

FINANCE & BUDGET REVIEW BUDGET COMMITTEE
WORKSHOP #4 MINUTES
July 18, 2025 – 2:30 P.M.

PRESENT: Col. Mike Greiger, Vice Chair
Kathy English, Member
Tim Polanowski, Member
Stacy Allen, Member

EXCUSED: John Samorajczyk, Chair

STAFF PRESENT: Devon Schmidt, Finance Director; Frances Robustelli, City Manager;
Ginny Bodkin, Deputy City Clerk

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

1. Items for Discussion –

a. Budget Workshop #4: Ad Valorem Tax Analysis & Preliminary Budget Book - Summary of Changes

Finance Director Devon Schmidt spoke briefly about the budget process prior to beginning her presentation, which is part of the meeting record. Following her presentation, she will review any of the changes that have been made to the budget. Key points:

- 80% of property tax goes to schools, county, EMS, and other district purposes; 20% stay local to St. Pete Beach.
- Ad valorem taxes - Non-homestead property makes up 70% (\$11MM) of revenues for the city and Homestead accounts for 30% or (\$4.7MM).
- 72% of tax is residential, 24% commercial, and 4% mixed use.
- Of homestead tax, 70% is single family, 20% condominium, and 2-3% each for single family more than one parcel, duplex/triplex/fourplex, planned unit development and other.
- Non-homestead breaks down to 26% condominium, 25% single family, 19% hotel/motel 50 units or more, 4% condo conversion, 4% condo-hotel, 3% duplex/triplex and 19% other (timeshares, small hotel – determined by county).
- The non-homestead condo property type makes up the largest tax base in St. Pete Beach at \$4,137,776, followed by residential homestead \$3,547,011, residential non-homestead, \$3,272,705, commercial non-homestead \$3,148,382 - continuing down to the lowest, commercial homestead at \$9,722.
- St. Pete Beach ranks 18th of 23 in total millage compared with the other cities in the county.
- Millage rate options from the county were:
 - Rolled back rate to be used for maximum millage levy calculation – 3.1189.
 - Majority vote maximum rate allowed – 3.2596.
 - 2/3 vote maximum millage allowed rate – 3.5856.

(The gross taxable value for City of St. Pete Beach is lower than it was last year; the first time since the housing crisis/recession of 2008 and is due to diminished value of building structures damaged by the hurricanes. Land value is stable but not building structure value from assessments in January, therefore the rolled back would make the ad valorem revenue more; same as last year).

- Infographics were shown for the current (3.09) millage rate vs. other rate options by parcel type and actual percentage dollar amounts paid for each, and then the actual budget impact

for each option - current rate (\$15,785,506), rolled back rate (+\$140,937), majority vote max rate (+\$859,412), and 2/3 max vote rate (+\$2,524,108).

- A 10-year forecast of the amount of tax revenue that would result from the current and maximum (2/3 vote majority max) millage rates was shown (with 50% toward resiliency, and 50% CIP), and examples of projects that could be accomplished at the majority max and 2/3 max rates over 10 years.

Ms. Schmidt asked the committee for their review and recommendation from the options of accepting the operational budget as presented with option A) a current millage rate of 3.0913 (adopting CIP as presented, \$0 to resiliency fund, B) a rolled back rate of 3.1189 ((\$70K into resiliency fund and \$70K into CIP), C) a majority vote max rate of 3.2596 (\$429,706 to resiliency and \$429,706 to CIP, D) a 2/3 max vote rate of 3.5856 (\$1,262,054 to resiliency and 1,262,054 to CIP), or E) 50% of any mill increase to resiliency fund and direction on the allocation of the other 50%.

Vice Chair Greiger suggested committee discussion of the options. Member Polanowski opined that government is the only organization that can demand revenues and residents are still hurting from the hurricanes. He pointed out that the city's revenues from 2020 to 2026 increased 56% - the city used to manage with 2/3 of the funding that they have now. The cost of living has increased, but services should not have increased more than CPI. The city should be able to run on less money by increasing the use of each dollar. In 2019-2020, every fund had a surplus; now all funds except parking are at a deficit. Despite those comments he felt the presented budget is good and the new finance director and city manager can gain more nuances throughout this year, and next year be more stringent.

