FINANCE & BUDGET REVIEW COMMITTEE SPECIAL MEETING
CITY OF ST. PETE BEACH
COMMISSION CHAMBERS

155 Corey Avenue
St. Pete Beach, FL 33706

Tuesday, July 7, 2026
1:30 PM

Call to Order
Pledge of Allegiance
Roll Call

SPECIAL MEETING

1. Approval of the Agenda -

   Action Request: Motion to approve the July 7, 2026 special meeting agenda.

2. Audience Comments -
   If you wish to speak, please complete and submit a speaker's card to the City Clerk. When called, approach the podium and state your name and address for the record. Comments are limited to 3 minutes for both general and agenda items. Public comment on agenda items will be taken when that item is called.

3. Presentations -

   a. Reclaimed Water, Stormwater, and Wastewater Utility Revenue Sufficiency Study & Wastewater Connection Fee Study by Raftelis

   b. Ad Valorem Tax Analysis

   c. Preliminary Operating Budget

4. Adjournment -

AMERICANS WITH DISABILITIES ACT (ADA): In accordance with the Americans with Disabilities Act and Florida Statutes, if any person with a disability defined by the ADA needs special accommodation to participate in this proceeding, then not later than two business days prior to the proceeding, he or she should contact City Hall at (727) 367-2735.

The public is cordially invited to attend this meeting.
All agenda material is available for review at City Hall or www.stpetebeach.org.

City of St. Pete Beach

Reclaimed Water, Stormwater, and Wastewater Utility Revenue Sufficiency Study and Wastewater Connection Fee Study

Prepared: July 2, 2026

RAFTELIS

St. Pete Beach
The Sunset Capital of Florida

Agenda

1. Review of Major Tasks, Goals, and Considerations
2. Discuss Major Assumptions
3. Summary Findings and Recommendations

Revenue Sufficiency Studies

Enterprise Funds

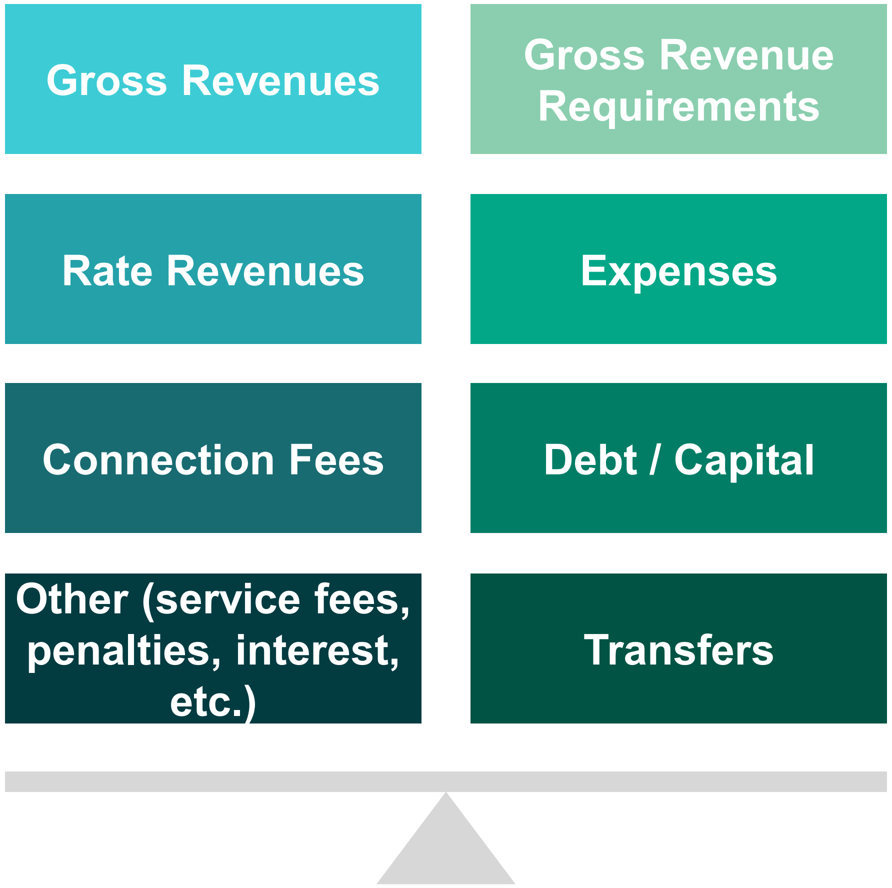
- Reclaimed water, stormwater, and wastewater are reported as Enterprise Funds of the City for financial reporting purposes
- According to the GASB:

  "Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges."

- 95-99% Of recurring revenue of utility systems derived from user rates

Study Tasks and Approach – Revenue Sufficiency

- Develop financial forecast to project reclaimed water, stormwater, and wastewater utility system operations
- Review and fund future capital improvement projects
- Evaluate cash reserve targets and financial performance requirements
- Project adequacy of revenues at existing rates
- Review existing wastewater rate structure and develop alternative rate structure



Study Goals and Considerations

- Use existing cash reserves as appropriate to phase in rate adjustments
  - To the extent possible
- Achieve and maintain positive cashflow for utility systems
- Achieve and maintain targeted cash reserves
  - 90 days of revenue for reclaimed, stormwater, and wastewater systems
- Compliance with debt service covenants (stormwater and wastewater)
  - Senior lien required coverage - 105% / 115%
  - Subordinate lien required coverage - 115%
  - All-In coverage target - 150%

Reclaimed Water Utility System

System Customers, Growth, and Revenues

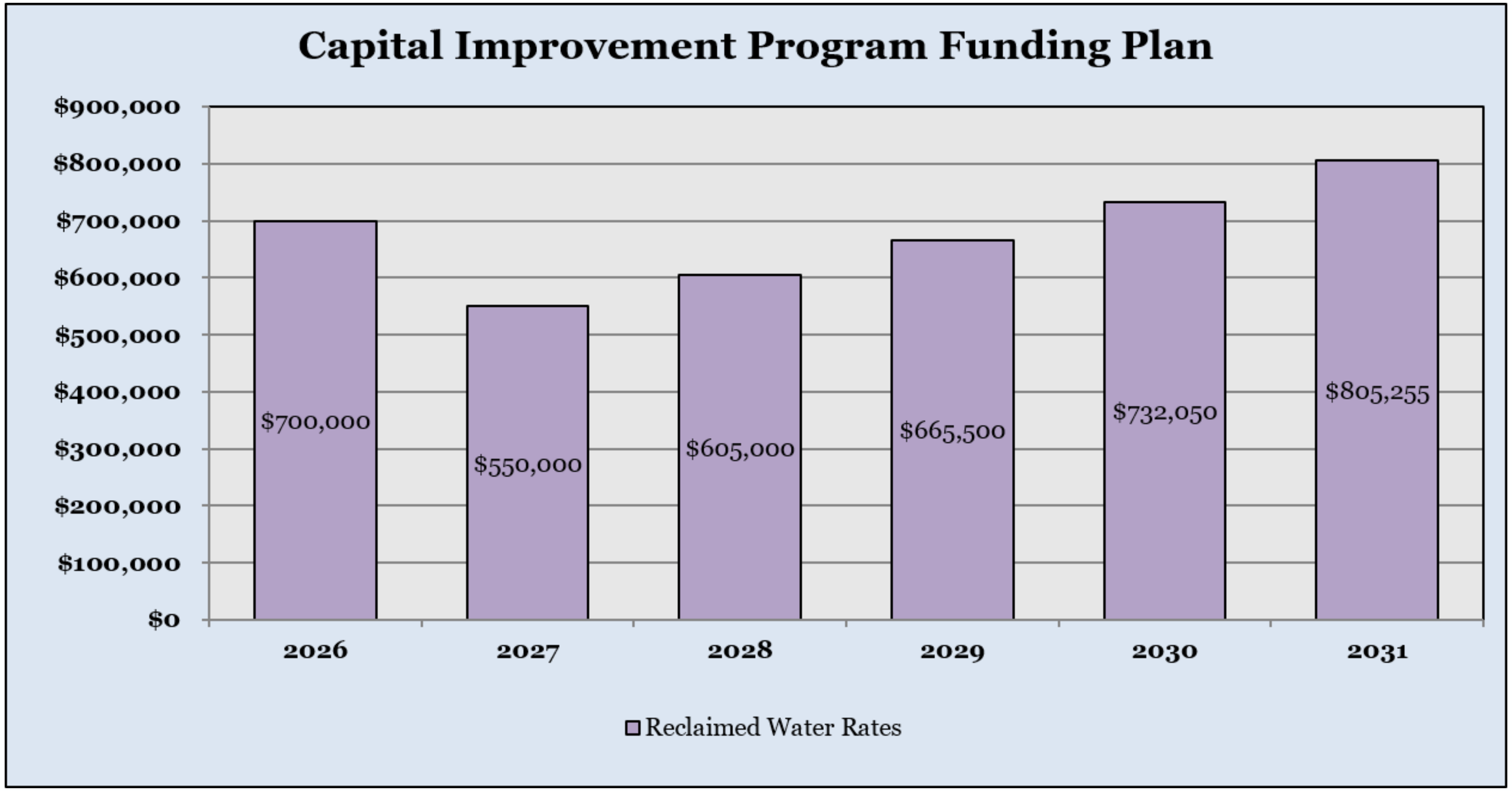
- Approximately 2,900 reclaim water system accounts billed bimonthly
- Minimal customer account growth (estimated 2 accounts per year)
- System revenues at existing rates of approximately $1.1 million in FY 2026 and projected to be generally constant through FY 2030
  - Only due to growth projections / no rate adjustments
- Other / Miscellaneous Revenues projected at approximately $16,200 annually
  - Connection Fee, Reclaim Water Permits, Disconnect Fees, Scrap Sales, and County Electric Reimbursement
- Interest income of approximately $13,700 annually on average
- FY 2026 Budget is balanced through use of General Fund transfers
  - Budgeted 2026 revenues are projected to cover operating expenses and a portion of the General Fund loan payment but are **not** sufficient to fund any capital investment in the system

Revenue Requirements – Operating Expenses and Debt Service

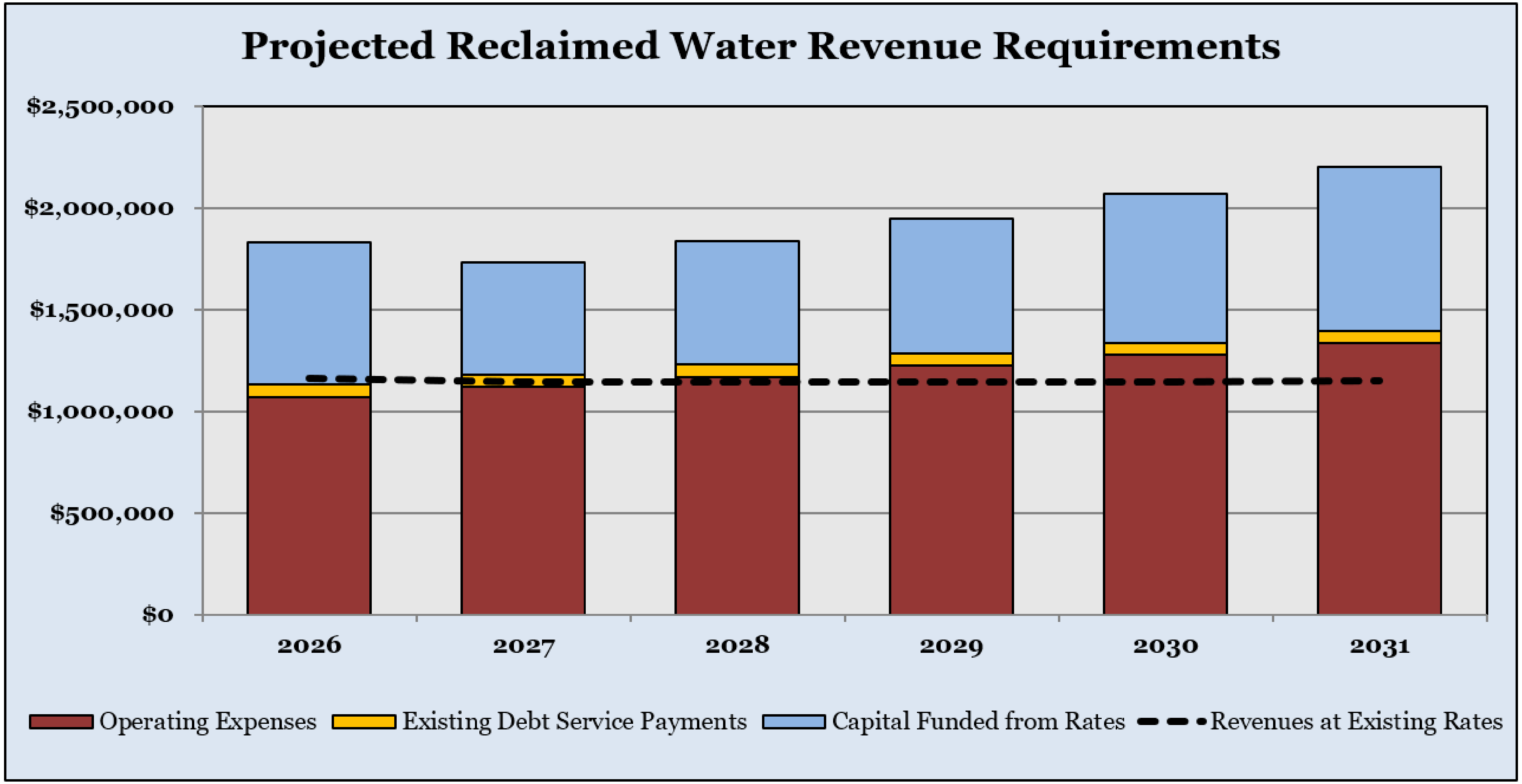
- Operating expenses have grown 16%+ per year on average since FY 2021
- Operating expenses of approx. $1.1 million in 2026 projected to increase to $1.3 million by 2030 – approx. 4.5% per year
  - Labor: 4.0% annually
  - Health insurance: 10.0% annually
  - Inflation (CPI): approximately 2.2% annually
  - Repair and maintenance: 3.2% annually
  - Purchased reclaimed water rate expected to increase 5.00% annually
- General Fund loan repayments of approximately $61,000 annually
  - Estimated payoff in FY 2039

Revenue Requirements – Capital Improvement Program (CIP)

- Total CIP - $4.5 Million
  - Two projects: Lateral Service Pipe Replacement & Pig Port Installation
  - Funded by rates
  - Average annual funding of $676,000



Adequacy of Existing Rates



Existing reclaimed water revenues are projected to be **insufficient** to cover projected revenue requirements for the forecast period

Issues Affecting Rates

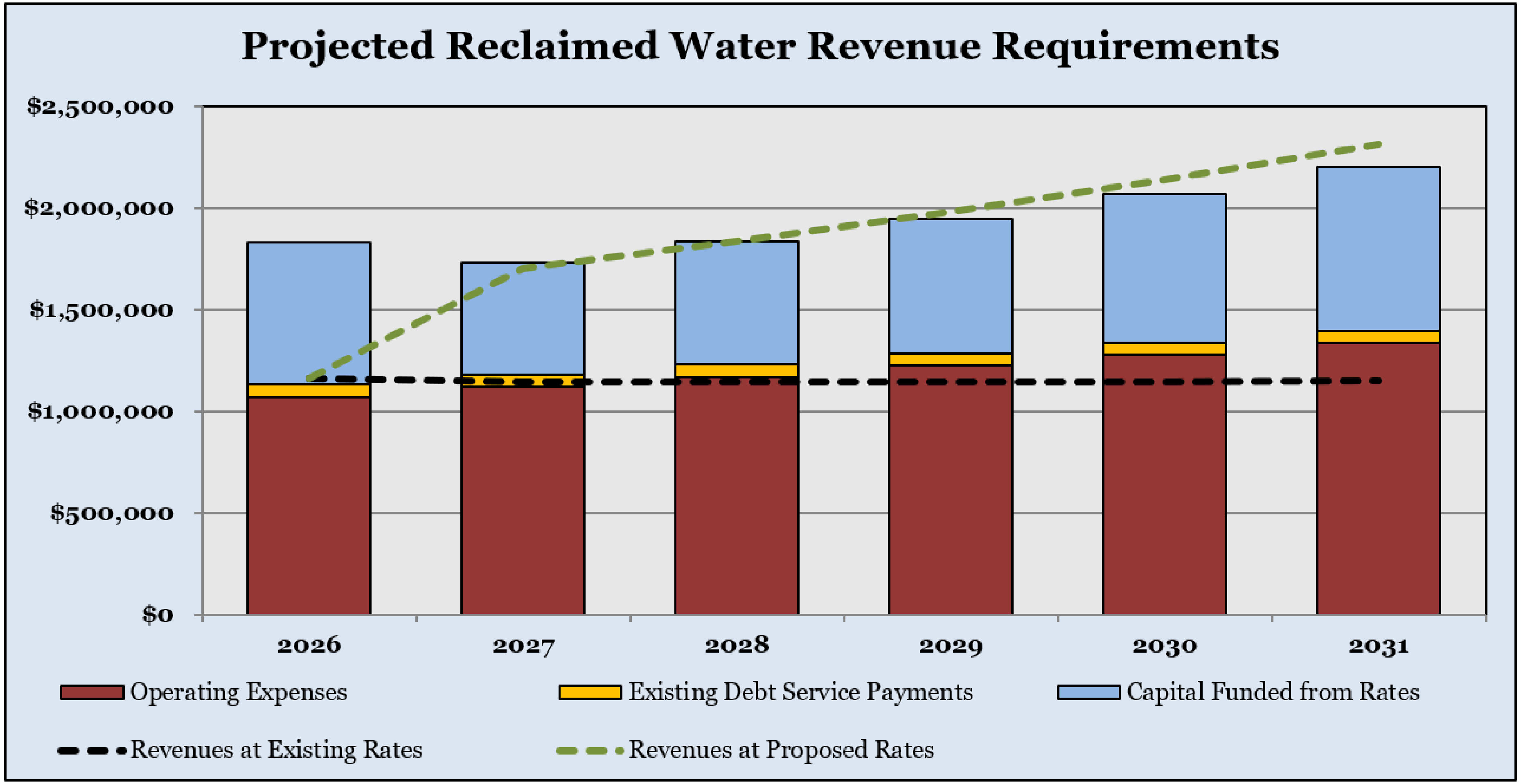
- Low growth in customers
- Inflationary increases in operating expenses
- Projected increases in wholesale reclaimed rates from County
- Increases in renewal and replacement funding related to maintaining existing assets
- End reliance on general fund transfers to fund utility operations

Preliminary Reclaimed Water Rate Revenue Adjustments Identified in the Financial Forecast

Description	Existing	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Cumulative
Percentage Increase	N/A	50.00%	8.00%	8.00%	8.00%	8.00%	104.07%
Basic Service Monthly Fee	$25.00	$37.50	$40.50	$43.74	$47.24	$51.02	N/A

