

City Council Meeting Budget Workshop Draft Fiscal Year 2026 Budget

August 12, 2025

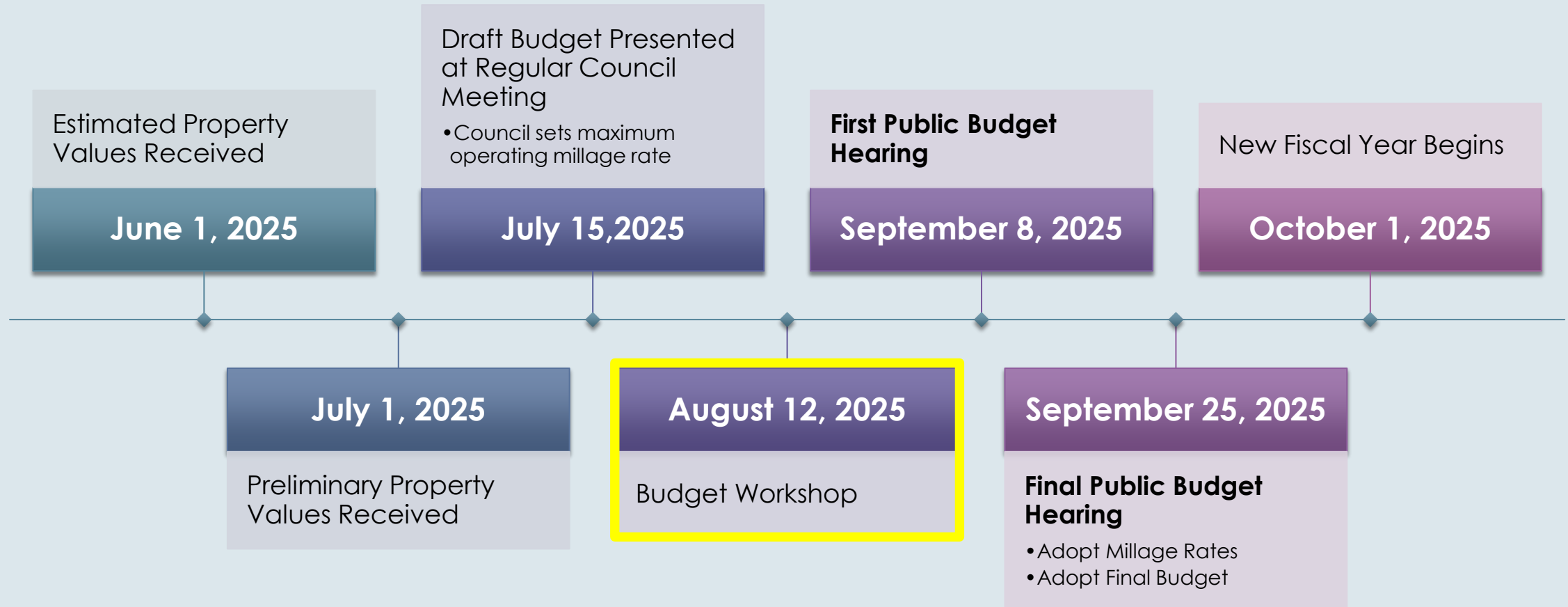


Budget Workshop Overview

- ▶ Budget workshops give the City Council opportunity to discuss budget strategies, goals, and objectives and provide staff with direction on the proposed budget
- ▶ Fiscal Year 2026 Budget Workshops
 - ▶ 4/17/2025: Capital Improvement Plan Workshop
 - ▶ 6/12/2025: Operating and Capital Budget Workshop
- ▶ Continued discussion in August budget workshop and the first budget hearing in September.
 - ▶ First budget hearing September 8, 2025 at 5:30 p.m.



