

FINANCE & BUDGET REVIEW BUDGET COMMITTEE
WORKSHOP #2 MINUTES
June 4, 2025 – 2:30 P.M.

PRESENT: Col. Mike Greiger, Vice Chair
Kathy English, Member
Tim Polanowski, Member
Stacy Allen, Member, joined the meeting at 2:31pm

ABSENT: John Samorajczyk, Chair

STAFF PRESENT: Devon Schmidt, Finance Director; Frances Robustelli, City Manager; Renee Rose, City Clerk; Camden Mills, Public Services Director; Mandy Edmunds, Interim Recreation Director, Laura Canary, Community Development Director; Cathleen Bowley, Interim Library Director; John Taylor, Assistant Finance Director; Jim Kilpatrick, Fire Chief

Vice Chair Greiger called the meeting to order at 2:30 PM.

1. Items for Discussion –

a. Budget Workshop #2

Finance Director Devon Schmidt said this workshop will focus on aligning financial strategies and capital projects with the city's strategic goals, particularly in light of ongoing storm recovery efforts. City staff revisited and re-prioritized the capital projects to determine what could realistically be accomplished within the current fiscal year. Projects were categorized into essential, necessary, and desirable. Essential projects are those that must be completed immediately, due to mandates or safety requirements. Necessary projects focus on improving service reliability, while desirable projects can be deferred for future consideration.

Ms. Schmidt summarized each fund, and each of the different priority areas to illustrate staff ranking. A five-year budget forecast was provided to show both immediate priorities and long-term plans. Projects were identified tied specifically to storm recovery, which continue to evolve as more information becomes available from FEMA and other funding sources. For fiscal year 2026, high-priority projects include dune walkover replacements, citywide security system enhancements, implementation of the NeoGov application which may span two fiscal years, and improvements to IT service continuity and security infrastructure. These items were considered critical and non-deferrable. Significant roof and structural damage has been identified across multiple city buildings. One major project is the fire station 22 replacement, with design funding scheduled for fiscal year 2025 and construction projected for 2027 at a cost of \$10 million. Staff will evaluate whether this project could receive FEMA reimbursement or if alternative funding sources will be required.

Vice Chair Greiger asked about the grant for the fire station. City Manager Robustelli said the state grant for the fire station is secure as long as deadlines are met, with funds split between 2025 and 2026. The project is moving quickly and currently in construction design. A variance approval related to the project expires in October, so building permits must be secured by then. The city is paying about \$8,000 a month for temporary facilities. The city has requested an extra \$3 million

appropriation from the state budget this year, and early feedback has been positive. The goal is to keep the project moving quickly while minimizing the need for loans by securing as much funding as possible. Given the cooperative agreement for emergency services with the county, there is interest in asking the county to contribute financially. The city is looking at the larger pool of \$813 million in available funds, which includes hazard mitigation money for infrastructure like seawalls and CDBG-DR funds for specific projects such as the fire station and sewer system. These two projects have been prioritized to maintain focus and visibility with state and federal officials. While the cooperative agreement likely doesn't cover capital costs, the city plans to work with the county to explore increasing the county's contributions toward facility maintenance costs related to housing EMS personnel.

Ms. Schmidt continued, sharing that the city's top-ranked general fund projects include several storm-related repairs prioritized for the 2026 budget cycle. These include the Pass-a-Grille Way seawall replacement, Gulf Way rehabilitation, and hurricane-damaged right-of-way repairs.

There was discussion about the Merry Pier. The future of the bait shop is uncertain. The initial county appraisal classified it as substantially damaged, so a private appraisal is underway. If the new assessment shows damage below 50%, and repair estimates support that, community members may donate the repair costs. Some licensed contractors have volunteered to help with estimates, so rebuilding may be possible if everything aligns. FEMA funding for the Gulf Way rehabilitation is not guaranteed. Since it falls under Category C, reimbursement takes longer and is less certain. If approved, FEMA would cover 75%, with the state and city splitting the remaining 25%, meaning the city would still be responsible for 12.5%.

Ms. Schmidt continued, noting that Category 2 projects are high-priority needs focused on safety improvements, equipment protection, cost efficiency, and water quality (without regulatory mandates). Some may qualify for matching funds. Key general fund projects include dune and beach restoration (with potential county lodging tax support), Belle Vista Mini Park improvements, fishing pier rehabilitation, Lazarillo Park lighting replacement, the 36th Avenue seawall replacement, and the 80th Avenue living shoreline project. The city is actively working with Tampa Bay Watch on potential living shoreline projects. They've collaborated on a volunteer activity to understand the methods used and are having Tampa Bay Watch review bathymetric data for all city seawalls. The Don Cesar neighborhood is being considered as a pilot area since its seawalls are in front yards, offering a unique opportunity. Grant funding is in place for three parcels to begin this effort and help the neighborhood visualize the concept. Living shorelines don't replace seawalls but are installed in front of them using elements like oyster beds, mangroves, or seagrass. These provide added protection by extending the life of the seawall and improving over time, unlike concrete which degrades. Mangroves may be protected once established, so trimming them could be limited. The goal is to help reduce flooding in vulnerable areas like Don Cesar.

