

**BELLEAIR FINANCE BOARD
NOTICE**

Date: February 13, 2014

TO: Thomas Olson, Chairman
Daniel H. Hartshorne, Vice Chairman
Mary Griffith
Ernest Whittle
Tom Lokey
John Prevas
Tom Kurey

Gary H. Katica, Commission Advisor
Richard Cristini, Advisor

There will be a meeting of the **Belleair Finance Board on Thursday, February 20, 2014 at 4:00 p.m. in the Town Hall auditorium.**

Please plan to attend. In the event you are unable to attend this meeting, please notify the Town Clerk's office at 588-3769 Ext. 214 or 312.

Your attendance is very important!

The following agenda items are provided for your consideration:

1. Approval of Minutes - January 2, 2014 and January 16, 2014

Documents: [FB MINUTES-SM JANUARY 2, 2014.PDF](#), [MINUTES-JANUARY 16, 2014 .PDF](#)

2. Citizen's Comments

(Discussion of items not on the agenda. Each speaker will be allowed 3 minutes to speak.)

3. 1st Quarter Update on Water Rate Performance.

Documents: [AGENDA SUMMARY SHEET- WATER RATE PROGRESS.PDF](#), [WATER 1ST QTR ESTIMATES..PDF](#)

4. Consideration of Building Services

Documents: [BUILDING DEPARTMENT SERVICES AGENDA SUMMARY FINAL.PDF](#), [BUILDING DEPT. COST COMPARISON.PDF](#)

5. General Staff Update

No attachments needed.

6. Commission Advisor Report

7. Adjournment

** To be distributed.
* Previously distributed.

Copy to: Micah Maxwell, Town Manager

Donna Carlen, Town Clerk
JP Murphy, Assistant Town Manager

MINUTES OF THE FINANCE BOARD SPECIAL MEETING HELD AT BELLEAIR TOWN HALL ON JANUARY 2, 2014 AT 4:00 P.M.

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

MEMBERS ABSENT: None

OTHERS PRESENT: JP Murphy
Micah Maxwell 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.

CITIZEN'S COMMENTS

There were no citizen's comments.

RECOMMENDATION OF AWARD OF CONTRACT-BELLEVIEW BLITMORE GOLF COURSE

Mr. Olson provided a brief review of the Invitation to Negotiate for the Belleview Biltmore golf course for lease or purchase; spoke about the time frame for submitting the proposals; stated that the matter before the finance board today was simply which of the bids did it recommend to the town commission.

Town manager Micah Maxwell stated that there were two paths listed in the summary sheet; stated that one was the lease path and the second was the purchase path; stated that there were two proposals for purchase; that one from Green golf Partners and one from Belleview Biltmore Partners; that the Green golf Partners was for \$3.4 million with 10% down; stated that the remaining amount would be seller financed over a 20 year period with interest based on LIBOR; that the second option was from Belleview Biltmore Partners with a \$3.5 million bid with seller financing for the 1st year at 6.5%; that the issue with that bid was related its contingency as it related to the purchase and moving forward with the Belleview Biltmore property; that there was to date, no knowledge as to when that might occur; that in terms of the two proposals for purchase, financially the Belleview Biltmore Partners proposal was better financially, but it did not score as well for various purposes; that one reason was that the contingency for hotel; stated that of the Green Golf Partner's proposals, their lease proposal was more attractive; stated that in terms of the purchase proposals, staff would not recommend moving forward with either of the purchase proposals.

RECOMMENDATION OF AWARD OF CONTRACT, cont.

Mr. Prevas inquired about the Belleview Biltmore Partners group.

