

# **Agenda Packet**

## **Bellevue Estates Island Ad Hoc Committee for Undergrounding**

**Tuesday, September 26, 2017**

**5:30 P.M.**

**Public Meeting Notice  
Agenda**

Call to Order  
Roll Call

1. Approval of Agenda.
2. Approval of August 29, 2017, Bellevue Estates Island Ad Hoc Committee for Undergrounding Meeting Minutes. (Minutes were not available at time of publication of Agenda Packet)
3. Update on Petition.
4. Discussion of Financing. (see backup)
5. Discussion of Revised Timeline.

**Adjournment.**

Any person who decides to appeal any decision of this Meeting with respect to any matter considered at this meeting will need a record of the proceedings and for such purposes may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The law does not require verbatim minutes transcribed, therefore, the applicant must make the necessary arrangements with a private reporter or private reporting firm and bear the resulting expense. Any person with a disability requiring reasonable accommodation in order to participate in this meeting should call 727.595.4646 or fax a written request to 727.593.1409.

Posted: September 22, 2017  
Patricia A. Gentry, CMC  
City Clerk

## Nancy Gonzalez

---

**From:** Nancy Gonzalez  
**Sent:** Wednesday, September 20, 2017 8:20 AM  
**To:** Patti Gentry  
**Subject:** FW: looking for more information

Patti:  
Please forward to the Mayor and City Council. Please red flag with very important.  
Thanks.

Nancy G. Gonzalez, City Manager  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, FL 33786  
727-595-4646, ext. 121  
Fax 727-593-1409  
[ngonzalez@cityofbelleairbeach.com](mailto:ngonzalez@cityofbelleairbeach.com)

**From:** Melanie Kruszona  
**Sent:** Wednesday, September 20, 2017 8:14 AM  
**To:** Nancy Gonzalez <[NGonzalez@CityofBelleairbeach.com](mailto:NGonzalez@CityofBelleairbeach.com)>  
**Cc:** Lynn Rives <[Lynn.Rives@CityofBelleairbeach.com](mailto:Lynn.Rives@CityofBelleairbeach.com)>  
**Subject:** FW: looking for more information

Adams response re: borrowing additional debt, below.

### *Melanie M. Kruszona, MPA*

Finance Officer  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, FL 33786  
Tel. (727) 595-4646 X122  
FAX (727) 593-1409  
[MKruszona@CityofBelleairBeach.com](mailto:MKruszona@CityofBelleairBeach.com)

---

**From:** Horn.Adam [<mailto:Adam.Horn@SunTrust.com>]  
**Sent:** Tuesday, September 19, 2017 4:49 PM  
**To:** Melanie Kruszona  
**Subject:** RE: looking for more information

Melanie –

Given our current evaluation of revenues and expenses, the bank would probably only get comfortable with about \$1.75 Million in additional debt for the City beyond its current outstandings. The request for \$1.6 Million uses up most of this additional debt capacity but gives you some room if the cost of this project increases.

Adam L. Horn  
Senior Vice President, Not-For-Profit & Government Banking  
SunTrust Banks, Inc.

Tel: 813.224.2552 Mobile: 813.526.0275  
Fax: 813.209.9643  
Mail Code FL-Tampa-4105  
401 East Jackson Street, 20th FL  
Tampa, FL 33602

Take a step toward financial confidence.  
Join the movement at [onUp.com](http://onUp.com).

\*\*\*\*Our Business Care Center can assist you with basic account servicing needs 7AM-7PM Monday-Friday. Call 1-866-476-1460.\*\*\*\*

Gain insights from thought leaders, visit [www.suntrust.com/NonProfitInsights](http://www.suntrust.com/NonProfitInsights).

---

**From:** Melanie Kruszona [<mailto:MKruszona@CityofBelleairbeach.com>]  
**Sent:** Monday, September 18, 2017 11:47 AM  
**To:** Horn.Adam  
**Subject:** RE: looking for more information

Thank you Adam.

*Melanie M. Kruszona, MPA*

Finance Officer  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, FL 33786  
Tel. (727) 595-4646 X122  
FAX (727) 593-1409  
[MKruszona@CityofBelleairBeach.com](mailto:MKruszona@CityofBelleairBeach.com)

---

**From:** Horn.Adam [<mailto:Adam.Horn@SunTrust.com>]  
**Sent:** Monday, September 18, 2017 11:43 AM  
**To:** Melanie Kruszona  
**Subject:** RE: looking for more information

Melanie –

Assuming the loan will be issued as “bank qualified” (main criteria is that the City is not issuing more than \$10 Million in debt during the same calendar year, but there are other qualifications that a bond counsel would have to determine), rates for a 15 year amortization and a ten year term are currently in the 2.65% – 2.85% range. Rates for a 10 year straight deal (term and amortization) are currently in the 2.50% - 2.70% range.

