MINUTES

BOARD OF COMMISSIONERS
BUDGET WORKSHOP MEETING
JUNE 24, 2026
2:00 P.M.

The City of Madeira Beach Board of Commissioners held a budget workshop meeting at 2:00 p.m. on June 24, 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 Thomas Trask, City Attorney 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

Mayor Brooks noted that there were no members of the public in attendance.

4. DISCUSSION ITEMS

A. FY 2027 Budget Workshop #3 – Revenue Analysis

Finance Director Consultant Andrew Laflin explained that the workshop's focus would be an in-depth examination of revenues on a fund-by-fund basis and outlined the sequence of upcoming budget milestones: the July workshop would present a full picture by combining departmental operating expense requests with the revenue figures discussed; the August workshop would serve as a follow-up to revisit any outstanding questions and concerns; and the two public meetings in September would be held to formally adopt the budget.

I. Revenues Budget – Preliminary FY 2027

Mr. Laflin provided a multi-year revenue trend analysis, walking the Commission through a revenue snapshot on pages 5–7 of the meeting packet. The data included two years of fully audited actuals (FY 2024 and FY 2025), year-to-date figures for FY 2026 (with approximately nine months elapsed), the FY 2026 budgeted revenues, and the proposed FY 2027 revenue budget. He noted that these figures were drawn from the prior week and were relatively recent.

Turning to the revenue summary by fund on page 8 of the packet, Mr. Laflin acknowledged that the overall numbers showed significant apparent fluctuations from year to year. For instance, the General Fund appeared to drop from $23.9 million budgeted in FY 2026 to $15.8 million proposed for FY 2027. He encouraged the Commission to look into the fund-by-fund detail to understand why such differences existed, as many were attributable to one-time or non-recurring revenues.

Commissioner Tagliarini asked for the top three reasons for the projected decrease in total proposed FY 2027 revenues across all funds compared with FY 2025 and FY 2026. Mr. Laflin responded that the answer lay in the fund-by-fund breakdowns and suggested they first examine the General Fund detail to illuminate those differences.

General Fund Revenue Detail

Beginning on page 9 of the packet, Mr. Laflin walked through the General Fund revenue detail line by line, highlighting several key items that explained the year-over-year fluctuations.

He first identified the Pinellas County Fire EMS reimbursement, explaining that the spike in FY 2026 revenues was due to reimbursement from Pinellas County for construction-related expenses on the Redington fire station project. He noted that approximately $4.4 million had been budgeted for FY 2026 and $3 million for FY 2027, with very little actual revenue in FY 2025 and none in FY 2024, as the project had not yet commenced. He characterized this as a one-time item that skews year-over-year comparisons.

On page 10, Mr. Laflin drew attention to the FEMA grant revenues line item, explaining that the City had recognized a large reimbursement of approximately $4.5 million in FY 2025 actuals related to hurricane damage. It was not originally budgeted because the storms were not anticipated. He noted that no budgetary revenue had been recognized in that account, yet a large spike appeared in the actuals. He added that the City had also budgeted some FEMA reimbursements for FY 2027, given that the storm had already occurred and additional reimbursements were now anticipated. He then disclosed, in real time, that the City had received $1,050,813 from FEMA through the State of Florida that very day, $617,987 for beach parking lot repairs and $432,826 for Archibald Park, making the FEMA grant revenue figure in the packet already outdated and higher than the $357,000 shown. Mr. Laflin expressed obvious satisfaction at this news.

Mayor Brooks then raised several specific line items in which FY 2026 budget figures appeared to be significantly higher than historical actuals. The first was the fuel tax refund, where actuals were approximately $4,100 in FY 2024 and $3,500 in FY 2025, followed by a FY 2026 budget of $5,000. Year-to-date FY 2026 collections stood at only $1,198, with a proposed FY 2027 budget of $5,500. The Mayor questioned why the City would budget considerably more than had historically been received. Mr. Laflin acknowledged that a more conservative estimate might be warranted going forward.

