

City Commission Budget Workshop #2

June 10, 2025

4:30 p.m.

ELECTED OFFICIALS PRESENT:

Adrian Petrila, Mayor
Karen Marriott, Vice Mayor, Commissioner, District 1
Lisa Robinson, Commissioner, District 2
Betty Rzewnicki, Commissioner, District 3
Joe Moholland, Commissioner, District 4

STAFF PRESENT:

Ralf Brookes, City Attorney	Devon Schmidt, Finance Director
Frances Robustelli, City Manager	Camden Mills, Public Services Director
Renee Rose, City Clerk	Candyce Galloway, Chief Technology & Innovation Officer

Mayor Petrila called the meeting to order at 4:30 p.m., followed by the Pledge of Allegiance.

I. PRESENTATION: FY 2026 BUDGET WORKSHOP #2

Finance Director Devon Schmidt said the workshop will provide an updated capital improvement plan as identified by staff and Finance and Budget Review Committee (FBRC) recommendations. The 2026 budget process prioritizes capital projects by categorizing them into three levels: essential, necessary, and desirable. Essential projects are urgent and tied to legal or safety requirements, necessary projects enhance service reliability, and desirable projects can be delayed but still improve operations. This classification helps guide funding decisions and resource allocation. Each project includes the funding source, a detailed description of objectives and scope, the current year's budget, and a five-year forecast to provide both immediate and long-term financial road map. Projects are also reviewed based on whether they are proactive repairs or storm-related, their mandate status, and priority ranking. Some projects require revised strategies as recommended by the FBRC, which will be revisited.

The first group of essential projects from the general fund includes initiatives like dune walkover replacements, a citywide security camera system for public parks and city buildings, implementation of a cloud-based HR and payroll platform (NeoGov), disaster recovery and IT resiliency efforts, and a security system upgrade for asset inventory management. The focus remains on FY 2026, with out-year budgets serving as planning tools. There was discussion on clarifying the status and funding of specific capital projects, particularly the dune walkover replacements, and how subscription-based software like NeoGov and city security systems are categorized in the budget. It was clarified that the dune walkover replacements are not a legal mandate in the state sense but are required under the city's own comprehensive plan, making them a local compliance issue. Some walkovers, like those already funded in 2025, have been approved and are partially eligible for FEMA reimbursement due to hurricane damage, though the reimbursements are not guaranteed and could take three to five years if they come at all. Staff explained that while FEMA is listed as a potential revenue source, the funding currently comes from the general fund, and any reimbursement would restore that fund later. Questions were also raised about the cost breakdown, especially why two walkovers in 2026 cost \$250,000 when five in 2025 cost \$464,000. Some Commissioners suggested reevaluating the necessity of every walkover, possibly removing some to reallocate funds. Regarding software like NeoGov, it was clarified that what appears in the capital budget are one-time implementation costs, such as setup, training, and data migration, not the recurring subscription fees, which will be included in future operating budgets. The same applies to the city's security platform, which includes both hardware and associated software systems. There was further discussion on the need for a citywide camera security system due to safety concerns and a review of past incidents. In the past two years, there have been about five to six known situations where camera footage or safety concerns had to be addressed. While not a large number, even one incident highlights the importance of better security. Currently, the city has very few cameras, only at the library and parts of the main municipal building. There's no coverage at entrances, exits, or other facilities, making this a priority. The proposed system would be new, replacing outdated and unsupported equipment. Footage would be stored in the cloud, with data retention managed according to city policies. Both

the security and inventory systems would be subscription-based, allowing flexibility and reducing the need for on-site infrastructure.

Ms. Schmidt turned to facility building repairs, addressing hurricane damage to city properties like City Hall, Don Vista Art Center, Public Services, the Recreation Center, and Warren Webster. It also includes roof replacements and the demolition and rebuild of Fire Station 22. These projects are top priorities. Currently, \$10 million is slated as a placeholder in 2027, pending additional funding sources. The \$1.5 million planned for 2026 is tied to a \$2 million grant for the fire station project. Questions were raised about the return on investment for Don Vista, especially given its increasing repair costs, nearing \$600,000 for just roof and AC work, versus its historical use and value to the city. Clarification was also provided on the fire station's budget: about \$35,000 for demolition and \$450,000 for design work. Concerns were expressed about maximizing the usage and revenue potential of all city-owned buildings, not just Don Vista. The presentation continued including hurricane damage-related seawall repairs, such as soil backfill, tieback rod replacement, and sidewalk repairs across multiple areas. It also includes the demolition of the Merry Pier bait shack, though the FBRC requested that alternatives to demolition be considered. Other priority projects are the Pass-a-Grille Way seawall replacement, demolition of the VA shuffleboard building, Gulfway rehabilitation, and right-of-way repairs due to hurricane damage.