I am waiting to hear back from my underwriters on the debt capacity question, but wanted to provide the rate info ASAP.

Adam L. Horn  
Senior Vice President, Not-For-Profit & Government Banking

SunTrust Banks, Inc.

Tel: 813.224.2552 Mobile: 813.526.0275  
Fax: 813.209.9643  
Mail Code FL-Tampa-4105  
401 East Jackson Street, 20th FL  
Tampa, FL 33602

Take a step toward financial confidence.  
Join the movement at [onUp.com](http://onUp.com).

\*\*\*\*Our Business Care Center can assist you with basic account servicing needs 7AM-7PM Monday-Friday. Call 1-866-476-1460.\*\*\*\*

Gain insights from thought leaders, visit [www.suntrust.com/NonProfitInsights](http://www.suntrust.com/NonProfitInsights).

---

**From:** Melanie Kruszona [<mailto:MKruszona@CityofBelleairbeach.com>]  
**Sent:** Monday, September 18, 2017 11:24 AM  
**To:** Horn.Adam  
**Subject:** looking for more information

Hi Adam,

I hope you and your family survived the storm with little to no damage.

I emailed you a week or so ago asking what the interest rate would be as well as what is the maximum amount we could borrow.

Please get back with me on this. Nancy is asking again.

*Melanie M. Kruszona, MPA*

Finance Officer  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, FL 33786  
Tel. (727) 595-4646 X122  
FAX (727) 593-1409  
[MKruszona@CityofBelleairBeach.com](mailto:MKruszona@CityofBelleairBeach.com)

#### LEGAL DISCLAIMER

The information transmitted is intended solely for the individual or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of or taking action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you have received this email in error please contact the sender and delete the material from any computer.

By replying to this e-mail, you consent to SunTrust's monitoring activities of all communication that occurs on SunTrust's systems.

SunTrust is a federally registered service mark of SunTrust Banks, Inc.

[ST:XCL]



September 5, 2017

**VIA Electronic Mail**

Ms. Melanie Kruszona  
Finance Officer  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, Florida 33786

**RE: Special Non-Ad Valorem Assessment Financing**

Dear Ms. Kruszona,

Pinnacle Public Finance, Inc., a BankUnited Company, is pleased provide this quote for the financing of underground utilities for the City of Belleair Beach, Florida.

**Corporate Overview:** In October 2010, BankUnited acquired the municipal finance business from Koch Financial Corporation and now operates it under the name Pinnacle Public Finance, Inc. Pinnacle is headquartered in Scottsdale, Arizona and is a market leader in providing tax-exempt financing directly to its state and local government clients and through its vendor programs and alliances. With more than \$6 billion in financing and transactional experience in every state in the U.S., our team has the resources to fund complex programs that require innovative and flexible financing solutions.

Since beginning operations as Pinnacle, we have funded over 1,500 municipal transactions totaling more than \$2.35 billion. As Koch Financial Corporation, our group managed a portfolio in excess of \$1 billion and 2,600 municipal leases.

Given that BankUnited is based in Florida, Pinnacle is strongly committed to meeting the needs of our Florida clients. Members of our team have successfully closed over 40 transactions totaling nearly \$485million in Florida.

Our proposed terms and conditions are as follows:

- Borrower:** City of Belleair Beach, Florida (“Borrower” or “City”)
- Lender:** Pinnacle Public Finance, Inc., a BankUnited Company (“Lender” or “Pinnacle”)
- Bond Counsel:** TBD (“Bond Counsel”)
- Lender’s Counsel:** TBD (“Bond Counsel”)
- Issue Type:** Municipal loan in the form of a note (the “Loan”). The registered owner will be Pinnacle Public Finance, Inc. and Pinnacle requests physical delivery of the note, printed on safety paper, with no CUSIP and no reference to DTC or book-entry only system.
- Transaction Amount:** \$1,600,000 (*preliminary and subject to change*)
- Purpose:** The Loan proceeds will be used to finance the costs of providing underground utilities to the special assessment area within the City.

**Security:** The Loan will be payable from and secured by a pledge of and lien upon special assessment no-ad valorem revenues the City will receive from property owners in the special assessment area.

