City Council Budget Workshop

Fiscal Year 2027 Budget Adoption

August 18, 2026

Fiscal Year 2027 Budget Adoption Key Dates

- ~~June 2, 2026 – Draft Capital Improvement Plan Draft Discussion~~
- ~~June 16, 2026 – City Council Budget Workshop~~
- ~~July 1, 2026 – Property Appraiser Releases Taxable Values~~
- ~~July 14, 2026 – Planning Commission CIP Sub-Committee Meeting~~
- ~~July 21, 2026 – Set Proposed Millage Rates (Operating & Voted Debt)~~
  ~~Draft Budget Presentation to the City Council~~
- **August 18, 2026 – City Council Budget Workshop**
- **September 14, 2026** – First Budget Hearing
- **September 28, 2026** – Final Budget Hearing – FY2027 Budget Adopted

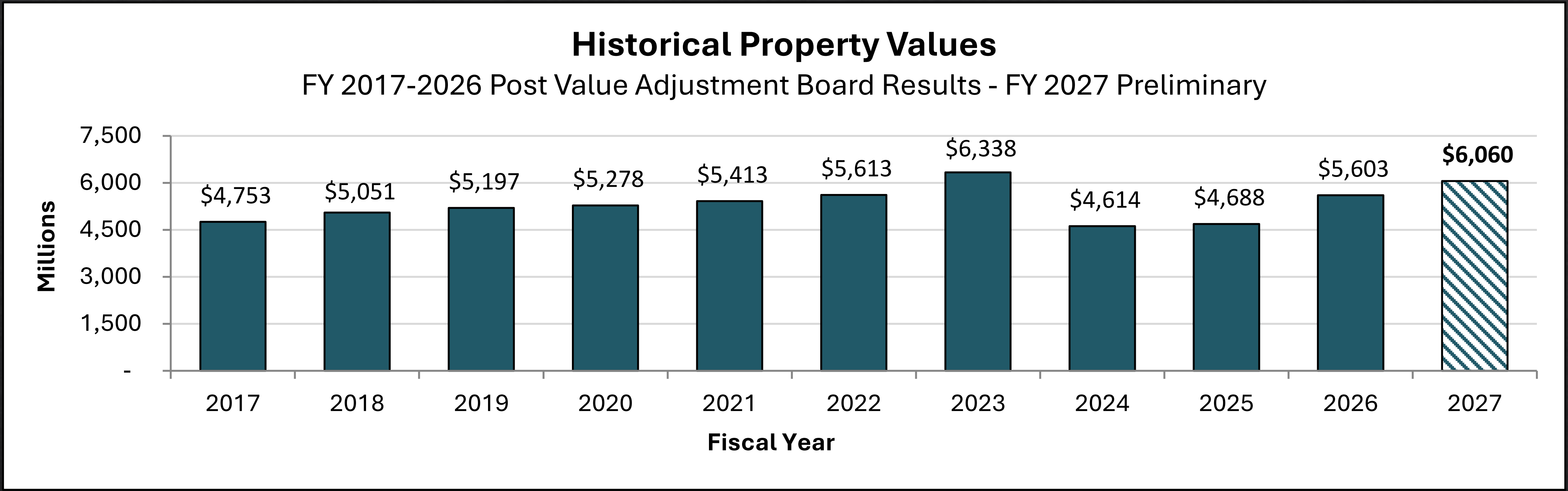
Agenda Overview

- The City Council set a preliminary maximum operating millage rate of 2.5000 mill as required by law at its July 21, 2026, meeting
- The rate approved can be **decreased** as the Council moves through the remainder of the budget process but **cannot be increased** for the fiscal year 2027 budget
- Department Directors will give brief presentations on significant budget information today

Taxable Property Values

- **$6,059,718,993 Preliminary Taxable Value**
  - Assessed by Property Appraiser as of July 1, 2026
  - Pre-storm (FY23) $6,357,621,055 – **↓4.69%**
  - Last year (FY26) $5,603,086,940 Post VAB – **↑8.15%**
  - At the same 2.5000 operating millage rate adopted in FY 2026
    - $14,694,819 in revenue (net 3.0% discount)
    - $1,019,764 additional ad valorem revenue into General Fund
  - **Any results of tax reform from the State referendum would not take effect until the City's fiscal year 2028**

Taxable Property Values



Operating Millage Rate

- Operating millage rate provides most of the funding for general government operations.
- **2.5000** millage rate adopted for fiscal year 2026 budget
  - Generated $13,664,432 in ad valorem tax revenue (net of discount)
- **2.5000** preliminary rate included in draft fiscal year 2027 budget
  - Would generate $14,694,819 million (net of discount)
- Rolled-back millage rate
  - **2.3384** mills – would generate $13,744,945 million (net of discount)
    - Calculation per the Department of Revenue and adjusted for new construction

Operating Millage Rate

- **Comparison to Hurricane Charley Millage**
  - 2004 – 1.7291 (Property value $4,000,193,070) – PRE-STORM
  - 2005 – 2.5000 (Property value $4,224,462,080) – 44.6% increase from PY
  - 2006 – 2.4000 (Property value $4,229,529,530)
  - 2007 – 2.5000 (Property value $4,957,185,155)
  - 2008 – 2.1966 (Property value $5,196,712,970)

- **Post Hurricane Ian Millage Rate**
  - 2023 – 1.9750 (Property value $6,357,621,055) – PRE-STORM
  - 2024 – 2.5000 (Property value $4,217,281,792) – 26.6% increase from PY
  - 2025 – 2.5000 (Property value $4,660,021,567)
  - 2026 – 2.5000 (Property value $5,634,817,483)
  - *2027 – 2.5000* ***Preliminary*** (Property value $6,059,718,993)

Operating Millage Rate

- **Changes to TRIM law and Millage Rate Approval Thresholds**
  - Adoption of a rate more than the rolled-back rate requires super-majority vote
  - 4 of the 5 Councilmembers

- **Millage rate calculations and required votes**

Prior Year Adopted Rate	2.5000
Rolled-back Rate	2.3384
Current Year Draft Budget	2.5000
Maximum Voted Rate	2.3385 to 2.5722 (4/5 vote)
Unanimous Rate	over 2.5723 (5/5 vote)

- **Voted Debt Service Millage**
  - Recreation Center Construction
    - 0.1000 mills in FY2027 compared to 0.1011 in FY2026

Fiscal Year 2027 Proposed Budget

- **MySanibel.com > Departments > Finance > Annual Budget & Budget Amendments > Fiscal Year 2027 Proposed Budget**

SANIBEL
Florida

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$543,442	($11,648)	(2.1%)
$426,000	$500	0.1%
$18,250,689	$15,940,689	690.1%
$26,942,951	($6,137,500)	(18.6%)
$63,000	$50,000	384.6%
$2,500	($225,000)	(98.9%)
$20,007,862	($2,219,701)	(10.0%)
$12,363,204	$2,912,704	30.8%
$113,661,169	**($14,904,209)**	**(11.6%)**