Ms. Schmidt continued, sharing that the next tier of projects, number two priorities, focus on essential repairs or upgrades that support long-term durability, safety, and resource conservation. The discussion covered several ongoing and upcoming restoration and improvement projects, including dune and beach restoration (focused on erosion control and vegetation management), improvements to Belle Vista Mini Park, rehabilitation of fishing piers, lighting replacement at Lazarillo Park, the 36th Avenue seawall replacement, and the 80th Avenue living shoreline. Questions were raised about how projects are categorized and funded, especially why some major repairs like full seawall replacements are listed as lower priorities compared to minor patchwork. It was clarified that priority levels reflect project scope, not urgency, but adjustments can be made. There was discussion about funding sources, like asking if "Penny for Pinellas" indicates confirmed funding or just a potential source. Ms. Schmidt explained that if funding is encumbered, the grant or funding is secured, and more detail will be added for clarity. For projects like Lazarillo Park, which is mostly completed but waiting on final steps, the budget entries reflect funds already approved, and any remaining costs would be rolled into future budgets if needed. The goal is to help the commission prioritize projects while understanding what has been completed, funded, or still needs support.

Ms. Schmidt moved on to capital improvements. The facility emergency backup power generator project is being reassessed after the FBRC questioned its high cost. Staff will revisit bids to reduce expenses. Two number two priority projects, Boca Ciega Drive and Gulf Winds Drive reconstructions, are also being reviewed, particularly to separate street improvements from utility upgrades. These projects may be split between utility funds and general CIP funds for more accurate budgeting. There was discussion about prioritization of future projects like Phase 3 of the Gulf Blvd undergrounding. Commissioners said that this should be a lower priority unless funding from Penny for Pinellas becomes available. Number three projects were reviewed, including an IT innovation fund for 2026, but none were flagged by the FBRC. Ms. Schmidt shared the current funding strategy, including use of Penny for Pinellas and FEMA reimbursements. FEMA funding remains in flux and may change as more information becomes available. The overall financial plan includes top-priority projects and reflects the latest available data, which will continue to evolve.

Ms. Schmidt continued with the reclaimed water system, which currently has two number-two ranked projects: annual lateral service pipe replacements and pigport installations. There was discussion about ongoing pipe breaks across the city, with a suggestion to elevate these projects to top priority due to the immediate impact on residents and infrastructure. It was clarified that day-to-day repairs are funded through the city's operating budget, while the listed projects support long-term replacements during broader infrastructure work. The future of reclaimed

water service was discussed in light of Pinellas County's plan to begin metering, which could significantly raise costs for users and impact revenue. The city is currently conducting a fee study to evaluate options, such as metering only large commercial users while maintaining flat rates for residential properties. The reclaimed water fund is financially unsustainable under the current fee structure. Some commissioners raised the idea of eliminating the reclaimed water program entirely, given the rising costs and environmental concerns, though staff noted this could conflict with the city's comprehensive plan.

Ms. Schmidt moved to the stormwater fund. The discussion centered around current and proposed projects, funding, and community concerns, particularly about the Don Cesar and Boca Ciega neighborhoods. The only project currently ranked as a top priority is stormwater system cleaning and inspection. However, the Don Cesar/Boca Ciega resiliency adaptation project, currently listed as a number two priority, became a focus of concern. Ms. Schmidt said the city is actively pursuing grants to fund the design phase of this project in 2026, with a goal of securing around \$600,000 in funding and limiting the city's share to \$200,000. Discussion stressed that this project must be upgraded to a number one priority, given the long-standing and worsening flooding issues. Previous efforts have been poorly executed or mis-prioritized, leaving residents with deteriorating and ineffective infrastructure. Mayor Petrila pointed out that despite decades of studies, this is the first time actual progress, design and planning for solutions, is being made. While the city faces financial limitations and high project costs, Ms. Schmidt said this year's project list was shaped by post-storm recovery needs and that future prioritization processes will be more comprehensive. The stormwater fund is currently able to support operational needs, but funding large-scale resiliency efforts will remain a challenge. The city is also exploring financial strategies, including possible loans, to support these major infrastructure needs moving forward.

Ms. Schmidt summarized the list of number one priority projects, none of which were flagged by the FBRC for further discussion. These are moving forward without issue. The list also includes number two priority projects across two pages. One notable item is the \$15 million subaqueous force main project, which remains a number two priority because it is not expected to fail for another two years. The wastewater fund currently has enough revenue to cover operations, but due to the high cost of necessary capital projects, continued support from the general fund is likely. In FY25, this support totaled \$3.8 million. To help fund upcoming infrastructure needs, they may use a portion of the bridge loan, though the amount will change as staff works through uses.

Ms. Schmidt concluded by sharing that the FBRC provided recommendations during their recent discussion. They emphasized continuing aggressive progress on the fire station, re-evaluating the Gulf Winds and Boca Ciega Drive projects, and exploring alternatives to demolishing the Merry Pier Bait Shack. They also requested more cost-effective options for the generator project. Additionally, they asked to bring the fee study for review and emphasized the importance of making enterprise funds self-sustaining. The FBRC also requested a compensation and benefits comparison for commissioners across neighboring communities. All of this will be factored into the preliminary budget, which will include personnel, operations, and a refined capital improvement plan.

5. Adjournment

The next Commission Budget Workshop #3 is scheduled for July 8, 2025 at 4:30 PM.

Mayor Petrila adjourned the meeting at 5:25 p.m.

MINUTES APPROVED: JUNE 24, 2025


RENEE ROSE
CITY CLERK


ADRIAN PETRILA
MAYOR