**Term:** Fifteen (15) years with an average life of approximately 9.1 years.

**Interest Rate:** 2.78%

**Interest Rate Expiration:** The above rate is valid for forty-five (45) days.

**Projected Funding Date:** TBD.

**Payment Frequency:** It is assumed level payments of principal and interest will be made on a quarterly basis. It is assumed payments will begin one-year after closing.

**Debt Service Requirements:** Please see the attached Preliminary Debt Service Schedule.

**Prepayment Terms:** The Loan is subject to prepayment on any payment date at a price equal to 102% of the remaining principal balance at that time. *Subject to negotiation.*

**Documentation:** It is assumed the Loan documents will be prepared by a nationally recognized bond counsel firm. If the City does not have an on-going relationship with a bond counsel firm, the Lender can assist the City with finding Bond Counsel.

This proposal is subject to mutual agreement on all documentation.

**Requested Provisions:** The Lender will require a gross up provision in the event the Loan becomes taxable due to actions or omissions of the Borrower. The taxable rate of interest will be 4.28% and will be effective as of the date of a final determination of the Internal Revenue Service or a court of competent jurisdiction or an opinion of a nationally recognized bond counsel selected by the Lender.

The Lender assumes customary events of default for a transaction of this nature will be included. The Lender requires a default rate of 6% be included with the default rate going to 7% if the obligation has become taxable as described above. *Subject to negotiation.*

The Lender assumes the City will not be able to issue additional debt secured by the special assessment non-ad valorem revenues.

The Lender requires the loan documents make no reference to any Uniform Commercial Code Section relating to Investment Securities (i.e. UCC Article 8).

The Lender will agree to transfer restrictions stated below in Assignment.

**Reporting:** The Lender will request the Borrower agree to provide its CAFR within 210 days of the close of each fiscal year. Additionally, the Lender will request the Borrower agree to provide such other financial information as the Lender may reasonably request, including but not limited to, its annual budget for any prior or current fiscal year or subsequent fiscal years. *Subject to negotiation.*

**Assignment:** It is our present intention to hold the obligation to maturity; however, the Lender will require that it reserves the right to assign, transfer or convey the bond (or any interest therein or portion thereof) only to any of its affiliates or to banks, insurance companies or similar financial institutions or their affiliates, including participation arrangements with such entities. *Subject to negotiation.*

**Fees/Closing Costs:** The Lender reserves the right to include up to \$7,500 in the costs of issuance for Lenders Counsel review of loan documents.

The Borrower will be responsible for any fees or expenses with respect to its (i) issuing costs including Bond Counsel, (ii) the Borrower’s legal counsel, if any, and (iii) title/registration fees, if any.

**Pre-Close**

**Requirements:** The Lender will require a complete executed copy of the transcript by noon the day prior to funding (a scanned copy is acceptable). Ultimately, the Lender will require a complete transcript with original signatures.

**Pinnacle’s Role**

**As Lender:** The transaction described in this document is an arm’s length, commercial transaction between the Borrower and Pinnacle in which: (a) Pinnacle is acting solely as a principal (*i.e.*, as lender) and for its own interest; (b) Pinnacle is not acting as a municipal advisor or financial advisor to the Borrower; (c) Pinnacle has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether Pinnacle has provided other services or is currently providing other services to the Borrower on other matters); (d) the only obligations Pinnacle has to the Borrower with respect to this transaction are set forth in the definitive transaction agreements between Pinnacle and the Borrower; and (e) Pinnacle is not recommending that the Borrower take an action with respect to the transaction described in this document, and before taking any action with respect to this transaction, the Borrower should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to the Borrower, the Borrower is free to engage a municipal advisor to serve in that capacity.



**Credit Approval:** This proposal is subject to credit approval.

Thank you for the opportunity to present this proposal. Please feel free to call me at **480-419-3634** with any questions or further clarification.

Sincerely,

A handwritten signature in cursive script that reads "Blair Swain". The signature is written in black ink and is positioned above the printed name.