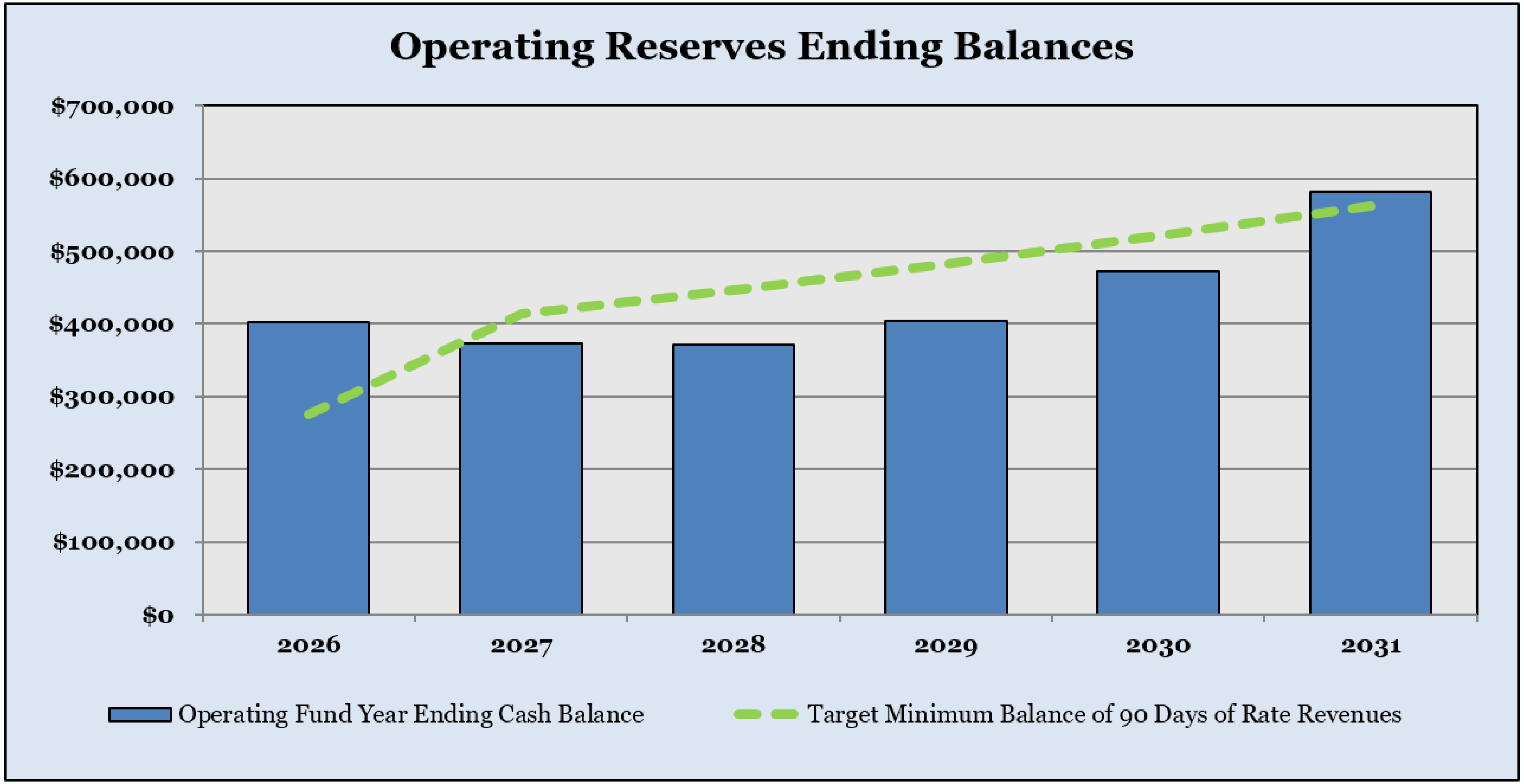
Note: Based on projected revenues, expenses, debt payments, and capital improvement plan as presented and assuming no continued reliance on general fund transfers

Adequacy of Proposed Rates



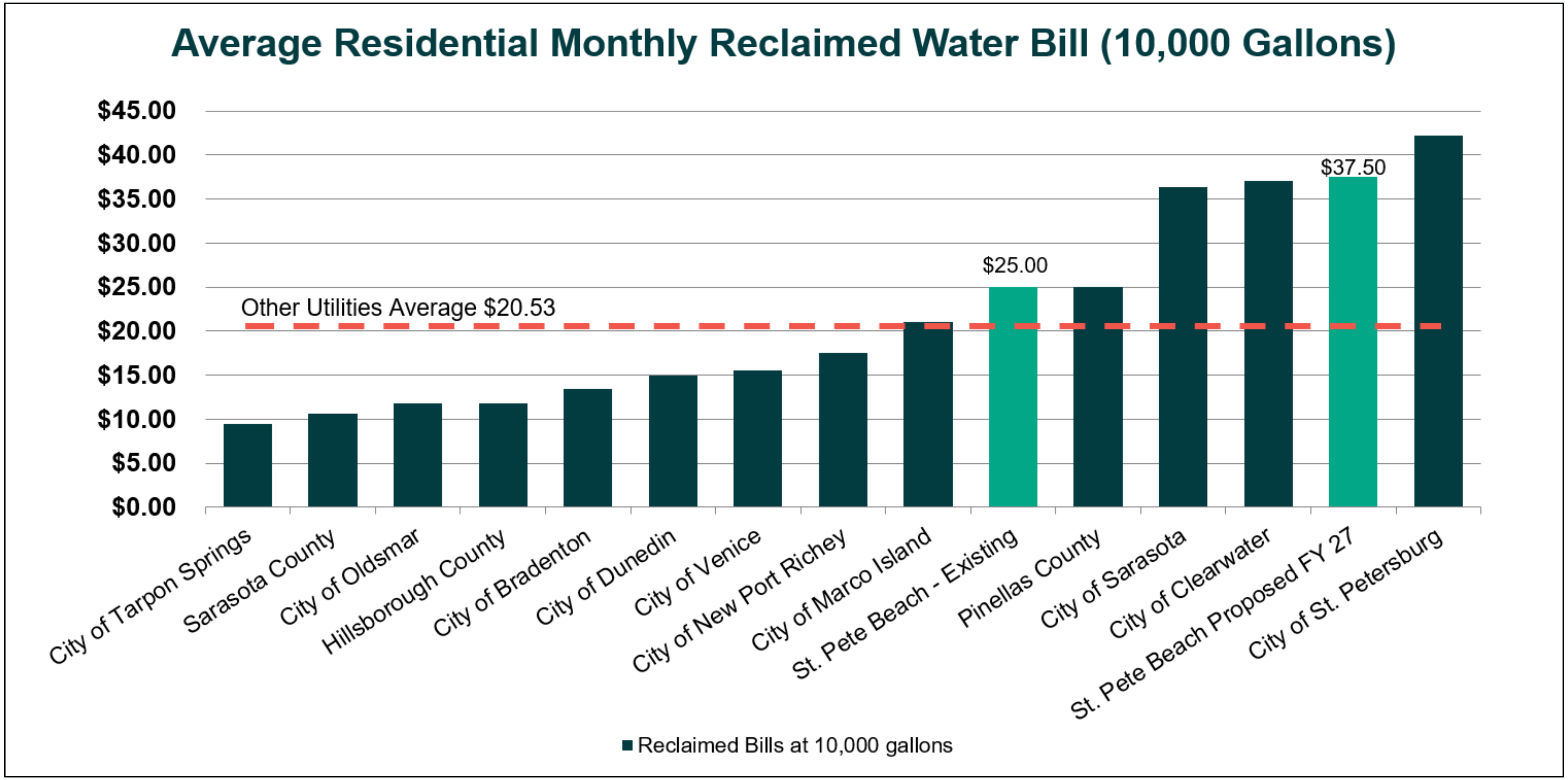
Proposed reclaimed water revenues are projected to be **sufficient** to cover projected revenue requirements for the forecast period

Adequacy of Proposed Rates (cont.)



Goal to achieve approximately 90 days of rate revenues in operating fund for liquidity and unforeseen contingencies

Residential Rate Comparison



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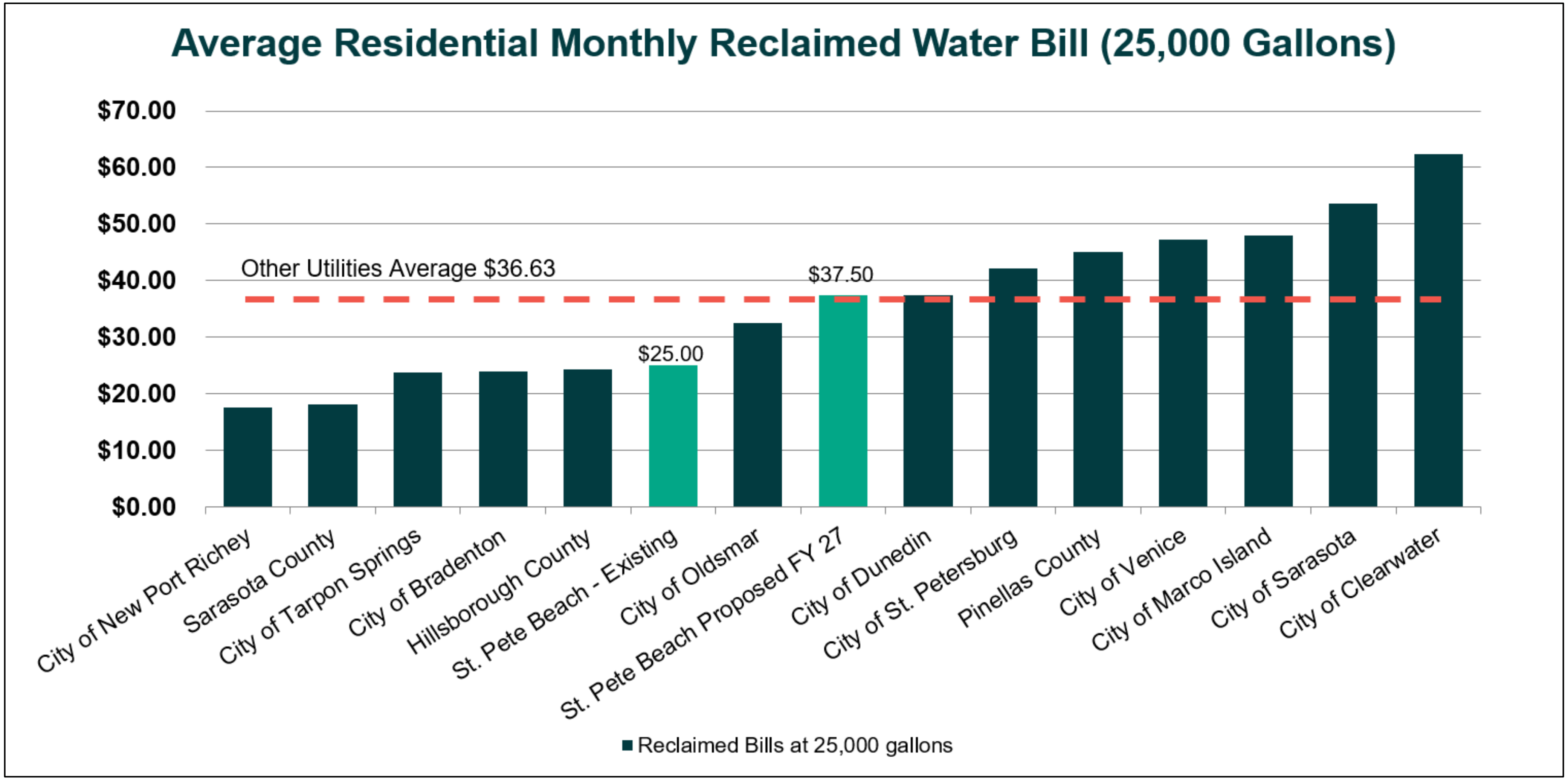


Reclaimed Water
Alternative Rate Scenario

- Scenario to mitigate front-end loaded increases by phasing in capital spending over the forecast period
  - Overall reduction in CIP of approx. $700k
- Same overall annual funding level achieved by 2030
- Alternative scenario rate increase projections

Description	Existing	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Cumulative
Percentage Increase	N/A	18.00%	18.00%	18.00%	18.00%	5.00%	103.57%
Basic Service Monthly Fee	$25.00	$29.50	$34.81	$41.08	$48.47	$50.89	N/A

Stormwater Utility System

System Customers, Growth, and Revenues

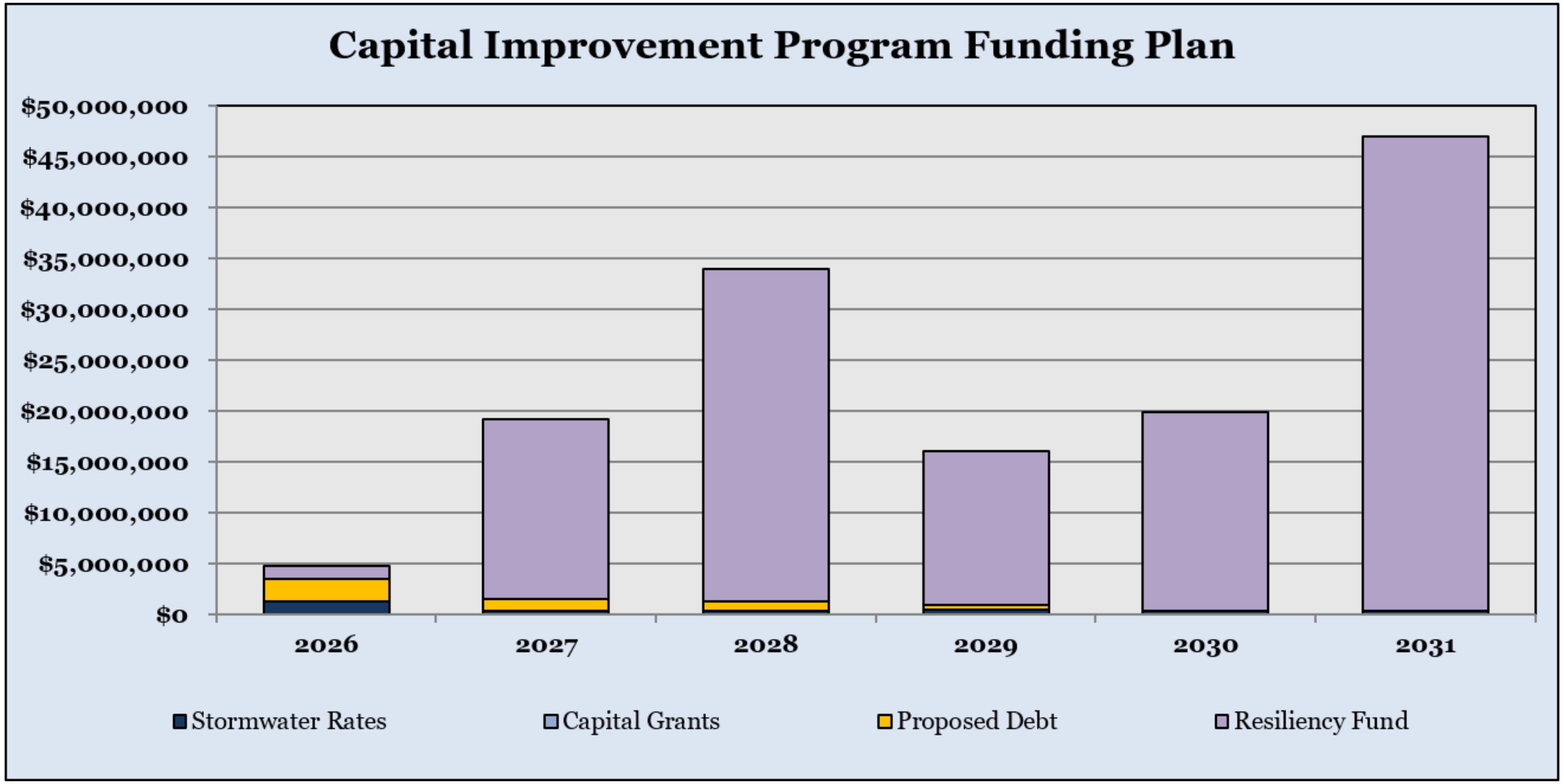
- Approximately 7,656 customer accounts billed as an assessment
- Approximately 7,738 Equivalent Residential Units (ERUs)
- Minimal customer account growth (estimated 2 accounts per year)
- System revenues at <u>existing</u> rates of approximately $1.4 million in FY 2026 and projected to be generally constant through FY 2030
  - Only due to growth projections / no rate adjustments
- Interest income of approximately $27,800 annually on average
- FY 2026 Budget is balanced through use of reserves

Revenue Requirements - Operating Expenses

- Operating expenses have grown 7.7%+ per year on average since FY 2021
- Operating expenses of approx. $1.3 million in 2026 projected to increase to $1.6 million by 2031 – approx. 3.8% per year
  - Labor: 4.0% annually
  - Health insurance: 10.0% annually
  - Inflation (CPI): approximately 2.2% annually
  - Repair and maintenance: 3.2% annually

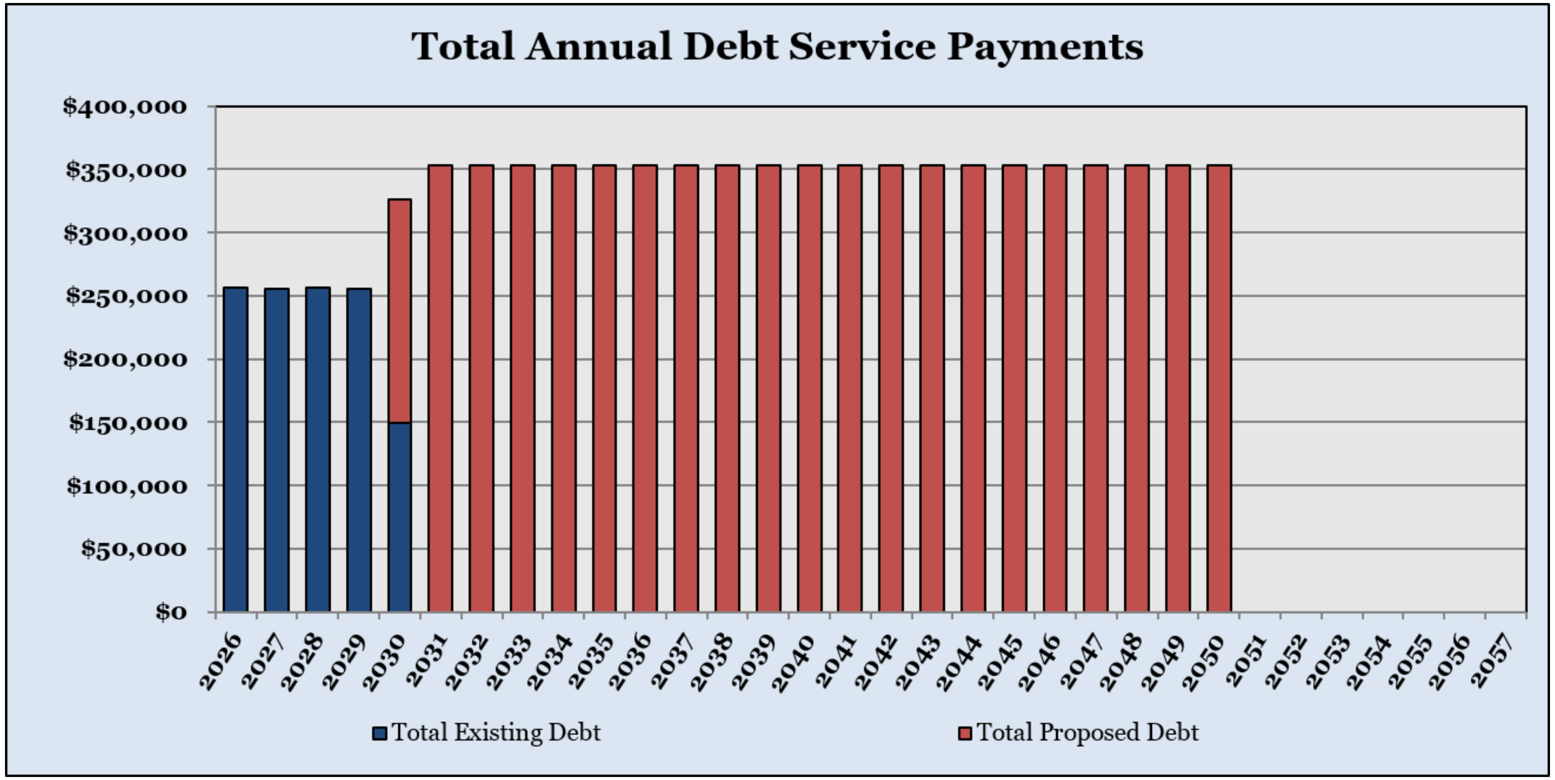
Revenue Requirements – Capital Improvement Program (CIP)

