

City Commission Work Session

May 12, 2026

3:00 p.m.

ELECTED OFFICIALS PRESENT:

Scott Tate, Mayor

Karen Marriott, Commissioner, District 1

Lisa Robinson, Vice Mayor, Commissioner, District 2

Al Causey, Commissioner, District 3

Jon Maldonado, Commissioner, District 4

STAFF PRESENT:

Frances Robustelli, City Manager

Ralf Brookes, City Attorney

Renee Rose, City Clerk

Laura Canary, Community Development Director

Jim Kilpatrick, Fire Chief

Marc Portugal, Communications Manager

Adam Poirrier, Assistant City Manager

Candyce Galloway, Innovation & Technology Director

Devon Schmidt, Finance Director

Camden Mills, Public Services Director

Mandy Edmunds, Resident Services Director

Mayor Tate called the meeting to order at 3:00 p.m.

1. PRESENTATIONS

a. Revenue, Unaudited Reserve, Preliminary Capital Projects Improvement Plan and Priorities

Finance Director Devon Schmidt presented Budget Workshop No. 1, focused on revenue generation strategies, long-term financial forecasting, enterprise fund sustainability, and preliminary capital improvement priorities. Her presentation was made part of the meeting record. She outlined projected infrastructure needs totaling approximately \$218 million over the next five years, potential impacts from proposed state legislation affecting ad valorem revenues, and challenges associated with enterprise funds requiring General Fund subsidies. She reviewed the City's current revenue structure, projected five-year revenue and expenditure forecasts, and aligned capital priorities with the City's strategic goals, with emphasis on recovery, resiliency, sustainability, and reliable infrastructure. She also summarized the efforts of the Revenue Generation Working Group, including analysis of legally allowed revenue options and prioritization recommendations from the Finance Budget Review Committee (FBRC). She discussed the City's reliance on grants and appropriations, including active state and federal funding requests, FEMA reimbursements, and limitations associated with grant eligibility and operational funding. Historical grant activity and current grant tracking efforts were also reviewed. She addressed the financial condition of enterprise funds, including reclaimed water, stormwater, and wastewater systems, and reviewed preliminary findings from ongoing utility rate studies. She explained that existing revenues are insufficient to meet projected operating and capital needs without future rate adjustments, debt financing, or additional revenue sources. Alternative funding scenarios and phased implementation approaches were also presented. Additional revenue concepts presented included fire assessment fees, resiliency fees, parking-based street repair assessments, resident service fee adjustments, community redevelopment areas, stormwater bonding scenarios, public-private partnerships, philanthropic fundraising opportunities, and other financing tools. Ms. Schmidt also reviewed several concepts determined to have limited feasibility or no local authority under Florida law. She then requested Commission direction regarding which revenue generation strategies should receive additional analysis and prioritization moving forward.

Commission discussion followed regarding enterprise fund projections, long-term capital planning, and potential revenue strategies. There were questions regarding the relationship between resiliency projects and stormwater infrastructure costs, benchmarking of proposed utility rate increases against neighboring jurisdictions, and the distinction between short-term and long-term funding needs. Staff explained that many resiliency-related projects would otherwise need to be funded through the stormwater utility and noted that additional benchmarking and rate structure analysis would be presented during future utility rate study discussions. There was concern about discussing potential revenue sources before first prioritizing and refining the City's long-term capital

improvement needs. Discussion included whether all proposed capital projects were essential, how projects would be prioritized, and whether alternative strategies, including the possible sale of utility assets, should be explored. Staff clarified that the workshop was intended to obtain philosophical direction on which revenue concepts warranted additional staff research and analysis, rather than approval or implementation of specific fees or assessments. Discussion further included several potential revenue concepts, including fire assessment fees, parking-based assessments, community redevelopment areas (CRA), enterprise fund fee adjustments, toll road concepts, philanthropy and sponsorship opportunities, bond financing, and registration or business fees related to short-term rentals. Staff provided additional clarification regarding legal limitations, implementation timelines, estimated revenue potential, and required studies associated with several options. Discussion also addressed the City's ongoing CRA efforts and feedback received from Pinellas County. Staff advised that discussions with the County were continuing and that the data and analysis prepared for the CRA study would remain valuable regardless of the ultimate funding structure pursued. Additional discussion focused on the condition of the City's wastewater and stormwater infrastructure systems, including ongoing televising and inspection studies, prior drainage and resiliency master planning efforts, and the uncertainty associated with future infrastructure costs. Staff explained that the current capital estimates represent the City's best projections based on available data and may change as additional studies are completed. There was discussion regarding the Tourist Development Tax (bed tax) funding limitations, the role of county and state restrictions on TDT expenditures, and potential future advocacy efforts related to additional flexibility for coastal resiliency and infrastructure projects.

