MINUTES

BOARD OF COMMISSIONERS
BUDGET WORKSHOP MEETING
AUGUST 26, 2026
2:00 P.M.

The City of Madeira Beach Board of Commissioners held a budget workshop meeting at 2:00 p.m. on August 26, 2026 in the Patricia Shontz Commission Chambers at City Hall, located at 300 Municipal Drive, Madeira Beach, Florida.

MEMBERS PRESENT: Anne-Marie Brooks, Mayor
Eddie McGeehen, Vice Mayor/Commissioner District 3
David Tagliarini, Commissioner District 1
Charles "Chuck" Dillon, Commissioner District 2
Housh Ghovaee, Commissioner District 4

MEMBERS ABSENT: None

CHARTER OFFICERS PRESENT: Michael Helfrich, City Manager
Clara VanBlargan, City Clerk
Andrew Laflin, Finance Director Consultant

1. CALL TO ORDER

Mayor Brooks called the meeting to order at 2:00 p.m.

2. ROLL CALL

City Clerk Clara VanBlargan called the roll. All were present.

3. PUBLIC COMMENT

There were no public comments.

4. DISCUSSION ITEMS

A. FY 2027 Budget Workshop #5

Finance Director Consultant Andrew Laflin explained that this was the final budget workshop before the two September public hearings on the proposed millage rate and the FY 2027 budget. The budget remained a working document, subject to changes based on Board direction. He said the FY 2027 budget book was substantially reorganized to meet the requirements of the Government Finance Officers Association (GFOA) Distinguished Budget Award Program. The

163-page document includes expanded narrative information on strategic goals, revenues, capital improvements, and community statistics.

General Fund and City Operating Costs

The FY 2027 General Fund includes approximately $20.6 million in budgeted expenditures. This amount includes approximately $3 million for the Redington Beach Fire Station construction project, a pass-through expenditure reimbursed dollar-for-dollar by Pinellas County. Excluding that expenditure, the General Fund operating budget is approximately $17 million.

Mayor Brooks addressed public perceptions that the City spends more than $40 million annually. Mr. Laflin explained that expenditures above normal operating costs largely reflect capital improvement projects, property acquisitions, and other non-recurring costs. Across all governmental funds, actual operating costs are approximately $20–$21 million. Reducing the overall budget without distinguishing operating and capital expenses would require eliminating or postponing projects such as road paving and stormwater improvements.

Major General Fund Departments

Fire/EMS is the largest General Fund department, with a budget of approximately $7.37 million, or 35.8% of General Fund expenditures. After removing the $3 million Redington Beach Fire Station pass-through, the department's net operating cost is approximately $4.3 million. Personnel costs have increased as firefighter staffing has expanded to meet operational needs.

Non-Departmental expenditures total approximately $2.86 million. Major expenditures include approximately $1.495 million transferred for debt service on the City's 2019 stormwater debt issuance and approximately $300,000 for debt related to City Center construction. The Facilities and Project Coordinator, a first-time position in Non-Departmental, will be allocated among participating funds.

The **Recreation Department** is budgeted at approximately $1.72 million, with estimated revenues of about $438,500. Increased personnel expenses were primarily due to the City's salary study, which particularly affected lower-wage Recreation positions.

Budgeting Methodology

Commissioner Ghovaee asked how budget projections are developed. Mr. Laflin explained that personnel expenses are calculated position-by-position, based on actual compensation, projected COLA and merit increases, health insurance, retirement, workers' compensation, and other benefits. Capital expenditures are developed project-by-project through the multi-year Capital Improvement Plan. Operating expenditures are based on historical trends and known contractual obligations, while revenues are projected using historical information and known factors such as taxable property values.

Mr. Laflin confirmed that when departments spend less than their authorized budgets, the unspent amounts remain in the applicable fund and increase the fund's ending balance.

Fund Balance Review

Mr. Laflin presented a new Budget Year Fund Balance schedule and reviewed the City's individual funds.

The **Archibald Park Fund** had an audited FY 2025 ending balance of approximately $663,000. Parking meter revenue remains strong, but the former Snack Shack concession has generated no revenue since the hurricane damage. Once repaired and white-boxed, the building is expected to be offered competitively under a triple-net lease. The fund is not self-sufficient to meet significant recurring capital needs and will periodically require General Fund assistance.

The **Building Fund** had an FY 2025 ending balance of approximately $70,000. Its financial condition was affected by post-hurricane permit-fee waivers and the cost of outsourcing positions during staffing turnover. Although permit revenues are recovering, the FY 2027 projected ending balance is approximately negative $1.57 million. Staff plans to reevaluate permit fees using the cost-of-service methodology required by new state regulations.