- CIP of approx. $140.9 million in stormwater-related projects (FY 2026 – 2031)
  - Approx. $132.8 million budgeted as funded from **Resiliency Fund**
  - Approx. $8.1 million budgeted as funded from Stormwater Fund
  - Approx. $1.4 million annually in projects to be funded from utility rates and additional borrowings
    - $3.4 million from rates and $4.8 million from additional debt in total

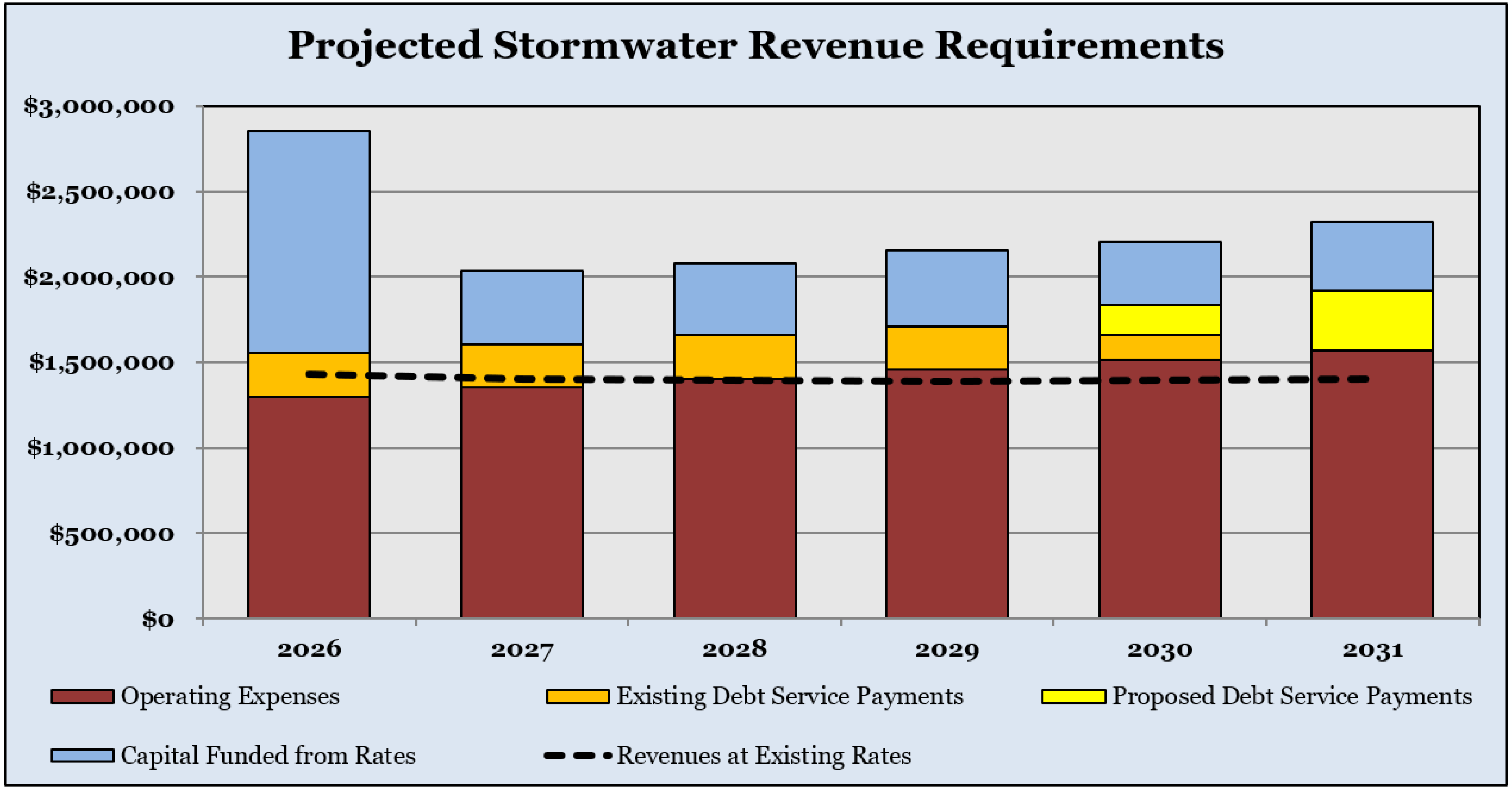


Revenue Requirements - Debt Service

- Existing Debt Service: Approx. $256,000 annual debt service payment paying off in FY 2030
  - Stormwater Revenue Note, Series 2015
- Proposed SRF Loan Issue: $353,000 annual debt service payment starting in FY 2030



Adequacy of Existing Rates



Existing stormwater revenues are projected to be **insufficient** to cover projected revenue requirements for the forecast period

Issues Affecting Rates

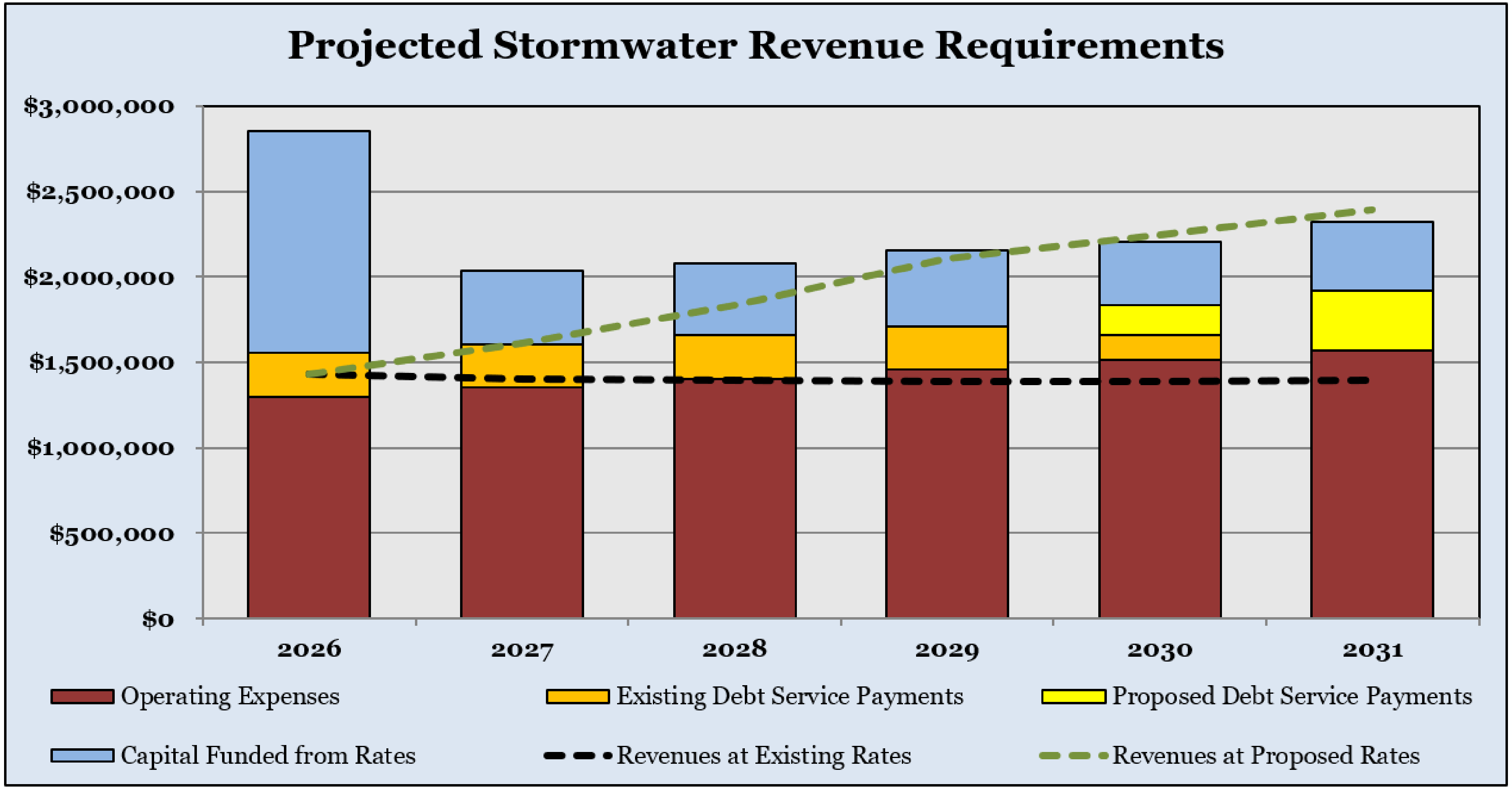
- Low growth in customers
- Inflationary increases in operating expenses
- Significant capital improvement program to improve and maintain system
- Future increase in annual debt service payments due to additional borrowing to fund major capital projects in the capital improvement plan

Preliminary Stormwater Rate Revenue Adjustments Identified in the Financial Forecast

Description	Existing	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Cumulative
Percentage Adjustment	N/A	15.00%	15.00%	15.00%	6.50%	6.50%	72.50%
Fixed Parcel Rate	$64.32	$73.97	$85.07	$97.83	$104.19	$110.96	N/A
Variable ERU Rate	$119.43	$137.34	$157.94	$181.63	$193.44	$206.01	N/A
Total for 1 Parcel with 1 ERU	$183.75	$211.31	$243.01	$279.46	$297.62	$316.97	N/A

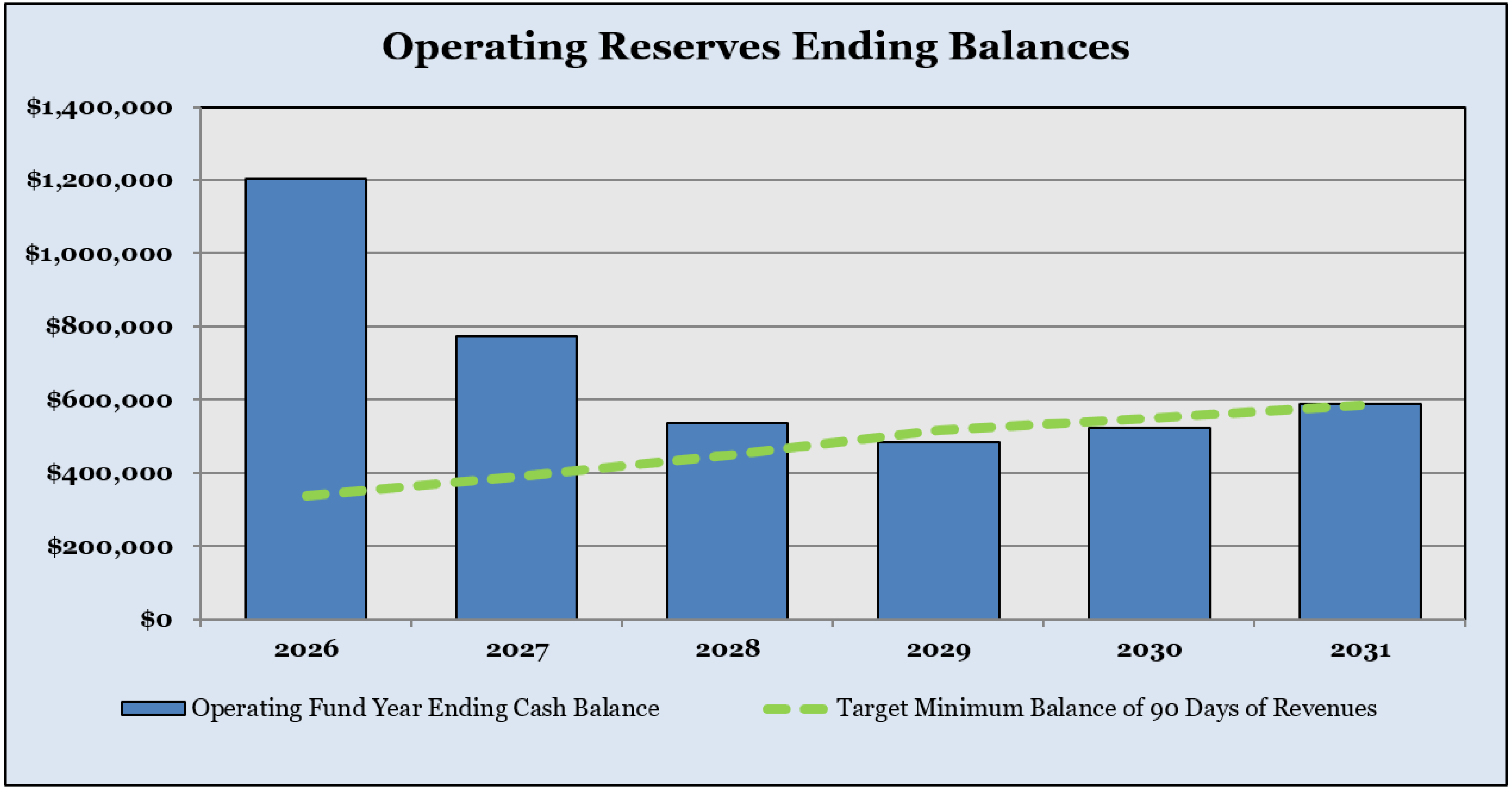
Note: Based on projected revenues, expenses, debt payments, and capital improvement plan as presented

Adequacy of Proposed Rates



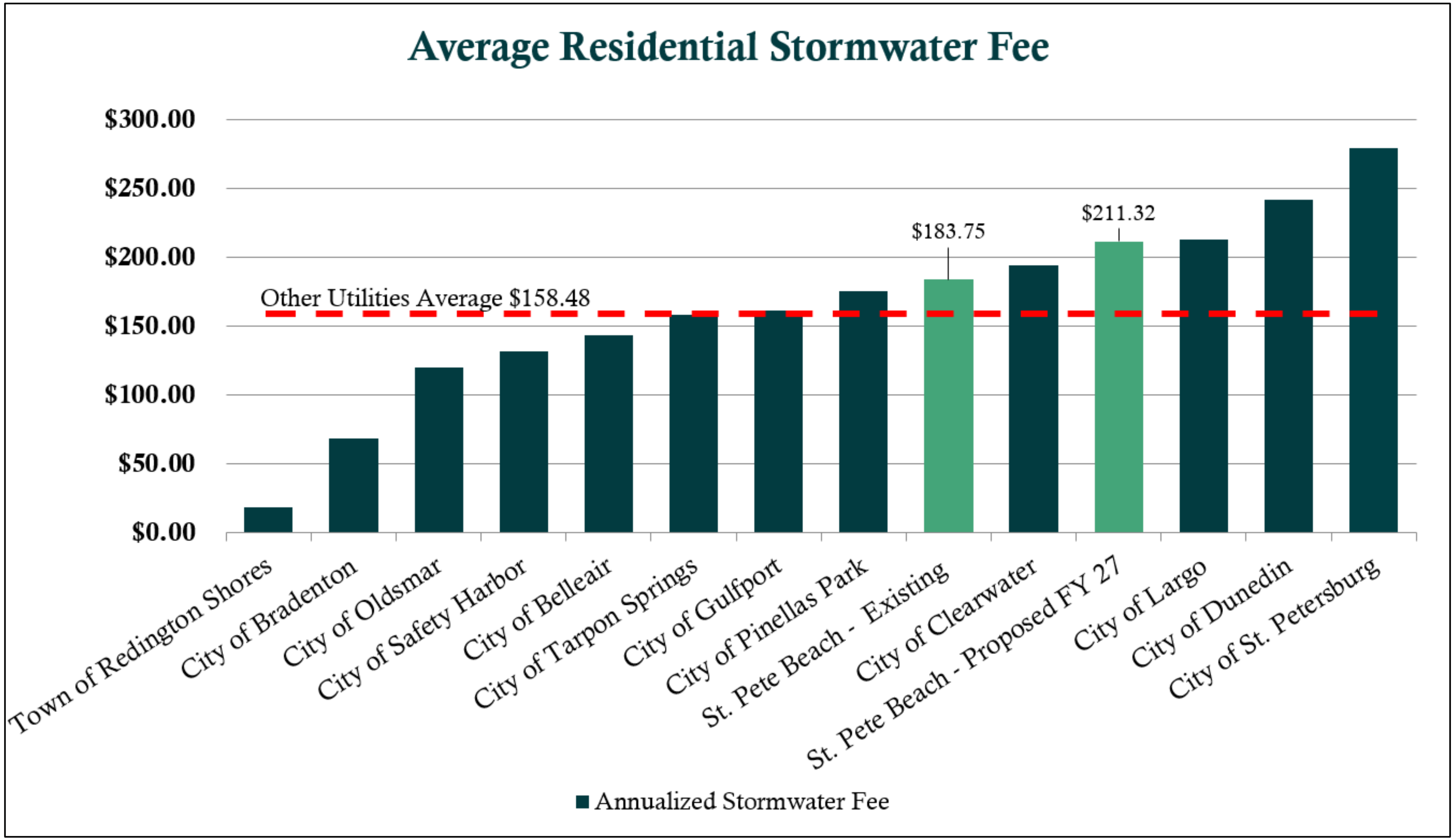
Proposed stormwater revenues are projected to be **sufficient** to cover projected revenue requirements for the forecast period

Adequacy of Proposed Rates (cont.)