Mr. Maxwell spoke about the four lease proposals and the formula used as applied to each of the proposals; Club Pro Golf bid 10% which equated to \$230,000 at 2.3 million dollars; Green Golf Partners had a combination of a lease payment and a payment based on gross revenue; that the lease payment originally was discussed at \$96,000 and then at the gross revenue there would be a 7% of gross revenues if there was a number achieved over \$4.0 million dollars; that at 5% if the gross revenues were between \$2.0 million and \$3.9 million; that below \$1.999 million, it would be 3% of gross revenues; that it would equate to about \$211,000.; stated that Clearwater Golf Club bid 3% of gross revenue; that they had a floor of \$60,000; that the fourth proposal was Cypress Golf Management which did not bring forth any hard numbers; that the proposal was very broad; that staff was looking for numbers in that situation; that the committee did score each of the bid proposals based on number of items; that Green Golf Partners achieved an average of 79; Club Pro received an average of 48; Clearwater Golf Club received an average of 34; stated that they began discussions with Green Golf Partners; that the committee looked at changing the structure; that originally it was 5% of anything over gross; that the \$96,000 in actual lease payments proposed was increased to up to \$160,000.00 in 4 quarterly payments; that everything above \$1.6 million the town would receive 6.5% of gross revenue; that there was more protection with that structure; that there was some discussion with Club Pro; that the committee felt that moving forward with a lease with Green Golf Partners was the correct decision; that based on the town's experience with GGP, the committee had the best confidence with Green Golf Partners with the dollar revenue numbers that they could bring in to the club; spoke about the potential gross revenues.

Mr. Olson inquired as to the recommendation of staff and the committee; stated that staff's recommendation was located on the last page of the summary; stated that there was several lease points listed; that the lease would be for a 10 year lease term and to build up the revenue so that at an eventual sale point, the golf course would look more attractive.

Mr. Maxwell reviewed the major lease points with the board; stated that there was a change for non-renewal time of at least 365 days; that it was changed to a year and one-half; that number five listed in the points was that GGP would expend a minimum of \$500,000 on town approved capital improvements over the life of the 10 years and an additional \$500,000 if the lease was renewed; that there was a 6th term not listed under the major lease points; that it was an early termination clause; spoke about the early termination clause.

Mr. Olson stated that the two proposals to purchase the golf course were contingent upon the town taking back the paper and the risk; inquired if there was anyone on the board to have additional conversation about selling the property or should the members concentrate solely on the staff recommendation of a major lease.

Ms. Griffith inquired about selling the property during the term of the lease.

RECOMMENDATION OF AWARD OF CONTRACT, cont.

Mr. Maxwell stated that if there was a purchaser during the lease term, the purchaser would continue the lease; that the lease would be sold with the property if that was their option; stated that the early termination clause could come into play; that that the termination clause would not specify whether it would be paid by the 3rd party or the town; that it would be in the purchase sale agreement between those two parties.

Mr. Kurey stated that he did not feel that any of the purchase offers, were given the fact that the town was to hold the paper, were worth the risk; stated that if the town was to enter into a lease or management agreement as far as he was concern, the golf course was for sale from day one; that the agreement should be structured so that the golf course can be sold immediately if a good offer had been presented.

Discussion ensued regarding the early termination clause; regarding the Club Pro Partners; regarding the maintenance and cart paths.

Lil Cromer, 4 Belleview Blvd., inquire about the town's involvement with the lease company during the 10 year lease regarding employees; inquired about any audits.

Mr. Maxwell stated that staff wanted to limit the interaction with the lease company as much as possible; stated that it would be primarily with the annual audits; that it was one of the reasons that we went with a higher lease number instead of a percentage number.

Michael Soronen, 116th St., Seminole expressed his concerns regarding the current company that was leasing the golf club; stated that going with a local group would be a better means; spoke in favor of going with Club Pro Partners, which had previously been with the club for 12 years.

Mr. Olson stated that the board had a recommendation from staff; stated that a motion to approve staff's recommendation would be in order.

Mr. Prevas moved to approve staff's recommendation. Motion was seconded by Ms. Griffith.

