

City of Belleair Beach Residential Financial Advisory Committee Findings & Recommendations Final Report

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Ron Ciganek
John Handzuk
John Hayes



Rebecca Hollis
Sylvana Ierullo
Rick Schock

Review of Belleair Beach Financial Statements

- Focus was primarily on FY18-19 and FY19-20.
- Annual audits are conducted by a reputable CPA firm.
- Thorough, detailed reports of all revenue and expenses were reviewed.
- Exhaustive review of expenses uncovered no excess expenses.
- Conclusion of Committee review is that excellent administration of City finances is exercised by the City Manager and Staff, with proper oversight of the Mayor and City Council.



Sanity Check of Capital Improvement Plan (CIP)

- Guided by the priorities spelled out in the City Strategic Plan, the CIP is detailed, accurately addressing City infrastructure maintenance and improvement needs.
- Top priorities are Stormwater and Floodwater management as detailed in the City's 2016 Stormwater Master Plan.
- Seawall, street and bridge maintenance and repair are the next priorities, also well addressed by the CIP.



Sanity Check of Capital Improvement Plan (CIP)

- CIP is in alignment with the Strategic Plan and the guidelines are accurately reflected.
- Committee commends the City's thorough development of these plans and recommends continuous monitoring of priorities to guide maintenance and improvement needs.



City of Belleair Beach Reserve Funds

- Reserve Fund Balance - \$2.3 million.
- Hurricane Reserve Fund - \$1 million.
- Fund Balances are healthy – approximately 5X greater than the amount considered financially responsible for similar sized Florida cities.
- Based on recommendations of municipal advisors, Committee recommends keeping the Reserve Funds separate and maintain current balances.
- Funds are properly invested in conservative, liquid accounts.



Ways to Increase City Revenue

- Storm Water Fees – Aggressively pursue current initiative with a target implementation date of October 1, 2020. Projected revenue increase of \$140,000.
- Rental Registration Fees – Increase Annual Fee from \$100 to \$300 per rental unit. Projected revenue of \$40,000.



Ways to Increase City Revenue

- Leverage City Hall/Marina Property – Potential for revenue opportunity \$20,000 to \$100,000.
 - Finance Committee endorses the work being done by the Planning Board relative to this initiative.
 - Committee recommends consulting with a Commercial Real Estate/Marketing Agent to better understand the commercial value of City Property and potential income.



City Leverage Options

- 20 Year Bond for Capital Improvements. Consider leveraging recommended Stormwater Fees to expedite Stormwater capital improvement projects.
 - Bond may expedite maintenance project completion, while limiting inflation costs.
 - \$2 Million Bond financed over 20 years at 2% interest is approximately \$120,000 in annual debt service.
- Stay the course with the payoff of City Hall. Bond will be extinguished in 54 months, unlocking \$200,000 in annual cash flow.



Long Term Financial Goals

- Maintain size and separation of Reserve Funds.
- Stay faithful to the current budgeting and review process.
- Continue to aggressively evaluate recurring expenses and contracts.
- Reinforce and adhere to conservative investment and fiscal strategies.
- Ensure annual review of Strategic Plan and consistently check management decisions for alignment.



Committee Summary

- Financial health of Belleair Beach is excellent.
- Budget is balanced.
- City manages financial priorities in accordance with the Strategic and Capital Improvement Plans.
- City Hall will be paid off in less than 5 years, freeing up \$200,000 per year in cash flow. These funds, coupled with the recommended \$250,000 of additional revenue opportunities outlined by this Committee, place the City in a stronger and more enviable financial condition.



Committee Summary

- Findings of annual City audit are most strongly endorsed by this Committee.
- City Manager and Council have exercised thoughtful and careful oversight of expenses in the face of overdue repair and maintenance projects.
- City Manager and his Staff provide outstanding execution of the City's daily business.
- Accurate, detailed reports are regularly provided to the Council for their consideration.
- Capital Improvement Plan is accurately aligned with the Strategic Plan.

