

**MINUTES OF THE FINANCE BOARD MEETING HELD AT BELLEAIR TOWN HALL
ON FEBRUARY 20, 2014 AT 4:00 P.M.**

MEMBERS PRESENT: Thomas Olson, Chairman
Dan Hartshorne, Vice Chairman
Mary Griffith
Ernest Whittle
Tom Lokey
Tom Kurey

MEMBERS ABSENT: John Prevas

OTHERS PRESENT: JP Murphy, Assistant Town Manager
Mayor Katica, Commission Advisor

Quorum present on roll call with Mr. Olson presiding. Meeting was called to order at 4:00 P.M.

APPROVAL OF MINUTES

Mr. Olson stated that the board had for consideration the approval of minutes for the January 2, 2014 and the January 16, 2014 board meetings; asked if there were any corrections or changes.

Mr. Whittle moved approval of the minutes of the January 2, 2014 and the January 16, 2014 board meetings as submitted. Motion was seconded by Mr. Hartshorne and was approved unanimously.

CITIZEN'S COMMENTS

There were no citizen's comments.

FIRST QUARTER UPDATE ON WATER RATE PERFORMANCE

Mr. Murphy stated that the town had completed 3 months of billing on the new water rate structure; stated that the revenues were trending according to staff's forecast; stated that there was less than a 1% variance; that because of having only 3 months of data, that he could not overlay what last year's actual usage was over what had been used this year; that in the month of January there was some down use of the water of about 2 million gallons; that the average town wide consumption was at 21,183,000 gallons per month.

Mr. Olson inquired about the January expenses.

Mr. Murphy stated that in January there was a bulk order of chemicals, meter parts and some ongoing maintenance items; stated that those items were easier to purchase in bulk.

Discussion ensued regarding the chemicals being used in the water and clouding.

Mr. Olson stated that there would be discussion regarding billing comparisons at the next meeting.

CONSIDERATION OF BUILDING SERVICES

Mr. Murphy stated that Mr. Massol would be presenting the item to the board; stated that Fred Hawes retire just before the budget process last year; that during the process they talked about a privatization option with a group that the County had been using as well as Madeira Beach and Treasure Island; that at that time they made some budgetary decisions based on some preliminary estimates they had provided on a piggybacking option; that staff wanted to bring back before the board to have discussion as to whether we should look at it as in-house, stay with the County or look at a third party solution.

Stefan Massol, town financial analyst, stated that staff wanted to examine some options in the private sector as well as other governments nearby that could provide interlocal service; that the town had been using Pinellas County and have not been able to have some of the flexibility needed to schedule inspections at a particular time; stated that typically the County was available to do inspections on the day that the contractors need them; that the issue was that the inspectors do not have the flexibility to give in advance, a time certain for the inspections; stated that previously residents had the capability to call in and ask the past building official for an early time or time certain for the inspection; that staff would like to have a more tailored attention to inspections.

Mr. Murphy provided a review of the previous building department procedures with an application and plan review; stated that plan review had gone from a one day to a several week process; that one thing that was missing was to have one person looking at the plans and having that quick turnaround; spoke about permitting procedures and code review; stated that with the previous building official, it was difficult to have meetings with contractors and residents because of time constraints; that staff would like to have that flexibility.

Mr. Massol stated that the service level, from the private level worked in a team of sorts; that even though there would be one person designated to work on our behalf, there would be more expertise at our disposal in using a larger group; provided an overview of the financial impact and estimated costs associated with each option.

Mr. Olson inquired about the bids for the private entities.

Mr. Murphy stated that staff solicited quotes but did not go out for bid; that if we did not go with a piggyback contract with another interlocal, we would have to solicit for bids; that the quotes were of varying ranges; that the one that staff looked at was the lowest of the three.

Mr. Massol stated that there had not been a request for proposal presented; stated that one of the private entities provided a quote based on three days per week, 24 hours of work per week which came up to an annual cost of \$96,000; that it was the least of three options of those being private contract, Pinellas County or to bring it back in-house; that the quote was for \$75.00 per hour.

Mr. Olson inquired about the flexibility of billing of hours and whether it would be billed for 3 days a week.

CONSIDERATION OF BUILDING SERVICES, cont.

Mr. Massol stated that staff believed that there were close to 3 full days needed on any given week; stated that there could be some potential for a 4th day per week, depending on the work load.

Discussion ensued regarding private entities; regarding the costs associated with using a private entity; regarding being able to cancel the contract; regarding the length and terms of the contract; regarding the costs of using a private entity versus going with an in-house inspector; regarding the flexibility offered by using a private entity.