Discussion:

Mr. Kurey stated that he felt that the approval of the lease agreement was moving too quickly and it seemed to him that they were in a rush to do the lease; stated that they were still getting terms at the 11th hour; stated that he was not saying that they should not go with GGP or sign a lease; that he felt that the board needed a little more information; expressed his concerns with the early termination clause; stated that that the Town of Belleair was a very small community and it would be bearing a significant amount of risk in owning the golf course; spoke about unknown risks of the contract; stated that they had not done enough due diligence on the agreement; stated that asking for a vote now was premature; that staff and the board should be take more time to look at the agreement.

Mr. Olson stated that the commission asked the board to reach a decision as to the potential sale or lease of the golf club; that the board needed to bring back to the commission that intent; stated that since the board had decided that selling the golf course under the terms and conditions of the two proposals did not make any sense due to the risk to the town; that the recommendation of staff was to go with a lease with Green Golf Partners.

Mr. Hartshorne expressed his concerns regarding the advertising of the "Invitation to Negotiate"; stated that he agreed with Mr. Kurey that we must be very careful to understand the lease better than can be done now at the board meeting.

Mr. Lokey inquired as to the length of the current lease agreement.

Mr. Maxwell stated that the current lease agreement had expired.

Mr. Prevas stated that he was in favor of going with the lease with Green Golf Partners; stated that reason was that Green Golf Partners was a known entity and had done reasonably well over the 10 month period; that the main benefit of a lease was the fact that it gave the town time to develop a perspective on the value of the land; that the town may find themselves sitting on a valuable resource in the next 5 to 10 years; that we should turn to our town attorney to make sure that the agreement was in our best interest.

Ms. Griffith stated that she agreed with Mr. Kurey regarding knowing the specific risks; that she did agree with going with the lease like Mr. Prevas stated; that she too agreed that the value of the property would rise; that she would like to support Mr. Kurey; that we should really know those risks.

Mr. Kurey stated that all he was asking for was some additional time so that they may do a little more due diligence; that he felt that by approving the lease and going ahead with it, when we do not have knowledge of all of the provisions and understand what the risks were, that he did not think it was advisable.

Discussion ensued regarding approving a 10 year lease; regarding the content of the lease; regarding deferring to the attorney to make sure that the town was protected when developing the terms of the lease.

Mr. Olson spoke about the procedures for advertising a RFP or invitation to negotiate; stated that the town must follow the legal requirements and publish it accordingly; stated that the property did not have much of a sales attraction because of the gross revenues; that when the gross revenues were higher, the eventual purchase price would be higher; that it would make sense to increase those gross revenues; that in speaking for GGP, we have had 10 months experience with them; spoke about a trust relationship; stated that we must rely on the town attorney and the staff and commission; that after ruling out a sale of the property, the lease seems to be the only way to go.

Mr. Kurey stated that staff should talk with some experts with golf course leases; stated that there should be more input from other parties in order to understand lease terms.

RECOMMENDATION OF AWARD OF CONTRACT, cont.

Mr. Olson stated that the legal document enforcing this idea was not in our purview; that it was the town commission and town attorney's purview; that the details of the lease was not what the board was all about; that the board was to take an idea that was presented to us and decide if it had financial merit and could present to the town commission an opportunity to move forward; that the risks can never be quantified; stated that the property was not sellable at this time; that the best option was to drive the gross profits and increase the potential sale of the property; that the rest of the details should be left up to the commission and to the town attorneys.

Mr. Kurey stated that understanding the financial risk were absolutely a financial detail that the board should be concerned with; stated that he would like to have more detail on the specifics of the lease so that they could be able to make a decision on the lease points.

Discussion ensued regarding the lease document; regarding the board reviewing the final lease document before recommendation to the commission; regarding Mr. Kurey's involvement with the selection committee and the lease arrangements.

Mr. Maxwell stated that the board was being asked whether they agreed with the major deal points; that what was being asked of the commission was that did they agree with the major deal points, and would the commission authorize staff and the attorney to approve or not approve the final agreement.