Blair Swain  
Senior Vice President, Direct Markets

### Preliminary Debt Service Schedule

Totals:		\$2,002,821.69	\$402,821.69	\$1,600,000.00	Rate 2.7800%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	10/15/2017					\$1,600,000.00
1	10/15/2018	\$33,380.36	\$44,480.00	-\$11,099.64	\$1,643,321.63	\$1,611,099.64
2	1/15/2019	\$33,380.36	\$11,197.14	\$22,183.22	\$1,620,694.75	\$1,588,916.42
3	4/15/2019	\$33,380.36	\$11,042.97	\$22,337.39	\$1,597,910.61	\$1,566,579.03
4	7/15/2019	\$33,380.36	\$10,887.72	\$22,492.64	\$1,574,968.12	\$1,544,086.39
5	10/15/2019	\$33,380.36	\$10,731.40	\$22,648.96	\$1,551,866.18	\$1,521,437.43
6	1/15/2020	\$33,380.36	\$10,573.99	\$22,806.37	\$1,528,603.68	\$1,498,631.06
7	4/15/2020	\$33,380.36	\$10,415.49	\$22,964.88	\$1,505,179.50	\$1,475,666.18
8	7/15/2020	\$33,380.36	\$10,255.88	\$23,124.48	\$1,481,592.53	\$1,452,541.70
9	10/15/2020	\$33,380.36	\$10,095.16	\$23,285.20	\$1,457,841.63	\$1,429,256.50
10	1/15/2021	\$33,380.36	\$9,933.33	\$23,447.03	\$1,433,925.66	\$1,405,809.47
11	4/15/2021	\$33,380.36	\$9,770.38	\$23,609.99	\$1,409,843.48	\$1,382,199.49
12	7/15/2021	\$33,380.36	\$9,606.29	\$23,774.08	\$1,385,593.92	\$1,358,425.41
13	10/15/2021	\$33,380.36	\$9,441.06	\$23,939.30	\$1,361,175.83	\$1,334,486.11
14	1/15/2022	\$33,380.36	\$9,274.68	\$24,105.68	\$1,336,588.03	\$1,310,380.43
15	4/15/2022	\$33,380.36	\$9,107.14	\$24,273.22	\$1,311,829.35	\$1,286,107.21
16	7/15/2022	\$33,380.36	\$8,938.45	\$24,441.92	\$1,286,898.60	\$1,261,665.29
17	10/15/2022	\$33,380.36	\$8,768.57	\$24,611.79	\$1,261,794.57	\$1,237,053.50
18	1/15/2023	\$33,380.36	\$8,597.52	\$24,782.84	\$1,236,516.08	\$1,212,270.66
19	4/15/2023	\$33,380.36	\$8,425.28	\$24,955.08	\$1,211,061.89	\$1,187,315.58
20	7/15/2023	\$33,380.36	\$8,251.84	\$25,128.52	\$1,185,430.81	\$1,162,187.06
21	10/15/2023	\$33,380.36	\$8,077.20	\$25,303.16	\$1,159,621.58	\$1,136,883.90
22	1/15/2024	\$33,380.36	\$7,901.34	\$25,479.02	\$1,133,632.98	\$1,111,404.88
23	4/15/2024	\$33,380.36	\$7,724.26	\$25,656.10	\$1,107,463.76	\$1,085,748.79
24	7/15/2024	\$33,380.36	\$7,545.95	\$25,834.41	\$1,081,112.67	\$1,059,914.38
25	10/15/2024	\$33,380.36	\$7,366.40	\$26,013.96	\$1,054,578.43	\$1,033,900.42
26	1/15/2025	\$33,380.36	\$7,185.61	\$26,194.75	\$1,027,859.78	\$1,007,705.67
27	4/15/2025	\$33,380.36	\$7,003.55	\$26,376.81	\$1,000,955.44	\$981,328.86
28	7/15/2025	\$33,380.36	\$6,820.24	\$26,560.13	\$973,864.11	\$954,768.74
29	10/15/2025	\$33,380.36	\$6,635.64	\$26,744.72	\$946,584.50	\$928,024.02
30	1/15/2026	\$33,380.36	\$6,449.77	\$26,930.59	\$919,115.29	\$901,093.42
31	4/15/2026	\$33,380.36	\$6,262.60	\$27,117.76	\$891,455.17	\$873,975.66
32	7/15/2026	\$33,380.36	\$6,074.13	\$27,306.23	\$863,602.82	\$846,669.43
33	10/15/2026	\$33,380.36	\$5,884.35	\$27,496.01	\$835,556.89	\$819,173.42
34	1/15/2027	\$33,380.36	\$5,693.26	\$27,687.11	\$807,316.04	\$791,486.31
35	4/15/2027	\$33,380.36	\$5,500.83	\$27,879.53	\$778,878.92	\$763,606.78
36	7/15/2027	\$33,380.36	\$5,307.07	\$28,073.29	\$750,244.16	\$735,533.49
37	10/15/2027	\$33,380.36	\$5,111.96	\$28,268.40	\$721,410.39	\$707,265.08
38	1/15/2028	\$33,380.36	\$4,915.49	\$28,464.87	\$692,376.22	\$678,800.22
39	4/15/2028	\$33,380.36	\$4,717.66	\$28,662.70	\$663,140.27	\$650,137.52
40	7/15/2028	\$33,380.36	\$4,518.46	\$28,861.91	\$633,701.12	\$621,275.61
41	10/15/2028	\$33,380.36	\$4,317.87	\$29,062.50	\$604,057.38	\$592,213.11
42	1/15/2029	\$33,380.36	\$4,115.88	\$29,264.48	\$574,207.61	\$562,948.63
43	4/15/2029	\$33,380.36	\$3,912.49	\$29,467.87	\$544,150.38	\$533,480.76
44	7/15/2029	\$33,380.36	\$3,707.69	\$29,672.67	\$513,884.26	\$503,808.09

