Mr. Olson asked the board to have to motions; the first should be to approve the non-Callable for the first five years.

Mr. Olson stated the next item would be to make a motion to accept the BB&T offer of financing at 2.46%.

**Kevin Piccarreto moved to go with non-callable options for the first five years. Seconded by Dan Hartshorne.**

**Aye:** 7 - Chairman Olson, Vice Chairman Hartshorne, Prevas, Griffith, Piccarreto, Hail, and Ingersoll

**Mr. Hartshorne moved to accept BB&T's offer for 2 bond issues totaling \$12 million dollars at 2.46% for 15 years. Seconded by Kevin Piccarreto.**

**Aye:** 4 - Chairman Olson, Vice Chairman Hartshorne, Piccarreto, and Hail

**Absent:** 3 - Prevas, Griffith, and Ingersoll

[19-0252](#)

Discussion of the Audited Comprehensive Annual Financial Report for Fiscal Year 2017-18

Mr. Stefan Massol, Director of Support Services, opened the discussion by talking about the draft of the CAFR. Mr. Cristini is present for this presentation. Mr. Massol recapped what goes into producing the CAFR; important pieces to look at are the fund financial statements, as well as the management discussion and analysis portion (MD&A); MD&A section noted an increase of \$621,197 to the town's overall net position; trend of positive net position is continuing.

Mr. Olson asked about the foreseeable future of the fund balance, to which Mr. Massol stated there is no current foreseeable pressure that it would experience. Mr. Murphy requested an update on the FEMA Hurricane funds. Mr. Massol stated the town expected to see \$470,000 in revenue, but we are now projected to receive over \$600,000.

Mr. Massol stated the only fund to experience a net decrease in fund balance was the general fund. Every other fund experienced an increase in their respective net position. Mr. Massol continued by discussing the total net position of funds town-wide. He also explained what is new within the 2017-18 CAFR.

Mr. Olson asked Mr. Cristini about his notes in the letter, asking if there were any major issues. Mr. Cristini said there were no major deficiencies. Mr. Cristini noted that the finance department is not fully staffed, and that it has not made a significant difference in the net effect. His only recommendation is more staff. Mr. Olson echoed this. Mr. Olson stated that the numbers staff needs to be beefed up.

**John Hail moved to approve the CAFR after review to the commission. Seconded by Dan Hartshorne.**

**Aye:** 4 - Chairman Olson, Vice Chairman Hartshorne, Piccarreto, and Hail

**Absent:** 3 - Prevas, Griffith, and Ingersoll

[19-0255](#)

FOP Negotiations Update

Mr. Murphy opened the conversation stating that there have been some updates on the FOP negotiations; Foster & Foster ran a few scenarios so that the Town can determine and estimate the impact on the pension. The commission approved a \$500 stipend to individuals who are eligible. This resulted in an additional \$24-\$32k to the police department budget.

Mr. Murphy stated that as long as current members are not affected, the 5-year tenure can be reduced to 3-years for future members. Mr. Murphy showed the chart that Foster & Foster generated, discussing the options. There seems to be support for the 55 & 10 Normal Retirement. It is important to note that these changes would occur in the 20-21 fiscal year. The maximum amount of savings is \$173,000. The second tier of options would result in savings of \$126,000. The salary basis includes 3% merit and the 1.5%

raise standards.

Mr. Olson asked if these unique benefits package would be offered to other employees as well.

Mr. Murphy stated that the HSA options are currently being offered and will be encouraged among staff.

**OTHER BUSINESS**

No further business.

**STAFF REPORT**

Mr. Murphy state the appraisal on Ahlf properties should be finalized in next day or so, which the plan for selling properties will go before commission; discussed process for sale of property; selling will start with inland property; interested parties.

Mr. Murphy stated the Golf course was engaged for appraiser, some title work needs to be done; a clear title transfer document has not been found, but staff is checking with county records.

**COMMISSION ADVISOR REPORT**

No report given.

**ADJOURNMENT**

Meeting adjourned in due form at 5:10 PM.

**APPROVED:**

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**Chairman**