David Ottinger, town attorney, stated that Mr. Kurey was right in that they were a little in the dark about the details of the lease agreement; stated that in good faith, there was an obligation; spoke about the time frame with getting the ITN out to bid; stated that the general frame work of the lease was that lessee would take over all responsibility for operating the course and the maintenance of the facilities; that it would be the tenants responsibly to maintain the course and take the risk; spoke about insurance; stated that you have to look at this as a landlord tenant situation with a building; there will be a prevision for a termination of default if they do not perform their obligations; that then the town can terminate the lease.

Discussion ensued regarding damages regarding default; regarding the lease having a provision for an early termination; regarding not having a provision of right of first refusal.

Mr. Maxwell stated that a right of first refusal would not be in the lease agreement.

Mr. Kurey inquired as to whether Green Golf Partners wanted the finance board or commission to make a decision today or in two weeks or a month.

Matt McItee, president and principal majority owner of Green Golf Partners, 2560 W. Argyle, stated that in terms of the timing, that he had to looked at this as a business and to understand the seasonality; that there are a number of people that have not renewed their memberships; that GGP has operated in good faith and have been a good partner and kept its promises; that they have not been able to give an answer to those members with what the outcome would be with the golf

RECOMMENDATION OF AWARD OF CONTRACT, cont.

course; that because of that, they have withheld their memberships; that GGP have proven that they will work with the town every step of the way; that the majority of the business was from December to April; stated that his recommendation was that they want to start off on the right foot, so if it was time the town wanted then it would be so; that as a businessman, the sooner it was set in stone the better; that every employees at a golf course in the state of Florida are hourly employees and need their jobs; that the possibility of uncertainty was not good for them; that they will continue to do what was needed and will live with the town's decision whether it was us or someone else; stated that he has three municipal lease which total more than 40 years; that he has never had one that had such a strong intent to sell the golf course; that it did scare him to invest some of his own money and time and make significant capital improvements to a facility when you are so adamant about selling; that he was willing to continue to be a partner with the Town of Belleair; a partnership was the only way for this to work where both parties felt that are being treated fairly.

Mr. Kurey spoke about the risks of owning a golf course for Belleair; stated that he thought that the other municipalities that own a course were larger than the Town of Belleair; that once the board gets to see the final lease and we know the additional terms, that it should not take a significant amount of time to get that done.

Mr. Olson stated that he would call and end to the discussion and call a vote in a moment; stated that if he was shown a lease and given three weeks to read it, he would not be in any better or worse shape to vote for the concept than he was now; that the concept was what was valid and it was what should be recommend to the commission; that the commission can deal with the details and that was where the board should rely on the town attorney and chief staff.

Vote on the motion was taken. Ayes: Prevas, Whittle and Olson; Nays: Lokey, Hartshorne, Griffith and Kurey. Motion was defeated by a 4 to 3 vote.

Mr. Maxwell stated that the vote by the board had occurred and there was not a recommendation to the commission; that the item goes forward to the commission; that they may or may not ask that it come back to this board.

ADJOURNMENT

There being no further business to come before the board the meeting was adjourned in due form at 5:20 PM.

**MINUTES OF THE FINANCE BOARD MEETING HELD AT BELLEAIR TOWN HALL
ON JANUARY 16, 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 December 19, 2013 board meeting; asked if there were any corrections or changes.

Ms. Griffith moved approval of the minutes of the December 19, 2013 meeting as submitted. Motion was seconded by Mr. Kurey and was approved unanimously.

CITIZEN'S COMMENTS

There were no citizen's comments.