Goal to maintain approximately 90 days of rate revenues in operating fund for liquidity, future capital, and unforeseen contingencies

Residential Rate Comparison



Other Issues

- As noted previously, approximately $133 million in capital projects are associated with the stormwater system and shown in the Resiliency Fund
- Projects provide localized benefits to certain specific areas and cannot be included in base fee for service
- Potential funding approach using debt to fund each project and then the creation of special additional capital assessments by zone in addition to current base fee level
- Special additional assessment by zone could then be pledged to the project debt by specific project zone to link cost and to benefiting properties

Wastewater Utility System

System Customers, Growth, and Revenues

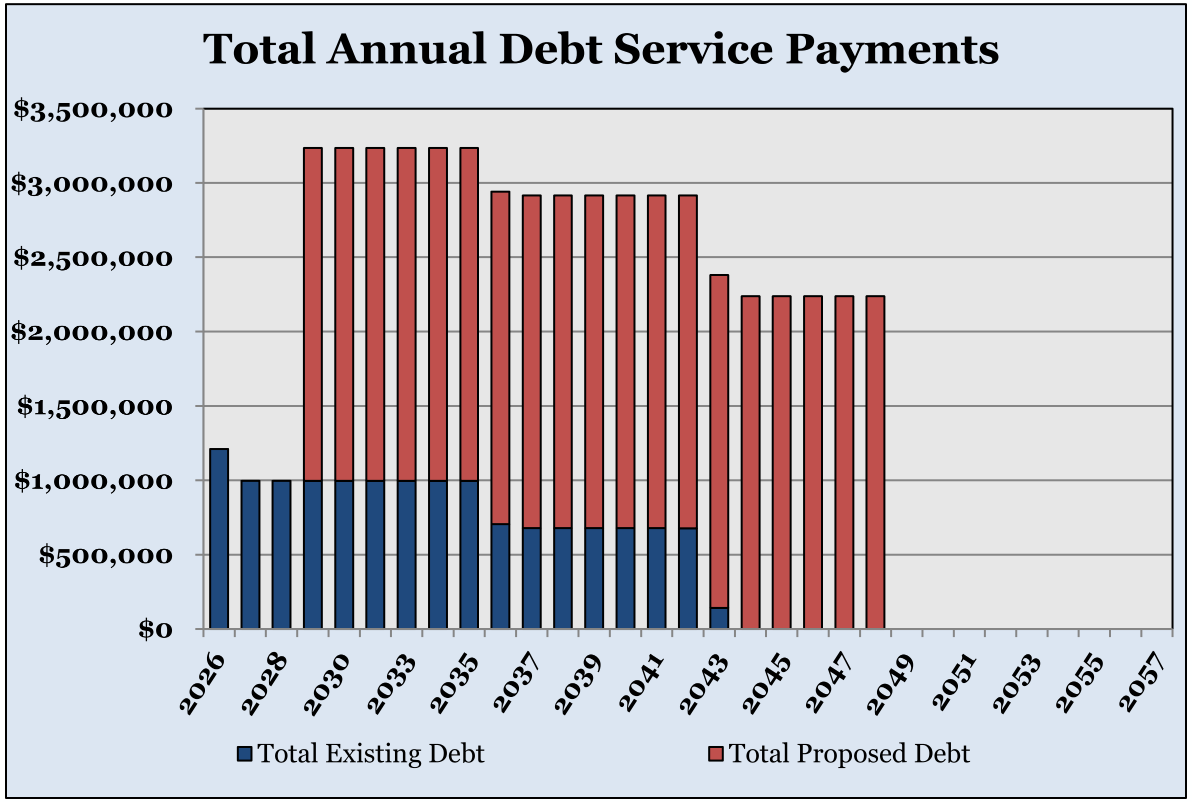
- Approximately 3,600 wastewater system accounts billed bimonthly
- Minimal customer account growth (2 accounts per year)
- System revenues at existing rates of approximately $8.1 million in FY 2026 and projected to be generally constant through FY 2030
  - Only due to growth projections / no rate adjustments
- Other Revenues insignificant and are not projected forward
- Interest Income of approximately $91,700 per year on average
- Connection Fee approximately $6,400 per year on average
- FY 2026 Budget is balanced through grants and General Fund transfers
  - Budgeted 2026 revenues are projected to cover operating expenses and a portion of existing debt payments but are not sufficient to fund any capital investment in the system

Revenue Requirements - Operating Expenses

- Historical operating expenses have grown on average approximately 11.77% annually between FY 2021 and FY 2024
- Operating expenses of approx. $7.3 million in 2026 projected to increase to $8.7 million by 2031 – approx. 4.6% per year
  - Labor: 4.0% annually
  - Health insurance: 10.0% annually
  - Inflation (CPI): approximately 2.2% annually
  - Purchased wastewater treatment: 5% annually
  - Repair and maintenance: 3.2% annually

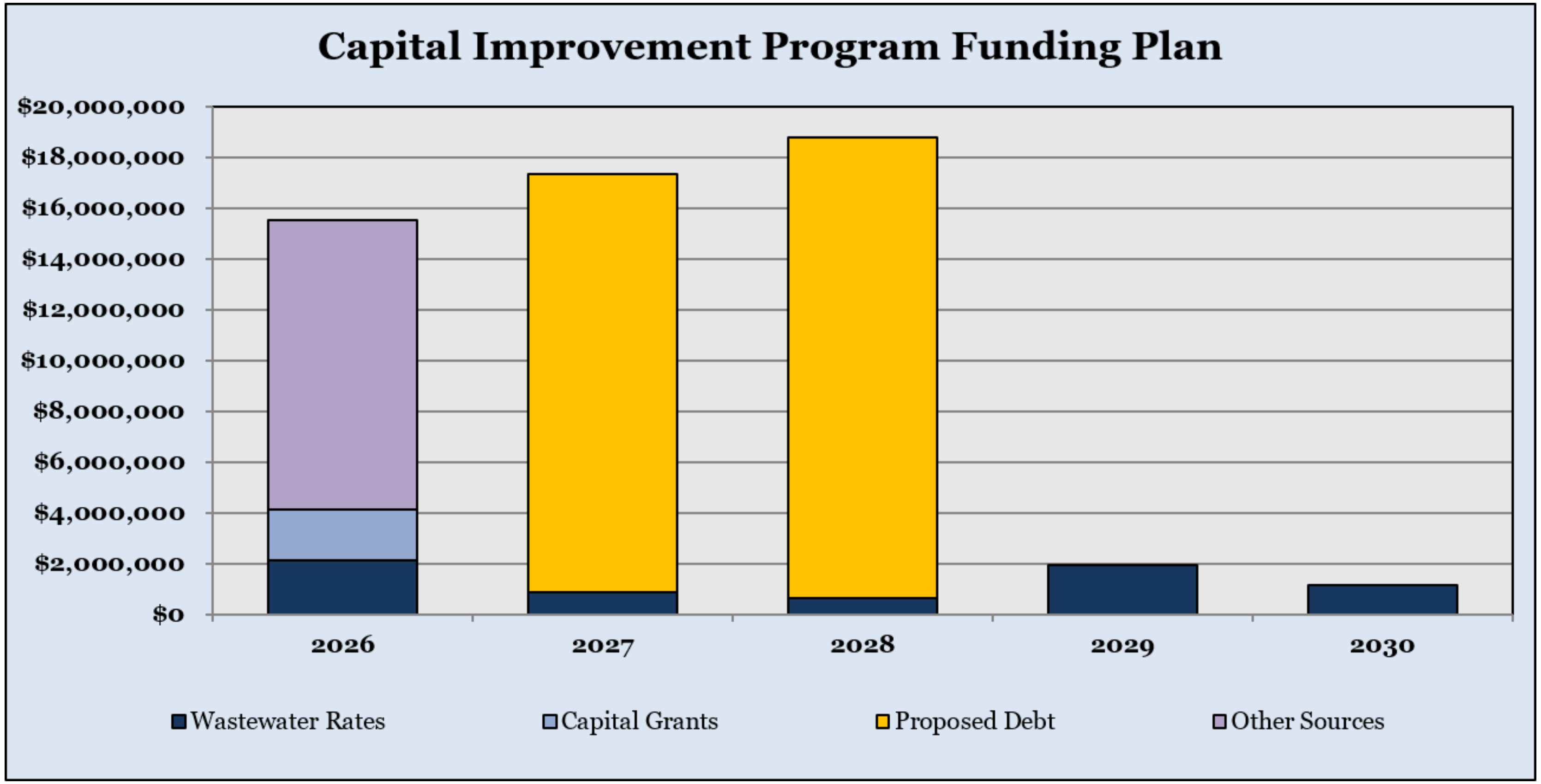
Revenue Requirements - Debt Service

- Existing debt service: $1.21 million annually decreasing to $0.98 million by 2030
  - › Two SRF loans:
    - – CW520310 – 2042 payoff
    - – WW69613P – 2026 payoff
  - › Wastewater Utility System Revenue Note, Series 2020
- Proposed SRF loan issue: $2.24 million annually starting FY 2029

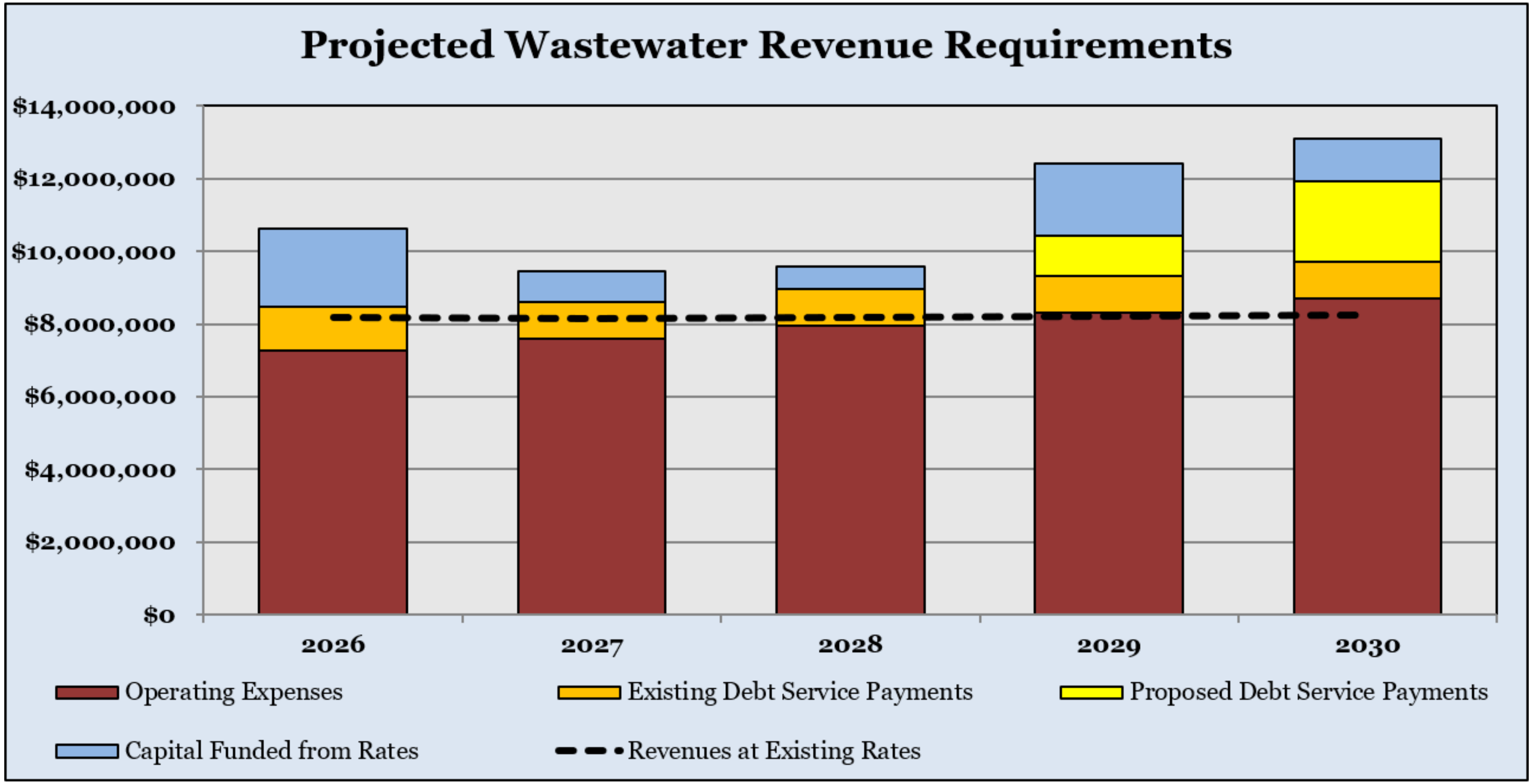


Revenue Requirements – Capital Improvement Program (CIP)

- Total CIP - $58.4 million
  - $34.7 Million in proposed debt (60% of plan)
  - $10.4 Million in rates (18% of plan)
  - $13.3 Million in grants and other sources (21% of plan)



Adequacy of Existing Rates



Existing wastewater revenues are projected to be **insufficient** to cover projected revenue requirements for the forecast period

Issues Affecting Rates

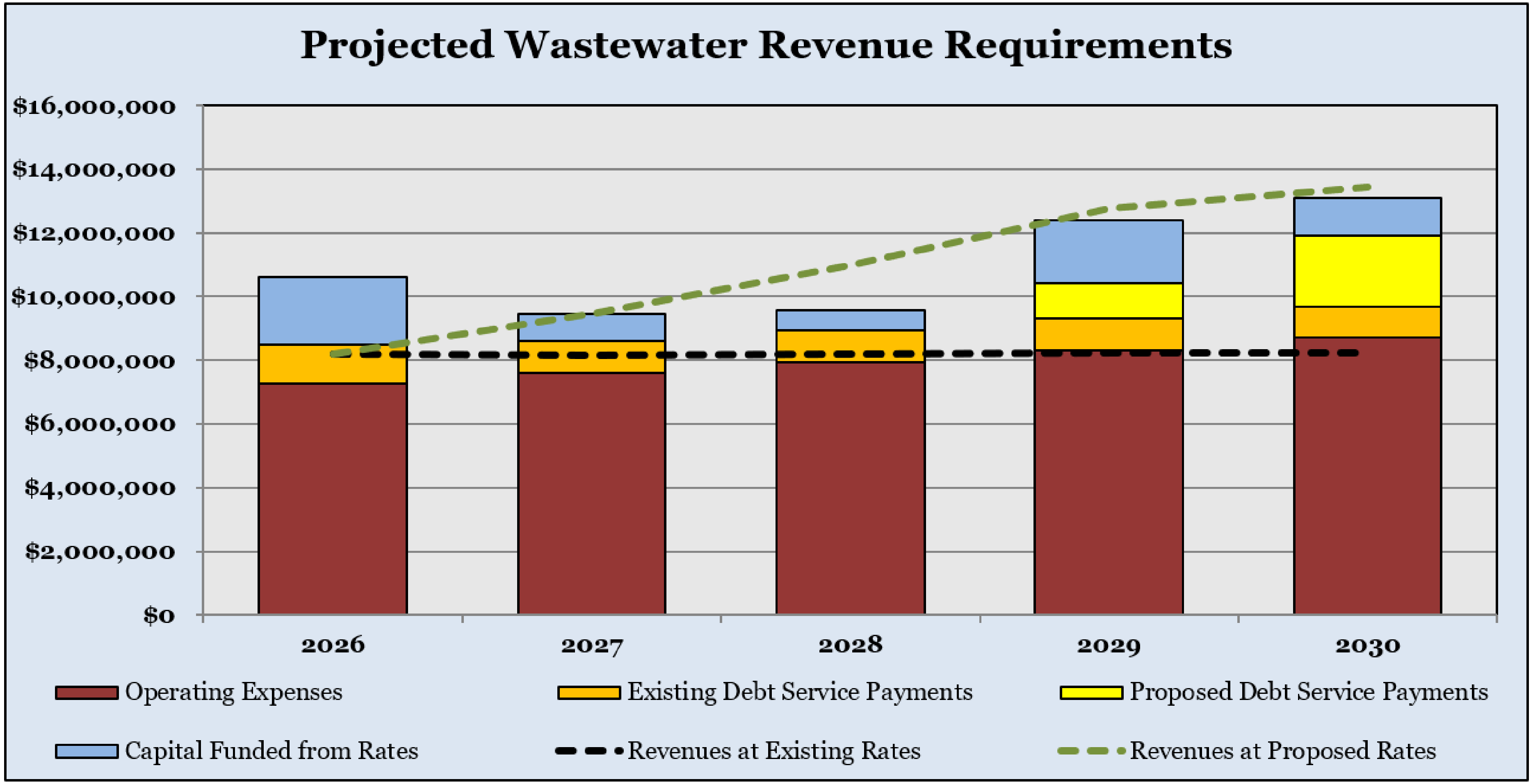
- Low growth in customers
- Inflationary increases in operating expenses
- Significant capital improvement program to improve and maintain system
- Future increase in annual debt service payments due to additional borrowing to fund major capital projects in the capital improvement plan
- Need to improve cash position

Preliminary Wastewater Rate Revenue Adjustments Identified in the Financial Forecast

Description	Existing	FY 2027	FY 2028	FY 2029	FY 2030	Cumulative
Wastewater System	N/A	16.00%	16.00%	16.00%	5.00%	63.89%
Average Residential Bill	$95.34	$110.59	$128.28	$148.80	$156.24	N/A

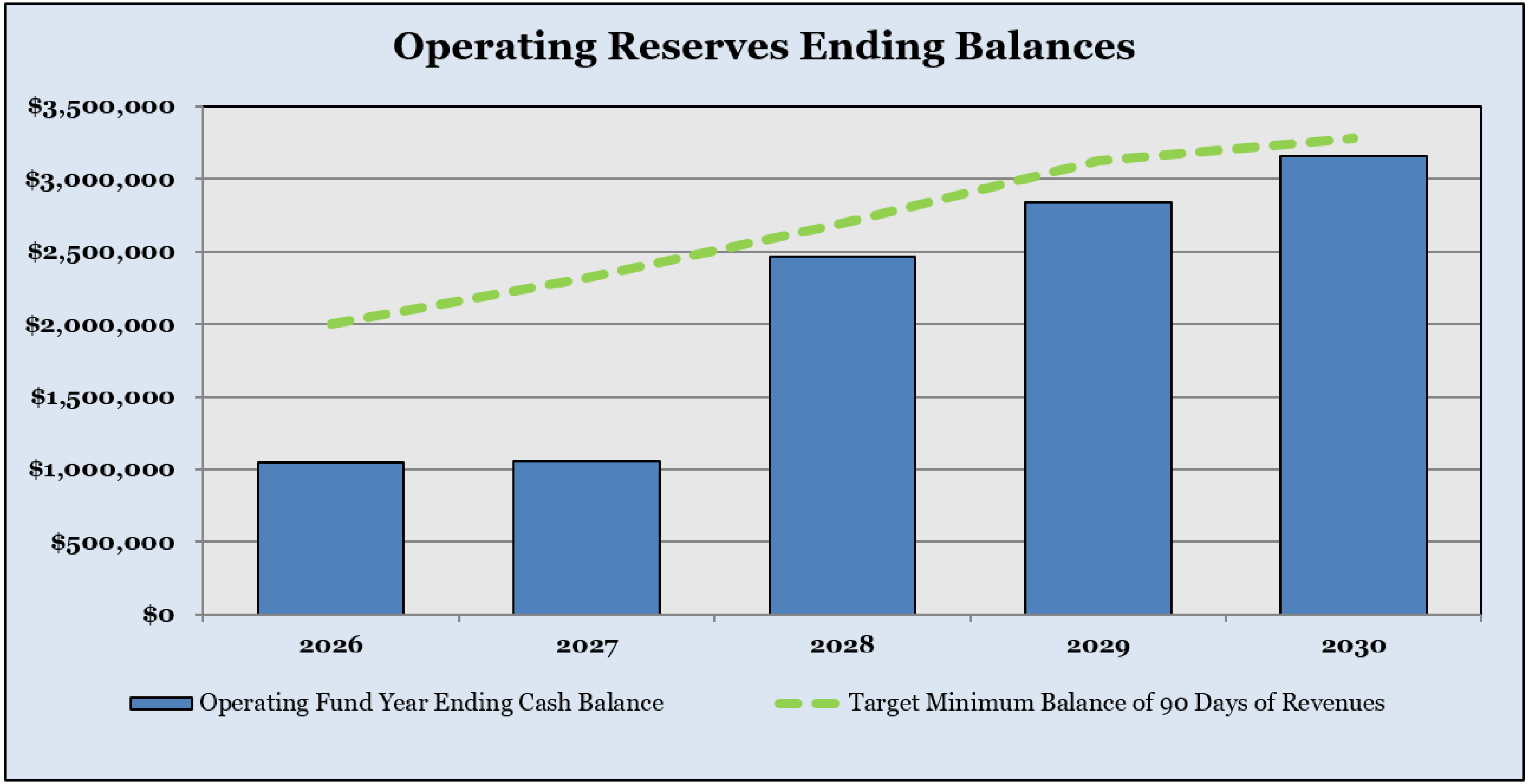
Note: Based on projected revenues, expenses, debt payments, and capital improvement plan as presented

