



MINUTES

BOARD OF COMMISSIONERS BUDGET WORKSHOP MEETING APRIL 24, 2024 4:00 P.M.

The City of Madeira Beach Board of Commissioners held a budget workshop meeting at 4:00 p.m. on April 24, 2024, in the Patricia Shontz Commission Chambers at City Hall, located at 300 Municipal Drive, Madeira Beach, Florida.

MEMBERS PRESENT:	James "Jim" Rostek, Mayor Ray Kerr, Vice Mayor/Commissioner District 2 Eddie McGeehen, Commissioner District 3
MEMBERS ABSENT:	Anne-Marie Brooks, Vice Mayor/Commissioner District 4 David Tagliarini, Commissioner District 1
CITY STAFF PRESENT:	Robin Gomez, City Manager Clara VanBlargan, City Clerk Andrew Laflin, Finance Director/City Treasurer Thomas Trask, City Attorney

1. CALL TO ORDER

Mayor Rostek called the meeting to order at 4:00 p.m.

2. ROLL CALL

City Clerk Clara VanBlargan called the roll. Vice Mayor Brooks and Commissioner Tagliarini were absent.

3. PUBLIC COMMENT

There were no public comments.

4. DISCUSSION ITEMS

A. FY 2025 Budget Workshop #1

City Manager Robin Gomez said it was the first of five to seven budget workshops to discuss the FY 2025 budget. The millage rate has remained at 2.75 mills for the past five years, and staff will not recommend an increase. He gave the Board the following overview:

- The reserves are more than adequate.
- There will be a continuation of capital projects.

- Staff will likely recommend two full-time employees, one in the Fire Department and one in the Recreation Department.
- Staff will likely propose a six percent or slightly higher salary increase.
- Staff would be looking at fee increases in the Enterprise Funds, which include the Marina and Parking.

Finance Director Andrew Laflin reviewed the budget material provided in the meeting agenda packet.

- FY 2023 Fund Balance financially looks better than surrounding municipalities. The City's Fund Balance is healthy in the General Fund.
- The General Fund outflows were significantly higher in FY 2023 than in FY 2022 due to transfer activity that was budgeted for. In FY 2023, a separate Enterprise Fund was created for parking.
- The General Fund inflows were higher in FY 2023 than in FY 2022.

Commissioner Kerr asked if comparing the City with the City of Treasure Island was a good comparison and if Mr. Laflin knew of any historical trends. Mr. Laflin said they are a good comparison in terms of size and complexity.

Commissioner Kerr asked why the capital outlay went from \$7,706,000 in FY 2021 to about \$12,000,000 in FY 2023. Mr. Laflin said the \$3.3 million Gulf Blvd. undergrounding project was treated as an operating expenditure because it was not the City's asset, which is why Public Works Administration increased from FY 2021 to FY 2023. Pinellas County is reimbursing the City for some of the undergrounding. A lot of transfer activity occurred in Non-Departmental that is not included in the \$12,000,000 in capital outlay.

- Other Financial Assistance – Federal – FY 2024, \$2,154,172 was budgeted for ARPA Funds the City received. The money has been sitting in a liability in the financial statements until it is expended. Because the City is a Non-Entitlement Unit, the money can be spent on anything. It will be recognized in revenue in FY 2024, leaving an increase in fund balance.
- Shard Revenues – Other Local Units – FY 2024, \$1,015,000 was budgeted, and \$789 was spent. It is expected revenues from Pinellas County for the Gulf Blvd undergrounding project.
- State Shared Revenues – FY 2024, \$2,063,541 was budgeted, and \$250,954 was spent. It is expected revenues from the State for the John's Pass dredging and John's Pass Village.
- Ad Valorem Taxes are almost right on budget.
- \$5.5 million was expended versus \$18 million budgeted.

- The big expenditures in Non-Departmental are departmental transfers that are typically made at the end of the year if needed.
- Building Department Fund – The fund balance increased by \$41,334. It will decrease, which is good because it will allow the City to stay in compliance with the State Statute. FY 2024 planned projects would help keep the City under the threshold.
- Local Option Sales Tax Fund – The revenues are discretionary sir tax funds like Penny for Pinellas that have requirements to be met. The balance increased by \$599, 886, which will carry over to FY 2024.

Commissioner Kerr asked what the restrictions were on the Local Option Sales Tax Fund. Mr. Laflin said there are a lot of public safety vehicles, capital improvement items, and discretionary tax revenues.

- Archibald Park Fund – A negative fund balance of \$4 million was budgeted. There was a high increase in the fund balance because there was a transfer of \$1,750,000. The actual fund balance at the end of the year was almost \$2.5 million.
- Gas Tax Fund – There are revenues to support the street lighting maintenance and related expenditures.
- Debt Service Fund – Funds are transferred from the General Fund and the debt service on the governmental activities' debt plus investment income on the cash investment balance.
- Mr. Laflin said ongoing projects not completed in FY 2024 will be re-budgeted and put in the five-year capital improvement plan for FY 2025. He provided a list of capital projects with the current status in the meeting agenda packet.

The City Manager reviewed the status of some of the high-dollar projects and responded to questions and comments from the Board.

Mr. Laflin reviewed the proposed FY 2024 Budget Amendment #2. Budget adjustments are needed within the General Fund, Parking Fund, Archibald Fund, Sanitation Fund, and Stormwater Fund. Staff recommended approval of Resolution 2024-03. He responded to questions and comments from the Board.

Commissioner Kerr asked why the revised budget amount was almost six times more than the current budgeted amount in the Human Resources Department. Mr. Laflin said the one-time payroll processing fee from the payroll service provider was not anticipated to be allocated to the HR account when preparing the FY 2024 budget. It has always been an expense; it is just accounting for it in the proper general ledger account.

Mr. Laflin said the \$759,790 transfer is an estimated one-time contribution to the Florida Retirement Service for employees who want to convert from ICMA.

The next budget workshop meetings were scheduled as follows:

- Budget Workshop #2 - May 22, 2024 at 4:00 p.m.
- Budget Workshop #3 - June 26, 2024 at 4:00 p.m.
- Budget Workshop #4 - July 24, 2024 at 4:00 p.m.
- Budget Workshop #5 - August 28, 2024 at 4:00 p.m.
- 1st Public Hearing, FY 2025 Tentative Millage Rate and Budget Ordinance - September 11, 2024 at 5:45 p.m.
- 2nd Public Hearing, FY 2025 Millage Rate and Budget Ordinance – September 25, 2024 at 5:45 p.m.

Commissioner Kerr said he could not attend the September 25th meeting and asked if it could be moved to September 27th or 30th. The City Manager said it will be confirmed at the next meeting. Mayor Rostek opened to public comment.

Mayor Rostek asked the following questions.

- How many additional properties came on the tax rolls for this taxing period?
- How many properties went from homesteaded to non-homesteaded, and what are the positives and negatives for the City?
- With property value increases this year, what is the percentage, and what are the positives and negatives for the City?

Mr. Laflin said the information would not be available until June 1, 2024.

Commissioner McGeehen asked if they could discuss how to spend the ARPA funds at a future budget workshop. Mr. Laflin said there is no requirement that specific projects be identified. However, about \$300,000 in BP Oil money is sitting in the fund balance that needs to be reported. He would like to identify at least one or two projects and clear it out in FY 2025.

5. ADJOURNMENT

Mayor Rostek adjourned the meeting at 5:09 p.m.

James “Jim” Rostek, Mayor

ATTEST:

Clara VanBlargan, MMC, MSM, City Clerk