Mrs. Griffith moved to recommend to the commission staff's recommendation to use an outside private provider for building inspections. Motion was seconded by Mr. Whittle and was approved unanimously.

GENERAL STAFF UPDATE

Mr. Murphy provided a brief update regarding a few items that were happening in town and at Town Hall.

Mr. Murphy stated that the recycling program was well underway; stated that there was a lot of great feedback about the recycling; spoke about some issues regarding some residents not having enough storage space for the can or did not want to participate; that the first Thursday, that the new single stream recycling took place, they collected 12 tons of recycling; that there was 3 tons diverted from going directly to the landfill; that it looked like the new program will be very positive; that staff was waiting on WSI as to whether they can accommodate our recycling; spoke about the tippers; spoke about Pelican Place's recycling.

Discussion ensued regarding recycling and the amount that had been diverted.

Mr. Murphy stated that the public works building was now open and invited the board to take a tour of the facility; stated that the commission had for discussion at the work session, the naming of the facility after John Osborne or some other naming rights.

Mr. Murphy stated that staff was beginning the budget process early this year; that Mr. Maxwell was beginning to work with the department directors to start working on some budgetary processes; that the board may see a budget much earlier this year.

Mr. Murphy stated that he had been asked where staff was at with the water study; that staff was able to get grant money for the study at 50% funding with SWFWMD; stated that it has taken some time to get that document and agreement back from SWFWMD.

Mr. Massol stated that SWFWMD informed staff that it would take approximately 3 weeks to receive the documents; that 3 weeks became 3 months; that they had explained that it became part of the product of the holidays and their legal department; that it had turned into a very long process.

GENERAL STAFF UPDATE, continued

Mr. Murphy stated that their contractor was ready to go however; stated there was very specific language in the SWFMUD contract that said any work done prior to execution would not be reimbursed.

Mr. Murphy stated that the audit would begin at the end of the month; stated that Stefan Massol would be taking the lead role in the audit this year and Micah Badana would be taking the lead on the budget; that he would be working closely with both of them on these items; stated that big item for this board would be the strategic plan; spoke about reaching out to residents to receive input; that the program will be getting on the ground very soon.

Mr. Whittle inquired about the Ponce de Leon/Indian Rocks Road roadway improvements and roundabout.

Mr. Murphy stated that the project would begin early next month; stated that Verizon was finishing up their prep work moving the fiber optic and telephone lines.

Mr. Kurey inquired about the golf course final numbers.

Mr. Murphy stated that staff was still working on the internal audit; that there was two separate audits to be completed; that there was to be a 9/30 audit for the golf course before doing the January 1st audit.

Discussion ensued regarding the structural projects with the pipes and the roads.

Mr. Kurey inquired about a project that had to be redone and if the town had to pay for the repairs; inquired about the various projects being done throughout the town as far as any over runs or under runs and where they sat as far as the budget.

Mr. Murphy stated that staff could bring the discussion of projects forward to the board at the next meeting; stated that typically it was something that staff would bring to the infrastructure board; spoke about change orders; that the only change order that was brought back to the commission was the \$100,000 dollar change order for the Druid Road project because of the water pipes; that the issue regarding the Manatee and Palmetto project was something they found out when going through inspections; that the construction of the project had not been done correctly; that the costs for the correction, in that case, was the responsibility of the contractor; that anything with a problem with constructability was the responsibility of the contractor.

Mr. Kurey stated that he had spoken at the commission meeting on Tuesday evening; stated that one of the things that the commissioners had asked relating to the golf course lease, was had the finance committee looked at the lease; that he would like to be as responsive as possible to the commission when they had questions; spoke about the past loan review by the board; stated that he was not sure if they needed to change the function and responsibilities of the finance board; that he was looking

for guidance from the Mayor and Mr. Olson; that he wanted to speak with someone about this issue sooner, but knew that the discussion had to be done at a public meeting.

Discussion ensued regarding the golf course lease; regarding the board's review and vote concerning the golf course lease; regarding the board's responsibilities in reviewing leases and contracts.

Mr. Olson expressed his views regarding the duties of the finance board; stated that in terms of the board, that he as chairman, had to make determinations as the most efficient way for the board to run business; that he wanted the board to concentrate on the financial aspects for the town; stated that Green Golf Partners would be reporting to the board quarterly and would not report monthly as they had in the past.

COMMISSION ADVISOR REPORT

Mayor Katica spoke favorably of Gregg Lauda who works in the building department; stated that he was doing a great job and handled things smoothly; spoke briefly about the hotel property.

ADJOURNMENT

There being no further business to come before the board the meeting was adjourned in due form at 5:10 PM.

Approved: 3/10/2014