Pinnacle Public Finance, Inc.  
 City of Belleair Beach – Special Assessment Non-Ad Valorem Revenue Financing  
 September 5, 2017  
 Page 6 of 6

45	10/15/2029	\$33,380.36	\$3,501.47	\$29,878.90	\$483,407.78	\$473,929.20
46	1/15/2030	\$33,380.36	\$3,293.81	\$30,086.55	\$452,719.50	\$443,842.64
47	4/15/2030	\$33,380.36	\$3,084.71	\$30,295.66	\$421,817.93	\$413,546.99
48	7/15/2030	\$33,380.36	\$2,874.15	\$30,506.21	\$390,701.60	\$383,040.78
49	10/15/2030	\$33,380.36	\$2,662.13	\$30,718.23	\$359,369.00	\$352,322.55
50	1/15/2031	\$33,380.36	\$2,448.64	\$30,931.72	\$327,818.65	\$321,390.83
51	4/15/2031	\$33,380.36	\$2,233.67	\$31,146.70	\$296,049.02	\$290,244.14
52	7/15/2031	\$33,380.36	\$2,017.20	\$31,363.16	\$264,058.59	\$258,880.97
53	10/15/2031	\$33,380.36	\$1,799.22	\$31,581.14	\$231,845.83	\$227,299.83
54	1/15/2032	\$33,380.36	\$1,579.73	\$31,800.63	\$199,409.19	\$195,499.20
55	4/15/2032	\$33,380.36	\$1,358.72	\$32,021.64	\$166,747.11	\$163,477.56
56	7/15/2032	\$33,380.36	\$1,136.17	\$32,244.19	\$133,858.04	\$131,233.37
57	10/15/2032	\$33,380.36	\$912.07	\$32,468.29	\$100,740.38	\$98,765.08
58	1/15/2033	\$33,380.36	\$686.42	\$32,693.94	\$67,392.56	\$66,071.14
59	4/15/2033	\$33,380.36	\$459.19	\$32,921.17	\$33,812.97	\$33,149.97
60	7/15/2033	\$33,380.36	\$230.39	\$33,149.97	-\$0.00	-\$0.00

## Patti Gentry

---

**From:** Mitch Krach <Mkrach@blairflorida.com>  
**Sent:** Thursday, September 21, 2017 2:04 PM  
**To:** Patti Gentry  
**Subject:** RE: BEI Undergrounding Ad Hoc Committee

Please disregard the message below, now that I have more information. Let's see if we can get the group together for a meeting at 5:30 on Tuesday.

### Agenda

Approval of minutes last meeting  
Update on Petition  
Discussion of financing  
Revised timeline  
Adjournment

I don't believe that Melanie needs to be there as long as she can provide information that she has gathered so far regarding the financing of the project.

Thank you,

**MITCH KRACH**  
**203 22<sup>ND</sup> STREET**  
**BELLEAIR BEACH, FL 33786**  
**727.810.0000**

**From:** Patti Gentry [<mailto:PGentry@CityofBelleairbeach.com>]  
**Sent:** Thursday, September 21, 2017 1:32 PM  
**To:** Mitch Krach <Mkrach@blairflorida.com>  
**Subject:** RE: BEI Undergrounding Ad Hoc Committee

Will do, thank you.

Patricia A. Gentry, CMC  
City Clerk  
City of Belleair Beach  
444 Causeway Boulevard  
Belleair Beach, FL 33786  
727.595.4646 ext 124  
727.593.1409 fax  
[pgentry@cityofbelleairbeach.com](mailto:pgentry@cityofbelleairbeach.com)

Please Note: All mail to and from the City of Belleair Beach is subject to the Public Records Law of Florida.