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View Report

Fiscal Year 2027 Proposed Budget

	General	Special Revenue	Debt Service	Capital Project	Enterprise	FY2027
Operating Expenditures						
Personnel	$15,002,143	$947,589	–	–	$5,650,518	$21,600,250
Operating	$10,373,686	$2,453,938	–	–	$7,660,323	$20,487,947
Grants & Assistance	$6,474,839	$15,000	–	–	$0	$6,489,839
OPERATING EXPENDITURES TOTAL	**$31,850,668**	**$3,416,527**	**–**	**–**	**$13,310,841**	**$48,578,036**
Other Expenditures						
Capital Outlay	$0	$0	–	$43,199,378	$18,107,789	$61,307,167
Reserves	$12,425,205	$59,720	–	–	$1,293,900	$13,778,825
Transfers	$1,975,245	$1,100,000	$0	$0	$626,739	$3,701,984
Debt Service	–	–	$972,852	–	$848,959	$1,821,811
OTHER EXPENDITURES TOTAL	**$14,400,450**	**$1,159,720**	**$972,852**	**$43,199,378**	**$20,877,387**	**$80,609,787**
Total Expenditures	$46,251,118	$4,576,247	$972,852	$43,199,378	$34,188,228	$129,187,823
Ending Fund Balance	$1,730,252	$42,211,348	$41,105	$3,370,915	$9,568,918	$56,922,538
TOTAL USES OF FUNDS	$47,981,370	$46,787,595	$1,013,957	$46,570,293	$43,757,146	$186,110,361

Fiscal Year 2027 Working Draft Operating Budget

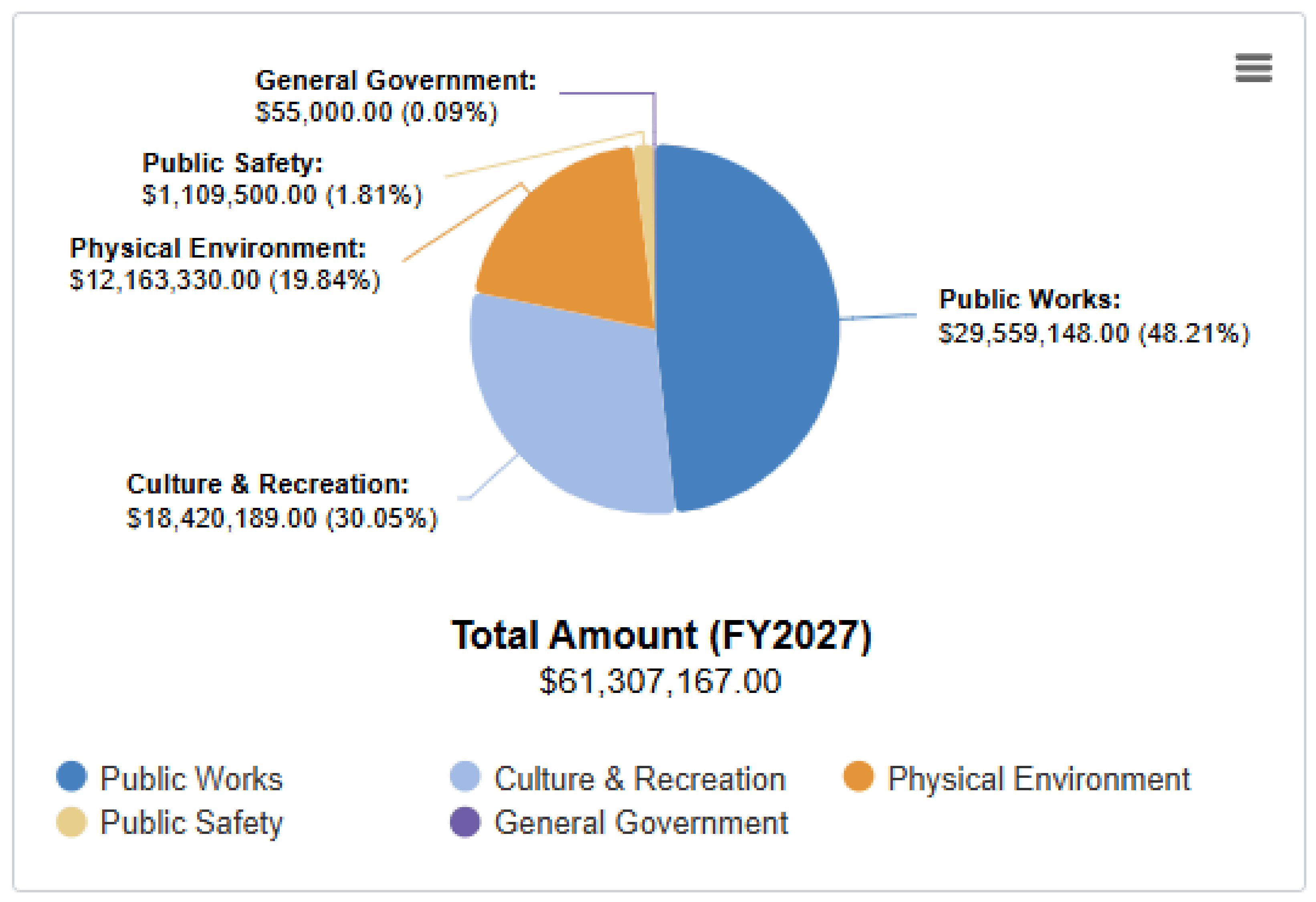
- **$42,088,197** draft FY 2027 operating budget (total city)
  - Reduced from $43,998,434 in July 21 Draft
  - FY2026 operating budget adopted at **$44,727,497**
  - Emphasis on cost containment – “Holding the line”
    - Wage increases – included for Sworn Officers per written agreement (Year 2 of 3-year agreement)
    - Prior years do not include budgeted amounts for wage increases
    - Inflationary cost pressures
  - No change in staffing levels or authorized positions
    - Some authorized positions are not being budgeted
    - Some reclassifications made with no budget impact

Fiscal Year 2027 Proposed Operating Budget

Fiscal Year	Adopted Budget	Budget in FY 2027 Dollars	Difference in Inflation Adjusted	Real Change
FY 2025	$43,835,511	$46,500,709	($4,412,512)	(9.49%)
FY 2026	$44,727,497	$46,382,414	($4,294,217)	(9.26%)
FY 2027 Proposed	-	$42,088,197	—	—

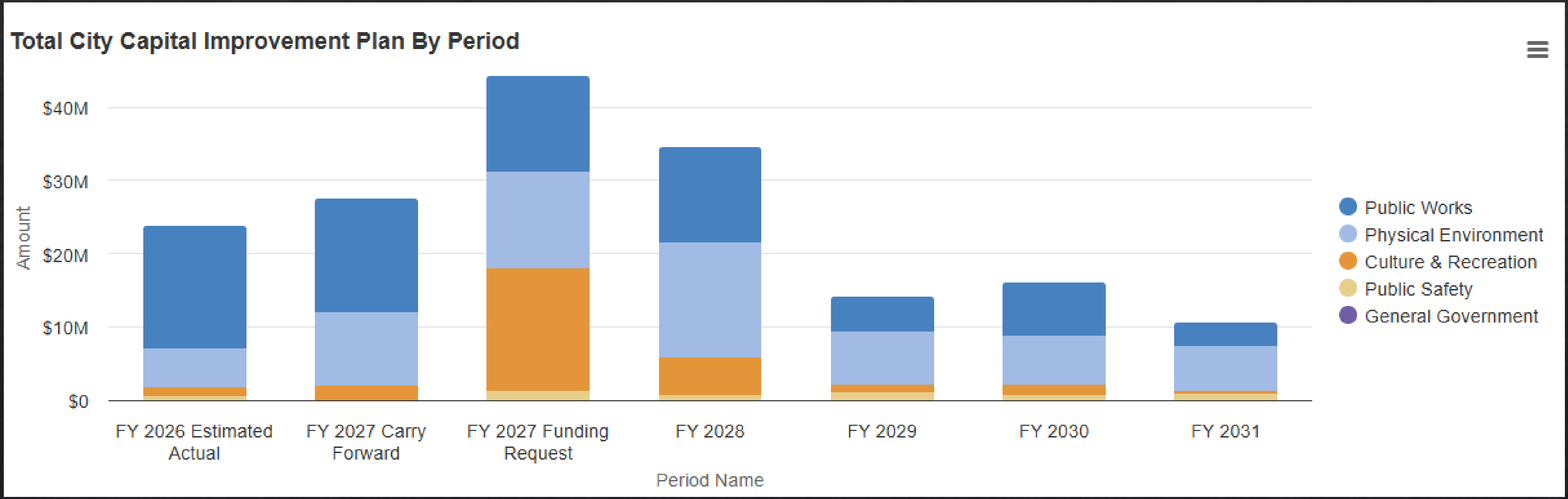
- The FY 2027 proposed operating budget is 4.0% lower than the FY 2025 budget in nominal dollars, and 9.5% lower after adjusting for inflation.
- The FY 2027 proposed operating budget is 5.9% lower than the FY 2026 budget in nominal dollars and 9.3% lower after adjusting for inflation.