Ms. Schmidt continued, sharing that the city has several infrastructure projects planned, including the community center seawall replacement which has grant funding secured, the Don Cesar boat ramp replacement, a facility emergency backup generator, and public restroom improvements. HVAC upgrades were deferred to 2027 to help balance the budget. The list also includes fleet

mechanic tools and equipment. There was discussion regarding the cost for the backup generator. Camden Mills, Public Services Director, said the cost isn't just for the generator itself, but also for the elevated platform it requires, since the structure must be built above the base flood elevation. This includes the design and permitting fees. The cost is in line with similar projects, such as an elevated platform for a master pump station currently underway. The generator for this facility would likely be larger than a standard 50kW unit. At Fire Station 23, they are considering using natural gas instead of diesel because it's available on site, which could reduce costs.

Ms. Schmidt continued with category two projects, such as Boca Ciega Drive and Gulf Winds Drive reconstructions, bridge rehabilitation, and some delayed items like shell alley improvements. Vina Del Mar bridge lighting replacements were also noted. Category three projects, not included in the current financial forecast, were also reviewed. These include IT upgrades, a new AV system, improvements to Egan Park and Horan Park docks, city hall interior upgrades, facility LED lighting conversions, and painting for Fire Station 23. There was discussion about the Horan Park floating docks and the value of investment given unresolved design and permitting issues. That project is linked to the Corey Landing development and including it in plans helps with negotiation leverage to have the developer potentially fund it. It's being kept as a placeholder for strategic reasons. Further projects mentioned include Corey Avenue monument signs and right-of-way improvements, some of which were pushed out to 2026–2027. There was a concern that some important elements, like signage, didn't rank high enough based on staff criteria, despite previous statements about their importance. Ms. Schmidt clarified that the ranking was based on funding limits and prioritization methodology and encouraged feedback from the committee to potentially adjust the recommendations.

Member Polanowski expressed concern about the financial impact of undertaking major road projects, on Gulf Winds Dr and Boca Ciega Dr, which could push the city into a deficit of up to \$21 million before potentially dropping back to \$7 million if FEMA reimbursement comes through. He inquired if it's worth taking on debt and paying interest for these improvements, since the streets, while in poor condition, are still functional. Doing minimal repairs now might save money compared to borrowing funds with a 5% interest rate. Mr. Mills said these streets are expensive to repair primarily because of the need to replace aging underground utilities, such as reclaimed water and sewer lines. Resurfacing the roads would be cheaper but wouldn't address those recurring infrastructure problems, which lead to frequent and costly maintenance. He has already scaled back the original project scope and any investment in these roads should include utility upgrades to be more sustainable long-term. There was discussion about alternatives like delaying the project until FEMA funds are available, or breaking costs out to be paid partially by enterprise funds (like reclaimed water) instead of the general fund.

Ms. Schmidt turned to reclaimed water category 2 projects, necessary projects for resiliency. Annual projects are planned for replacing lateral service pipes and installing pig ports. There was discussion about faulty ports into homes, substandard pipe material, and a lack of maintenance in the past. The reclaimed water fund relies heavily on transfers from the general fund. The city's emergency bridge loan can help cover operating costs of the reclaimed water system, which could free up opportunities for capital projects. The fee study is underway to evaluate how to make

enterprise funds like reclaimed water self-sufficient. This study includes parking and development-related fees, with preliminary results expected by July. These results will inform any future fee increases, which will be presented to the committee with a focus on public communication. Currently, around 2,000 of the city's homes are estimated to use reclaimed water. The system is operating at a deficit of approximately \$900 per user, which is excessive.

Ms. Schmidt moved on to the stormwater fund. For 2026, a category 1 essential project is the stormwater system cleaning and inspection, budgeted at \$800,000. Among the category 2 necessary resiliency projects, the Don Cesar and Boca Ciega area resiliency adaptation is the most significant, estimated at \$30.1 million. Although this project is critical, funding it, even partially through a bridge loan, would be financially challenging. Other projects include \$1.1 million in drainage improvements, a watershed management master plan spread across 2025 and 2026, and additional resiliency efforts scheduled for later years, such as the Northeast region resiliency adaptation in 2027 and the Pass-a-Grille/Vina Del Mar resiliency adaptation in 2028.

Ms. Schmidt continued with the wastewater fund. Category 1 projects include pump and lift station rehabilitations, including Pump Station One, which is partially grant-funded, and system-wide cleaning and inspection. For number two ranked necessary projects, updates include asset management and force main replacements, specifically Force Mains 6, 17, and the master Force Main 1. Additional improvements, such as pump overhauls, SCADA system upgrades, and capacity reports, begin in 2027. Wastewater service charges generate solid revenue, but there is still a \$3.8 million transfer from the general fund. Staff is considering using part of the bridge loan to cover operating costs, ensuring the number 1 ranked projects move forward this fiscal year.

Vice Chair Greiger noted the work the commission and mayor did during recovery and suggested increasing their compensation. It may encourage others to serve.

5. Adjournment

Budget Workshop #3 is scheduled for July 2, 2025 at 2:30 PM.

There being no further business, Vice Chair Greiger adjourned the meeting at 3:28 PM.

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