

FINANCE & BUDGET REVIEW BUDGET COMMITTEE
WORKSHOP #1 MINUTES
May 6, 2025 – 2:30 P.M.

PRESENT: Jack Samorajczyk, Chair
Kathy English, Member
Tim Polanowski, Member

ABSENT: Stacy Allen, Member
Col. Mike Grieger, Vice Chair

STAFF PRESENT: Devon Schmidt, Finance Director; Frances Robustelli, City Manager; Renee Rose, City Clerk; Ginny Bodkin, Deputy City Clerk; Candyce Galloway, Director of Information Technology; Adam Poirrier, Assistant City Manager

Chair Samorajczyk called the meeting to order at 2:30 PM; he introduced new committee member Kathy English, who was unable to attend the last meeting.

1. Items for Discussion –

a. Budget Workshop #1

City Manager Frances Robustelli introduced the new City Clerk Renee Rose. She gave a brief overview of the revised budget workshop process, as the committee had asked for more engagement than last year. The assets and expenses of the city are being pulled together to tell the story of what it costs to run the city, not just for a year, but a 10 to 20-year perspective of capital, infrastructure and other needs. This is the beginning of the budget, and it will evolve.

Finance Director Devon Schmidt began her presentation by outlining the importance of the annual budget as well as the proposed changes to the process, for the purpose of creating more opportunities for community engagement. She reviewed the staff recommended scope for the committee in terms of purpose, process, advisory role and objective. Ms. Schmidt explained that Staff was seeking a recommendation for the City Commission. Her presentation was part of the meeting packet; it included dates for the upcoming Committee and Commission workshops.

Historical Financial Overview – This year was unprecedented due to two hurricanes impacting property tax (vacant homesteads) and parking revenues. Additional challenges to forecasting 2026 are the unknown timeline for FEMA reimbursements and tariff impacts. Ms. Schmidt added that shifting General Fund subsidies to Enterprise Funds is not in line with best practices.

Strategic Long-Term Considerations – Ms. Schmidt explained some of the considerations: the city is undergoing a fee and impact study for enterprise fund revenues to understand what the fees should be; the city needs to get to a place with a reliable 10 year financial forecast (including operating personnel and capital projects); reserve policies will be implemented; the city is

implementing best finance practice as recommended by the Government Finance Officers Association (GFOA); the city will be looking at revenue diversification through grants and other opportunities; there will be the consideration of Strategic Plan alignment with each of the funds. The goal is to submit the budget to the GFOA for their annual Distinguished Budget award.

Ms. Schmidt went on to review the Ad Valorem Taxable Value Breakdown that the County provides to St. Pete Beach. Ad valorem is the largest bucket of funding in the General Fund – and is currently short. Parking is down as well. Opportunities for revenue diversification were reviewed including bed tax for each maintenance, fee impact studies, grant opportunities and other fees.

Enterprise Funds (also known as proprietary or utility funds) should be self-sustaining. Currently wastewater, reclaimed water, stormwater and multimodal projects are being subsidized by the General Fund. The Fee Impact Study would provide analysis to see if the city is charging enough for operations, what the capital picture looks like, and what opportunities are available.

A General Fund year over year 2023/2024 budget/actuals analysis followed; a fund balance is being built in the General Fund.

Enterprise Funds were reviewed beginning with Wastewater - A surplus of \$1,874,000 remained for 2024 after expenditures. The city is working toward a closer alignment between budget and actuals across the board. Reclaimed Water – This is through a contract with Pinellas County Utilities and ended with a net actual deficit of (\$216,900). Stormwater – ended with a positive net of \$395,900. Ms. Schmidt will report back to the committee as to the discrepancy between budgeted and actual revenues for stormwater in 2024. Building – ended 2024 with a \$984,000 fund balance. Fleet – ended '24 with a deficit of (\$81,400). Resiliency – ended (\$56,600). The 2023 and 2024 Capital Improvement Projects (CIP) budget vs. Actuals were reviewed. The Multimodal Fund was the last reviewed which ended with a positive \$57,900.

The Committee members asked questions regarding bed tax and grant funding. Ms. Robustelli reported that the Management Analyst in Public Services and new contracts with state and federal lobbyists will have the city searching for all grant opportunities.

Reserve Considerations were reviewed, including whether an emergency bridge loan to backfill operations would be a good opportunity; that would be brought to the Commission if so. Chair Samorajczyk mentioned a previous bridge loan agreement/open line of credit with Wells Fargo; Ms. Robustelli will follow up.