Fiscal Year 2027 Proposed Capital Improvement Plan



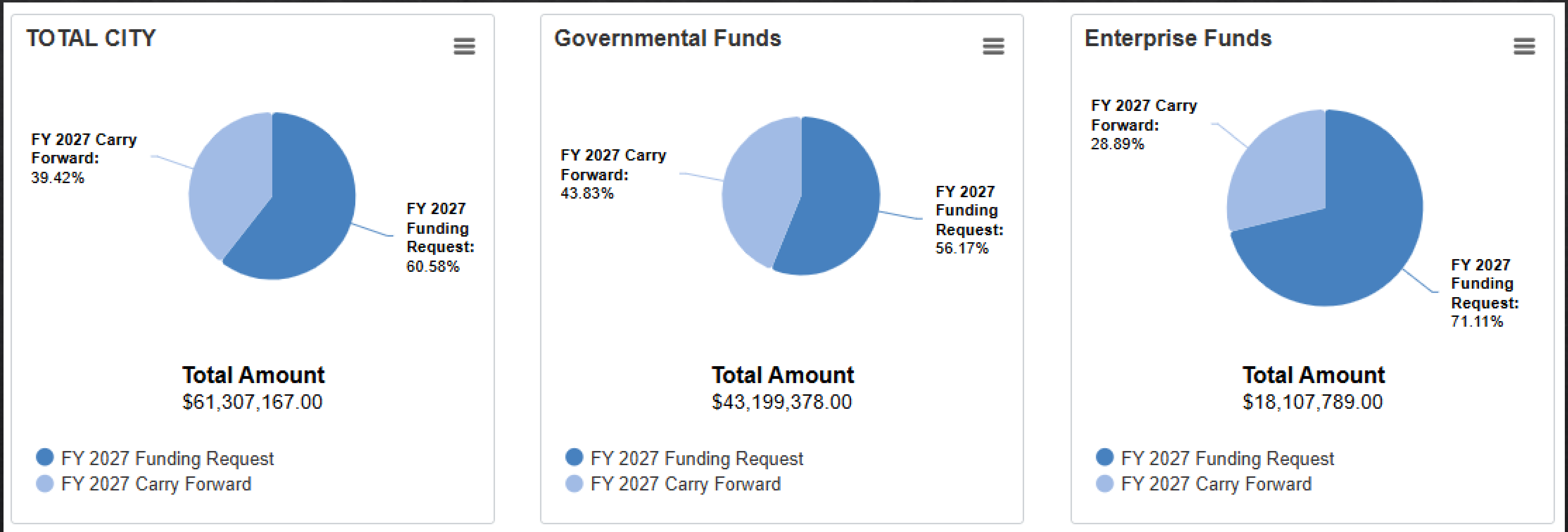
Fiscal Year 2027 Proposed Capital Improvement Plan

- Proposed Capital Budget: **$61,307,167** ($24,165,580 in funding carried forward from prior year)



Fiscal Year 2027 Proposed Capital Improvement Plan

- Expect a higher amount of FY26 funded CIP projects to be carried forward (or rolled forward) into FY27 as some of these projects have long construction timelines.



Departmental Budget Presentations

Fiscal Year 2027 Proposed Budget

- Department budget comparisons to prior year adopted budget are included in the online budget
- Budgets are total department expenditures across all funds

Departmental Budget Comparison

Fiscal Year 2027 Operating and Capital Budget

This report is designed to provide more detailed analysis and comparison of the expenditure/expense budget. The amounts below are presented at the department level. However, to see additional detail and drill down on specific department uses, se option at the lower right corner of the table. The new window that will open allows you to view information from the to the account level.

Total City Departmental Budget Comparison

	ADOPTED BUDGET	PROPOSED BUDGET	CALCULATION
	FY2026	FY2027	$ Char
Expenses			
Expenses			
1100 - City Clerk	$517,420	$513,734	($3,6
1150 - City Council	$70,000	$60,649	($9,3
1200 - Human Resources	$508,185	$528,798	$20,
1250 - City Manager	$1,035,920	$981,261	($54,6
1300 - Finance	$1,420,757	$1,381,537	($39,2

FY2027: Departmental Budget Comparison to PY

Data Updated Aug 04, 2026, 11:04 AM

View | Total City Departmental Budget Comparis... Modified

Expand / Collapse	ADOPTED BUDGET	PROPOSED BUDGET	Calculation	Calculation
	FY2026	FY2027	$ Change	% Change
Expenses	$119,379,462	$129,187,823	$9,808,361	8.2%
Expenses	$119,379,462	$129,187,823	$9,808,361	8.2%
1100 - City Clerk	$517,420	$513,734	($3,686)	(0.7%)
1150 - City Council	$70,000	$60,649	($9,351)	(13.4%)
1200 - Human Resources	$508,185	$528,798	$20,613	4.1%
1250 - City Manager	$1,035,920	$981,261	($54,659)	(5.3%)
1300 - Finance	$1,420,757	$1,381,537	($39,220)	(2.8%)

City Manager

City Manager’s Office

- Includes City Manager, Public Information Officer, Chief Resilience Officer
- Budget reduction of 5.3% for fiscal year 2027
  - $75,000 expense for Federal lobbyist not budgeted in FY 2027
- State lobbyist expense increased $5,000 to $55,000
- Strategic Planning Funding
  - $25,500 included in the budget

City Clerk

City Clerk

- 0.7% decrease in operating budget
  - $45,000 election fee in FY 2027 budget
- Historical Permit Scanning Pilot Project
  - 40 boxes were identified for the pilot program
  - Working with Vital Records Control to scan each file and label for digital storage
  - Index of property identifying information provided to the vendor for later integration into Laserfiche metadata
- Goals
  - Eliminating costs for off island retrieval
  - Eliminating turn around time for requests
  - Reducing the overall costs of records storage and retrieval
- There is currently no funding in the budget for this initiative

Human Resources

Human Resources Department

- Budget reduction of 5.8% in recurring operating expenditures

- The fiscal year 2027 budget includes the Council directed update to the employee compensation and classification plan
  - $50,000 for consultant fees