REVIEW OF DECEMBER GOLF COURSE FINANCIALS

Bryan Cox, general manager of the Belleview Biltmore Golf Club, 1712 Belleair Forest Dr., stated that he was officially a resident of Belleair; provided a review of the December financials; stated that the rounds were down because of weather issues; that green fee sales were down as well; that range revenue was up in December; that there has been a continued increase in use of the practice facilities; reviewed the cost of goods sales and percentages; stated that Pinellas Mayor's monthly luncheon went well and will continue to have the luncheon at the club for the next two months; stated that he had been in contact with the Bay Area Concierge Service to become an affiliate member; that the golf club will be listed on their website; that the concierge desk at area hotels would direct them towards our golf course; that he will be personally going out and visiting the hotels on the beach and introducing himself to promote the golf course and club; stated that they were starting "couples golf"; that they had 23 couples signed up for the for the first night; spoke about other special events and new bookings; spoke about providing local craft beer and beer tasting; spoke about the member/guest golf outing.

REVIEW OF DECEMBER GOLF COURSE FINANCIALS, cont.

Mr. Hartshorne inquired about the "Petty" category under current golf assets; also inquired as to the drop in accounts receivable.

Mr. Kurey inquired about the sales detail by department concerning the dues adjustment.

Tom Rodems, Green Golf Partners, stated that there was some membership dues that were billed twice; that there was an adjustment this month to get correct the error.

Mr. Kurey inquired about the aging; stated that it seemed to be a large adjustment to have at the end of the year; spoke about the food and beverage line items that were below budget.

Discussion ensued regarding the cost of goods sold.

Mr. Kurey inquired about the costs of fertilizer for the month.

Mr. Rodems stated that the purchase was within the closing statement of inventory; that there was \$7,000 worth of credit to the town in the closing; that town staff had been working on the inventory; that it was specifically towards the fertilizer and chemical; stated that membership dues were billed on December 31st for the month of January; that there was a \$54,000 closing number for January; spoke about dues that were prepaid.

Mr. Cox stated that he would be working on increasing year long membership now that things had been settled with the golf course; stated that they were working on a marketing plan that would include advertising locally and nationally.

Discussion ensued regarding marketing and advertising; regarding Belleair resident membership.

DISCUSSION OF SOLID WASTE - REVIEW OF MUNICIPAL RATES

Assistant Town Manager, JP Murphy stated that at the last meeting the chairman asked for a few items to be brought forth; that one was some of the discrepancies regarding one of the schedules in the Kessler report; that with the holidays and other in house items such the golf course lease, the other items had not been addressed yet; that what was brought back was the report where staff looked at various jurisdiction and municipalities regarding the solid waste fees; that there were many cities that were utilizing privatized service; that some had a fee for recycling and offer special pickups; reviewed the chart with the board; stated that this was a continuation of the conversation the board had previously as to what can be done to reduce the solid waste fees; that he felt that if the recycling was brought in-house, that it would save approximately \$100,000 a year; spoke about the new recycling cans and recycling in general; spoke about trash collection.

Discussion ensued regarding recycling for condominiums; regarding identifying the recycling cans and serial numbers for each residence; regarding those residents that do not want to recycle.

DISCUSSION OF SOLID WASTE - REVIEW OF MUNICIPAL RATES, cont.

Mr. Olson inquired about the continued relationship with the City of Clearwater recycling.

Mr. Murphy spoke about the flyers that would be distributed with the new recycling cans; stated that the relationship currently with Clearwater was that the town would continue to pay Clearwater to provide the collection, in turn, Clearwater would collect, carry and sell the recycling waste through their solid waste transfer station; that we receive a rebate of the contract price that we owe Clearwater monthly; that it was a very real possibility that with the addition of the tippers to the the town's solid waste trucks for repurpose, that we could collect the recycling; that the only issue at the moment was that we do not have a place to dispose of the recycled goods; that Clearwater has their own recycle transfer station; that there was a current provider in Pinellas County, WSI who currently was collecting all of Hillsborough County; stated that staff was reaching out to WSI to see if they can handle our recycling; that if they can, then we can start collecting recycling ourselves; that recycling can help pay for the solid waste system.

Mr. Lokey inquired about the comparisons chart of Municipal Residential Solid waste fees and where would the town will be after going with the new system.