Ms. Schmidt continued, focusing on the preliminary Capital Improvement Plan (CIP) and project prioritization process. She explained that projects were evaluated using the Commission-approved priority matrix, which scores projects based on factors including health and safety, regulatory mandates, asset condition, resiliency, operational impact, grant opportunities, and project coordination. She noted that the current list represents all identified capital needs and not all projects are expected to move forward in the FY27 budget. She reviewed projected revenues, expenditures, and fund balances across the City's major operating and capital funds, noting that current projections reflect no new revenue sources or grant assumptions. The City continues to follow a policy of limiting operating budget growth to approximately three percent annually and transferring remaining available funds toward capital projects while maintaining required reserve levels. She provided an overview of major proposed FY27 capital projects, including dune walkover replacements, Fisherman's Park and fishing pier rehabilitation projects, Fire Station 22 replacement, seawall improvements, Public Services facility upgrades, roadway rehabilitation, utility undergrounding projects, resiliency adaptation projects, wastewater system improvements, lift station rehabilitation, and stormwater system cleaning and inspection programs. She noted that several utility and resiliency funds currently project negative balances due to significant long-term infrastructure needs and insufficient existing revenue sources. She also highlighted that the parking fund continues to generate strong positive balances due to recent parking fee adjustments and may provide flexibility to support other capital priorities in the future. Wastewater, reclaimed water, stormwater, and resiliency funds were identified as areas with substantial capital demands and limited available revenues under current funding structures. She advised that the presentation represented an initial overview of the City's capital needs and that future workshops would continue refining project priorities and funding strategies in preparation for development of a balanced FY27 budget.

Commission discussion focused on the capital project ranking methodology, project prioritization, and how future revenue discussions should align with identified capital needs. Staff were asked to clarify how projects were ranked within the red, yellow, and green priority categories and there was discussion whether all listed projects should proceed or whether lower-ranked projects should be deferred. Discussion highlighted the need to identify which projects are most critical in the near term, particularly for FY27, before determining what additional revenue sources may be necessary. Additional analysis was requested showing projected costs by priority category, including separate totals for green-only projects, green and yellow projects combined, and all projects together, along with identification of projects currently tied to grant opportunities or other outside funding sources. There was interest in exploring alternative funding strategies before considering additional assessments

or fees, including grants, TDT opportunities, redevelopment funding, and the possible sale or transfer of wastewater system assets. There was discussion regarding the City's wastewater fund and long-term infrastructure obligations, including whether transferring wastewater operations to another agency could reduce future capital liabilities and improve operational efficiencies. advised that additional information could be prepared regarding timelines, feasibility, and fiscal impacts associated with such options. Discussion also addressed potential tourism-related funding opportunities for projects such as the Merry Pier rehabilitation and possible future water taxi connections. Staff noted that applications for Visit St. Pete/Clearwater capital funding opportunities typically require matching funds and remain competitive. Discussion included conservative revenue forecasting assumptions used in the preliminary budget projections, including that future ad valorem revenue growth from new and pending developments, property sales, and new construction had not yet been incorporated into projections. Ms. Schmidt said future workshops would continue refining capital priorities, enterprise fund projections, and revenue assumptions in preparation for development of a balanced FY27 budget.

Mayor Tate adjourned the meeting at 5:27pm.

MINUTES APPROVED: MAY 26, 2026



RENEE ROSE
CITY CLERK



SCOTT TATE
MAYOR