Finance Department

Finance Department

- Budget reduction of 2.8% for fiscal year 2027
- Legally required contractual services
  - Annual audit fee $127,300
    - Same expense as FY 2026. Department preparation and audit response being streamlined in FY 2027 to reduce cost overruns
  - Investment consultant $24,000
    - No change to fee
  - Indirect cost study $8,000
    - No change to fee
  - Investment management $55,000
    - Slight reduction from PY based on reduced balances
  - Other post-employment benefits actuarial study
    - Increase from $9,200 to $9,500 based on contract

Planning Department

Planning Department

- Reduction in grant-funded projects
  - Transportation Master Plan – scheduled to finish December 2026
    - Remainder of $80,000 for 2027 budget of initial $200,000
  - Sanibel Plan Update – scheduled to finish May 2027
    - Remainder of $130,000 for 2027 budget of initial $250,000
- Revisions to the Land Development Code following the Sanibel Plan update budgeted for $350,000
  - Carry forward from fiscal year 2026 – budgeted and not expended
- Town Center Planning not currently budgeted
  - Potential estimated expenditure $200,000 - $250,000

Information Technology

Information Technology

- Overall budget decrease of 2.5% from prior year
  - Centralizing all cloud system services expenses (Software as a Service, “SaaS”) into IT department (1600)
  - Reduced redundancy in some systems
    - Balance of risk vs business continuity
- **Artificial Intelligence (AI) Current Plan**
  - Develop current staff AI capabilities for workflow productivity enhancement through training and deployment of targeted AI tools like Claude, ChatGPT and others.
  - Develop an AI Governance policy (currently being drafted)
  - Evaluate current SaaS systems for suitability for actual AI functionality

Information Technology

- **Artificial Intelligence**
  - AI is evolving faster than traditional software procurement and upgrade cycles.
  - Vendors are racing to add AI to their products — mostly chatbots and summarization features.
  - These are surface-level additions, not true AI capability.
  - Systems architected around AI — where AI can act on data and automate workflows — require ground-up redesign of the application.
  - Based on our experience with our current vendors, there is significant risk their AI upgrades will fall short of that standard.
  - Companies building entirely new systems with AI capability from the start are most likely to succeed.

Information Technology

- **Artificial Intelligence**
  - The City faces a strategic choice on AI, and Council will ultimately need to decide which path is worth the cost, time, effort, and business disruption:
    - **Path 1** — Incremental: Accept the modest AI capability that will come from upgrades to our existing SaaS systems. Lower cost and disruption; limited ceiling on what AI can do for the City.
    - **Path 2** — Full migration: Replace current systems with platforms built for AI from the ground up. Full AI capability; significant multi-year investment and operational disruption.

Police Department

Police Department

- **2026 Achievements**
  - Emergency Operations Plan: Comprehensive update completed and unanimously accepted by City Council.
  - Low Crime Rate: Maintained one of the lowest crime rates in Southwest Florida
  - Slow Down Sanibel Campaign: Launched citywide traffic safety initiative to reduce speeding
  - Traffic Enforcement Unit: Created dedicated two-officer unit focused on traffic and DUI enforcement.

Police Department

- **2027 Goals & Objectives**
  - Formally initiate the Police Department accreditation process
  - Begin physical construction of the new Police Department facility
  - Complete CPR, AED, and Stop the Bleed training for all City employees
  - Fully implement the Ranger Program, including appropriate staffing, training, and required certifications.

Police Department

- 11.1% increase in proposed budget
  - 6.9% increase in personnel across all funds
    - Sworn officer wage increases included in the budget
    - $310,000 (24.9%) increase in pension contribution
      - Actuarily determined minimum contribution
  - Operating budget
    - (1.8%) decrease in general fund operating
    - 6.4% increase in beach parking fund operating
- Beach Parking Fund Capital
  - $380,000 for marine patrol boat (seeking grants)
  - Appropriated from the Beach Parking Fund available funds

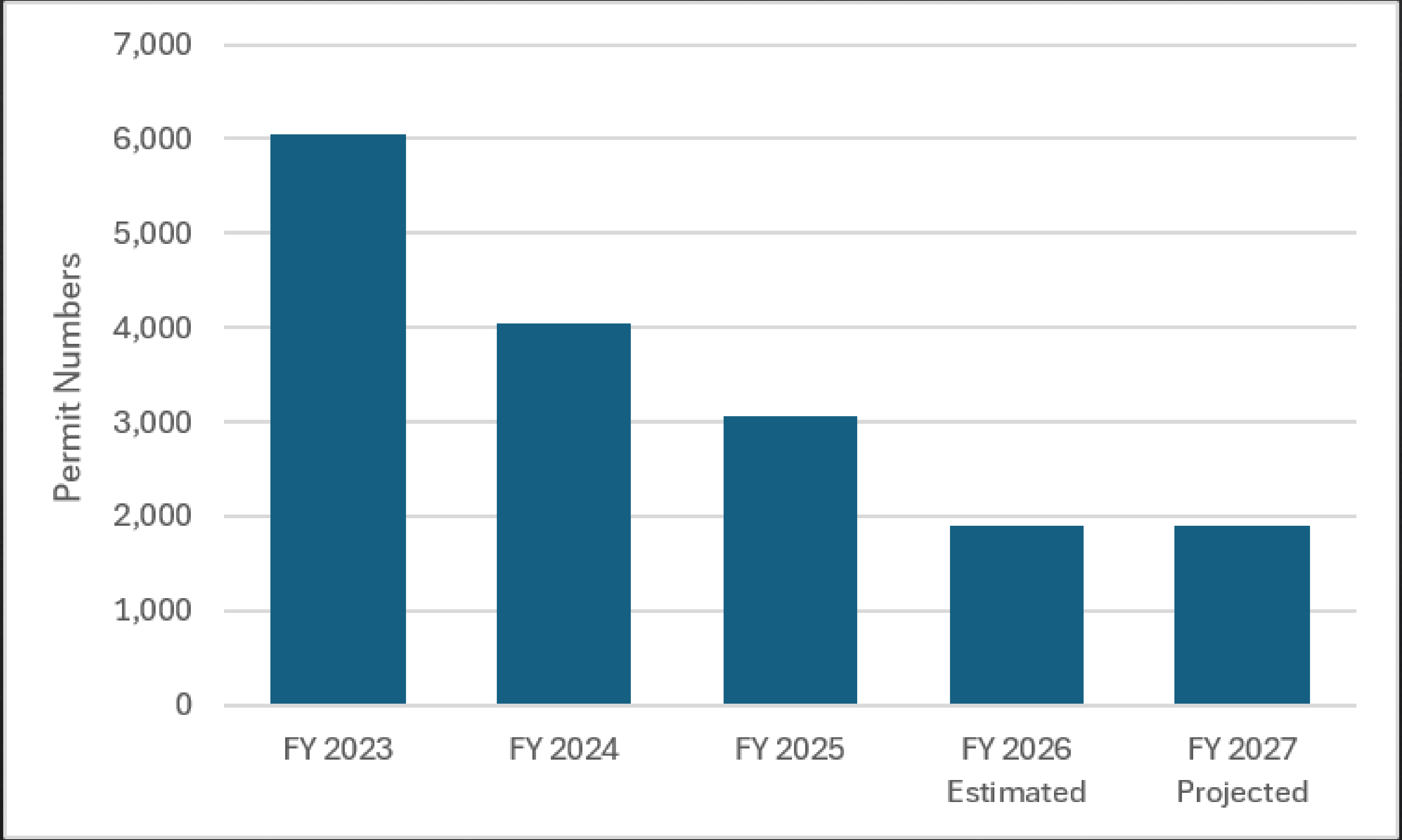
Building Department

Building Department

- **2026 Achievements**
  - Milestone Inspection Enforcement
  - Public Outreach - Realtors, contractors, and Design Professionals
  - Implemented New Fee Schedule compliant w/state law
    - State now does not allow fees based on cost
  - Streamline Permitting Process to Increase Productivity
    - Implemented CityView permit and code enforcement software
  - The following authorized positions are not funded in the proposed fiscal year 2027 budget:
    - Deputy Building Official (1 FT)
    - Building Inspector (2 PT)
    - Construction Compliance Inspector (1 FT)
    - Floodplain Manager (1 FT)
    - Permit Technician (1 FT)
    - Plan Examiner (1 FT)