Budget Adoption Timeline



Taxable Property Values

- ▶ Estimate from Lee County Property Appraiser on July 1
 - ▶ \$5,634,817,483 preliminary valuations
 - ▶ Pre-storm (FY23) \$6,357,621,055 – ↓ 11.4%
 - ▶ Last year (FY25) \$4,687,992,704 Post VAB – ↑ 20.2%
- ▶ At 2.5000 operating millage rate (same at current year)
 - ▶ \$13,664,432 in revenue (net 3.0% discount)
 - ▶ \$2,363,880 additional ad valorem revenue into General Fund



Residential Taxable Valuations

► 2025 Preliminary Compared to 2024 Final Values

	2025	2024		
	Taxable Value	Taxable Value	Change	
00 Vacant Residential	\$ 260,580,203	\$ 277,739,508	\$ (17,159,305)	(6.18%)
01 Single Family Residential	1,908,687,066	1,873,876,016	34,811,050	1.86%
01 Single Family Res Homestead	1,550,051,596	1,502,448,499	47,603,097	3.17%
04 Condominium	1,225,758,972	440,809,154	784,949,818	178.07%
04 Condo Homestead	147,960,934	69,650,223	78,310,711	112.43%
07 Misc Residential	745,535	279,418	466,117	166.82%
08 Multi Family < 10	47,287,756	45,960,742	1,327,014	2.89%
09 Residential Common Areas	-	-	-	0.00%
	<u>\$ 5,141,072,062</u>	<u>\$ 4,210,763,560</u>	<u>\$ 930,308,502</u>	<u>22.09%</u>

*Information obtained from the Lee County Property Appraiser



Residential Annual Taxes

Fiscal Year 2026 Proposed Millage Rates

Fiscal Year 2026 Average Residential Value



Lee County School
Board
37.5%

Lee County
26.5%

Other
3.7%

Sanibel Ind
Districts
13.8%

City of Sanibel
18.4%



Operating Millage Rate

- ▶ Operating millage rate provides most of the funding for general government operations.
- ▶ **2.5000** millage rate adopted for fiscal year 2025 budget
 - ▶ Generated \$11,300,552 in ad valorem tax revenue (net of discount)
- ▶ **2.5000** preliminary rate included in draft fiscal year 2026 budget
 - ▶ Would generate \$13,664,432 million (net of discount)
 - ▶ Maximum millage rate that can be assessed for fiscal year 2026
- ▶ Rolled-back millage rate
 - ▶ **2.0930** mills (would generate \$11,439,863 million (net of discount)



Debt Service Millage Rates

- ▶ Taxes levied annually to pay debt service for voter approved issuances
 - ▶ Recreation Center construction
 - ▶ **0.1011** mills in FY 2026
 - ▶ 0.1200 mills in FY 2025
 - ▶ Sewer System expansion
 - ▶ **0.0140** mills in FY 2026
 - ▶ 0.0169 mills in FY 2025
- ▶ Total debt service levy in FY 2026: **0.1151 mills**
 - ▶ 15.9% decrease from prior year



Strategic Goals and Objectives

- ▶ City Council Strategic Goals
 - ▶ The City Council discussed and approved updated Strategic Goals for FY 2026 at the May 2025 City Council Meeting
- ▶ Budget Objectives and Key Performance Indicators:
 - ▶ The City Manager, as part of the annual budget process, will develop strategic budget objectives and key performance indicators that will serve to measure the City's overall performance by addressing the City's Strategic Goals on a consistent and annual basis. These short-term budget objectives will be developed in a separate document.
- ▶ Strategic Goal Linkage to Proposed Budget
 - ▶ Presented at June 12, 2025, Budget Workshop



Strategic Goals

- ▶ Hurricanes Ian, Debby, Helene, Milton Recovery
- ▶ Infrastructure
- ▶ Community Resiliency
- ▶ Quality of Life
- ▶ Environmental Stewardship
- ▶ Fiscal Health
- ▶ Customer Service
- ▶ Affordable Housing



Revenues

- ▶ Total City

- ▶ FY2026 Draft Budget

- ▶ \$124,760,685 revenue from various sources

- ▶ \$3,844,380 in other financing sources (transfers)

