



City Council Budget Workshop

Fiscal Year 2027 Budget Adoption
June 16, 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** – Draft Full 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



2026 Estimated Property Values

- **Property Appraiser Estimate of Taxable Values**
 - Provided to governments for planning purposes
 - Preliminary taxable values to be released July 1, 2026
 - This is the value that is used to determine millage rates
 - Maximum operating millage rate to be determined at July CC meeting
- **\$5,536,341,000 Estimated Taxable Value**
 - 1.75% decrease from the July 2025 values used for FY 2026 budget
 - At the same operating millage rate adopted in FY 2026 this represents a net **decrease** in revenue to the General Fund of \$238,805 (inclusive of a 3.0% early payment discount available to taxpayers per law)
 - **Any results of tax reform from the State referendum would not take effect until the City's fiscal year 2028**



Fiscal Year 2027 Proposed Operating Budget

View		Total City	Modified ▼		
▼ Expand ▲ Collapse		FY 25 Adopted ▼	FY 26 Adopted ▼	FY 27 Proposed ▼	
		FY2025	FY2026	FY2027	
▼	Operating Expenses	\$43,835,511	\$44,727,497	\$44,133,458	
>	General Government	\$8,988,252	\$10,799,059	\$10,387,131	
>	Public Safety	\$13,961,964	\$13,792,877	\$13,052,818	
>	Physical Environment	\$7,014,440	\$8,340,310	\$8,613,978	
>	Public Works	\$9,874,034	\$7,644,186	\$7,655,025	
>	Economic Environment	\$415,320	\$457,427	\$468,539	
>	Culture & Recreation	\$3,581,501	\$3,693,638	\$3,955,967	
Total Appropriations		\$43,835,511	\$44,727,497	\$44,133,458	



Fiscal Year 2027 Proposed Operating Budget

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▼ Expand ▲ Collapse		FY 25 Adopted ▼	FY 26 Adopted ▼	FY 27 Proposed ▼	
		FY2025	FY2026	FY2027	
▼	Operating Expenses ⋮	\$43,835,511	\$44,727,497	\$44,133,458	
>	Personnel ⋮	\$22,181,027	\$21,819,053	\$22,957,168	
>	Operating ⋮	\$21,216,464	\$22,428,967	\$20,686,451	
>	Grants & Assistance ⋮	\$438,020	\$479,477	\$489,839	
Total Appropriations		\$43,835,511	\$44,727,497	\$44,133,458	



Fiscal Year 2027 Proposed Operating Budget

- **\$44,133,458** Proposed FY 2027 operating budget (total city)
 - 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
 - Changes in healthcare premiums not included
 - Inflationary pressures
 - Fuel
 - Repair and maintenance
 - General insurance
 - No change in staffing levels or authorized positions
 - Some authorized positions are not being budgeted



Fiscal Year 2027 Proposed Operating Budget

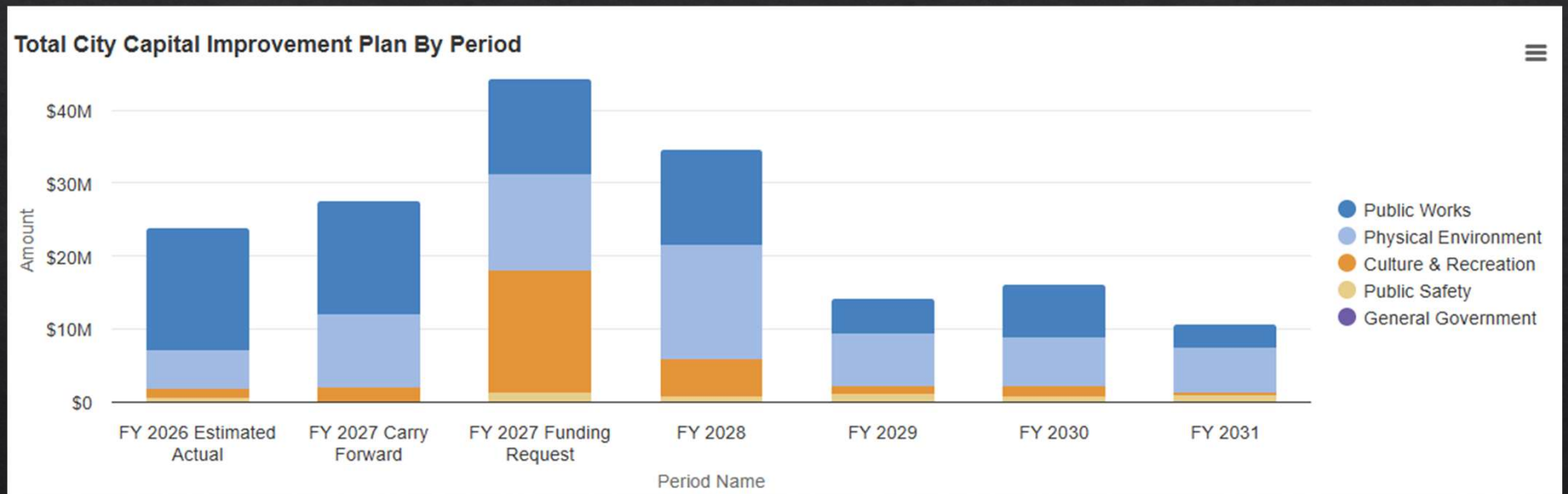
Fiscal Year	Adopted Budget	Budget in FY 2027 Dollars	Difference from Proposed FY 2027 Budget	Real Change
FY 2025	\$43,835,511	\$46,500,709	(\$2,367,251)	-5.1%
FY 2026	\$44,727,497	\$46,382,414	(\$2,248,956)	-4.8%
FY 2027 Proposed	\$44,133,458	\$44,133,458	—	—

