

FINANCE & BUDGET REVIEW COMMITTEE MEETING MINUTES
November 6, 2024 – 3:00 P.M.

PRESENT: Tim Polanowski, Member
Jack Samorajczyk, Member
Jerry Sarubbe, Member

ABSENT: Joanne Melodayo, Chair
Col. Mike Greiger, Member

STAFF PRESENT: Andrew Laflin, Interim Finance Director; Frances Robustelli, City Manager; Ginny Bodkin, Deputy City Clerk

The meeting was presided over by Member Samorajczyk in the absence of the Chair; he called the meeting to order at 3:00 PM.

1. Approval of the Agenda – There were no changes to the agenda.

Motion: Member Samorajczyk moved, and Member Polanowski seconded to approve the November 6, 2024 agenda as presented; the motion carried unanimously by voice vote.

2. Audience Comments – There were no comments.

3. Action Items

a. Approval of the Minutes – August 7, 2024

Member Polanowski asked the Deputy Clerk to ensure that minutes noted Member Greiger's comments regarding the excessive cost of law enforcement and the Committee's recommendation to hire a grant writer or manager, which they did.

Motion: Member Samorajczyk moved, and Member Polanowski seconded to approve the minutes for the August 7, 2024 meeting with the additional comment; the motion carried unanimously by a voice vote.

b. Review and Approval of 2025 Regular Meeting Dates

Motion: Member Samorajczyk moved, and Member Sarubbe seconded to approve the regular meeting dates for the Finance and Budget Review Committee for 2025; the motion carried unanimously by a voice vote.

4. Discussion Items -

a. Historical Financial Presentation and FY 2024 Budget vs. Actual Analysis

Interim Finance Director Andrew Laflin of the Aclarian firm introduced himself to the Board members. He reviewed a financial overview presentation, which was part of the agenda packet. Mr. Laflin explained that since the budget has already been passed, a review of the past, present, and possible future could be helpful. He encouraged questions.

I. Inflows & Outflows by Fund, Function, Division 2018 – 2023 (from audited financial statements)

- General Fund is the largest; 2023 inflow near \$30 million
- Total inflows grew annually from 2018
- General Fund also largest outflow, followed by the Wastewater Fund in 2023

II. Fund Balance & Net Position Overview

- Unrestricted Net Position (left over after revenues minus expenses plus that from previous years that is available for future use) was increasing since 2020, which is positive
- Net Position is Assets minus Liabilities on the balance sheet of a local government
- Restricted left-over funds (Building Dept., Capital Improvements, et. al.) cannot be transferred to the General Fund
- Fund Balance Benchmarking 2023 General Fund– Comparison of other local cities; St. Pete Beach ratio of Unassigned Fund Balance to Total Expenditures is healthy at 46.2%

III. Cash & Investment Portfolio and Investment Earnings

- Reserves are invested to maximize returns (graph 2018-2023 – currently near 5% earnings)
- Investment portfolio reviewed
- Local Government Investment Pools recommended
- Advised more liquid investment during time of hurricane revenue losses

IV. FY 2024 Budget Vs Actual Comparison (unaudited)

- Revenues/expenses - The five notable variances were explained
- Legal – litigation expenses
- Reserve Analysis – Funds with revenues impacted by hurricanes:
 - General, Building, Capital, Wastewater, Reclaimed Water
 - Budget Amendment (to avoid compliance issues with 2024 appropriation limits) – 1st read approved by Commission

V. Discussion of Potential Revenue Loss in FY 2025 – Hurricane Helene & Hurricane Milton

- In analysis process
- Revenues subject to potential reduction:
 - Ad valorem (Form DR 465 – catastrophic tax relief (refund) while out of home) – can only estimate at this point
 - Utility Taxes (people out of homes/demolition)
 - Wastewater Fees
 - ½ Cent Sales Tax/Commerce
 - Reductions parking, facilities, fees
 - Loss in interest earnings due to necessary recovery expenditures
 - Estimated potential loss \$4-5 million
 - Hope for recovery to become evident in Spring

VI. Reclaimed Water Fund Analysis

- Disturbing trend 2021-2023
- Joint project with Pinellas County reclaimed transmission main
- Large project paying down incrementally
- Increased allocation of personnel costs
- Evaluating whether to undertake a comprehensive fee study (and operational)

- Avoid a knee-jerk reaction with additional fees
- Increase fees/subsidize? Decisions to be made as a City

VII. Q&A

- Where to look to reduce budget – Freebee?
- City Manager Frances Robustelli clarified the Freebee 120-day termination clause
- Approximately 18 months remaining on contract
- Reclaimed water expenses and faulty installation discussion; Finance can prepare a comparison with other cities on costs to run
- St. Petersburg reclaimed increase in rates to SPB (including wastewater treatment) 23.8%
- Possible capital expenditure reductions? Ms. Robustelli scheduling a workshop with City Commission to examine that and potential reprioritization; that presentation can be brought to this Committee for involvement
- Reconciliation of the balance sheet (budget v. actual) on a more regular basis was encouraged
- How much of hurricane expenditures are expected to be reimbursed (FEMA)?
 - Debris removal should be 100%
 - Some categories are 50% FEMA, 25% State, 25% City; not 100% on everything
 - City Manager Robustelli – 2 part strategy: FEMA 180 days after storm event use State resources – 18 people coming for 4-5 months for disaster-related permitting, inspections and code enforcement. After that the City will be on its own, but some reimbursements.
 - Waiver of some permitting fees; there are some reserves in the Building Fund for permitting that won't be reimbursed – looking at that in January to consider
 - Recovery may be a two-year process

Member Polanowski thanked the City Manager and Finance Director for their work.

5. Adjournment

The next meeting is scheduled for February 5, 2025 at 3:00 PM.

There being no further business, Member Samorajczyk adjourned the meeting at 4:11 PM.

These minutes were approved at the February 5, 2025 Finance and Budget Review Committee meeting.