- ▶ \$87,554,098 in beginning fund balance

- ▶ FY2025 Adopted Budget

- ▶ \$139,341,266 revenue from various sources

- ▶ \$7,858,025 in other financing sources

- ▶ \$85,934,678 in beginning fund balance



Total City Reserves

	FY 25 BUDGET	FY 26 BUDGET		
	FY2025	FY2026	\$ Variance	% Variance
Fund Reserves				
RESERVE FOR 17% CASH FLOW	\$3,086,922	\$4,532,091	\$1,445,169	46.8%
RESERVE FOR FUTURE CAPITAL	\$1,000,000	\$0	(\$1,000,000)	(100.0%)
RESERVE FOR CONTINGENCIES	\$1,000,000	\$0	(\$1,000,000)	(100.0%)
RESERVE FOR OPERATIONAL SUPPORT	\$4,910,000	\$1,492,000	(\$3,418,000)	(69.6%)
RESERVE FOR DISASTERS	\$6,900,000	\$6,900,000	\$0	0.0%
FUND RESERVES TOTAL	\$16,896,922	\$12,924,091	(\$3,972,831)	(23.5%)
ENDING FUND BALANCES	\$66,633,888	\$66,248,203	(\$385,685)	(0.6%)
TOTAL	\$83,530,810	\$79,172,294	—	—

Data Updated Jul 29, 2025, 3:12 PM

Note: Rows with 0s are hidden.



Total City Uses of Funds

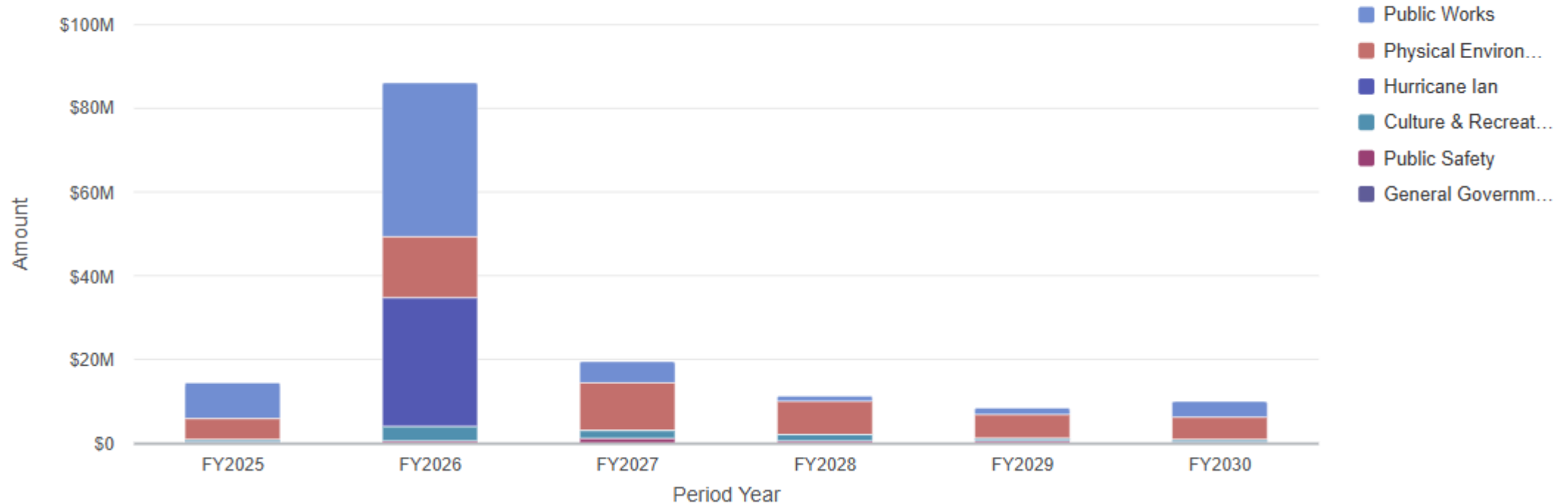
View		Total City		Modified			
▼ Expand ▲ Collapse		ACTUALS	ACTUALS	FY 25 ADOPTED	FY 26 BUDGET	Calculation	Calculation
		FY2023	FY2024	FY2025	FY2026	\$ Variance	% Variance
▼	Operating Expenses	\$47,927,357	\$62,405,761	\$139,502,973	\$130,901,910	(\$8,601,063)	(6.2%)
	Personnel	\$19,889,407	\$18,116,722	\$22,181,027	\$21,529,267	(\$651,760)	(2.9%)
	Operating	\$26,270,940	\$42,660,648	\$21,216,464	\$22,794,257	\$1,577,793	7.4%
	Capital Outlay	\$1,284,731	\$1,119,326	\$95,667,462	\$86,098,909	(\$9,568,553)	(10.0%)
	Grants & Assistance	\$482,279	\$509,064	\$438,020	\$479,477	\$41,457	9.5%
➤	Other Financing Uses	\$7,117,387	\$8,966,833	\$27,072,108	\$19,014,050	(\$8,058,058)	(29.8%)
	Total Appropriations	\$55,044,744	\$71,372,594	\$166,575,081	\$149,915,960	–	–
	Ending Fund Balance	\$39,979,363	\$81,651,232	\$66,633,888	\$66,248,203	(\$385,685)	(0.6%)
	Total Uses of Funds	\$95,024,107	\$153,023,826	\$233,208,969	\$216,164,163	–	–