Mr. Murphy stated that it would not be possible to get the solid waste fees down to a \$13.74 rate; stated that the town's current disposal costs ran about \$100,000 a year; that staff was estimating that the town could save about 30% by doing the recycling diversion; that it was a key point for the town; spoke about the costs for solid waste per year including personnel; stated that staff felt that they could get the costs down lower; that some of the early numbers indicated that it might be possible to get down to that \$20 to \$25 dollar range.

Ms. Griffith stated that those households that she had talked to that were using a private purveyor, were paying approximately \$35.00 a month for trash pickup; that those figures did not compute with the \$13.00 amount figure; inquired whether if those communities were having a general contract with the private collector; that the homes that she had sold an dealt with, were all paying about \$35.00 a month for trash pickup.

Micah Badana, management analysis stated that he looked at the different municipalities solid waste rates through their online services; that if he could not find that information online, he called the finance and utility billing departments to find out their rates and to see if they had a contract or not; that most of them had contracts with private companies.

Discussion ensued regarding the rates being published for single family homes for monthly pickup.

Mr. Kurey spoke about the mid-range rates of the local municipalities; stated that if the town could get down to that \$20.00 rate range, it would seem to be a reasonable number and much more comparable and would be great for the residents.

DISCUSSION OF SOLID WASTE - REVIEW OF MUNICIPAL RATES, cont.

Mr. Murphy provided his ideas regarding recycling, trash pickup and cost cutting savings in the solid waste department; discussed staffing, trucks and level of service within the solid waste department.

DISCUSSION OF GOLF SPECIAL REVENUE FUND BALANCE POLICY

Mr. Murphy stated that the item was for internal controls and financial fund balance policies; stated that the golf fund was initially setup as a special revenue fund; stated that since we were leasing the property, the special revenue fund gave the town some help; that \$500,000 dollars was transferred over to the golf fund; that it was just a ledger transfer, that cash had been exchanged; that at closing and the books had been closed, that it would be prudent to return that \$500,000 dollars back to the general fund since that fund was self sustaining; that the \$500,000 dollars had nothing to do with operating and was never dipped into for any expense; that it was set aside in case there was a need to spend the money and thankfully that did not occur; that what needed to be done, like the general and enterprise fund, was to set a minimum undesignated fund balance and then have a discussion about the assignment, if we wanted to have a specific assignment; reviewed Exhibit A of the special revenue golf fund balance policy; stated that we have to define our fund balances in accordance to the GASB 54 rule; reviewed the definitions of the various fund balances; that the minimum unrestricted fund balance level would be approximately 10% of the total golf operating expenditures; that the current expenditure level was about \$200,000 dollars.

Discussion ensued regarding Green Golf Partners; regarding the reserves.

Mr. Murphy stated that the assigned fund balance was established for assignment of capital expenses each year; that it would be assigned specifically for future capital improvement expenses; that the assigned amount for each year would be \$50,000 dollars.

Mr. Lokey inquired as to maintenance of the golf course structure.

Mr. Murphy stated that the town was obligated to maintain the structure of the buildings and any of the capital items listed on the schedule of the lease; that it would be the exterior and bones of the building.

Discussion ensued regarding the maintenance of the buildings for the golf course; regarding the assigned fund balance reserves for the golf course; regarding the revenues coming from the golf course; regarding the possibility of selling the golf course.

Mr. Kurey stated that if the golf course sold within the first year of the lease the amount paid to GGP would be \$160,000; stated that after that it would be 1.5 times the prior year's net income.

Mayor Katica stated that if the golf course was sold and the owner kept GGP as the management company, then there would not be a penalty; spoke favorably regarding GGP management.

DISCUSSION OF GOLF SPECIAL REVENUE FUND BALANCE POLICY, cont.

Discussion ensued regarding early termination of the lease agreement and the sale of the golf course.

Mr. Murphy stated that if the board had no changes to the golf fund balance policy that the policy would go to the commission in resolution form.