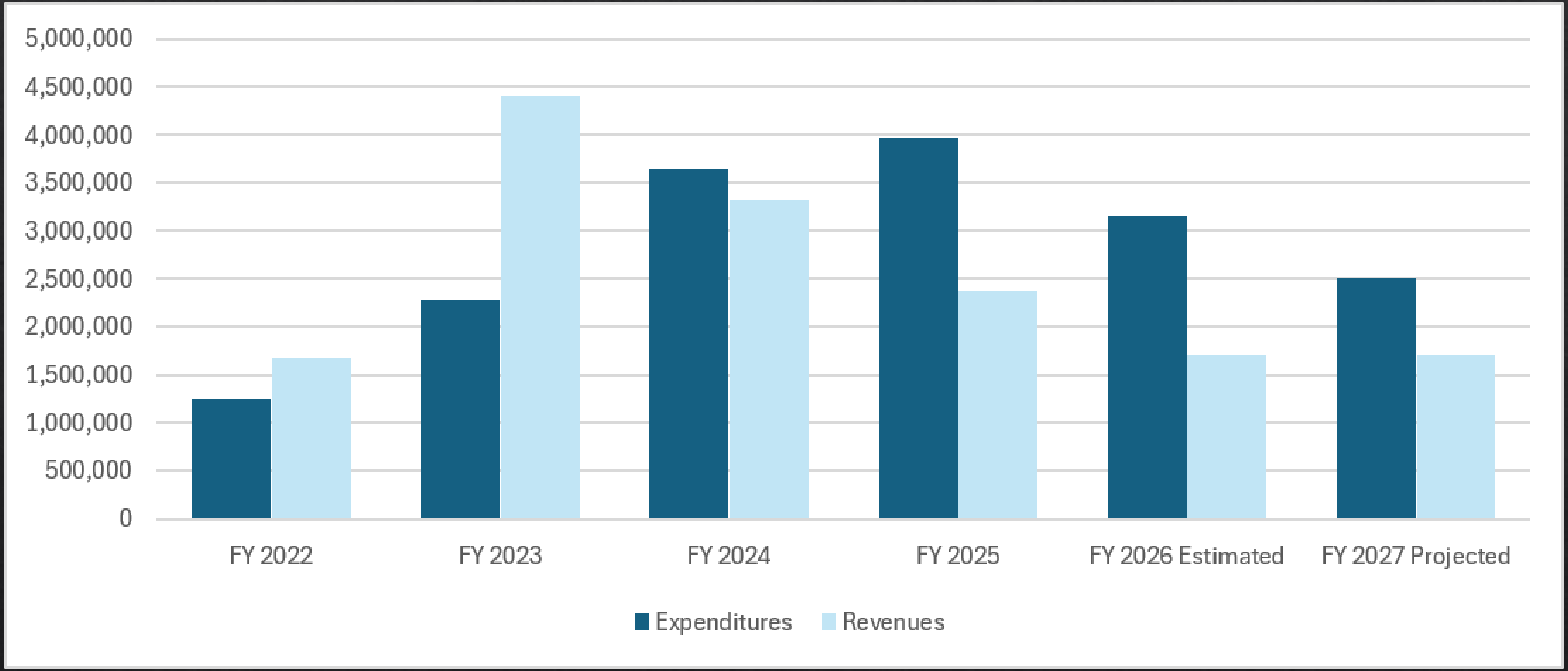
Building Department

- **Permitting Trend Information**



Building Department

- **Expenditures/Revenues**



	Expenditures	Revenues
FY 2022	$ 1,249,332	$ 1,671,828
FY 2023	$ 2,278,703	$ 4,414,132
FY 2024	$ 3,639,780	$ 3,310,329
FY 2025	$ 3,966,978	$ 2,365,514
FY 2026 Estimated	$ 3,150,000	$ 1,700,000
FY 2027 Projected	$ 2,500,000	$ 1,700,000

Building Department

- **2027 Goals & Objectives**
  - Implement new HB803 permitting Regulations
  - Public Outreach
    - Realtors, contractors, and Design Professionals
  - Review Building Fee Schedule
    - Revise Fees based on Lower Permit Activity, Building Fund Deficiency, and Florida Statute changes requiring additional refunds for Private Providers.
    - Building Fund Deficiency ,if not addressed, will not be properly funded to respond to future disaster events reducing permitting services. Statute allows a Building Fund Surplus to be the average of the last 4 years of expenditures.
  - Implement CityView Upgrades
  - Achieve Lower Class 4 CRS Rating
    - Class 4 - 30% Flood Insurance Discount

Building Department

- **Financial Review**
  - Revenues: 2022-2027 = $15,064,303
    - FY 2026 Estimated
    - FY 2027 Projected
  - Expenditures: 2022-2026 (estimate) = $17,224,274
    - FY 2026 Estimated
    - FY 2027 Projected
  - 2023-24 Hurricane 50% Fee Reduction = $ 7,724,461

- **Deficit Projected Ending Fund Balance for FY 2027**
  - **($454,138) as currently proposed**

Natural Resources Department

Natural Resources Department

- General Fund - Operating Expenses
  - 6.6% increase in operating
    - Primarily resulting from reclassification of Permit Tech from Beach Parking fund to General Fund
  - Largest Line Item: Other Contractual Services
    - Exotic Plant Removal Program & Land Management ($155,000)
      - Goal: Treat all City-owned conservation lands and natural areas annually
      - Awarded contract to Bonita-Springs based Earth Tech Environmental in Sept 2025, after retirement of long-time contractor Ferrier Enterprises (Claudio Herrero)
      - Provide a SOW & Cost Proposal for each treatment area and employ GPS tracking to provide detailed information about species treated, quantity, and location
        - Herbicide costs have remained low – maintenance phase

Natural Resources Department

- Beach Parking Fund - Operating Expenses
  - 4.4% decrease in operating (reclassification)
  - Decrease in Other Contractual Services Expenses
    - Completed: Vulnerability Assessment (FDEP Resilient Florida Grant)
    - Expect to Complete: Adaptation Plan (FDEP Resilient Florida Grant)
    - Legislative Consulting Contract – Moving from annual contract to hourly services as needed
    - Amendment to FDEP Hurricane Ian & Nicole Beach Recovery Grant
      - Expenses for required post-construction monitoring in FY27 are eligible for reimbursement (e.g. beach tilling, escarpment leveling, sea turtle/shorebird monitoring, etc.)
- Capital Plan
  - Replacement UTV for Beach Management Activities ($20,000)