Mayor Brooks raised the rental inspection fees. FY 2024 actuals were just under $18,000; FY 2025 actuals had dropped sharply to approximately $2,100; the FY 2026 budget had been set at $25,000; year-to-date FY 2026 collections stood at only $3,640; and the proposed FY 2027 budget was $5,000. The Mayor speculated that the FY 2024 hurricane had significantly affected these revenues, suggesting that the City had assumed greater recovery by this point than had actually materialized. Mr. Laflin agreed that hurricane-related factors were a likely explanation for the FY 2025 decline and the bleed-over into FY 2026, and expressed cautious optimism that the $5,000 estimate for FY 2027 was defensible given expected continued recovery.

Commissioner Dillon raised a question about the sponsorship revenue line, which had been budgeted at $50,000 in both the proposed FY 2026 and FY 2027 budgets, yet FY 2024 actuals showed only about $6,700 and FY 2025 actuals showed only $650. Recreation Director Jay Hatch explained that sponsorship revenues, generated primarily through the Seafood Festival, had been recorded in a Special Events line item rather than the Sponsorship line, accounting for the discrepancy.

Mayor Brooks followed up by noting that the Special Events line item under the Recreation Department showed zero actuals in FY 2024 and FY 2025, and asked how the Special Event revenues from those years, when the Seafood Festival was held, had been captured. Mr. Laflin clarified that in FY 2024 and FY 2025, Special Event revenues had been posted under the non-departmental 1400 account, and that starting in FY 2026, an effort was made to more appropriately departmentalize recreation-type revenues under department 5000. He noted that page 11 of the packet reflected actuals of $179,531 in FY 2024 and $197,643 in FY 2025 under the non-departmental account, with those amounts being zero under the Recreation Department account for those same years because the account string had not existed at that time. The Mayor acknowledged this clarification.

The City Clerk raised a question about the election qualifying fees line, explaining that these are not true net revenues; the amounts collected pass through to the Pinellas County Supervisor of Elections and to the State. Mr. Laflin confirmed that, from an accounting standpoint, the City must still recognize all inflows and outflows, regardless of whether they net to zero, using the fire station reimbursement as a comparable example. He explained that for activities where the City is actively supervising and overseeing a process, as opposed to merely serving as a custodian, the accounting guidance requires recognition of both the revenue and the corresponding expense rather than netting them out.

Commissioner Ghovaee asked whether Gulf Boulevard undergrounding proceeds from Duke Energy should appear as a line item in the General Fund revenues. Mr. Laflin directed the

Commission's attention to the last line item on page 10 of the packet, explaining that Gulf Boulevard undergrounding proceeds had been coded to the Pinellas County revenue line because the proceeds came through Pinellas County as Penny for Pinellas money. He noted significant revenue in the FY 2024 and FY 2025 actuals but asked Public Works Director Megan Wepfer whether FY 2026 revenue was also expected.

Director Wepfer confirmed that the final phase of the Gulf Boulevard undergrounding project was underway and was scheduled for completion by the end of FY 2026. She noted that the project had been ongoing since 2019 and that the final phase had come in over budget relative to the Penny for Pinellas allocation, though she indicated she would need to confirm the specific amount of the overrun with the Finance Department. She attributed the delays and cost overruns to Duke Energy rather than to any action by the City.

Commissioner Ghovaee asked how much the overrun was, and Director Wepfer said she would need to get back to him with the figure.

Mr. Laflin also identified the ARPA NEU grant proceeds as another significant one-time item, noting that in FY 2024 the City recognized $2.1 million in revenue from the American Rescue Plan Act, which had no spending restrictions and could be used for operational needs, making it another non-recurring item that skewed year-to-year comparisons.

Commissioner Dillon asked whether Mr. Laflin had seen any red flags in the revenue figures reviewed so far. Mr. Laflin responded that, in isolation, no red flags were apparent on the revenue side, though he noted that ad valorem taxes, the primary revenue source, would be examined in detail shortly. He reiterated that a full assessment of the City's fiscal position would require reviewing revenues alongside personnel, operating, and capital expenses; work that would be completed for the July workshop.