City Manager Frances Robustelli responded that capital is the core that keeps the city running. There is deferred infrastructure maintenance that was not included in prior budgets; there is a failing infrastructure that will result in severe issues if not addressed. There was a lack of maintenance for a decade. Further cuts will perpetuate those issues. Based upon her professional experience, this city is relatively "skinny," and getting more stringent would mean cutting services. Although there have been some cuts to the Sheriff budget for example, they can only go so low on public safety. There is nothing to cut on the Fire Departments, which would leave recreation services – and a fee study is currently in process. There is not much fluff. The cost of labor has doubled in six years. Fee studies are being done for sewer, stormwater, and reclaimed water. She did not feel that simply "cutting the budget" would be good for this community.

Vice Chair Greiger was in favor of fee increases, which was brought up with the Commission last year. Ms. Schmidt expects the fee studies to be wrapped up in September and a mid-year adjustment could be made with public input. Ms. Robustelli added that rate increases would be incremental and that the city is also looking at development impact fees. Once the enterprise funds get healthy, that will put more money into the general fund to work with – possibly toward resiliency with committee and commission agreement.

Member English commented that the stormwater topic and beach restoration have been top of mind for so many residents prior to the next hurricane season. Member Allen concurred and also with the urgency of deferred infrastructure maintenance projects. City Manager Robustelli pointed out that a multi-year plan is being mapped out for maintenance.

Ms. Schmidt pointed out a 3.7% EMS contribution from the county and City Manager added that that some Penny for Pinellas taxes come back for roads. The city is also pursuing the possibility of county funds from bed tax for beach maintenance and beach capital projects that directly relate to tourism. The city is also working with the county and Forward Pinellas to increase multimodal impact fees that are collected at the development phase.

Following discussion, the committee unanimously agreed to recommend option B, the rolled back rate for FY2025-26 to the City Commission, with Member Polanowski suggesting that there should be a separate line for early tax discounts taken by residents. Member Polanowski asked if all were comfortable with the reserves of a little more than 3 months operating expenses. Ms. Schmidt indicated that reserves will be discussed at the next workshop; all members felt that it could stand to be increased. Ms. Robustelli was in favor of guardrails.

After the committee made their recommendation, Ms. Schmidt moved on to a quick review of the summary of changes that have been made to the budget since it was first presented that were not already discussed. Key points:

Summary of Operating, Revenue, and Capital Changes

- The EMS contribution from the county was updated to \$3,748,208 for Operations and \$700,000 for replacing two rescue vehicles.
- Multimodal now better reflects the 5–10-year scenario, subject to change with county talks.
- Updated security and safety project description.
- Added \$3MM for revenue as well as expenses for Fire Station 22
- PCSO contract clarifications and reducing community policing deputies from 3 to 2 and reducing off-duty maximum from \$250K to \$100K.

Summary of Personnel Changes

- Phase two re-org of leadership team- Reclassifications – no budget impact
- Add Emergency Preparedness Specialist
- Benefits – pilot testing per employee per month for better cost planning
- Tracking CPI and Regional Market Conditions - 2.6% COLA pending
- Commission pay increase as a placeholder requiring a vote of the people.

Revenues by Fund

- Graphic of the top ten non-general fund revenues expected (FEMA, local grants, fees, state grants, Penny for Pinellas, etc.)
- Added in the fund balance ending figure.

Fund Balances

- Governmental General Fund – GFOA advises a 2–3-month operating reserve but bringing back options to consider.
- General Fund and other inflows summary graphic – taxes 49%, service fees 13.87%, intergovernmental 15.57%.
- Law enforcement, fire and EMS are the biggest bucket of expenses, followed by public services and non-departmental, which indicates transfers out or debt service.

Capital Improvement Plan

- \$4.5MM worth of work in 2026
- City wide camera and security system is critical – Candyce Galloway, Technology and Innovation Officer, detailed the IT infrastructure needs that have been ignored 15-20 years and staff is trying to replace core components; there cannot be a lot of flexibility with security.

At the next meeting, the tentative budget book will be reviewed, including capital projects expected to straddle the next two fiscal years.

City Manager Robustelli summarized that the city is looking into the Community Redevelopment District (CRD) concept and requesting the authority from the Commission to move forward with the required finding of necessity. The CRD creates a taxable district from which the city gets county increment tax back into the community as the property tax values grow. The funds are to be used for that district for infrastructure. It must be proven that the area is blighted; the area being considered is Corey Ave. and N. of 75th.

Member Polanowski mentioned the associated non-profit board for businesses and residents that want to donate toward well-defined city projects. Ms. Robustelli stated that work has started with the city attorney to see how to form that, as well as resident trusts.

5. Adjournment

There being no further business, Vice Chair Greiger adjourned the meeting at 3:35 PM.

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