Adequacy of Proposed Rates



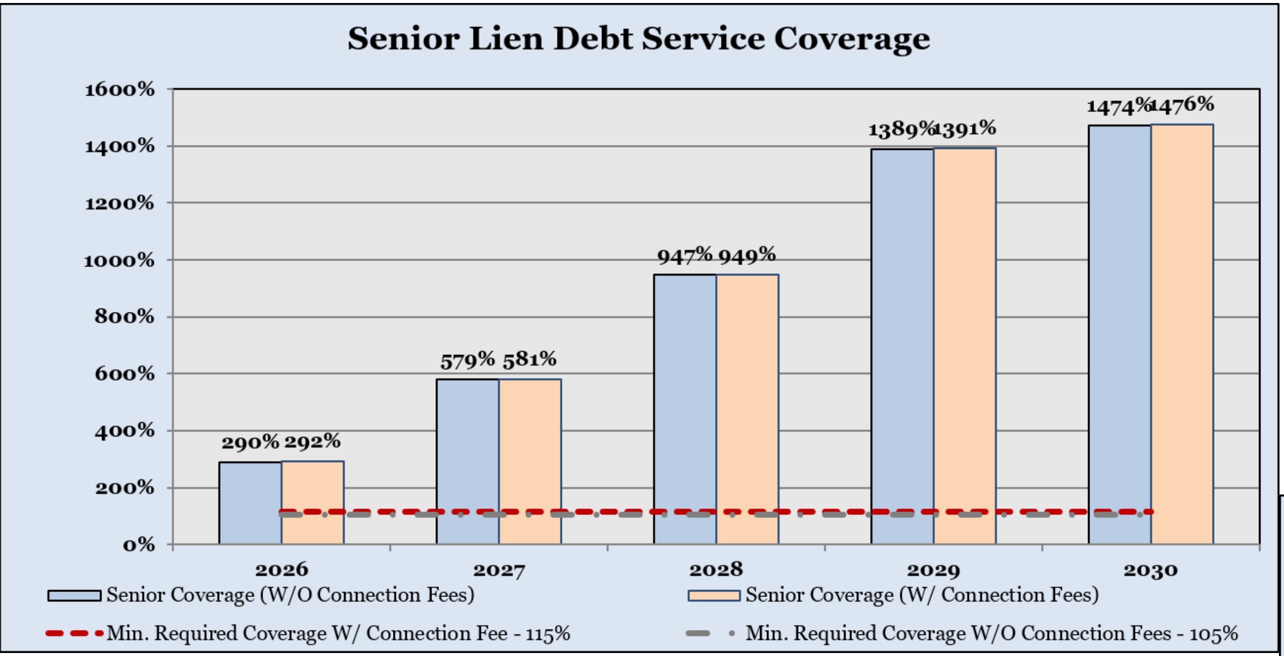
Proposed wastewater revenues are projected to be **sufficient** to cover projected revenue requirements for the forecast period

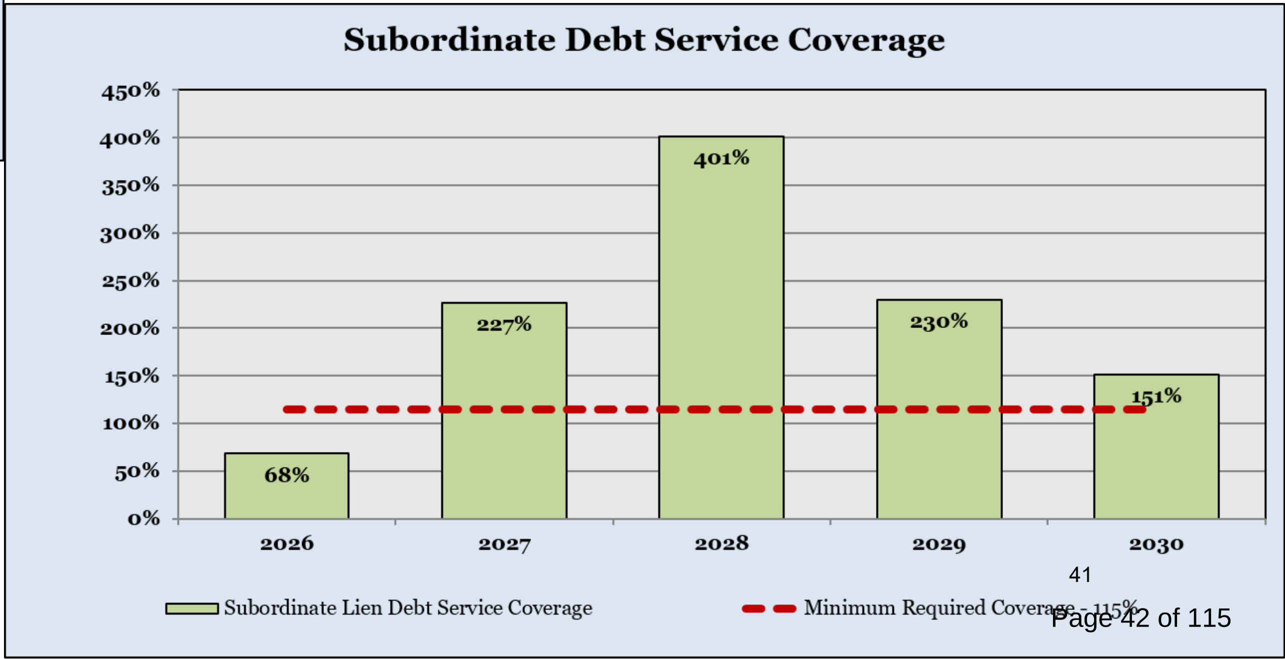
Adequacy of Proposed Rates (cont.)



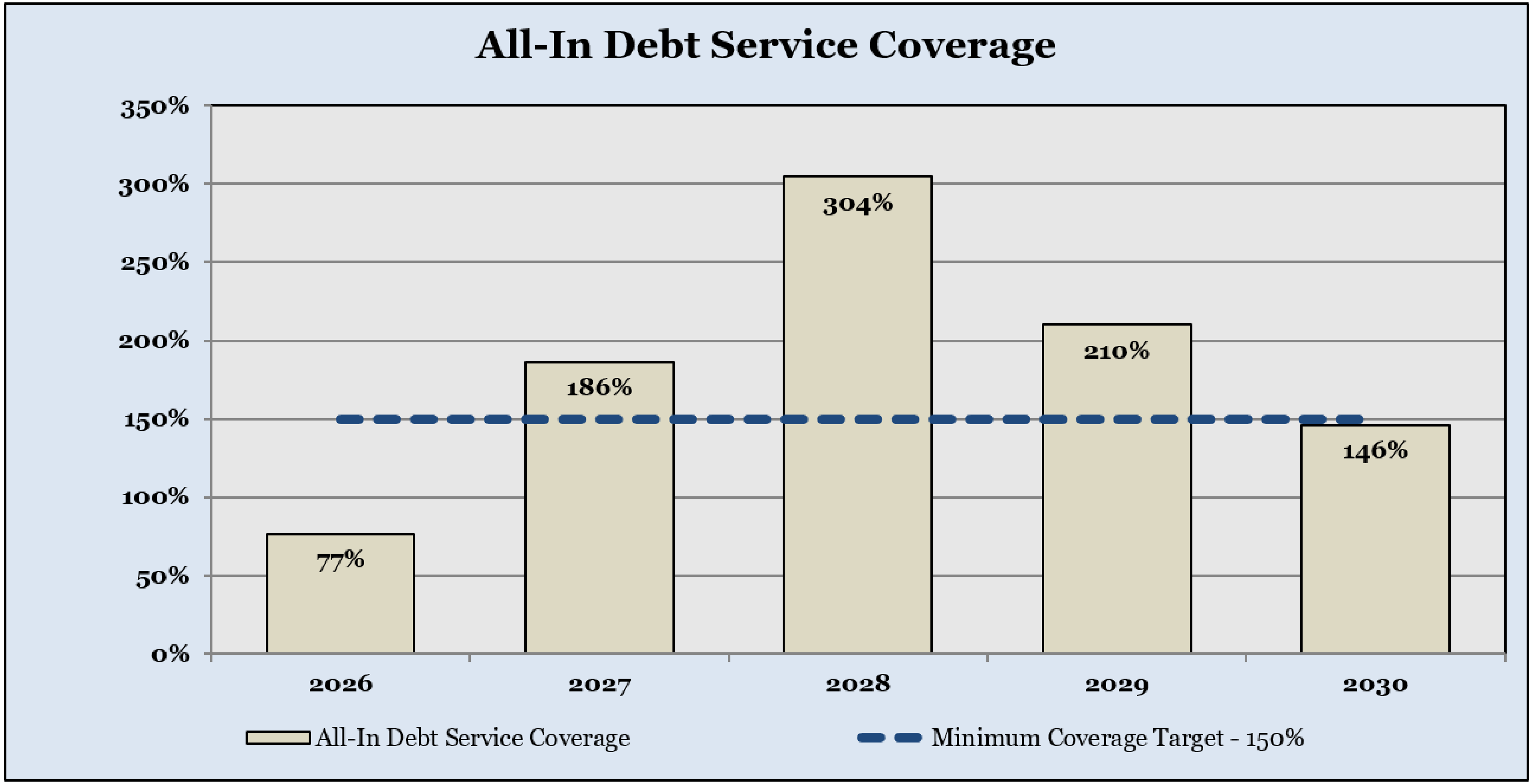
Goal to achieve approximately 90 days of rate revenues in operating fund for liquidity and unforeseen contingencies

Adequacy of Proposed Rates (cont.)

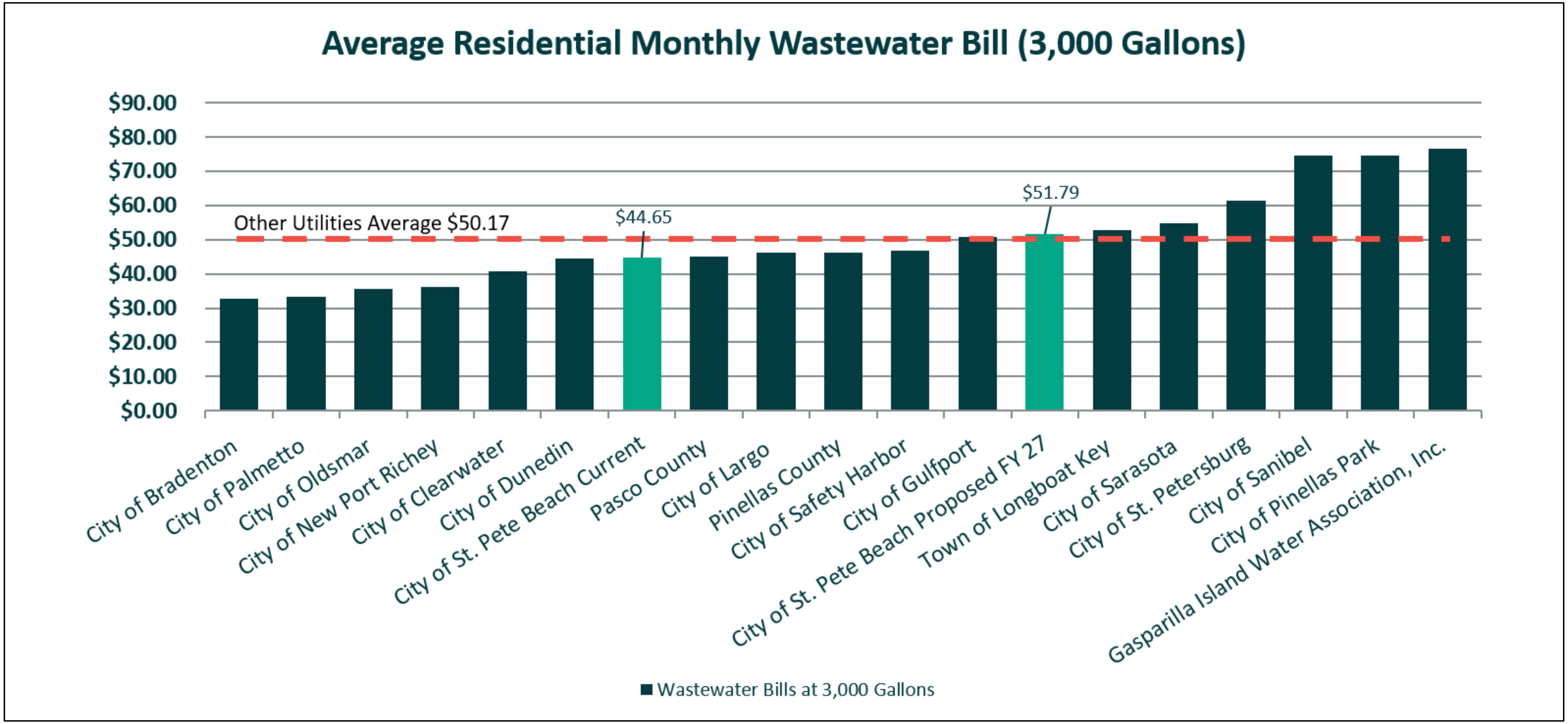




Adequacy of Proposed Rates (cont.)



Residential Rate Comparison



Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of Winter Garden	Adopted – November 2024	• 3.24% – 10/1/2024 • 17.00% – 1/1/2025 • 20.00% – FY2026 & FY2027 • 7.00% – FY2028 & FY2029 • Greater of FPSC Index or 2.00% – annually beginning FY 2030	• 3.24% – 10/1/2024 • 17.00% – 1/1/2025 • 20.00% – FY2026 & FY2027 • 7.00% – FY2028 & FY2029 • Greater of FPSC Index or 2.00% – annually beginning FY 2030
City of Palm Coast	Adopted – March 2025	• 8.00% – 4/1/2025 • 8.00% – 10/1/2025 • Greater of W/S Maint. Index or 4.00% – annually beginning FY 2027	• 8.00% – 4/1/2025 • 8.00% – 10/1/2025 • Greater of W/S Maint. Index or 4.00% – annually beginning FY 2027
City of Groveland	Adopted – August 2024	• 40.00% – FY2025 • 10.00% – FY2026 through FY2028	• 40.00% FY2025 • 10.00% FY2026 through FY2028
City of Wilton Manors	Adopted – September 2024	• 7.00% – FY2025	• 30.00% – FY2025

Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of LaBelle	Adopted – September 1, 2024 Presented – FY 2026 – FY 2028	• 50.00% – FY2025 • 3.50% – FY2026 • 3.50% – FY2027 • 3.50% – FY2028	• 80.00% – FY2025 • 50.00% –FY2026 • 25.00% – FY2027 • 3.50% – FY2028
City of Lake Worth Beach	Adopted – September 2024	• 5.25% – FY2025	• 9.00% – FY2025
Clay County Utility Authority	Adopted – September 2024	• 6.50% – FY2025	• 7.00% – FY 2025
City of Oviedo	Adopted – February 2025	• 9.00% - FY 2025 through FY 2029	• 9.00% - FY 2025 through FY 2029

Industry Trends in Rate Adjustments

Utility	Status	Water	Wastewater
City of Fort Lauderdale	Adopted – September 2023	• 8.60% – FY2024 • 22.50% – FY2025 • 9.00% – FY2026 & FY2027 • 5.00% – annually beginning FY2028	• 7.00% – FY2024 • 9.00% – FY2025 & FY2026 • 5.00% – annually beginning FY2028
City of Riviera Beach Utility Special District	Adopted – January 2025	• 10.00% – FY2025 • 31.85% – FY2026 & FY2027 • 29.78% – FY2028 • 26.00% – FY2029	• 8.00% – FY2025 • 6.09% – FY2026 through FY 2028 • 6.00% – FY2029

Wastewater Rate Design

Existing Wastewater Rate Structure

- All customer classes and meter sizes pay same bi-monthly base charge
  - › Base charges include minimum flow of 6,000 gallons of bi-monthly usage
  - › Note – Multifamily billed on a per unit basis
- Single usage charge for all flows over the minimum
  - › Same charges for all classes and meter sizes

Existing Bi-Monthly Rates and Structure	
Base Charge (Per Bill)	**Amount**
All Meter Sizes	$95.34
Usage Charge (Thousand Gallons)	
0 - 6,000 (Minimum)	$0.00
Above 6,000	$15.73

Existing Wastewater Rate Structure: Initial Observations (cont.)

- Commercial customers not paying full share of readiness to serve / capacity costs
  - Common practice to increase base charges based on meter size
    - Customers with larger meter have greater service availability and generally place larger demands on system
    - AWWA published hydraulic capacity factors can be used as method to scale relationships
    - FPSC uses hydraulic capacity in setting rates for private utilities

Existing Wastewater Rate Structure: Initial Observations (cont.)

- Commercial accounts on average are paying approximately 77% of the system average cost when compared on a cost per 1,000 gallon's (Kgal) basis
  - Residential class paying approximately 105%
  - Multi-family class paying approximately 138%
- Interclass equity concern here as residential and multi-family classes are effectively subsidizing commercial accounts

Cost per Kgal and Percentage of System Avg. Cost		
Customer Class	**Cost / Kgal**	**Percentage**
Residential	$34.62	105%
Multifamily	45.42	138%
Commercial	25.42	77%
System Average	$33.00	100%

Rate Structure Alternative

- Residential:
  - Residential class rate structure to remain the same
- Multi-Family:
  - Multi-Family class rate structure to remain the same
- Commercial:
  - Commercial base charges scale by meter size for hydraulic factors
  - Commercial usage rate billed on all flows
- Phase in base charge changes over three-year period
- Implement usage billing changes in first year of phasing plan
- New rate structure will generate additional revenues apportioning greater cost to commercial customers to recognize their capacity related readiness to serve costs
- Additional commercial revenues can lower rate increases on residential and multifamily classes by up to 12% to 26% cumulatively over the forecast period, respectively

Rate Structure Alternative

Existing and Proposed Bi-Monthly Base Charges With Rate Adjustments					
		Structure Phase in Period of 3 Years			
Commercial	**Existing Rates**	**FY 2027**	**FY 2028**	**FY 2029**	**FY2030**
3/4 Inch	$95.34	$110.59	$128.28	$148.80	$156.24
1 Inch	95.34	192.42	256.56	372.00	390.60
1 1/2 Inch	95.34	299.32	470.36	744.00	781.20
2 Inch	95.34	427.60	726.92	1,190.40	1,249.92
4 Inch	95.34	1,154.52	2,180.76	3,720.00	3,906.00
6 Inch	95.34	2,223.52	4,318.76	7,440.00	7,812.00
8 Inch	95.34	5,002.92	9,877.56	17,112.00	17,967.60
Existing and Proposed Usage Charges With Rate Adjustments per Kgal					
Commercial – Proposed					
0 – 6,000	$0.00	$18.25	$21.17	$24.56	$25.79
6,000 +	15.73	18.25	21.17	24.56	25.79

Rate Structure Alternative – Commercial Bill Comparisons

Commercial Bill Comparison - 1 Inch Year 1				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$247.17	$95.34	$151.83	159.25%
4,000	265.42	95.34	170.08	178.39%
5,000	283.67	95.34	188.33	197.54%
6,000	301.92	95.34	206.58	216.68%
10,000	374.92	158.26	216.66	136.90%
12,000	411.42	189.72	221.70	116.86%
15,000	466.17	236.91	229.26	96.77%
18,000	520.92	284.10	236.82	83.36%
21,000	575.67	331.29	244.38	73.77%
24,000	630.42	378.48	251.94	66.57%

Commercial Bill Comparison - 1 Inch Year 2				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$320.07	$247.17	$72.90	29.49%
4,000	341.24	265.42	75.82	28.57%
5,000	362.41	283.67	78.74	27.76%
6,000	383.58	301.92	81.66	27.05%
10,000	468.26	374.92	93.34	24.90%
12,000	510.60	411.42	99.18	24.11%
15,000	574.11	466.17	107.94	23.15%
18,000	637.62	520.92	116.70	22.40%
21,000	701.13	575.67	125.46	21.79%
24,000	764.64	630.42	134.22	21.29%