Natural Resources Department

- Beach Parking Fund - Operating Expenses
  - Continued Funding for Water Quality Monitoring/Projects
    - Sanibel Communities for Clean Water - Community Lakes/Canals
    - Implementation of the Sanibel Nutrient Management Plan
      - Sanibel Slough Flow Monitoring
  - RECON Annual Maintenance
  - Heron's Landing Community Lake – Aeration System maintenance & monitoring
- New Initiatives
  - Sea Turtle Nest Monitoring & Predation Management (SCCF) - $75,000 INCLUDED
  - Coyote Population & Habitat Use Study – NOT INCLUDED
    - City Council to determine funding amount and source

Sewer System

Sewer System

- Revenue
  - No ad valorem tax voted debt (retired in FY 2026)
  - Fixed rate sewer fee charge increased 4.0% based on the projection from the revenue study completed last year
  - Study is currently being updated to reflect current circumstances
    - Expected to present to Council in September
- Expenses
  - 12.4% reduction in operating expenses for FY 2027

Lift Station Control Panel Replacement (FDEP Grant)

Current Status

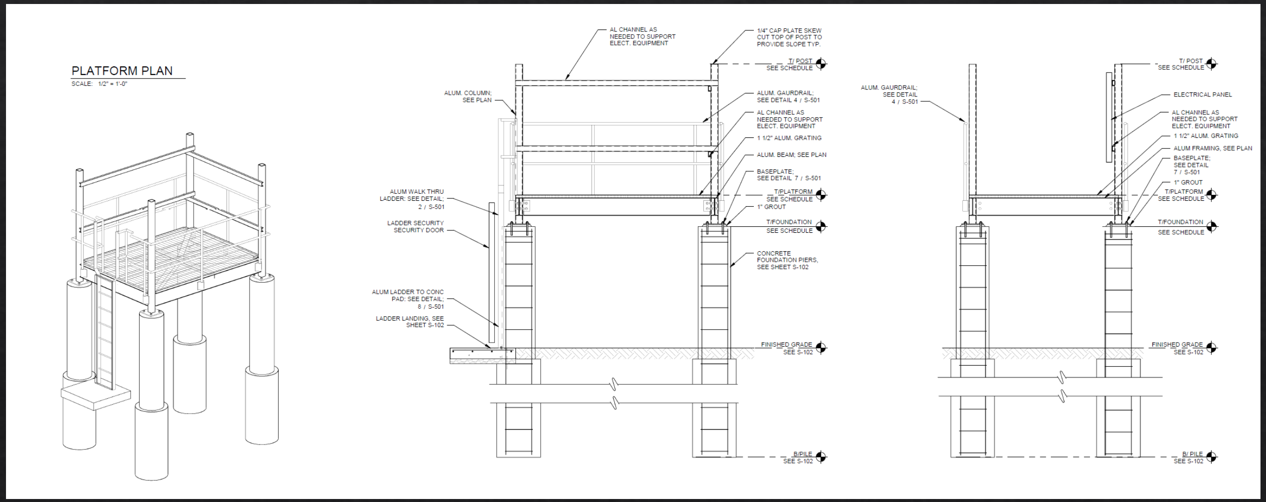
- Completed standard control panel design
- Construction underway for first 10 elevated lift station control panels
- Procuring 30 additional control panels

FY2027

- Design next 30 lift station sites

FY2028

- Construct 10 to 15 of the next 30 lift station sites
- New funding needed after FY2028



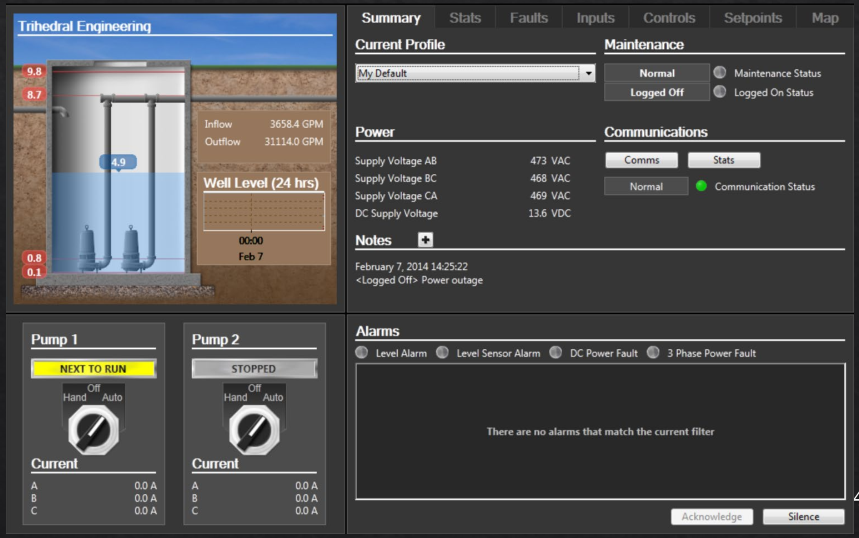
Wastewater Collection System Repairs (FDEP Grant)

Current Status

- Cleaned/CCTV inspected 64 miles of gravity sewer
- Inspected 1,671 manholes
- Completed smoke testing of City gravity sewer
- Donax WRF hardening project underway
- Phase I Inflow & Infiltration (INI) repairs nearing bidding
- MPS #3 odor control design beginning

FY2027

- Supervisory Control and Data Acquisition (SCADA) consolidation and programmable logic controller (PLC) replacement
- East Periwinkle Bridge utility relocation
- Grant funding expected to be fully utilized



Middle Gulf Drive Force Main Replacement (FDEP Grant)

Current Status

- 100% design under review

FY2027

- Begin Phase I construction ~ $1.00M
- Grant funding expected to be fully utilized

Looking Ahead – Project Completion

- Additional FY2028 funding need: ~$1.7M

Donax WRF Process Blower and Piping Replacement

Current Status

- Existing blowers over 25 years old and have exceeded their design life
- Required for wastewater treatment
- Improve reliability and resiliency of the wastewater treatment process.
- Improve energy efficiency and nutrient removal

FY2027

- Design services: ~$300,000

Looking Ahead – Project Completion

- Estimated FY2028 construction need: ~$3.1M

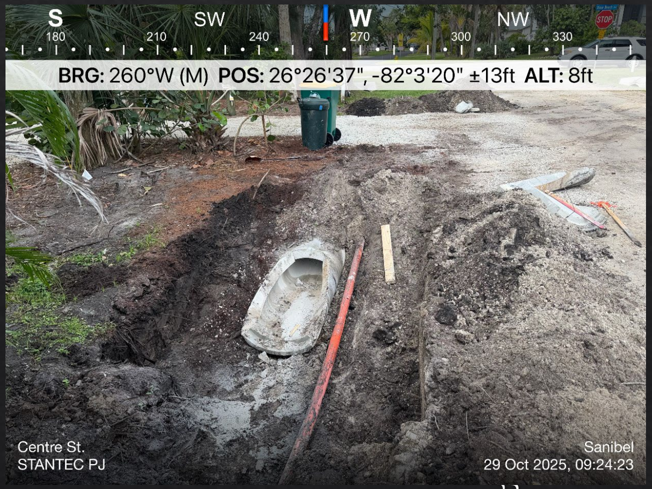
Public Works Department

Public Works
Public Facilities
Transportation
Stormwater
Beach Parks

Public Works Department

- Repair and Maintenance for annual street resurfacing program
  - FY2027 budget reduced to $360,000 from prior year $1,000,000. City working with CDBG-DR grant in the amount of $12,460,000 to perform these road repair and resurfacing projects.