Capital Budget

Total City Budget

The first column represents the amount estimated to be spent in fiscal year 2025.



Total City Working Draft Budget

- ▶ \$216,164,163

 - ▶ \$66,248,203 available ending fund balances

 - ▶ \$124,760,685 total revenues

 - ▶ 149,915,960 total appropriations

- ▶ \$233,208,969 – Fiscal Year 2025 Adopted

 - ▶ \$66,633,888 available ending fund balances

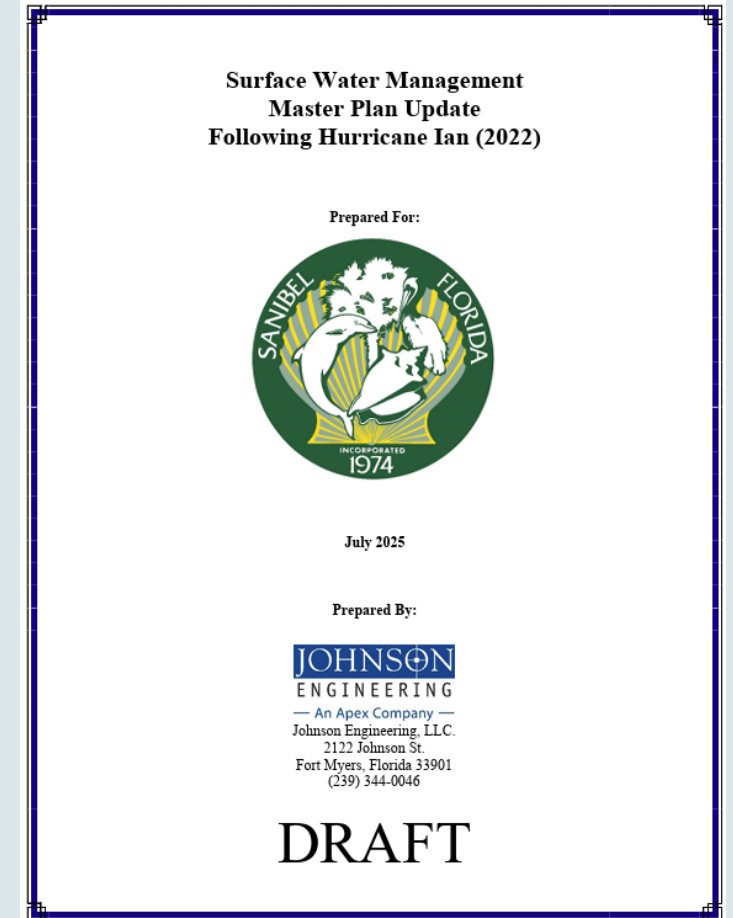
 - ▶ \$139,341,266 total revenues

 - ▶ \$166,575,081 total appropriations



Discussions

- ▶ Surface Water Management Master Plan – July 2025
- ▶ Presented to City Council at July 30 regular meeting
- ▶ Page 34 excerpt
 - ▶ “Further Capital Improvement Projects are recommended to reduce saltwater intrusion, expedite post-storm recovery efforts, mitigate the effects of projected sea level rise, and improve drainage in flood-prone areas within the City.”



Discussions

- ▶ Study narrative on scheduled and potential capital improvement projects
- ▶ Council consensus
 - ▶ Update to the 5-year CIP?

Table 6. Capital Improvement Plan.

Short, Intermediate, or Long-term	Master Plan Future Capital	Project Type	Design Cost	Design FY	Construction Cost	Construction FY
Short	Beach Road Weir Flap Gate Modifications	Weir System	\$ 65,000	TBD	\$ 250,000	TBD
Short	Tarpon Bay Weir Flap Gate Addition	Weir System	\$ 65,000	TBD	\$ 250,000	TBD
Short	*Tradewinds Subdivision Drainage	Area Specific Project	Design Complete	--	\$ 4,500,000	TBD
Short	Bailey Road Drainage	Area Specific Project	\$ 35,000	TBD	\$ 150,000	TBD