Commercial Bill Comparison - 1 Inch Year 3				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$445.68	$320.07	$125.61	39.24%
4,000	470.24	341.24	129.00	37.80%
5,000	494.80	362.41	132.39	36.53%
6,000	519.36	383.58	135.78	35.40%
10,000	617.60	468.26	149.34	31.89%
12,000	666.72	510.60	156.12	30.58%
15,000	740.40	574.11	166.29	28.96%
18,000	814.08	637.62	176.46	27.67%
21,000	887.76	701.13	186.63	26.62%
24,000	961.44	764.64	196.80	25.74%

Rate Structure Alternative – Commercial Bill Comparisons

Commercial Bill Comparison - 1.5 Inch Year 1				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$354.07	95.34	$258.73	271.38%
6,000	408.82	95.34	313.48	328.80%
10,000	481.82	158.26	323.56	204.45%
15,000	573.07	236.91	336.16	141.89%
20,000	664.32	315.56	348.76	110.52%
25,000	755.57	394.21	361.36	91.67%
30,000	846.82	472.86	373.96	79.08%
35,000	938.07	551.51	386.56	70.09%
40,000	1,029.32	630.16	399.16	63.34%
45,000	1,120.57	708.81	411.76	58.09%

Commercial Bill Comparison - 1.5 Inch Year 2				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$533.87	$354.07	$179.80	50.78%
6,000	597.38	408.82	188.56	46.12%
10,000	682.06	481.82	200.24	41.56%
15,000	787.91	573.07	214.84	37.49%
20,000	893.76	664.32	229.44	34.54%
25,000	999.61	755.57	244.04	32.30%
30,000	1,105.46	846.82	258.64	30.54%
35,000	1,211.31	938.07	273.24	29.13%
40,000	1,317.16	1,029.32	287.84	27.96%
45,000	1,423.01	1,120.57	302.44	26.99%

Commercial Bill Comparison - 1.5 Inch Year 3				
Billed Flows	Proposed Bill	Existing Bill	$ Bill Change	% Bill Change
3,000	$817.68	$533.87	$283.81	53.16%
6,000	891.36	597.38	293.98	49.21%
10,000	989.60	682.06	307.54	45.09%
15,000	1,112.40	787.91	324.49	41.18%
20,000	1,235.20	893.76	341.44	38.20%
25,000	1,358.00	999.61	358.39	35.85%
30,000	1,480.80	1,105.46	375.34	33.95%
35,000	1,603.60	1,211.31	392.29	32.39%
40,000	1,726.40	1,317.16	409.24	31.07%
45,000	1,849.20	1,423.01	426.19	29.95%

Rate Structure Alternative

- Additional revenues generated by structure change would allow for reductions in overall rate adjustment needs from Residential and Multifamily classes

Description	Existing	FY 2027	FY 2028	FY 2029	FY 2030	Cumulative
Based Overall Revenue Increase Required	N/A	16.00%	16.00%	16.00%	5.00%	63.89%
Average Residential Bill	$95.34	$110.59	$128.28	$148.80	$156.24	N/A
Residential Increase	N/A	13.00%	13.00%	13.00%	5.00%	51.50%
Average Residential Bill	$95.34	$107.73	$121.73	$137.55	$144.43	N/A
Multifamily Increase	N/A	9.5%	9.5%	9.5%	5.00%	37.86%
Average Multifamily Bill	$95.34	$104.40	$114.32	$125.18	$131.44	N/A

Rate Structure Alternative

- Rate structure rebalances average cost per kgal by class closer to the average system cost
- Treating customers more equitably across classes on a cost per unit basis

Cost per Kgal and Percentage of System Avg. Cost			
Customer Class	**Existing Rates**	**Alternative #1**	**% Change**
Residential	105%	**99%**	-6%
Multifamily	138%	**119%**	-18%
Commercial	77%	**92%**	15%
System Average	100%	100%	0%

Rate Design Observations

- Design attempts to rebalance average cost per Kgal by class closer to the average system cost
- Goal of treating customers more equitably across classes on a cost per unit basis and eliminating / mitigating cross class subsidization
- Addresses equity issues and provides for reduced rate increases to single family and multifamily
- Creates a reduced based charge for Multifamily customers at about 91% of Residential rate
  - Very common approach though the state as method recognizes lower average usage characteristics of multifamily class and prices availability to serve related costs accordingly

Q&A

Wastewater Connection Fees

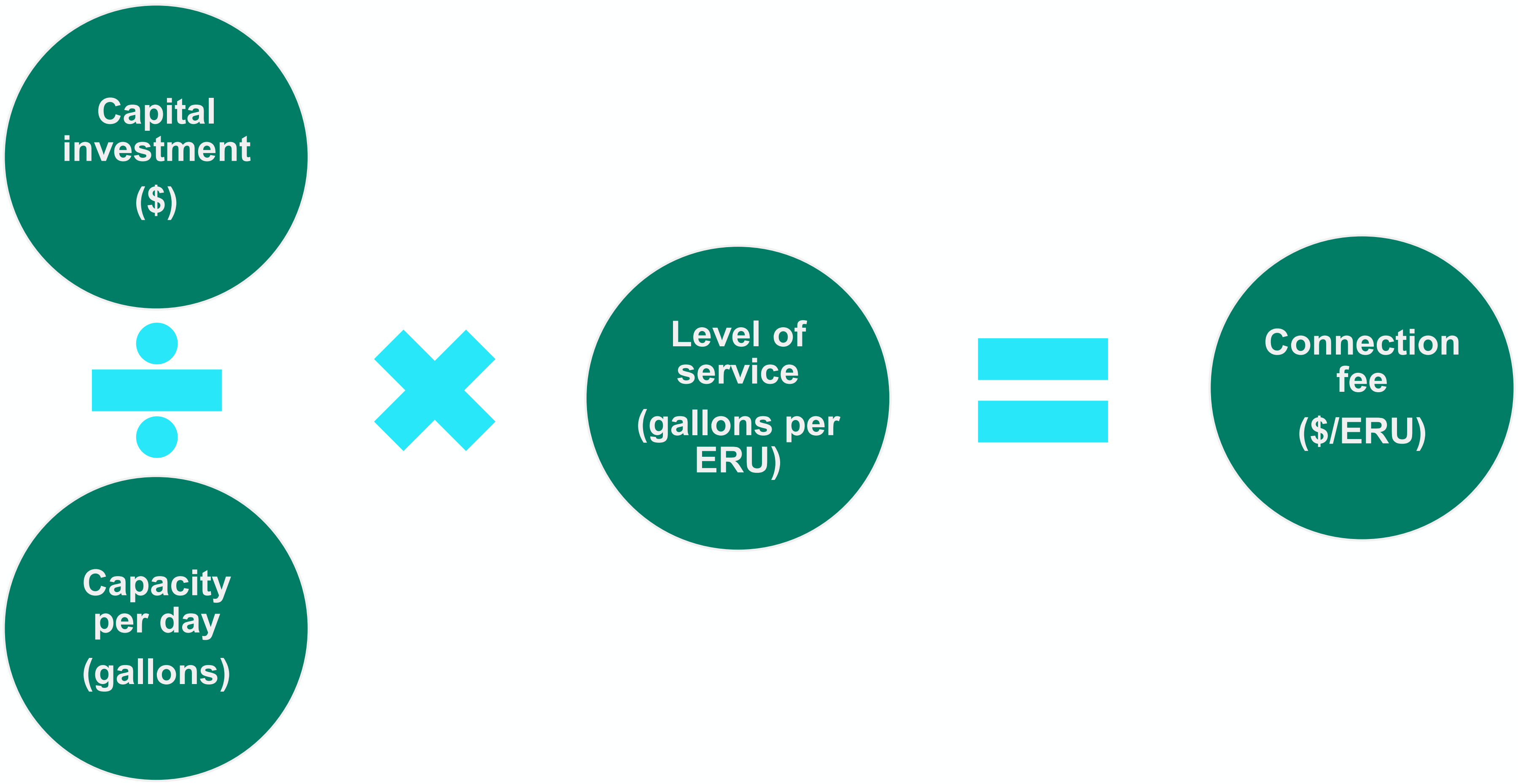
Purpose of Connection Fees

- Recover capital cost of conveyance facilities allocated to new users
  - Fee only charged to new development
  - Benefits existing rate payer – “growth pays for growth”
- Funding utility system with connection fees provides an additional capital funding resource
- Proper connection fee levels reduce the financial burden placed on existing rate payers

Connection Fee Study Tasks

- Evaluate wastewater connection fees based on recent and localized costs
  - Analyze existing investment in wastewater system
    - Net of prior grant funding (cost free capital)
  - Review and incorporate proposed capital improvement plan
    - Net of renewal and replacement projects future grants
  - Review existing and future system conveyance capacity
  - Reflect level of service based on engineering capacity planning values
  - Update connection fees for wastewater system

Connection Fee Method



Existing Assets and Level of Service (LOS)

- $47.2 Million in total assets for the wastewater system – FY 2024
  - $46.1 Million categorized as transmission and collection (includable)
  - $1.1 Million in machinery/equipment and manholes (excluded)
- $3.5 Million of includable assets are then excluded as being grant funded
- Net includable existing assets of $42.6 million
- The City's total conveyance system capacity is 3.194 MGD ADF
  - The City's current flows of approximately 2.593 MGD ADF
  - Dwelling Unit Factor / LOS– 250 gallons per day
  - 18.81% of system capacity is available for new growth

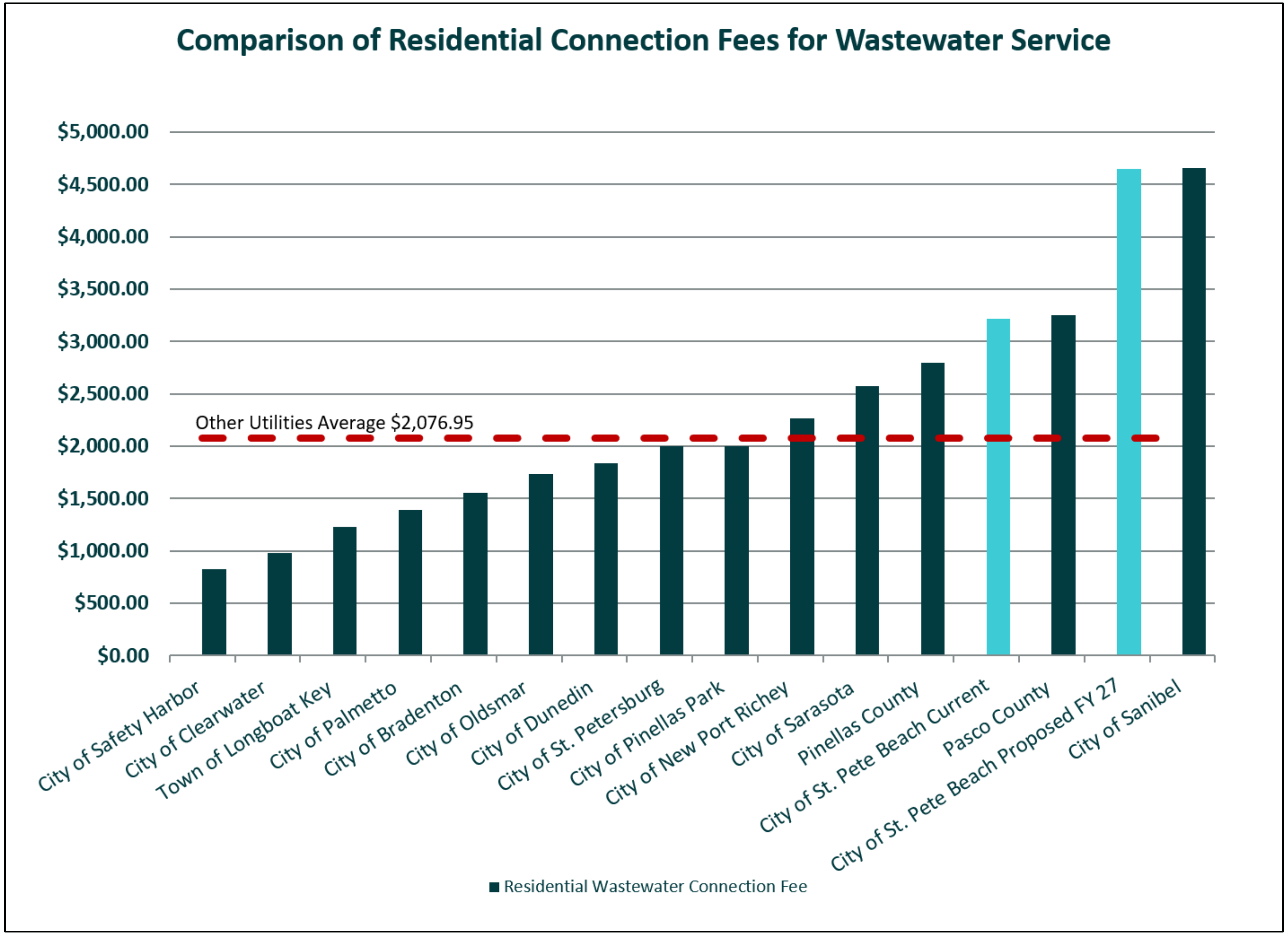
Planned Capital Investment

- The City's 2025-2030 multiyear CIP for the wastewater system is estimated at $58.4 million
  - $12.1 Million is recognized as expansion related and apportioned to new growth (includable)
  - $18.8 Million is recognized as upgraded related and apportioned to new growth (includable)
  - $27.5 Million is excluded as replacement type projects
- The $12.1 million in expansion projects is expected to provide 0.625 MGD in additional capacity to the conveyance system

Existing and Calculated Connection Fees

Description	Level of Service	Cost per Gallon of Capacity	Connection Fees per ERU
Existing Fee	250 GPD	$12.86	$3,216.00
Calculated Fee	250 GPD	$18.60	$4,649.00
$ Increase	N/A	$5.73	$1,433.00
% Increase	N/A	44.6%	44.6%

Connection Fee Comparison



Q&A

Summary Observations and Conclusions

Observations

- Revenues at existing rates are projected to not be sufficient to cover projected revenue requirements for all systems
- Issues impacting rates
  - Operating cost inflation
  - Low growth in customers
  - Need to fund capital improvement programs
  - Additional annual debt service payments associated with proposed debt to fund capital plans
  - Goal to reduce reliance on general fund transfers
  - Achieve and maintain adequate liquidity
  - Debt service coverage requirements

Conclusions and Recommendations

- Adopt proposed rate adjustments and wastewater rate design Alternative #1 for FY 2026 – 2030/2031
- Continue to update forecast plan periodically (every 3-5 years)
  - Changes in capital project costs and timing
  - Changes in growth and development
  - Changes in operations and related costs
- Proposed rates are projected to:
  - Achieve or maintain positive operating cash flow by end of forecast period
  - Fulfill coverage requirements during forecast period
  - Achieve or maintain minimum targeted cash reserves
  - **Wastewater specific** – address equity concerns between customer classes

Conclusions and Observations

- Adopt calculated wastewater connection fees
- Comply with Florida Statutes
- Update connection fees periodically to account for changes in customer growth and demand, capital costs, capacity changes, etc.

RAFTELIS

Thank you!

PROPOSED BUDGET

FY2026 • FY2027

Ad Valorem (Property Taxes)

Budget-to-budget comparison (FY2026 → FY2027) • staffing (FTE) •

THE SUNSET CAPITAL OF FLORIDA

Questions for the Committee

Direction requested from the Finance & Budget Review Committee

Staff is seeking the Committee's direction on two items before finalizing the FY2027 proposed budget:

1

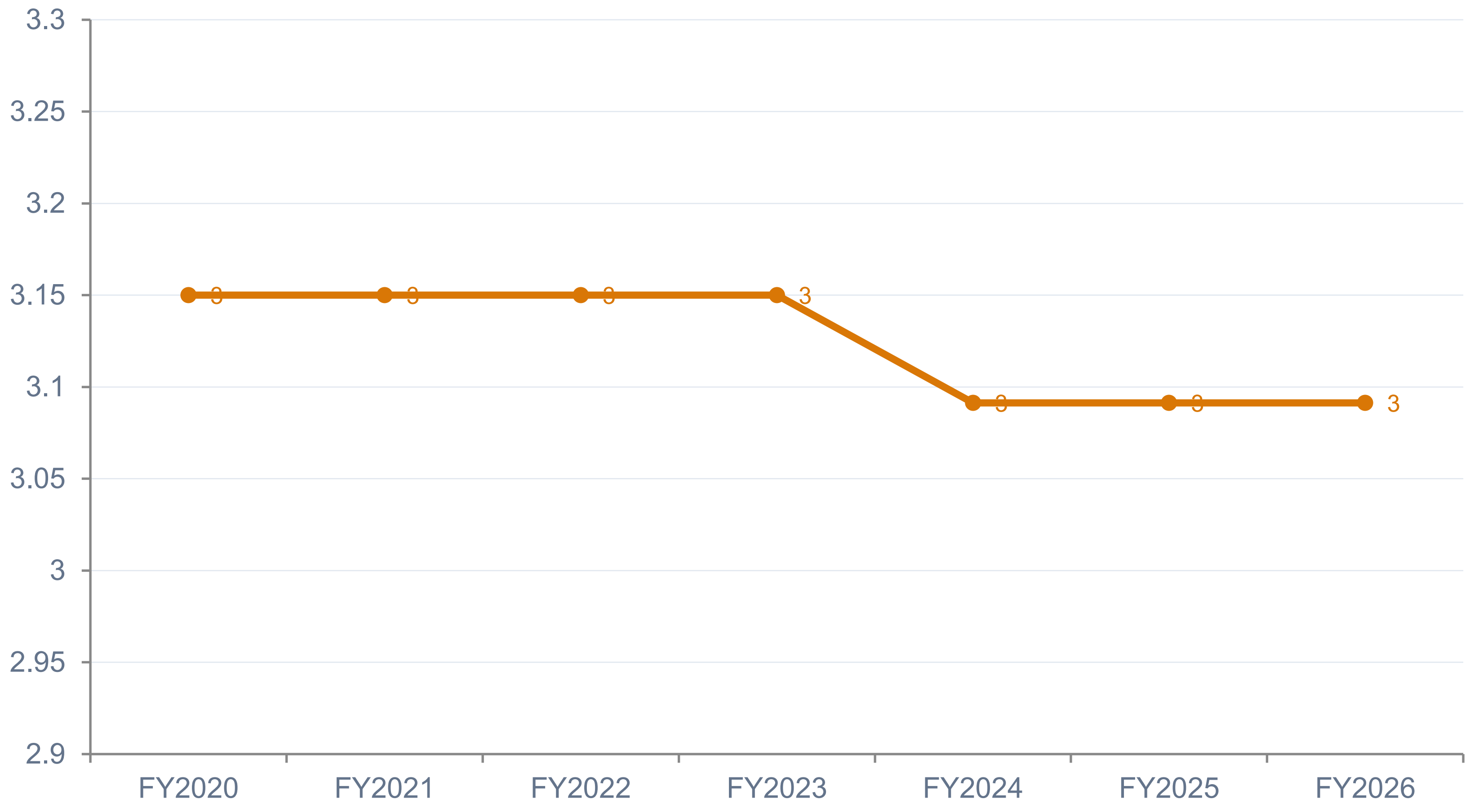
Millage rate direction (Property Tax)

Ad Valorem Revenue

Ad Valorem Revenue | FY2020–FY2026

Sources: ACFR FY2021–2024 (Government-Wide Statement of Activities) · Adopted Budgets FY2025–2026 | $ Millions

Ad Valorem Millage Rate | FY2020–FY2026



3.1500 mills

FY2015–2023

Held constant for 9 years

3.0913 mills

FY2024–2026

Reduced by City Commission

–0.0587 mills

Reduction

Growth driven by property values, not rate increases

Revenue growth is primarily a function of rising taxable property values, not millage rate increases. The Commission reduced the rate in FY2024.