Mr. Kurey stated that there needed to be some cash available for capital expenditures.

Discussion ensued regarding the unreserved fund balance numbers; regarding GGP's required \$500,000 dollars to be used for property maintenance.

Mr. Lokey moved to recommend to the commission to approve the golf fund balance policy. Motion was seconded by Ms. Griffith and carried unanimously.

COMMISSION ADVISOR REPORT

Mayor Katica thanked the board for their service; spoke about the golf course lease and Green Golf Partners; spoke about the Belleview Biltmore Hotel and possible buyers for the hotel property.

Discussion ensued regarding the Belleview Biltmore Hotel; regarding possible zoning changes.

Mr. Murphy stated that at the next commission meeting the addition of a RM-10 designation to the current land use would be considered for approval; that it would not be specifically added to the hotel property; that any future purchaser or developer would have to apply for that proposed new use.

Discussion ensued regarding the proposed RM-10 designation requirements.

ADJOURNMENT

There being no further business to come before the board the meeting was adjourned in due form at 5:20 PM.

Agenda Item Summary

To: Finance Board
From: JP Murphy
Subject: Water Rate Progress.
Date:2/14/2014

Summary: Three months of billing cycles have been completed utilizing the new water rate structure. As a matter of review, I have provided simple schedules to show revenue, expense, and consumption. The revenue is trending according to the forecasting models with less than 1% percent variance. There is an average town wide consumption of 211,183,000 gallons per month, with a funding average of \$5.87 per thousand gallons of water sold. The average expense for the same consumption is \$5.57 dollars per thousand gallons sold. Overall the water rates seem to be trending well. Next month we will have enough data to evaluate individual consumption trends and how consumer behavior has changed due to the higher rates.

Previous Commission/Board Action: The Commission approved the new water rates

Background/Problem Discussion:

Alternatives/Options:

Financial Implications: None at this time

Recommendation: N/A Discussion Only

Proposed Motion: : N/A Discussion Only

**FY 13-14: 1st Quarter Water Revenue, Usage, and Expenditure; utilizing new rates,
excluding Oct. due to split billing**

Water Revenue

	Nov	Dec	Jan	1st Qtr New Rate	Est. 4 Qtr
Water Base	\$30,993	\$30,975	\$30,935	\$92,903	\$371,612.24
Water Use	\$92,582	\$94,593	\$83,340	\$270,515	\$1,082,060.52
Late Fees	\$1,009	\$5,557	\$2,121	\$8,686	\$34,745.20
MultiMeter	\$228	\$231	\$235	\$694	\$2,776.56
	\$124,812	\$131,356	\$116,631	\$372,799	\$1,491,194.52
FY13-14 Budget					\$1,504,600.00
Est. Variance				< 1%	\$(13,405.48)

Water Base Users and Total Gallons Use

	Nov	Dec	Jan	1st Qtr New Rate Usage	Est. 4 Qtr Use
Total Base Accounts	1,897	1,897	1,897	5,691	22,764
Water Use Thousands of Gallons	21,641	21,989	19,920	63,550	254,200
Total Revenue Per Thousand Gallons	\$5.77	\$5.97	\$5.85	\$5.87	\$5.87

Water Expenditure

	Nov	Dec	Jan	1st Qtr Expense	Total Annual Exp
Total Monthly Expense	\$120,591.17	\$102,279.17	\$131,390.17	\$354,260.50	\$1,515,600.00
Rev/Exp	\$4,220.59	\$29,076.87	\$(14,759.34)	\$18,538.13	\$(13,405.48)*
Exp Per 100 Gallons	\$5.57	\$4.65	\$6.60	\$5.57	\$5.96
	\$0.20	\$1.32	\$(0.74)	\$0.29	\$(0.10)

Monthly Amort. Of Transfers \$38,929.17
***Revenue Assumption** \$11,000 of Transfers

Summary

To: Finance Board
From: Stefan Massol
Subject: Building Department Services Options
Memo Date: 2/14/2014

Summary: Staff will discuss options for inspection and plan review services in the Building Department.

