



Town of Belleair

901 Ponce de Leon Blvd.
Belleair, FL 33756

Meeting Minutes Finance Board

Thursday, June 18, 2020

4:00 PM

Town Hall

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.

Meeting was called to order at 4:01 PM with Chairman Olson presiding.

Hale, Hartshorne, Ingersoll in person; Ashley Bernal and Stefan Massol in person; Richard Cristini in audience

Ms. Griffith arrived after the approval of the minutes.

ROLL CALL

Present 6 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, John Prevas, Kevin Piccarreto, John Hail, and James Ingersoll
Absent 1 - Mary Griffith

CITIZENS COMMENTS

No comments

APPROVAL OF MINUTES

[20-0151](#) Approval of February 20, 2020 Meeting Minutes

Mr. Ingersoll moved approval of the minutes. Seconded by Mr. Hail.

Aye: 6 - Chairman Olson, Vice Chairman Hartshorne, Prevas, Piccarreto, Hail, and Ingersoll

Absent: 1 - Griffith

GENERAL AGENDA

[20-0141](#) Presentation of the FY 2018-19 Comprehensive Annual Financial Report

Stefan Massol-Director of Support Services-Provided a brief overview of the CAFR, highlighting the four major sections. Mr. Massol then discussed the segments within each respective section. He summarized the independent auditor's report, as well as the Management Discussion and Analysis chapter of the report.

The Town's net position increased overall by nearly \$1.5 million. The General Fund fund balance continues to remain over \$2 million, complying with the town's Fund Balance Policy. From 2014-15 to 2018-19, the Town's net position has grown by over \$4 million.

Mr. Massol continued the discussion by highlighting the changes within each fund's fund balance. He then summarized the changes in net position based on activities. He closed the discussion by stating where individuals can receive a copy of the CAFR if they wish.

Mr. Olson stated that they received a clean and glowing report from Mr. Cristini's firm. He asked for Mr. Cristini to give some ending comments.

Richard Cristini-Town Auditor- Stated the year has been interesting for his firm and clients. Port St. Lucie, West Palm, and Palm Gardens are all doing well. With respect to the report, some systemic issues came up but were ultimately resolved. The tests of compliance and regulations were passed. There was nothing identified as materials weakness within the town's finances. Mr. Cristini gave shining remarks for Mr. Massol. He also states he believed the Town of Belleair will continue to receive consecutive awards for this report.

[20-0142](#)

Discussion of Investments FY 2019-20

Mr. Massol stated this was the second year where Belleair has been more invested in the local government pools; summarized the freeze in 2008 performed by the SBA, stated that the funds have remained fairly stable, which resulted in the Town moving money back into the market. If the market drops, the Town will reconsider.

Mr. Hartshorne asked about the basis points, to which JP Murphy-Town Manger-responded that we are at 70 basis points. Mr. Hartshorne inquired about investment in stocks. Mr. Murphy stated that he would have to look at the policies and was stated in the CAFR. Mr. Hartshorne commented on poor rates of return; Mr. Murphy rebutted stated the town was not looking for major returns, especially as \$900,000 was frozen, so when the market faltered, the funds were placed into an insured account; policy does allow it, but the town would have to audit it. Mr. Cristini stated that the General Auditor allows it, but he does not like it, that it is left up to the community of what would be done.

Mr. Cristini spoke about the volatility of the market.

Mr. Olson stated that we should look at alternatives.

Discussion ensued regarding alternatives, money market funds, and rate of return.

Mr. Murphy stated that if the board wishes to recommend and inspect the options, staff can move forward with it. Mr. Olson requested Mr. Murphy and Mr. Massol look at alternatives and bring them back to the board. Mr. Hartshorne stated that if the Commission is against it, the board should drop it; recommended moving forward with inspection of securities for public entities.

Mrs. Griffith inquired about the affects of COVID-19 on the housing market. Mr. Murphy explained presently the Pinellas County Property Appraisers Office has not determined any major decrease.

Discussion ensued regarding the current real estate market.

Mr. Olson clarified any action required on moving forward with inspections on possible Schwab accounts. Mr. Murphy provided information regarding the Florida State pool; will do research.

[20-0143](#)

Discussion of Reserves

Mr. Massol began the discussion by reviewing the previously stated fund balances; discussed the expectations of fund expenditures to grow, even if operations do not - personnel will, and how Irma has impacted the history of fund balances; discussed how the Finance Board previously wished to discuss the reserve/fund balance policies.