Returning to the General Fund detail on page 12, Mr. Laflin drew the Commission's attention to the line item titled "Fund Balance Net Position Carryover Used," explaining that it was a purely budgetary item used to balance the budget when projected revenues were insufficient to cover projected expenditures. He noted that in FY 2026, $5.5 million had been budgeted to be drawn from existing reserves to fund the projected shortfall. He stressed that this was not an actual expenditure but a budgetary mechanism. He then issued a cautionary note for the FY 2027 budget cycle, stating that the depletion of reserves over time made him "less comfortable" with a $5.5 to $6 million budgetary shortfall going into FY 2027, compared with how he had felt entering FY 2026, given the City's large capital acquisition. He noted that the FY 2027 figure for that line item remained at zero pending completion of the budgetary expense compilation, and that the full picture would be available by the July workshop.

Marina Fund Revenue Detail

Mr. Laflin briefly reviewed the Marina Fund revenue detail on page 14 of the packet, noting that the Marina Fund had been a consistent producer year over year, with no significant changes from prior years. He noted that interest earnings had not yet been populated for this fund and that the

Finance Department would fill in those figures. He invited the Marina Manager to address any questions but noted there appeared to be none.

Stormwater Fund Revenue Detail

Mr. Laflin moved to the Stormwater Fund; the primary revenue source is the stormwater service.

Commissioner Dillon asked why no transfer from the General Fund was recorded in FY 2025, noting that such transfers had appeared in FY 2024 and were expected again in FY 2026. Mr. Laflin explained that the General Fund transfer was intended to cover the Stormwater Fund's annual debt service obligation of approximately $1.5 to $1.6 million, and that the absence of a recorded transfer in FY 2025 may have reflected either a data issue or sufficient cash within the Stormwater Fund to absorb the obligation that year. He emphasized that the debt service requirement itself does not go away, regardless of whether a formal interfund transfer is recorded.

Commissioner Dillon connected this to a prior discussion about a potential increase in the stormwater fee, noting that even doubling the current $10 fee to $20 would generate only approximately $1.4 million; still short of the approximately $2 million annual cost of the Stormwater operation including debt service.

Mayor Brooks indicated that a future workshop would be dedicated specifically to stormwater fees and the broader financial picture of the Stormwater Fund. Mr. Laflin agreed and directed the Commission to page 35 of the packet, which presented the Stormwater Fund's multi-year operating trend. He walked through the cost structure, explaining that, after stripping out one-time capital outlays funded through debt issuance, the true annual operating cost of the Stormwater Fund, including debt service principal and interest, was approximately $1.9 to $2 million per year. He further noted that future strategic plan projects would likely require additional debt issuance, which would increase the annual debt service requirement rather than replace existing obligations. He summarized the fiscal gap plainly, "It's about a $2 million operation, and then if you look at the charges for services line, it's about $700,000 we're collecting." He committed to providing a deeper-dive workshop that would include a benchmark analysis of stormwater fee rates charged by comparable Pinellas County communities to inform any potential fee update decision.

Parking Fund, Sanitation Fund, and Other Funds

Mr. Laflin reviewed the Parking Fund revenues, noting breakdowns by area, including John's Pass Village, City South Beach, Village Boulevard, and miscellaneous lots, as well as fines and non-resident parking permits. He then moved to the Sanitation Fund, noting its simplicity: revenue consisted primarily of sanitation charges and a recycling service fee. He mentioned that a fee increase enacted in approximately FY 2022–2023 accounted for the uptick visible in the historical data, and that no further increase had been made since, resulting in consistent revenues from FY 2024 to FY 2026. He expressed satisfaction that FY 2025 sanitation revenues did not show a significant decline despite the displacement and teardowns caused by the hurricane.