Ms. Schmidt next reviewed a 2025 Budget Comparison by Find Fiscal Impact, which included amendments, ARPA revenues, expenditures, and the \$11,821,000 transfer out to Enterprise Funds or Fleet Fund for usage. Auditors are currently working toward the June 30th deadline.

5 Year Capital Improvement Plan

Staff have put forward a Capital Improvement Plan (projects prioritized by repair, restore, restore with resiliency, or amenity enhancement) Not all projects can be put forward due to funding

constraints Capital Overview followed for 2026-2030 to provide the necessary projects to restore the ageing infrastructure and includes community amenity enhancements that will be delayed due to the priority of critical infrastructure.

Ms. Schmidt began the review of the plan with General Fund CIP Revenues and Projects (projected revenues). The projects were broken down into categories, beginning with Beaches, IT, Parks. The projects that could potentially be pushed out to another year were indicated by highlight.

A brief Q&A followed - IT Director Candyce Galloway explained that city-wide camera and security system are to replace the existing aging system with the addition of cameras. Further details on fishing pier repair will be brought back to the committee.

Public Services projects were reviewed. Chair Samorajczyk opined that the Don CeSar Boat Ramp could be put off. Assistant City Manager Adam Poirrier added information on the temporary facility for Fire Station 22; many costs are being submitted to FEMA for reimbursement. The new Fire Station 22 project is being expedited for FEMA fund reimbursements that occur during the first two years following a storm event. Demolition of the original structure was approved by the City Commission but awaits FEMA approval. Fire Station 22 construction was discussed; that budget item may need to be increased.

Streets projects were reviewed next. Chair Samorajczyk suggested that Corey Avenue monument signs could be pushed out. Shell Alley Improvements were discussed.

General Fund CIP Revenue Expense reserves were reviewed next. Revenue for 2026 was estimated at \$13,362,000 and expenditures at \$50,481,000. That continues to compound into future years. This is not a budget that staff would put forward or recommend but wanted the committee to understand the needs.

Reclaimed Water was reviewed; there are two capital projects slated for 2026. At least a \$321,000 subsidy would be required in this fund since there is not enough revenue generating to cover these operations. Stormwater was reviewed; while revenues for operations are self-sustaining, there is not enough funding for the capital projects that are put forward. The Wastewater Fund was reviewed next; there is a grant for Pumpstation #1 in 2025 and transfer of \$380,000 from the General Fund. There is enough to cover operations, but capital needs are tight; the two top priorities were highlighted.

Ms. Schmidt touched back to Enterprise Funds should be acting like a business and not require subsidy from the General Fund. The Parking Fund will be pulled out as its own in the 2026 budget; it is a revenue generator with no restrictions on the use of the revenue. Stormwater, wastewater, and reclaimed water are not generating enough revenue right now to sustain all of the capital project needs and some of the operations. She reviewed the services that often require a subsidy – transportation, Fire, EMS, roads, programs; those are more tax based.

Ms. Schmidt asked for a committee recommendation that would align with completing the fee studies as quickly as possible and implement them and approach the Capital project prioritization so that failures and restorations are addressed first, then other projects. An updated Capital Improvement Plan will be included in the next Workshop on June 4th.

A Q&A period followed. Ms. Robustelli explained that the city is evaluating the number of inspectors to be employed after the bulk of hurricane work is done. There is funding from the Building Reserve fund for the next 12 months for seven additional full-time inside staff, plus four additional plan examiners, and four additional building inspectors by contract. That is not sustainable. This is being evaluated. Member Polanowski suggested a long-term rental permit fee as a revenue source.

The Committee agreed, by consensus, with the direction for the new process (restore, repair, then enhance amenities), including the direction for capital improvement projects as were presented today. The next rendition of the Capital Improvement Projects can be reviewed more closely at the next workshop. The Committee recommendations will move forward to the City Commission, who will receive the presentation at their first budget workshop.

Ms. Schmidt explained that reserve and investment policies as well as 10-year plans with operating and capital need to be set forward. She went on to explain the improvements that have been made to the invoice approval process with a workflow and audit trail.

City Manager Robustelli recognized John Taylor, the current Procurement Manager, and thanked him for working through these improvements.

5. Adjournment

Budget Workshop #2 is scheduled for June 4, 2025 at 2:30 PM.

There being no further business, Chair Samorajczyk adjourned the meeting at 3:39 PM.

These minutes at the November 5, 2025 Finance and Budget Review Committee meeting.