- Repair and Maintenance for annual drainage maintenance program (existing swales, culverts, etc.)
  - FY2027 budget increased to $250,000 from prior year $150,000 due to recommendation from Surface Water Management Master Plan Update.



Public Works Department

- Public Facilities
  - Historical Village - $50,000 for contribution of engineering and repairs for the Rutland House, with total estimated cost of $118,806 based upon facility assessment completed by the Village.
    - All historic structures estimated repairs $662,263 (long term projects – public/private partnership).
  - City Hall - $300,000 general repairs based upon facility assessment completed by the City. Estimated total repairs required is over $1.8 million.
  - City Hall - $500,000 replacement generator to power entire building and convert to diesel fuel.
  - City Hall - $250,000 HVAC replacement for Administration and Natural Resource Department Wing.

Public Works Department

- Public Works
  - Repairs to Pond Apple Park boardwalk due to deterioration caused by standing water - $60,000. Future replacement needs to be planned.
- Beach Parks
  - Lee County Tourism Development Council (TDC) grant funding
    - $2.3 million for operations and maintenance.
  - TDC grant for $2.1 million for fishing pier replacement
    - Design not eligible for grant - $278,344 from Beach Parking
      - ~$28,344 expected in FY 2026
      - $250,000 included in FY 2027 budget
  - Lighthouse Beach Park maintenance building $450,000 (partial insurance funding).
    - Dependent on site selection

Public Works Department

- Transportation
  - Shared Use Path repairs - $1.25 million State of Florida Appropriation.
- Stormwater
  - Tarpon Bay Weir flap gate improvements
    - $600,000 State of Florida Appropriation.
  - Clam Bayou Box Culvert Replacement
    - $4,000,000 FDEP stormwater grant HA017.
  - Stormwater Improvements: pumps at weir(s) or other potential projects as identified in Surface Water Management Master Plan Update - $500,000.

Economic Environment

Economic Environment

- Below Market Rate Housing Program
  - $414,477 budgeted for contractual annual cash support to Community Housing and Resources, Inc. (CHR)
  - Based on CPI from prior year – estimated at 2.5% for budget
    - May slightly change after July CPI numbers are updated
- Community Development Block Grant Program
  - Created to account for revenues and expenditures passed through the City for CDBG-DR grants to other entities
    - Sanibel Fire & Rescue District (Awarded $10,783,933)
      - Budget includes $4.0 million for FY 2027
    - F.I.S.H. of SanCap (Awarded $6,990,194)
      - Budget includes $2.0 million for FY 2027

Recreation Department

Recreation Operations

Recreation Programs

Recreation Department

- Aging facilities
  - Recreation Center will be 20 years old in 2027
  - Increased repair, maintenance and capital expenditures.
- Rising operational costs, instructor fees, equipment, supplies, and event expenses can impact affordability while maintaining cost recovery guidelines.
  - Example: FY27 will require a 15% increase in program fees such as Afterschool Program ($390 member/trimester increasing to $450 member/trimester which is $7.50/day or $2.50 hour); Summer Camp Program ($135 member/week increasing to $155 member/week which is $31/day or $3.44/hr)

Recreation Department

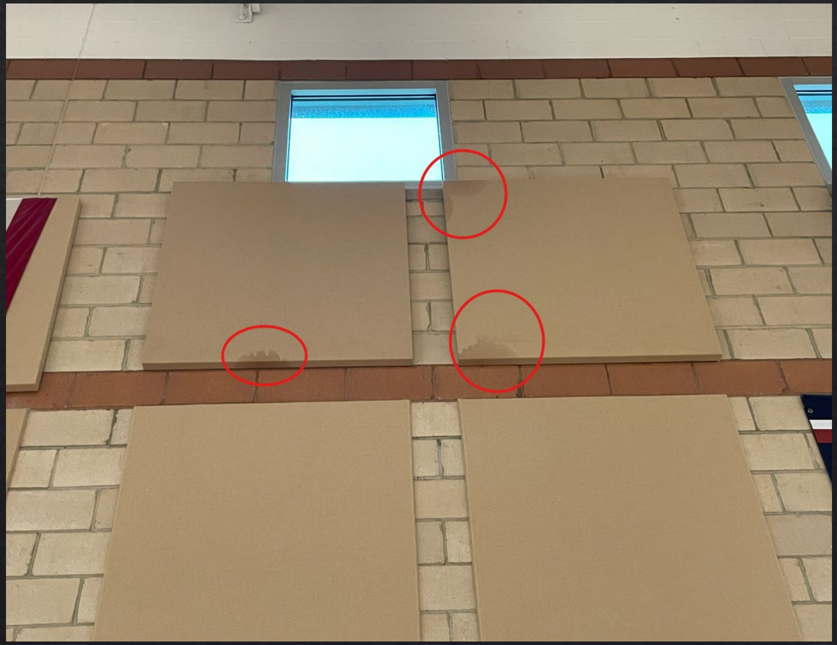
- Personnel
  - Recruiting, cross-training and retaining qualified recreation team members to meet community's programming & expanded hours requests while also provide a wide range of city-wide services such as beach parking permits, dog licenses, resident hurricane passes, and processing of special event permits, and city facility rentals for the community.
- Absorbing Sanibel Sports Inc. for operation of all youth sports programming

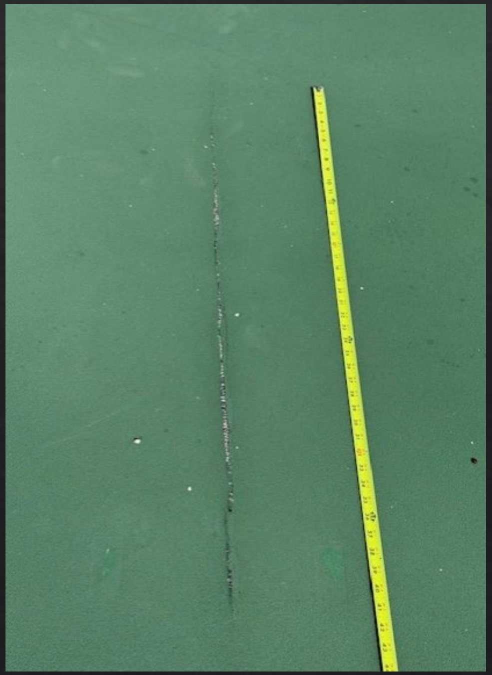
Recreation Ballfield Maintenance

- 1/3 cost share among City of Sanibel, Lee County School District & Lee County Parks Recreation
- Aging facilities resulting in increased repair, maintenance and capital expenditures

Recreation Capital Budget

- Consolidated into Fund 300 for Fiscal Year 2027
- Aging recreation facilities requiring additional repair and maintenance as well as asset replacement expenditures (HVAC systems, pools structural rust, gymnasium water intrusion, settling of tennis courts & building, etc.).





Recreation Capital Budget

- Aging recreation facilities requiring additional repair and maintenance as well as asset replacement expenditures (HVAC systems, pools structural rust, gymnasium water intrusion, settling of tennis courts & building, etc.).