For the Archibald Park Fund, Mr. Laflin noted that the primary revenue source was Archibald Beach parking meter revenue, with minor contributions from chair rentals and the historical snack shack, as well as a prior State appropriation for beach groin renourishment. The Local Option Sales Tax Fund showed very consistent year-over-year revenues from the 7-cent discretionary surtax (Penny for Pinellas). The Building Fund showed some fluctuation in permit revenues, attributed to fee concessions made in FY 2025 that bled into FY 2026. The Impact Fee Fund revenues were flagged as TBD, pending passage of a resolution proposing a moratorium on mobility fee collection.

Regarding the Gas Tax Fund, Mr. Laflin noted that it was very consistent and required no special discussion.

Commissioner Ghovaee asked about the credit card convenience fee line item in the Building Fund. Mr. Laflin explained that when customers pay online or by credit card, the City charges a service fee of approximately 3%, which is recognized as revenue. The City also incurs corresponding credit card processing transaction fees that offset it.

Commissioner Tagliarini asked about the impact fee situation, specifically whether any projects were being left undone because of the absence of those fees. Mr. Laflin explained that the Impact Fee Fund had been accumulating revenues without specific project assignments and acknowledged that without impact fees, less funding would be available for infrastructure and park improvements tied to the City's expanding development footprint. Community Development Director Marci Forbes clarified that the only impact fee being suspended through the upcoming resolution was the mobility fee, following a Kimley-Horn review that determined the City's mobility fee may have been duplicating a transportation component already collected in the Pinellas County impact fee. All other impact fees, including recreation, public safety, and the county-level fees, were still being collected. She explained that collected funds accumulate until an eligible project is identified by the relevant department heads.

Commissioner Ghovaee asked whether Pinellas County collected a water and sewer impact fee. Director Forbes was not certain, but Commissioner Ghovaee confirmed that Pinellas County does assess water and sewer impact fees, calculated based on fixtures and dwelling units for new development. Mr. Laflin acknowledged this, noting that the county may refer to these as "capacity fees" or "connection fees" for new development connecting to the county water and sewer system, and that the difference may be partly a matter of terminology.

II. Ad Valorem Tax Revenue analysis – Preliminary FY 2027

Mr. Laflin transitioned to the ad valorem tax revenue analysis, beginning on page 26 of the packet. He explained that, in presenting this analysis, he had assumed the same millage rate of 2.75 mills currently in effect. The taxable values were drawn from the Pinellas County Property Appraiser's Office as of June 17, 2026, reflecting assessed values as of January 1, 2026. With the current 50,000 homestead exemption, the preliminary estimated ad valorem tax revenue for Madeira Beach in FY 2027 was $5,331,192.

Mr. Laflin then outlined the primary purpose of the ad valorem analysis: to assess the potential impact of the statewide property tax reform measure, which would increase the homestead exemption from $50,000 to $150,000 in a first phase and, if approved by voters in November, to

$250,000. He emphasized that even if voters approved the measure, there would be no retroactive impact on the FY 2027 budget; the City would already be in its tax collection cycle before the measure could take effect, and any impact would first be felt in the FY 2027–2028 levy year. It is completely moot for our fiscal year 27 budget.

In a hypothetical scenario with a $150,000 homestead exemption, the City's taxable value would decline from approximately $2.04 billion to approximately $1.93 billion, resulting in a revenue loss of approximately $284,000. If the exemption were increased to $250,000, the revenue loss would be approximately $530,000. Mr. Laflin emphasized that these figures were not as dramatic as some might fear, given the nature of Madeira Beach's property landscape.

Turning to page 27, Mr. Laflin provided a detailed breakdown of homesteaded versus non-homesteaded parcels across property types. Single-family homes showed 454 homesteaded and 671 non-homesteaded parcels. Condominiums showed 1,050 homesteaded and 270 non-homesteaded. Commercial and other properties, categorized as "all other," showed 547 non-homesteaded and only 89 homesteaded. He explained that the homestead exemption reform would benefit only homesteaded properties and that Madeira Beach had a notably high proportion of non-homesteaded properties relative to inland communities, owing to its character as a beach town with significant tourism activity and rental properties. He contrasted Madeira Beach with one of his inland clients, Glades County, where the dynamics were entirely different: "It's there's not a lot of people visiting and renting out their homes, right? So it's a lot of homeowners and not a lot of commercial." He concluded that Madeira Beach was relatively "insulated" from the full force of the reform compared to purely residential inland communities, while still acknowledging the impact was real: "We're going to be losing, you know, whatever that previous page from $300 to $500,000. I mean, that's still real money."