- The FY 2027 proposed operating budget is 0.7% higher than the FY 2025 budget in nominal dollars, but 5.1% lower after adjusting for inflation.
- The FY 2027 proposed operating budget is 1.3% lower than the FY 2026 budget in nominal dollars and 4.8% lower after adjusting for inflation.



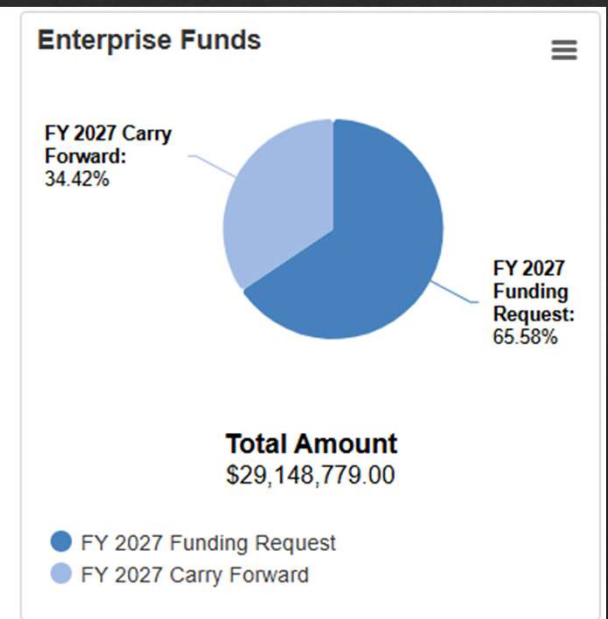
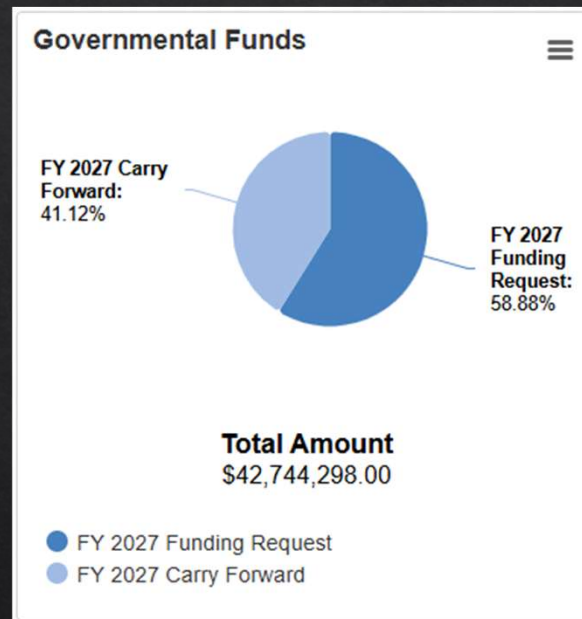
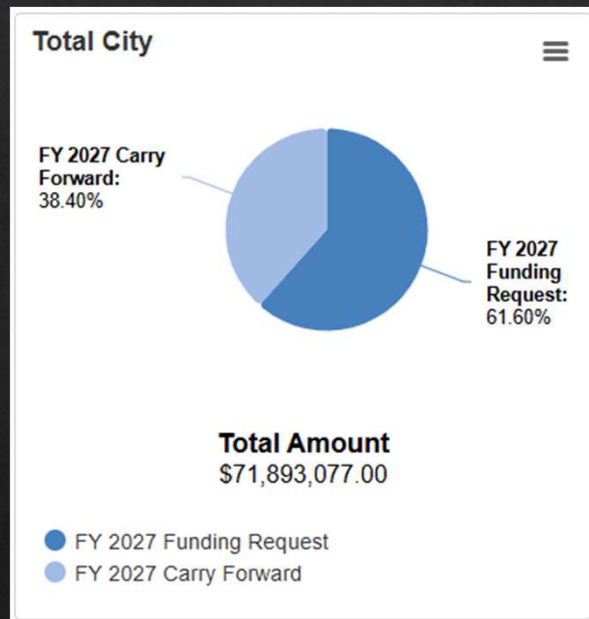
Fiscal Year 2027 Proposed Capital Improvement Plan

- Proposed Capital Budget: **\$71,893,077** (\$27,608,989 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.