Expansion of Recreation Center Operating Hours

FY27 Recreation Center Hours Expansion Options

Current Recreation Center Hours

Recreation Center		Aquatic Facilities		
Monday - Thursday	7a-7p	Monday - Friday	Lap Pool	7:30a-4:30p
Friday	7a-5p	Saturday	Lap Pool	8:30a-4:30p
Saturday	8a-5p	Sunday	Lap Pool	Closed
Sunday	Closed	Tues, Thurs Sat	Water Features Pool & Splash Pad	12-4p
		Mon, Wed, Fri, Sun	Water Features Pool & Splash Pad	Closed

Option #1 - Expand Recreation Center Hours Mon - Fri & Aquatic Facilities Mon - Sat from Dec - Apr (22 wks)

Recreation Center		Aquatic Facilities		
Monday - Thursday	6:30a-7p	Monday - Friday	Lap Pool	7a-6:30p
Friday	6:30a-7p	Saturday	Lap Pool	8:30a-4:30p
Saturday	8a-5p	Sunday	Lap Pool	Closed
Sunday	Closed	Tues, Thurs	Water Features Pool & Splash Pad	12-4p
		Saturday	Water Features Pool & Splash Pad	10a-4p
		Mon, Wed, Fri, Sun	Water Features Pool & Splash Pad	Closed
Addt'l FTE for Expansion (99 hrs)	0.047	Addt'l FTE for Expansion (638 hrs)	0.31	*Note: Calculation includes 2 Lifeguards as required by American Red Cross standards
Addt'l Expense ($23.69/hr)	$2,345	Addt'l Expense ($22.93/hr)	$14,629	

Option #2 - Expand Recreation Center Hours Mon - Fri AND Sun & Aquatic Facilities Mon - Sun from Dec - Apr (22 wks)

Recreation Center		Aquatic Facilities		
Monday - Thursday	6:30a-7p	Monday - Friday	Lap Pool	7a-6:30p
Friday	6:30a-7p	Saturday	Lap Pool	8:30a-4:30p
Saturday	8a-5p	Sunday	Lap Pool	12-5p
Sunday	12-5p	Tues, Thurs	Water Features Pool & Splash Pad	12-5p
		Saturday	Water Features Pool & Splash Pad	10a-5p
		Sunday	Water Features Pool & Splash Pad	12-5p
		Mon, Wed, Fri	Water Features Pool & Splash Pad	Closed
Addt'l FTE for Expansion (231 hrs)	0.11	Addt'l FTE for Expansion (1,056 hrs)	0.51	*Note: Calculation includes 2 Lifeguards as required by American Red Cross standards
Addt'l Expense ($23.69/hr)	$5,472	Addt'l Expense ($22.93/hr)	$24,214	

NOTE: If additional pool operating hours are budgeted in FY27, lifeguard staffing levels would ultimately determine opportunities for expansion of pool hours.

Recreation Center Membership Fees

- To offset increase in staffing expenditures for expanded hours, recreation center membership fees could be increased.
  - In FY26, only non-resident memberships were increased and to date the increase has not negatively impacted sales.
  - In FY27, consideration could be given to increasing resident membership rates. A 25% rate increase would offset the projected increased staffing expenditures for expanded hours. Additional consideration could be given to increasing non-resident membership rates (to still be double that of resident rates).

Recreation Center Proposed Membership Fees

Pass Type	Current	25% Inc	New Fee
Resident Daily Individual	$ 8.00	$ 2.00	$ 10.00
Resident Monthly Individual	$ 20.00	$ 5.00	$ 25.00
Resident Annual Individual	$ 220.00	$ 55.00	$ 275.00
Resident Daily Family	$ 10.00	$ 2.50	$ 12.50
Resident Monthly Family	$ 35.00	$ 8.75	$ 43.75
Resident Annual Family	$ 300.00	$ 75.00	$ 375.00

Fiscal Year 2027 Proposed Budget

- Initiatives that are **<u>not currently included</u>** in the proposed FY27 budget but are recommended for future City Council discussion and prioritization.
  - Periwinkle Way Landscaping – Funded at $250,000 in FY26 for Causeway Blvd.
    - Additional discussion may be warranted regarding future phases, maintenance expectations, and long-term corridor beautification priorities.
  - The City Hall Native Garden Rehabilitation project was previously identified in the FY26 budget with planned funding targets of $100,000 in FY27 and $75,000 in FY28.
    - The project remains included in the City's five-year Capital Improvement Plan, with funding currently proposed in FY28 and FY29 rather than FY27.
    - With City Council support and direction, staff may evaluate opportunities for this project to be supported through donor contributions.

Fiscal Year 2027 Proposed Budget

- Initiatives that are **not currently included** in the proposed FY27 budget but are recommended for future City Council discussion and prioritization.
  - Town Center Planning – The City Council has expressed an interest in evaluating future Town Center improvements and long-term opportunities to develop a walkable center that could support events.
    - The City Council should discuss this initiative and provide staff with direction to fund planning efforts that would expand the R2P2 concept plans (Town Center to be discussed at the July City Council meeting).
    - If the City Council provides direction to create a Town Center Planning project, staff will estimate the cost for a subsequent discussion.
    - Estimated funding required: $200,000 - $250,000

Fiscal Year 2027 Proposed Budget

- Initiatives that are **<u>not currently included</u>** in the proposed FY27 budget but are recommended for future City Council discussion and prioritization.
  - Expansion of Recreation Center operating hours
    - Peak season demand
    - Year-round demand
  - Coyote population study

Fiscal Year 2027 Proposed Budget - Reserves

Total City Reserves & Ending Fund Balances

	ADOPTED BUDGET	PROPOSED BUDGET	CALCULATION	CALCULATION
	FY2026	**FY2027**	**$ Variance**	**% Variance**
Fund Reserves				
RESERVE FOR DEBT SERVICE	$737,500	$1,475,000	$737,500	100.0%
RESERVE FOR 17% CASH FLOW	$4,493,988	$4,443,530	($50,458)	(1.1%)
RESERVE FOR OPERATIONAL SUPPORT	$920,000	$960,295	$40,295	4.4%
RESERVE FOR DISASTERS	$6,900,000	$6,900,000	$0	0.0%
FUND RESERVES TOTAL	**$13,051,488**	**$13,778,825**	**$727,337**	**5.6%**
ENDING FUND BALANCES	$65,814,003	$56,922,538	($8,891,465)	(13.5%)
TOTAL	$78,865,491	$70,701,363	–	–

General Fund Reserves & Ending Fund Balances

	ADOPTED BUDGET	PROPOSED BUDGET	CALCULATION	CALCULATION
	FY2026	**FY2027**	**$ Variance**	**% Variance**
Fund Reserves				
RESERVE FOR DEBT SERVICE	$737,500	$1,475,000	$737,500	100.0%
RESERVE FOR 17% CASH FLOW	$4,493,988	$4,443,530	($50,458)	(1.1%)
RESERVE FOR OPERATIONAL SUPPORT	$600,000	$606,675	$6,675	1.1%
RESERVE FOR DISASTERS	$5,900,000	$5,900,000	$0	0.0%
FUND RESERVES TOTAL	**$11,731,488**	**$12,425,205**	**$693,717**	**5.9%**
ENDING FUND BALANCES	$5,362,651	$1,730,252	($3,632,399)	(67.7%)
TOTAL	$17,094,139	$14,155,457	–	–

What's Next?

- **First Budget Hearing**
  - September 14, 2026 @ 5:30 p.m.
- **Final Budget Hearing**
  - September 28, 2026 @ 5:30 p.m.

Discussion