Where Your Property Taxes Go | Average Home

TAXABLE VALUE OF THIS HOME

$500,000

Illustrative example used by the City to show how a typical homeowner's bill is split among taxing authorities.

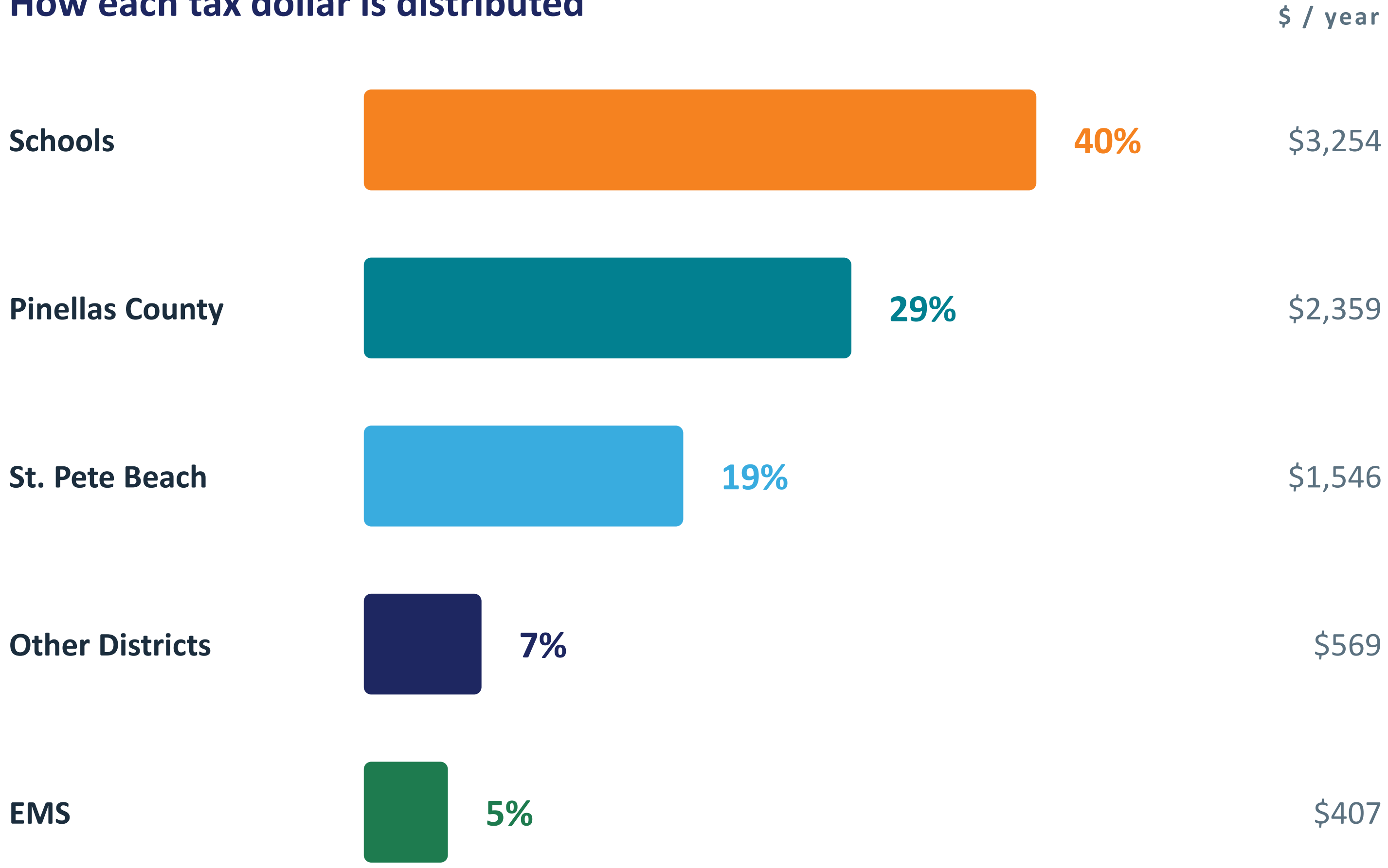
TOTAL ANNUAL PROPERTY TAX BILL

$8,135

St. Pete Beach keeps **$1,546** (19%)

The other 81% goes to the County, Schools, EMS, and other districts.

How each tax dollar is distributed



Senate Bill Impact | Average Homeowner & City Levy

CITY LEVY @ 3.0913 MILLS

$15.22M

Flat current rate • $15,222,499

SENATE BILL REDUCTION

–$1.10M

7.2% of the ad valorem levy

ADJUSTED CITY LEVY

$14.12M

After reduction • $14,122,499

What the average home payer pays

City portion of the bill on a $500,000 taxable home

BEFORE		AFTER
$1,546/yr	→	**$1,434**/yr

Estimated annual savings: about $112 per average home

How this was applied

- Millage held flat at the current 3.0913 mills — no rate change to residents.
- The new Senate Bill reduces the City's ad valorem revenue by $1.1 million.
- $1.1M equals roughly 7.2% of the City's $15.22M levy at the flat rate.
- Applied proportionally, that lowers the city share on a typical $500K home by about $112 per year.

FY2027 Millage Rate Options

Per DR-420MMP • Current-year gross taxable value $5,170,615,930

St. Pete Beach
The Sunset Capital of Florida

ROLLED-BACK RATE

3.0757 mills

EST. GROSS LEVY

$15,903,263

Generates the same revenue as the prior year (no tax increase by statute)

CURRENT RATE (FLAT)

3.0913 mills

EST. GROSS LEVY

$15,983,925

Holds the rate residents pay unchanged from the current year

TWO-THIRDS VOTE MAX

3.8330 mills

EST. GROSS LEVY

$19,818,971

Highest rate allowed this year; requires a 2/3 (super-majority) Commission vote

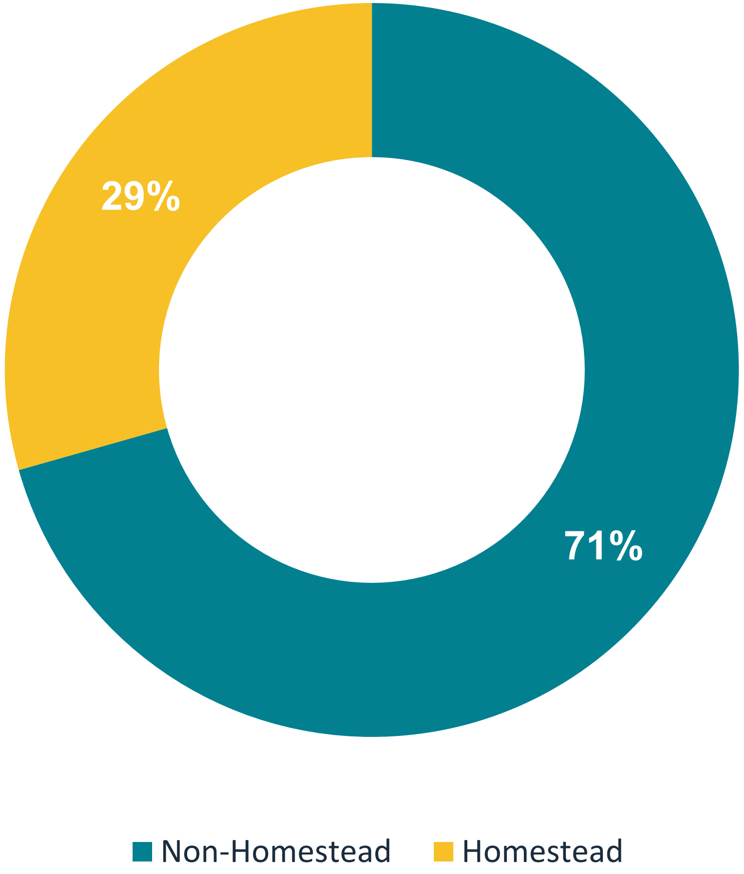
At the gross taxable value of $5.17B: current rate vs. rolled-back = **+$80,662** • two-thirds max vs. current = **+$3,835,046** in additional levy

"Save Our Homes from Excessive Property Taxes" (CS/HJR 1-F, companion to SJR 2-F)

On the Nov. 3, 2026 ballot (needs 60% approval); effective Jan. 1, 2027. Raises the homestead exemption to $150K (2027) then $250K (2028). **It does NOT affect the FY2027 millage decision above — it would first reduce the FY2028 roll.** Estimated City impact if approved: ~$1.2M (FY2028), growing to ~$2.3M (FY2029).

Homestead vs. Non-Homestead Property

Share of taxable value • 7,931 parcels • $4.93B total taxable value



70.6%

NON-HOMESTEAD

Taxable value **$3.48B**

Levy @ 3.0913 **$10.75M** 4,902 parcels

29.4%

HOMESTEAD

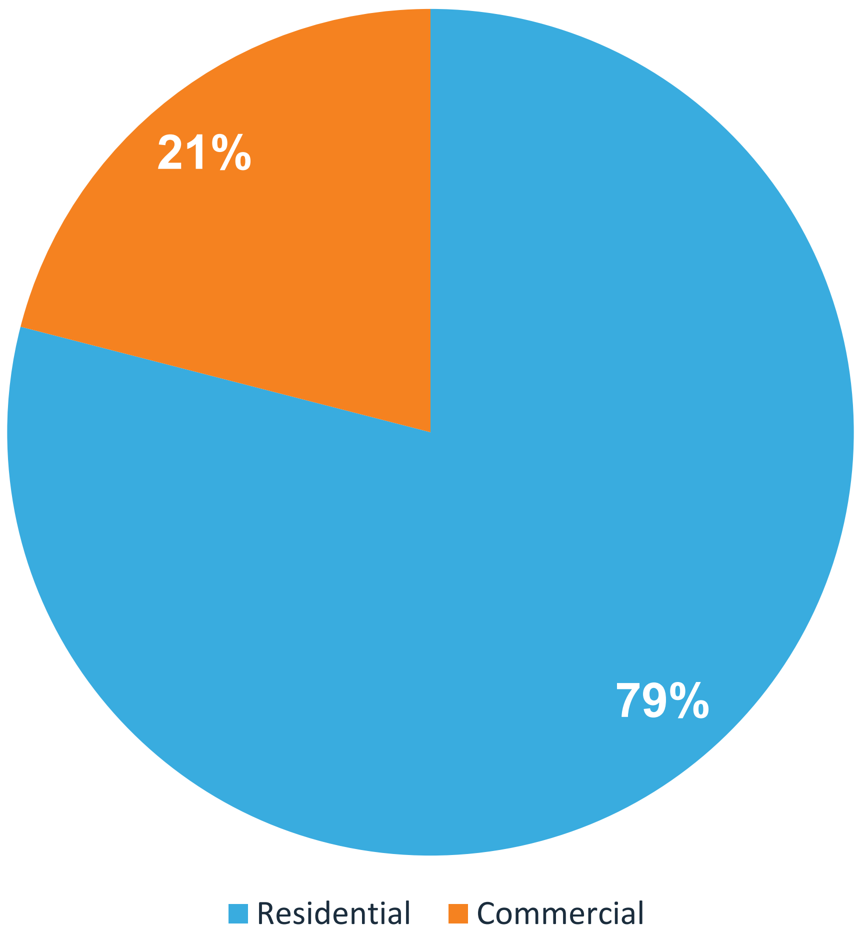
Taxable value **$1.45B**

Levy @ 3.0913 **$4.48M** 3,029 parcels

Non-homestead property makes up **71% of taxable value** — hotels, condos, and investor-owned units carry the majority of the City's ad valorem base.

Percentage Tax Distribution: Residents vs. Commercial

Share of taxable value by property use



79% RESIDENTIAL

Taxable value **$3.89B** • 7,082 parcels

Single-family, condos, multi-family, PUDs, and residential vacant land

21% COMMERCIAL

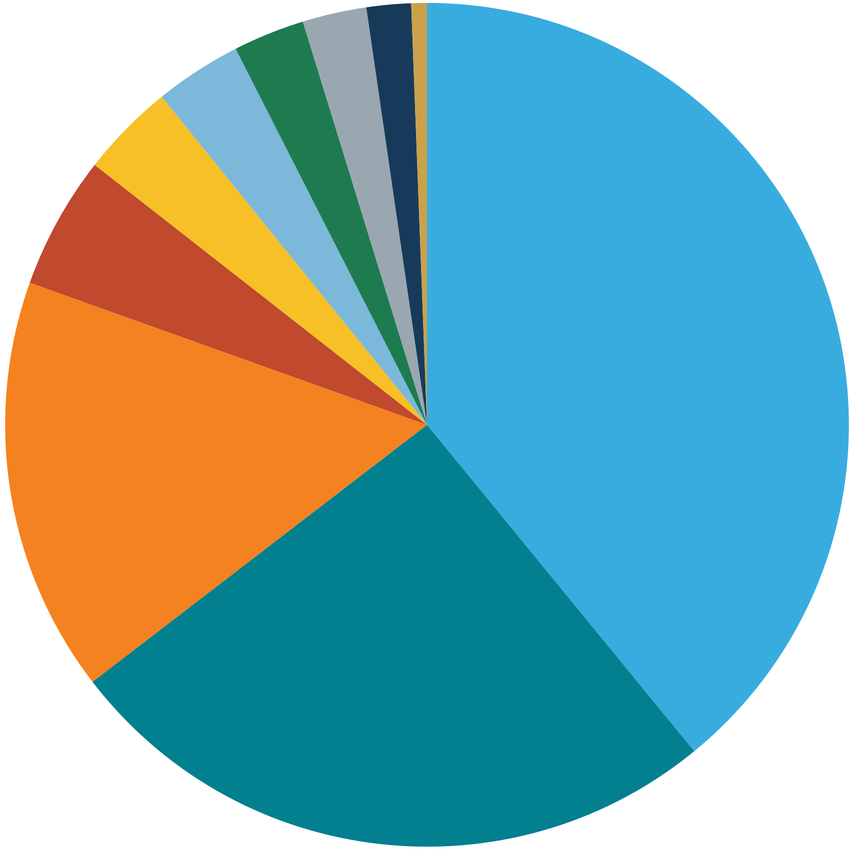
Taxable value **$1.03B** • 850 parcels

Retail, offices, hotels/motels, restaurants, and commercial land

Property Use Types

Taxable value by property use category

Property Use	Share	Taxable Value
Single Family Home	39.1%	$1.92B
Condominium	25.5%	$1.26B
Hotels & Condo-Hotels	15.9%	$782.96M
Commercial	5.1%	$250.98M
Duplex/Triplex/Multi-family	3.6%	$177.98M
Condo Conversion	3.3%	$164.04M
Vacant / Common Area	2.7%	$134.91M
Other Residential	2.5%	$120.95M
Planned Unit Development	1.7%	$83.85M
CO-OP Apartments	0.6%	$29.38M



Property Analysis: Current vs. Other Rates — Average Annual Impact by Parcel Type

Homestead / Parcel Type	Sum of Municipal Taxable Value	Number of Parcels	Average Taxable Value	Current Millage: 3.0913	Rolled-Back Rate: 3.0757	Current vs. Rolled Back	Two-Thirds Vote Max: 3.8330	Current vs. Max
Both (total)	**206,325,496**	**339**	**608,630**	**1,881**	**1,872**	**9**	**2,333**	**452**
No	169,303,411	275	615,649	**1,903**	1,894	9	2,360	457
Yes	37,022,085	63	587,652	**1,817**	1,807	10	2,252	435
Commercial	**1,021,610,193**	**345**	**2,961,189**	**9,154**	**9,108**	**46**	**11,350**	**2,196**
No	1,018,465,245	343	2,969,286	**9,179**	9,133	46	11,381	2,202
Yes	3,144,948	2	1,572,474	**4,861**	4,836	25	6,027	1,166
Condo	**1,671,010,853**	**4,147**	**402,945**	**1,246**	**1,239**	**7**	**1,544**	**298**
No	1,338,522,877	3,044	439,725	**1,359**	1,352	7	1,685	326
Yes	332,487,976	1,103	301,440	**932**	927	5	1,155	223
Residential	**2,204,552,205**	**3,099**	**711,375**	**2,199**	**2,188**	**11**	**2,727**	**528**
No	1,058,682,579	1,128	938,548	**2,901**	2,887	14	3,597	696
Yes	1,145,869,626	1,971	581,365	**1,797**	1,788	9	2,228	431
Grand Total	**5,103,498,747**	**7,930**	**643,569**	**1,989**	**1,979**	**10**	**2,467**	**478**

Current millage 3.0913 mills (highlighted). Impacts are average annual City ad valorem tax per parcel at each rate. Source: PCPAO / DR-420MMP.

What Does 10 Years Look Like?