Fiscal Year 2027 Proposed Capital Improvement Plan

- CIP remains largely driven by grants from Local, State, and Federal sources
 - \$61,588,011 proposed budget (85.6%)
- **Staff will continue to evaluate revenue projections and financial impacts as updated property tax roll information becomes available.**
- The proposed FY27 capital projects are being presented to facilitate early policy discussion and Council feedback prior to final budget development.
- Any necessary adjustments to proposed projects or funding strategies will be incorporated into subsequent budget discussion and the draft FY27 budget presentation in July
- Maintaining flexibility within the current draft budget process is important to ensure long-term fiscal sustainability and alignment with City Council priorities.



Fiscal Year 2027 Proposed Capital Improvement Plan

- Hurricane Fund Projects that will be included in the draft FY27 budget are currently projected at lower funding levels compared to prior years due to uncertainty surrounding FEMA reimbursement amounts and project obligations.
- Staff is taking a conservative budgeting approach for hurricane-related projects as FEMA continues to reevaluate and, in many cases, reduce previously estimated Public Assistance damage reimbursement amounts.
- As FEMA formally obligates eligible projects and reimbursement levels are confirmed, staff will bring forward budget amendments for City Council consideration to appropriate additional funding as necessary. Future budget amendments may include adjustments to project scopes, timelines, or funding allocations based on finalized FEMA determinations.
- This phased budgeting approach is intended to reduce financial risk and ensure that expenditures align with verified FEMA reimbursement commitments.
- The City remains committed to advancing eligible recovery projects while maintaining prudent fiscal management amid evolving federal reimbursement reviews.



Fiscal Year 2027 Proposed Capital Improvement Plan

- CIP Line-item discussion
 - Recreation Center pool deck - \$350,000
 - Recreation Center structural assessments
 - FY2026 \$30,000 (estimated)
 - FY2027 \$85,000
 - FY2028 \$85,000
 - City Hall
 - \$300,000 general repairs
 - \$500,000 generator
 - \$250,000 HVAC
 - Historical Village - \$50,000
 - Shared-use paths
 - \$1.25M State of Florida Appropriation included



Fiscal Year 2027 Proposed Capital Improvement Plan

- CIP Line-item discussion
 - Stormwater improvements - \$500,000
 - Weir flap gate improvements - \$600,000 State of Florida Appropriation
- Tahiti-Jamaica/Tradewinds stormwater project
 - Funding not secured in 2026 cycle
 - \$4.2M estimated project cost – delayed to FY2028 plan
- Sewer Utility System
 - Non-grant funded projects
 - \$2.6M force main improvements
 - \$3.4M lift station control panel replacements
 - \$5.2M included in draft budget that is grant funded – all grant funds will be utilized after this phase



Fiscal Year 2027 Proposed Capital Improvement Plan

- Beach Parking Enterprise Fund
 - Police Department - \$380,000 for patrol boat
 - Public Works - \$2.3M in TDC funding
 - Includes \$2.1M for pier replacement (\$250,000 is also included in budget for design but this part of the project is City funded)
 - Lighthouse Beach Park maintenance building - \$450,000
 - ~\$100,000 insurance funding



Fiscal Year 2027 Proposed Capital Improvement Plan

- The **Recreation Center** is now approximately 20 years old and will require increased reinvestment and capital maintenance over the coming years to preserve facility quality and operations.
 - Remains one of the City's most popular and heavily utilized community amenities, making continued investment in the facility a long-term priority.
- Park and Recreation projects recommended by the Parks and Recreation Advisory Committee (PRAC) have been incorporated into the City's five-year Capital Improvement Plan for future consideration. These projects are noted in the CIP with [PRAC] beginning in fiscal year 2028.
- Staff recommends revisiting potential funding opportunities for PRAC projects following receipt of the preliminary taxable value estimates from the Lee County Property Appraiser.



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.
 - 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.



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.
 - Expansion of Recreation Center operating hours
 - Peak season demand
 - Year-round demand
 - Coyote population study
 - Sea turtle nest protection (SCCF)
 - Wage and healthcare adjustments





Discussion