Short	*Sanibel Slough Dredging	Slough Dredging	\$ 212,000	25	\$ 1,630,000	26
Short	*Clam Bayou Box Culvert Replacement	Box Culvert	\$ 800,000	26	\$ 4,000,000	27
Short	*East Periwinkle Box Culvert Replacement	Box Culvert	\$ 750,000	28	\$ 4,000,000	29
Short	*Beach Road Weir Rehabilitation	Weir System	Design Complete	--	\$ 750,000	26
Short	<i>Annual Swale Maintenance</i>	<i>Ongoing Maintenance</i>	--	--	\$ 250,000 – \$ 500,000	<i>Annually</i>
Intermediate	Beach Road Weir Pump Station	Weir System	\$ 300,000	TBD	\$ 2,500,000	TBD
Intermediate	Tarpon Bay Weir Pump Station	Weir System	\$ 300,000	TBD	\$ 4,900,000	TBD
Intermediate	Beach Road Weir Gate Automation	Weir System	\$ 55,000	TBD	\$ 200,000	TBD
Intermediate	Tarpon Bay Weir Gate Automation	Weir System	\$ 55,000	TBD	\$ 200,000	TBD
Intermediate	West Gulf Drive Drainage	Area Specific Project	\$ 240,000	TBD	\$ 2,400,000	TBD
Long	Road Elevating (Dixie, Bailey, Tarpon)	Road Elevation	\$ 2,924,000	TBD	\$ 29,240,000	TBD
FY26 Total			\$ 910,000		\$ 1,630,000	
Total			\$ 5,801,000		\$ 54,970,000	

Note: Asterisk (*) indicates item in City's current CIP plan.



What's Next?

- ▶ First Budget Hearing
 - ▶ September 8, 2025, at 5:30 p.m.
- ▶ Final Budget Hearing and Final Proposed Budget Advertised
- ▶ Final Budget Hearing
 - ▶ September 25, 2025, at 5:30 p.m.
- ▶ MacKenzie Hall – 800 Dunlop Road, Sanibel FL 33957



Questions?



Dana Souza

City Manager

dana.souza@mysanibel.com

Steve Chaipel, CPA, CPFO

Deputy City Manager/CFO

steve.chaipel@mysanibel.com