Background/Problem Discussion: Fred Hawes, the town's former building official, retired in April 2013. Since his retirement the town has received inspection and plan review services from Pinellas County while staff evaluated long-term alternatives. Raymond Wells, the building official preceding Fred, was hired in January 1990 and served in a part-time capacity. The workload is presently at a level that staff believes can be completed with 3-day service (~42 inspections per week and moderate plan review).

Alternatives/Options: The alternatives identified include: 1) Contract with a private entity for 3 days each week, 2) Continue the Pinellas County contract performed "as-needed" 5 days each week, 3) Hire a full-time building official. The Pinellas County contract provides inspections and plan review five days each week, however this level of frequency is not necessary for the current volume of work. Also, staff does not have the ability to schedule inspections at a particular time under the present agreement.

Financial Impact: The estimated costs associated with each option are as follows:

Cost of Alternatives by Workload			
	Workload (in days per week)		
	3 days	4 days	5 days
Private Contract	\$ 96,000	\$ 128,000	\$ 160,000
Pinellas County	\$ 110,000	\$ 144,000	\$ 178,000
In-House Full-Time	\$ 124,000	\$ 124,000	\$ 124,000

A breakdown of how these costs were achieved is available on the attached sheet. The private contract amount is based on one bid that staff has received. The cost may be lower should a better offer exist.

Recommendation: Contract with a private entity. This option gives staff flexibility to increase and decrease the number of days as workload fluctuates. These companies offer a more comprehensive package of resources in terms of personnel and damage assessment than the town currently possesses. Under a private contract the town would have the ability to schedule inspections at specific times, an added convenience to residents.

Proposed Motion: Move to recommend the town contract with a private entity for Building Department services.

Private Contractor	At 24 Hr/Wk Volume	At 32 Hr/Wk Volume	At 40 Hr/Wk Volume
Hourly Rate	\$ 75.00	\$ 75.00	\$ 75.00
Estimated Hours per week	24	32	40
Weekly cost	\$ 1,800.00	\$ 2,400.00	\$ 3,000.00
Subtotal	\$ 93,600.00	\$ 124,800.00	\$ 156,000.00
Days needed OT	10	13.33	16.67
Hours per day OT	2	2.00	2.00
Hours OT	20	26.67	33.33
OT Rate	\$ 112.50	\$ 112.50	\$ 112.50
Estimated OT	\$ 2,250.00	\$ 3,000.00	\$ 3,750.00
TOTAL PRIVATE CONTRACT COST ESTIMATED	\$ 95,850.00	\$ 127,800.00	\$ 159,750.00
Pinellas County	At 24 Hr/Wk Volume	At 32 Hr/Wk Volume	At 40 Hr/Wk Volume
Inspection Fees	\$ 97,200.00	\$ 129,600.00	\$ 162,000.00
Courier Fees	\$ 8,424.00	\$ 8,424.00	\$ 8,424.00
Monthly Building Official Fee	\$ 240.00	\$ 240.00	\$ 240.00
Development Review Services	\$ 4,258.30	\$ 5,677.73	\$ 7,097.16
TOTAL PINELLAS COUNTY COST ESTIMATED	\$ 110,122.30	\$ 143,941.73	\$ 177,761.16
In-House	Annual		
Salary	\$ 71,000.00		
Paid Leave	\$ 6,824.00		
FICA	\$ 5,431.50		
401k	\$ 6,390.00		
Family Medical for Directors	\$ 20,016.00		
Total Personnel Cost	\$ 109,661.50		
Contract labor	\$ 9,857.78		
Vehicle Replacement Annualized	\$ 2,910.13		
Workman's Comp	\$ 2,037.70		
TOTAL IN-HOUSE COST ESTIMATED	\$ 124,467.10		