The **General Fund** had an audited FY 2025 ending fund balance of approximately $19 million. FY 2026 results show an apparent $13.7 million deficit, largely due to the $18.12 million purchase of the 555 150th Avenue property, partially offset by approximately $3.148 million in Emergency Bridge Loan Program proceeds. When those non-recurring items are removed, the General Fund is approximately $1.2 million ahead year-to-date. The FY 2027 budget projects an approximately $3 million deficit, although historical expenditures generally come in below budget due to vacancies and conservative insurance estimates.

The **Impact Fee Fund** continues to accumulate funds and is projected to reach about $1.4 million. Eligible projects may be funded through future budget amendments.

The **Local Option Sales Tax (LOST) Fund** had an FY 2025 balance of about $3.2 million and is projected to reach about $4.4 million by the end of FY 2027. These funds may support eligible capital improvements, government facilities, infrastructure, and public safety vehicles.

The **Marina Fund** remains financially positive. FY 2027 revenues are projected at approximately $1.725 million, compared with $1.379 million in expenditures, including a $400,000 City Hall dock project. Its projected FY 2027 ending net position is approximately $5.5 million.

The **Parking Fund** also remains strong. FY 2026 year-to-date revenues were approximately $3.2 million compared with $1.5 million in expenses. Its FY 2027 ending net position is projected at approximately $8 million. Parking fine revenue was already approximately $672,287 compared with a $550,000 budget. Mayor Brooks suggested that the Board consider at a future workshop whether the volume of parking enforcement is consistent with the City's goal of being welcoming to visitors.

The **Sanitation Fund** is projected to receive approximately $2 million in FY 2027 revenues and incur approximately $2.4 million in expenses. These expenses include approximately $400,000 to replace a solid waste vehicle.

The **Stormwater Fund** continues to see significant capital activity. FY 2027 revenues are projected at approximately $5.7 million, including grants and anticipated Pinellas County reimbursements, compared with approximately $7.5 million in expenditures. Commissioner Ghovaee supported the previously discussed stormwater rate increase. Mr. Laflin confirmed that, even with the approved increase, revenues are not projected to fully cover operating and debt-service requirements.

Professional Services Procurement

Commissioner Ghovaee questioned whether publishing specific consultant budget amounts could adversely affect competitive pricing. The City Manager and Public Works Director Megan Wepfer explained that professional consultant selection is governed by state law and follows a qualifications-based selection process, with fee negotiations afterward. Because the matter fell outside the scope of the budget workshop, Mayor Brooks recommended a separate discussion with staff.

Five-Year Capital Improvement Plan

Mr. Laflin reviewed the City's five-year Capital Improvement Plan (CIP) and highlighted major FY 2027 projects, including the $400,000 City Hall dock and the $400,000 sanitation vehicle replacement.

Mayor Brooks expressed concern that the FY 2028 CIP language regarding R.O.C. Park development did not accurately reflect the Board's current strategic direction. Parking issues must be resolved before any additional development, and the CIP should not imply that projects have been approved when they have not. The City Manager agreed to revise the future-year narratives before the next meeting.

The Board reviewed language regarding the 555 150th Avenue waterfront property, a 4.6-acre site purchased for approximately $18.12 million. No development expenditures are included in the five-year CIP because the City has not yet prepared conceptual designs or cost estimates. Any FY 2027 capital expenditure for the property would require a formal budget amendment approved by the Board.

Corrections and Upcoming Budget Hearings

Commissioner Tagliarini identified minor numerical discrepancies between the Fund Balance summary and narrative sections for several funds. Mr. Laflin stated that these likely resulted from timing differences as current-year figures changed and agreed to reconcile them before the September hearings.

The two remaining budget hearings were confirmed for:

- **September 9, 2026, at 5:45 p.m. — First Public Hearing**
- **September 18, 2026, at 5:05 p.m. — Second and Final Public Hearing**

Mr. Laflin explained that at those hearings, the Board will formally consider the 2.75-mill property tax rate and the FY 2027 budget. The millage rate has remained unchanged for more than six consecutive years, and no increase is proposed.

Commissioner Tagliarini praised the quality and narrative detail of the revised budget document. Commissioner Ghovaee also appreciated the new format and its discussion of the City's post-hurricane operating environment, future financial risks, stormwater infrastructure, the 555 property, and community priorities. Mayor Brooks adjourned the workshop at 3:39 p.m.

5. ADJOURNMENT

Mayor Brooks adjourned the meeting at 3:39 p.m.

ATTEST: ________________________________
Anne-Marie Brooks, Mayor

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Clara VanBlargan, MMC, MSM, FCMC, City Clerk