Mr. Murphy explained how the staff was largely worried about the Water Fund a few years ago, but it has largely balanced out.

Mr. Murphy also stated that changes in reserves can be shown in the upcoming budget year. As the town does not normally budget from reserves, those changes are not typically shown, however there can be a special segment on it this year. He does not foresee any sort of prior year reserves being used to balance the budget.

Mr. Hail asked about trends related to COVID-19 in receivables in the budget. Mr. Massol spoke on the state revenue sharing program and sales tax being impacted, as well as the Penny for Pinellas program and also spoke on how there is closer to a 30% decrease instead of the 50% decrease the state estimated; stated utility collections have also been affected. As an accommodation, utility turn offs have been suspended, as well as late fees. This has resulted in an uptick in lien letters.

Mr. Prevas asked about how the Belleview Hotel, the Country Club and Pelican Golf Club may impact the town. Mr. Massol stated that he cannot speak to that, but all appears fine. Mr. Murphy stated there was a minor dip when the entities closed briefly, but nothing to majorly impact the Town overall.

Mr. Hail asked about the Belleair Country Club land lease negotiations, to which Mr. Murphy explained it will go before the Commission on the June 21 meeting.

[20-0145](#)

Election of Officers

Mr. Olson stated nominations were open for Chairman and Vice Chair for board.

Mr. Prevas nominated Mr. Olson for Chairman.

Ms. Griffith nominated Mr. Hartshorne and Vice Chair.

No further nominations.

Mr. Prevas nominated Mr. Olson for Chairman. Seconded by Mr. Hartshorne.

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

Ms. Griffith nomination Mr. Hartshorne for Vice Chair. Seconded by Mr. Ingersoll.

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

[20-0160](#)

2020 - 2024 Forecast

Mr. Massol kicked off conversation by explaining the process for the forecast process; General Fund had a surplus in 2018, largely due to Hurricane Irma grant proceeds; stated that the future out-years had begun to look more bleak, largely due to the lack of trend increases; did not think that the fund will experience this ultimately, as this forecast is very conservative.

Mr. Murphy has asked each department to challenge the status quo in the coming budget year, especially to find a stable foothold coming out of COVID-19. Mr. Massol stated that contractual increases, such as General Liability Insurance may be difficult to manage, but there are other ways to improve overall numbers. Mr. Murphy stated that COVID-19 presents some unusual challenges to the department, particularly the Recreation department. The department is already experiencing a large reduction in revenue sources, but the expenditure is slightly offset. This is a challenge being faced across multiple programs in the Town. These challenges, while daunting, may prove to have unique solutions in the end.

Mr. Piccarreto questioned if recreation was able to come up with solutions during quarantine; Mr. Murphy explained that they were able to create ideas and even new programs.

Mr. Hail asked about the Ahlf property status. Mr. Murphy stated that the sale was approved at the second reading this week, and will close shortly after settling an easement issue; discussed bidding of properties; provided background information; Mr. Hartshorne asked about the total revenue, which was \$1.56 million.

Mr. Olson discussed a resident memo requesting defunding the police which was more of a "redistribution of funds"; inquired as to whether there were plans for a public hearing; Mr. Murphy stated there were no plans; Mr. Prevas inquired as to the Town's liability with regard to any claims regarding the police department.

Mr. Piccarreto questioned why the matter was being discussed as it is for the Commission to address; stated that the board's duty was to make recommendations about financial responsibilities or issues that the Commission had requested. Mr. Olson stated that "other business" is when these items should be discussed. Mr. Piccarreto deferred to the Chair and Mr. Murphy; stated that the police budget has already created an interesting solution to the budget challenge, which is where the conversation should be left.

Mr. Prevas again asked for clarification on the issue. Mr. Murphy stated that there is an insurance coverage for police issues related to risk management. The limits of liability are not immediately known.

OTHER BUSINESS

Mr. Hail updated the board on the status of the Mayor and his move. Mayor Katica wishes to continue as Mayor, but his health is deteriorating. He moved into Mr. Prevas's and Mrs. Griffith's building.

Mr. Olson requested the meeting in July to be moved to a later date. Mr. Murphy stated it will likely be the last week.

STAFF REPORT

None

COMMISSION ADVISOR REPORT

None

ADJOURNMENT

Meeting adjourned in due form at 5:28 PM.

APPROVED:

Chairman