Commissioner Dillon asked for clarification, confirming that the non-homesteaded properties, most of which are in Madeira Beach, would receive no benefit from the expanded homestead exemption unless their owners changed their homestead status before the start of the applicable assessment year. Mr. Laflin confirmed that this was correct.

On page 28, Mr. Laflin presented five homeowner scenarios showing the actual impact on tax bills for individual property owners at assessed values of $225,000, $375,000, $650,000, $1.2 million, and $2.5 million. He walked through the millage rate breakdown across all taxing jurisdictions, including the County General Fund, County Health Department, Pinellas County EMS, school taxes, and the City of Madeira Beach, noting that the total combined millage rate was 16.2172 mills. He emphasized that school taxes were not affected by the proposed homestead exemption reform, so property owners would still owe taxes on the school portion even if the municipal taxable value dropped to zero. For a $225,000 assessed-value homesteaded property, the tax bill would decline from approximately $3,200 to approximately $2,160 under the $150,000 exemption scenario, or to approximately $1,416 under the $250,000 scenario (with the remaining liability attributable solely to school taxes). For a high-value home assessed at $2.5 million, the savings would be relatively minor, moving from approximately $40,000 to approximately $39,000, as the reform affects only the first portion of the assessed value. He noted the asymmetric nature of the reform's benefit: "You're not going to see the needle move much on the higher valued homes because it's only that first $150,000 instead of $50,000."

III. Strategic Plan Financial Presentation

Mr. Laflin briefly reviewed the Strategic Plan financial presentation materials, which had been incorporated into the meeting packet after their earlier presentation to the group. He noted that the materials had already been discussed in a prior strategic plan session and that he did not wish to belabor the same ground, but wanted to ensure commissioners had the information in their packets for reference.

Mr. Laflin directed the Commission's attention to page 32 for the General Fund multi-year operating trend, explaining that his approach had been to exclude all one-time capital items, including Gulf Boulevard undergrounding, John's Pass dredging, and hurricane-related costs, to present a clear picture of recurring operating revenues versus recurring operating expenses. He noted that the General Fund had shown a strong excess of revenues over expenditures in FY 2021 and FY 2022, but that this figure had dropped significantly in subsequent years, partly due to the creation of a separate Parking Fund, which removed parking revenues, formerly $3.4 to $4.1 million, from the General Fund and redirected them to the new fund.

Mr. Laflin directed the Commission to page 35 for the Stormwater Fund multi-year operating trend, which had already been briefly reviewed during the earlier Stormwater Fund discussion. He reiterated that the annual operating cost, including debt service, was approximately $2 million, compared with approximately $700,000 in charges for services.

Mr. Laflin presented a debt issuance cost summary on page 36, providing the Commission with a general framework for evaluating potential borrowing scenarios. He explained the key considerations: for amounts in the $10–$20 million range, a bank loan would likely be the preferred vehicle due to lower issuance costs, while amounts above that threshold would likely warrant a public bond offering to secure a better interest rate, despite higher issuance costs. He summarized the annual debt service implications across several hypothetical scenarios: a $10 million issuance would carry approximately $1 million in annual debt service, while a $50 million issuance over 15 years would carry approximately $4.4 million in annual debt service. He characterized this matrix as a tool to help the Commission gauge "what's really realistic for us based on amount and term."

Mr. Laflin concluded by summarizing the workshop's output and setting expectations for the July workshop, where personnel, operating, and capital expense requests would be combined with revenue figures to produce a preliminary full picture of the FY 2027 budget.

5. ADJOURNMENT

Mayor Brooks adjourned the meeting at 3:11 p.m.

ATTEST: ________________________________

Anne-Marie Brooks, Mayor

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Clara VanBlargan, MMC, MSM, FCMC, City Clerk