Millage rate options — cumulative impact over 10 years

Per average parcel ($643,569 taxable value)

Current 3.0913 mills

10-yr: **$19,895** *(baseline)*

Rolled-Back 3.1189 mills

10-yr: **$20,072** **+$178 vs current**

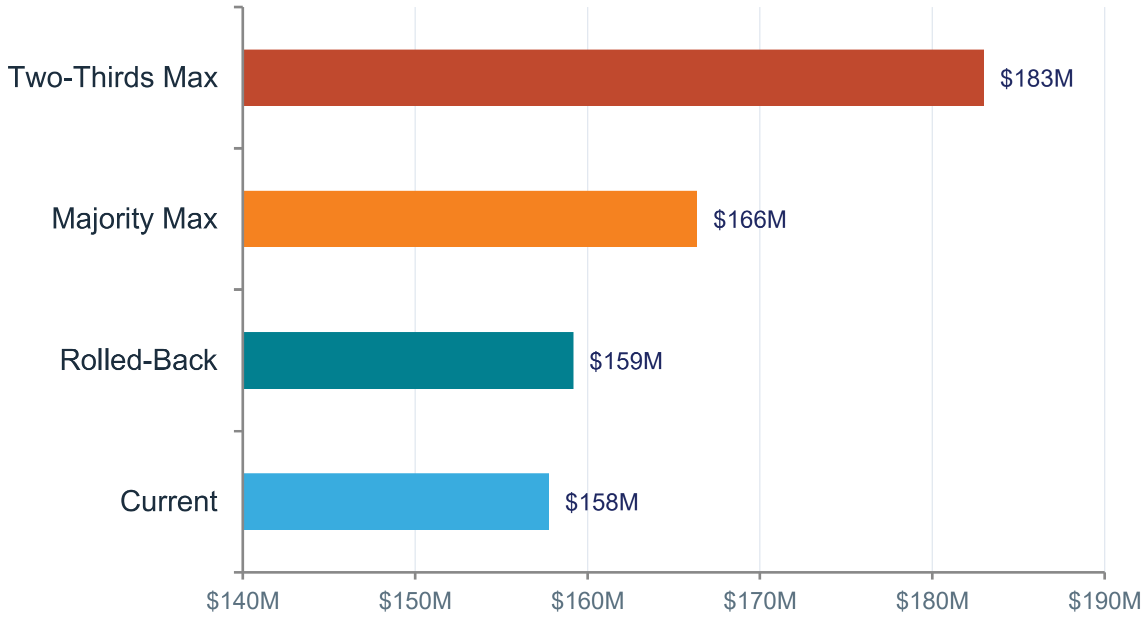
Majority Vote Max 3.2596 mills

10-yr: **$20,978** **+$1,083 vs current**

Two-Thirds Max 3.5856 mills

10-yr: **$23,076** **+$3,181 vs current**

City-wide cumulative levy over 10 years



Extra 10-yr revenue vs. current: **Rolled-Back +$1.4M** • **Majority +$8.6M** • **Two-Thirds +$25.2M**

PROPOSED BUDGET

FY2026 • FY2027

Preliminary Operating Department Summaries

Budget-to-budget comparison (FY2026 → FY2027) • staffing (FTE) •

THE SUNSET CAPITAL OF FLORIDA

Questions for the Committee

Direction requested from the Finance & Budget Review Committee

Staff is seeking the Committee's direction on two items before finalizing the FY2027 proposed budget:

2

Feedback on the current operating budget

Department Summaries

Governmental Funds — FY2026 to FY2027 budget, highlights, and staffing

Operating Budget Build & Budget Process Best Practices

1 FTE's FY27

CONTEXT

- FY26 personnel costs: ~$13.9M (General Fund)
- Storm recovery has driven heavy reliance on contractual services (~$800K building/permitting)
- Each new FTE: ~$90K–$120K fully loaded (recurring)
- GFOA: build baseline from full position cost first

CITY MANAGER DIRECTION

- X Hold FTE count flat- no increase in service delivery
- [ ] Add only mission-critical positions (specify areas)
- [ ] Convert key contractuals to FTEs where cost-savings
- [ ] Authorize broader staffing study before FY27 build

2 Building the Operating Budget

CONTEXT

- 5-yr forecast assumes 3.30% CPI on operating expense
- FY26 operating expense: ~$39.2M; grows to ~$44.6M by FY30
- Ad valorem at risk
- Ending balance turns negative in FY27 Enterprise Funds Only without action

CITY MANAGER DIRECTION

- [x] Modest CPI-based growth (~3.3%) — status quo
- [ ] Flat / zero growth — defer non-essential
- [ ] Targeted growth tied to strategic plan goals only
- [x] Two scenarios (base + reduced) for legislative risk

3 GFOA Best Practices

STAFF RECOMMENDED ADDITIONS

- Formal fund balance / reserve policy
- Structurally balanced budget policy (no reserves for ongoing ops in enterprise funds)
- Long-term financial forecast (5–10 yr) adopted annually
- Fees & charges policy with cost-recovery targets

CITY MANAGER DIRECTION

- [ ] Adopt all four as FY27 policy package
- [x] Phase in — prioritize reserve & balanced operating and maintenance budgets first
- [ ] Bring policies for individual adoption

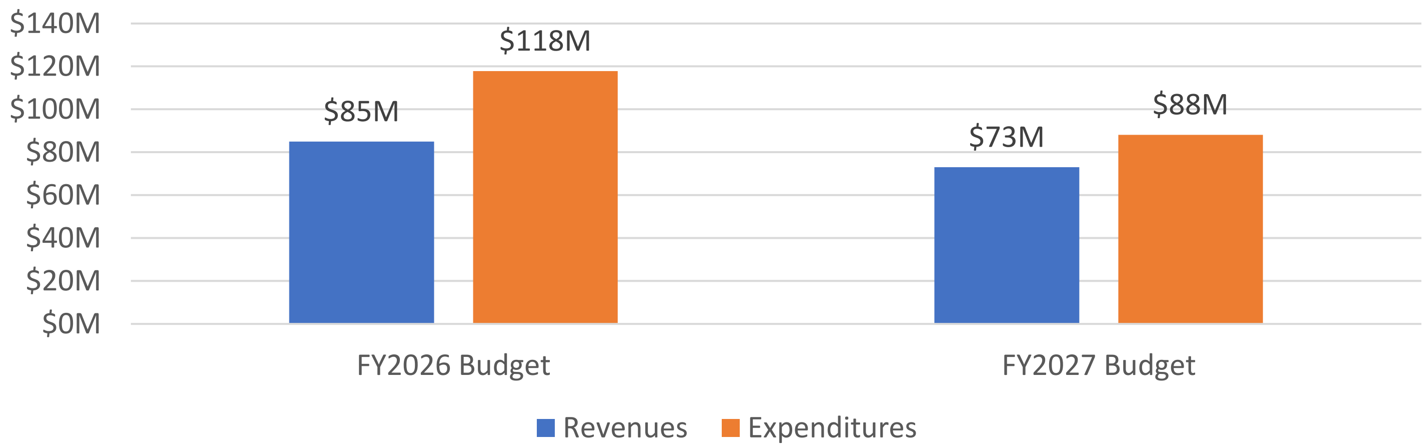
Citywide Revenues vs. Expenditures

All funds combined • FY2027 Proposed Budget

PRELIMINARY

TOTAL REVENUES & INFLOWS	TOTAL EXPENDITURES & OUTFLOWS	ENDING FY 2027 EST. FUND BALANCE
$73.03M	**$88.17M**	**$26.5M**
$73,026,825	$88,173,527	

Revenues vs. Expenditures — all funds



How to read this

- Totals combine all nine funds — General, Capital, Building, Resiliency, Multimodal, Fleet, and the three utilities.
- A budgeted gap between revenues and expenditures is normal and covered by appropriated fund balance — largely one-time capital and resiliency spending.
- FY2027 narrows the gap sharply vs. FY2026 as major capital projects wind down.

What's Driving the Budget Changes | What is still unknown

Factor	Change	Primary driver(s)
CPI	3.2%	Consumer price index for May which is the cities anchor for COLA was 3.2% 1.5% greater then last year
Employee Insurance	3.5%	Increase in Employee Insurance based on experience and claims was 3.5% increase
Workers Comp	UNKNOWN	Waiting on renewal information place holder was added for flat renewal
Property Casualty	UNKNOWN	Waiting on renewal information place holder was added for flat renewal
Capital	UNKNOWN	As capital projects progress, the budget figures will change with project completions and what needs to be reappropriated.

City Commission

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$216K

$215,900

FY2027 BUDGET

$178K

$178,400

DEPARTMENT HIGHLIGHT

Vested with the City's legislative powers under the Charter — four Commissioners plus a Mayor. Adopts the annual budget, levies taxes, sets fees, and appoints the City Manager, Clerk, and Attorney.

BUDGET-TO-BUDGET CHANGE

▼ **-17%**

WHY THE DECREASE

Lower budgeted personnel costs, commission considered by way of the FBRC a raise in salary in 2026.

FULL-TIME EQUIVALENTS (FTE)

FY2026

5.00

→

FY2027

5.00

No change in staffing

City Clerk

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$402K

$402,166

FY2027 BUDGET

$406K

$406,375

DEPARTMENT HIGHLIGHT

Liaison between the Commission and residents and primary administrative support to Commissioners. Manages public records requests, legislative support, elections administration, and legal notices.

BUDGET-TO-BUDGET CHANGE

▲ **+1%**

WHY THE INCREASE

Essentially flat — modest personnel and records-management cost growth, offset by lower one-time items.

FULL-TIME EQUIVALENTS (FTE)

FY2026 **3.00** → FY2027 **3.00**

No change in staffing

City Manager

GOVERNMENTAL FUND

PRELIMINARY

FY2026 BUDGET

$1.13M

$1,133,653

FY2027 BUDGET

$1.09M

$1,090,902

DEPARTMENT HIGHLIGHT

Chief Administrative Officer responsible for daily operations and service delivery across all departments. Includes a Communications Manager and provides strategic oversight of Parking and Code Enforcement.

BUDGET-TO-BUDGET CHANGE

▼ **-4%**

WHY THE DECREASE

Slight reduction in operating and contractual costs; personnel and benefits largely stable.

FULL-TIME EQUIVALENTS (FTE)

FY2026

5.00

→

FY2027

5.00

No change in staffing

Code Enforcement

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$526K

$525,645

FY2027 BUDGET

$562K

$562,060

DEPARTMENT HIGHLIGHT

Protects safety and quality of life through friendly but consistent code enforcement — neglected properties, illegal short-term rentals, noise, and storm damage. Supports sea turtle conservation and coastal character.

BUDGET-TO-BUDGET CHANGE

▲ +7%

WHY THE INCREASE

Added training for required code enforcement training and development.

FULL-TIME EQUIVALENTS (FTE)

FY2026

4.10

→

FY2027

4.10

City Attorney

GOVERNMENTAL FUND

PRELIMINARY

FY2026 BUDGET

$450K

$450,000

FY2027 BUDGET

$475K

$475,000

DEPARTMENT HIGHLIGHT

Legal guidance provided by a contracted law firm rather than an in-house department. Handles representation, litigation, legal opinions, document review, and Commission meeting attendance — controlling cost and flexibility.

BUDGET-TO-BUDGET CHANGE

▲ **+6%**

WHY THE INCREASE

Higher budgeted contractual legal costs reflecting anticipated FY2027 caseload and special counsel.

FULL-TIME EQUIVALENTS (FTE)

FY2026

0.00

→

FY2027

0.00

Contracted (outside law firm)

Community Development

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$1.37M

$1,370,251

FY2027 BUDGET

$1.47M

$1,465,340

DEPARTMENT HIGHLIGHT

Two divisions — Building & Permitting and Planning & Zoning. Ensures code compliance, reviews plans, issues permits and business tax receipts, and guides orderly land use and development consistent with the City's vision.

BUDGET-TO-BUDGET CHANGE

▲ +7%

WHY THE INCREASE

Growth in personnel benefits (+12%) and operating/professional services (+18%) for planning and permitting.

FULL-TIME EQUIVALENTS (FTE)

FY2026

9.40

→

FY2027

9.40

No change in staffing

Innovation & Information Technology

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$1.81M

$1,813,708

FY2027 BUDGET

$2.03M

$2,032,476

DEPARTMENT HIGHLIGHT

Strategic partner supporting 100+ employees across multiple locations. Delivers reliable infrastructure, responsive support, and a strong cybersecurity posture, driving the City toward a secure, modern, resilient future.

BUDGET-TO-BUDGET CHANGE

▲ **+12%**

WHY THE INCREASE

Consolidated systems that where in other budgets to the Information Tech Budget for true costs of services, cost allocation was created for the offsets.

FULL-TIME EQUIVALENTS (FTE)

FY2026

5.00

→

FY2027

5.00

No change in staffing

Human Resources

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$277K

$277,324

FY2027 BUDGET

$365K

$364,700

DEPARTMENT HIGHLIGHT

Attracts, develops, and retains motivated talent. Fosters a culture of respect, professionalism, and continuous innovation through recruitment & staffing, compensation & benefits, and employee relations.

BUDGET-TO-BUDGET CHANGE

▲ **+32%**

WHY THE INCREASE

Expanded staffing-support programs (NEOGOV ATS, flexible/temporary staffing models) plus benefit allocation.

FULL-TIME EQUIVALENTS (FTE)

FY2026

2.00

→

FY2027

2.00

No change in staffing

Finance Services

GOVERNMENTAL FUND

PRELIMINARY

FY2026 BUDGET

$1.08M

$1,078,259

FY2027 BUDGET

$1.12M

$1,118,475

DEPARTMENT HIGHLIGHT

Provides comprehensive financial services and safeguards the City's assets through appropriate controls. Programs span accounting & auditing, operating & capital budgeting, treasury, debt management, and procurement.

BUDGET-TO-BUDGET CHANGE

▲ +4%

WHY THE INCREASE

Modest personnel and operating growth for system implementations and projects.

FULL-TIME EQUIVALENTS (FTE)

FY2026

7.00

→

FY2027

7.00

No change in staffing

Law Enforcement

16

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$3.50M

$3,500,540

FY2027 BUDGET

$3.75M

$3,753,540

DEPARTMENT HIGHLIGHT

Full-service policing delivered via contract with the Pinellas County Sheriff's Office — no independent department. Covers deputy posts, supervision, a detective, telecommunicator, crossing guard, vehicles, and beach enforcement.

BUDGET-TO-BUDGET CHANGE

▲ +7%

WHY THE INCREASE

Contract cost escalation with the Pinellas County Sheriff's Office (+$253K).

FULL-TIME EQUIVALENTS (FTE)

FY2026		FY2027
0.00	→	0.00

Contracted (Pinellas County Sheriff's Office)

Fire Suppression

GOVERNMENTAL FUND • FIRE & EMS

PRELIMINARY

FY2026 BUDGET

$4.21M

$4,211,031

FY2027 BUDGET

$4.18M

$4,181,530

DEPARTMENT HIGHLIGHT

Fire suppression and emergency response across the five-mile barrier island from two stations. Operates ALS rescue, squad, and truck companies plus a marine response unit, with fire inspections under the NFPA Life Safety Code and public fire-safety education.

BUDGET-TO-BUDGET CHANGE

▼ -1%

WHY THE DECREASE

Essentially flat — wage reopener approved by commission and lower capital outlay.

FULL-TIME EQUIVALENTS (FTE)

FY2026		FY2027
28.00	→	28.00

Emergency Medical Services (EMS)

GOVERNMENTAL FUND • FIRE & EMS

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$3.58M

$3,580,449

FY2027 BUDGET

$2.30M

$2,302,941

DEPARTMENT HIGHLIGHT

Non-transport first-response advanced life support. A newly implemented Light Marine Unit and an EMS Captain position — both fully funded by Pinellas County — reduce local costs while enhancing response. The County EMS reimbursement largely offsets this division's cost.

BUDGET-TO-BUDGET CHANGE

▼ -36%

WHY THE DECREASE

One-time capital/vehicle purchases roll off and County EMS reimbursement offsets cost.

FULL-TIME EQUIVALENTS (FTE)

FY2026		FY2027
16.00	→	16.00

Public Services

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$4.58M

$4,577,353

FY2027 BUDGET

$4.25M

$4,250,416

DEPARTMENT HIGHLIGHT

Provides high-quality infrastructure and services — engineering, environmental programs, capital projects, public properties (beaches, parks, facilities), streets and utilities, and fleet. Public safety is its primary concern.

BUDGET-TO-BUDGET CHANGE

▼ -7%

WHY THE DECREASE

Lower operating costs (-12%) and reduced beach-maintenance budget; Streets rise partially offsets.

FULL-TIME EQUIVALENTS (FTE)

FY2026

20.75

→

FY2027

20.75

Library Department

GOVERNMENTAL FUND

PRELIMINARY

FY2026 BUDGET

$628K

$627,545

FY2027 BUDGET

$698K

$697,853

DEPARTMENT HIGHLIGHT

Provides intellectual, recreational, civic, and cultural engagement. Member of the Pinellas Public Library Cooperative (14 libraries), offers a 'Library of Things,' diverse programming, and is open six days a week year-round.

BUDGET-TO-BUDGET CHANGE

▲ +11%

WHY THE INCREASE

Higher materials and programming costs.

FULL-TIME EQUIVALENTS (FTE)

FY2026 7.40 → FY2027 7.40

No change in staffing

Resident Services

GOVERNMENTAL FUND

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

FY2026 BUDGET

$1.61M

$1,608,271

FY2027 BUDGET

$2.04M

$2,036,843

DEPARTMENT HIGHLIGHT

Formerly Parks & Recreation, renamed to reflect a broader mission. Oversees recreation programs, the year-round Family Aquatic Center, and signature special events — Concerts in the Park, 4th of July Fireworks, and the Holiday Boat Parade.

WHY THE INCREASE

Aquatics program growth (+53%) drive the increase.

BUDGET-TO-BUDGET CHANGE

▲ **+27%**

FULL-TIME EQUIVALENTS (FTE)

FY2026		FY2027	
14.70	→	14.70	-

Non-Departmental

GOVERNMENTAL FUND

PRELIMINARY

FY2026 BUDGET

$20.37M

$20,372,226

FY2027 BUDGET

$10.77M

$10,770,953

DEPARTMENT HIGHLIGHT

Captures city-wide revenues and obligations not tied to one department — ad valorem and utility taxes, franchise fees, intergovernmental revenue, FEMA grants, and inter-fund administrative charges. Not a staffed operating unit.

BUDGET-TO-BUDGET CHANGE

▼ **-47%**

WHY THE DECREASE

Large FY2026 inter-fund transfers (to Resiliency, Fleet, Wastewater, CIP, Reclaimed) not repeated in FY2027.

FULL-TIME EQUIVALENTS (FTE)

FY2026

0.00

→

FY2027

0.00

No assigned FTE

Enterprise (Proprietary) Funds

Self-supporting utilities — FY2026 to FY2027 budget, highlights, and staffing

Wastewater Enterprise Fund

PRELIMINARY

St. Pete Beach — The Sunset Capital of Florida

ENTERPRISE FUND

FY2026 BUDGET

$23.90M

$23,903,791

FY2027 BUDGET

$10.43M

$10,433,339

DEPARTMENT HIGHLIGHT

Self-supporting utility operating the City's wastewater collection and transmission system — force mains, pump and lift stations, and SCADA. FY2027 expenses drop sharply as large FY2026 capital projects wind down.

BUDGET-TO-BUDGET CHANGE

▼ -56%

WHY THE DECREASE

Capital outlay falls from $15.5M to $7.1M as major FY2026 projects wind down; operating also lower.

FULL-TIME EQUIVALENTS (FTE)

FY2026		FY2027
8.25	→	8.25

No change in staffing

Reclaimed Water Enterprise Fund

PRELIMINARY

St. Pete Beach
The Sunset Capital of Florida

ENTERPRISE FUND

FY2026 BUDGET

$1.77M

$1,770,696

FY2027 BUDGET

$1.79M

$1,789,563

DEPARTMENT HIGHLIGHT

Self-supporting utility delivering reclaimed water for irrigation, reducing demand on potable supply. FY2027 funds lateral service pipe replacements and pig-port installation to maintain system integrity.

BUDGET-TO-BUDGET CHANGE

▲ **+1%**

WHY THE INCREASE

Essentially flat — modest increase for lateral service-pipe replacements and system maintenance.

FULL-TIME EQUIVALENTS (FTE)

FY2026

1.20

→

FY2027

1.20

No change in staffing

Stormwater Enterprise Fund

ENTERPRISE FUND

PRELIMINARY

FY2026 BUDGET

$5.42M

$5,415,522

FY2027 BUDGET

$3.13M

$3,127,384

DEPARTMENT HIGHLIGHT

Self-supporting utility managing drainage and flood resilience across the barrier island — baffle structures, tide check valves, system cleaning, and watershed master planning to protect a low-lying coastal community.

BUDGET-TO-BUDGET CHANGE

▼ -42%

WHY THE DECREASE

Capital outlay for FY2026 drainage/resiliency projects rolls off; debt service also declines.

FULL-TIME EQUIVALENTS (FTE)

FY2026 4.55 → FY2027 4.55

No change in staffing

Parking Fund

ENTERPRISE FUND

PRELIMINARY

FY2026 BUDGET

$4.98M

$4,979,728

FY2027 BUDGET

$9.29M

$9,291,320

DEPARTMENT HIGHLIGHT

Self-supporting fund managing public parking operations and revenue, a key resource for this beach destination. FY2027 expense growth reflects expanded operations and a license-plate-recognition (LPR) system investment.

BUDGET-TO-BUDGET CHANGE

▲ **+87%**

WHY THE INCREASE

Transfer to the General Fund doubles ($3.2M → $6.4M), reflecting stronger parking revenue and expanded operations.

FULL-TIME EQUIVALENTS (FTE)

FY2026

3.10

→

FY2027

3.10

No change in staffing

Questions for the Committee

Direction requested from the Finance & Budget Review Committee

Staff is seeking the Committee's direction on two items before finalizing the FY2027 proposed budget:

1 **Millage rate direction (Property Tax)**

2 **Feedback on the current operating budget**

THANK YOU!
QUESTIONS?

St. Pete Beach
The Sunset Capital of Florida