

#### 14. \$10M Transfer out for future Building Capital Project

*Assertion: "An option to leave the building division in their location was presented to the City Manager by the DS Director that would cost \$588,000 to remodel their existing space to add more workstations; adds the ability to bring the inspectors and Code Division back to the Building department; eliminates the rent for a trailer at \$63,000 annually. The City Manager rejected the plan."*

Development Services Department staff prepared a capital project request to update the existing workspace in City Hall during the FY 2026 budget development cycle. The proposed work included reconfiguring the City's permitting counter, the addition of a 2<sup>nd</sup> conference room, and updated cubicles and furniture. This proposed capital project was designed as a stop-gap, prior to the planned move to the remodeled building on Santa Barbara Boulevard, and was presented to the City Manager and the City Council in Spring of 2025. At the June 5, 2025 City Council Budget Workshop, there was no consensus from City Council to move forward with this City Hall renovation project and it was removed from the City Manager's Proposed Budget.

Once the City Manager receives direction from City Council, the City Manager does not have discretion to implement alternative plans. Under the ICMA Code of Ethics, it is a requirement to faithfully carry out this directive. Asking the City Manager to ignore his board is suggesting the City Manager perform his duties in an insubordinate manner; one that may be acceptable within the private sector or within the CCCIA but not within the highest ideals of public trust under the Council-Manager form of government.

After re-evaluating the existing space in City Hall, Development Services decided to not renew the trailer lease, and the Building Inspectors currently operating out of the trailer will be moving back into a lightly reconfigured workspace in City Hall by January 5, 2026. The \$63,000 in rent savings will be fully realized in Fiscal Year 2027, with prorated saving beginning this Fiscal Year.

Attached to support response:

- 2025 Budget Workshop Minutes (See pages 500 and 501)
- ICMA Code of Ethics (Tenet 6)

**MINUTES OF THE  
BUDGET WORKSHOP OF THE CAPE CORAL CITY COUNCIL**

June 5, 2025

Council Chambers

9:00 a.m.

Meeting called to order by Mayor Gunter at 9:00 a.m.

**PLEDGE OF ALLEGIANCE**

**Roll Call:** Mayor Gunter, Councilmembers Donnell, Kaduk, Kilrairie, Lastra, Lehmann, and Steinke were present. Councilmember Long arrived at 9:04 a.m.

**CITIZENS INPUT TIME**

David Halsey attended a recent City Council meeting in Ft. Myers Beach where Matt Caldwell addressed the public about the budget and how to get a private appraiser for your dwelling. He suggested that Council invite him to speak about his predictions over the next few years regarding the rebuild coming back and when values will start to rise.

Tom Shadrach spoke regarding the request in the budget for 147 personnel versus 13 last year. He mentioned the market value of homes dropping; spending and collecting a lot of tax revenue for the past five years; and to look at what is being spent.

City Manager Ilczyszyn discussed:

- Spoke with Property Appraiser 3-4 months ago
- Assessed values by Property Appraiser
- Private property appraisal by owners
- Property value of land versus structures
- Elevate the home out of the Flood plain, State has money through Elevate Florida
- Reduce risk to decrease insurance costs
- 50% rule
- The City Manager has not asked for any positions in the budget this year.

Mayor Gunter asked him if they were looking at modifying the one-year lookback regarding substantial improvement.

City Manager Ilczyszyn responded in the affirmative. There is a bill on the Governor's desk that would pre-empt Statewide any further than one year.

Mayor Gunter clarified he was asking about reducing it.

City Manager Ilczyszyn responded they have a one-year lookback. Staff is preparing the third presentation on our Flood Plain Policy locally with all options for Council's consideration.

Discussion held regarding:

- Community Rating System (CSR) rate
- Office of Insurance Regulation Report late last year

Deputy Development Services Director Grambow explained that Staff was preparing a presentation immediately after hiatus. One of the options to be discussed will be to remove that one-year lookback to only determine the valuation of the work being proposed on a case-by-case basis. No risk of losing Community Rating System points.

Councilmember Steinke commented on the following:

- Property Appraiser property values
- Private property appraisers
- Undervalue revenues and overvalue expenditures
- Financial planning

Councilmember Kilraine asked City Manager Ilczyszyn when he spoke to the Property Appraiser regarding the model being used, was it just being used in the flood zones or applying it across the City unilaterally?

City Manager Ilczyszyn responded it was only in the areas of Ft. Myers Beach, Sanibel, and most of southern Cape Coral and the western side. Not being applied to Gator Circle.

Councilmember Kilraine commented on the following:

- Net asset value increase from last year

Councilmember Donnell commented on the following:

- Financial security
- Budgeting

## **BUSINESS**

### **FY 2026 Budget Overview**

City Manager Ilczyszyn explained:

- Presentation by Staff
- Anticipated or expected revenues from the school speed zone cameras to put in budget
- As discussed from the email sent out yesterday, June 1<sup>st</sup> numbers have come in
- Expect and have expected a pullback from the runup over the last several years

- Do not and have not expected it to be as magnified as the great recession in 2006-2007 - Saw that in the June 1<sup>st</sup> numbers
- We are now in a situation which we have been discussing where the new growth is being consumed to pay for recurring expenses.
- There is no money for new growth expenditures.
- Budget will come out after July 1<sup>st</sup>
- Charter requires it comes out before the first meeting in August
- Important to hear the department needs to understand the market is slowing down, growth slowing down
- In most cases government is always in a catchup situation.
- In most situations we are not in a position where we are ahead of the market
- We are usually behind the market
- Even though everything around us is slowing down, we are still trying to catch up to where we would like to be in maintaining levels of service.
- Lots of departmental requests because departments are still acknowledging that lag behind what has been happening
- Next year, we are predicting as discussed to even be worse.
- New growth from this year, what we are trending on permits, has flattened out.
- Contracts have been approved, CPI still continues, inflation happens
- Have a good, spirited discussion about where we are at and where we are headed
- Matter of what Council wants to accomplish and how fast

Councilmember Donnell asked the City Manager about the objective of today's workshop.

City Manager Ilczyszyn responded:

- After hearing what we are expecting for revenues and the needs in the departments, does Council want to accomplish any of those, and if so, how may they be funded

Councilmember Kaduk commented on the following:

- Taxes paid in arrears always playing catch up
- Will be forecasting 2028, 2029, and 2030
- State level – if they remove property taxes – what do we do then

Management Budget Administrator Reitler noted that Stantec will be presenting the General Fund Sustainability Analysis today. Following that, Department Directors will provide an overview of their FY2026 requested budget as well as their program modification requests. She will conclude the workshop by summarizing key takeaways and seek direction from Council.

Management Budget Administrator Reitler explained the following displayed slides:

- FY2026 City of Cape Coral Summer Workshop June 5<sup>th</sup> and June 6<sup>th</sup> 2025
- Our Vision Our Mission
- Summer Workshop Day #1

- Budget Overview and Development
- 2026 Proposed Budget
- 2026 General Fund
- General Fund Revenues
- Ad Valorem Taxes and Taxable Revenue
- General Fund Expenditures
- Structural Balance
- Millage Rates
- General Fund Sustainability - Stantec
- Departments
- Funding Discussion/Wrap Up
- City of Cape Coral, Florida Financial Management Policies Policy #1
- Fiscal Year 2026 Proposed Budget Overview and Development
- Fiscal Year 2026 Proposed Budget
  - **All Funds Requested Budget - \$1,495,767,829**
  - **General Fund Requested Budget - \$264,339,124**
- Fiscal Year 2026 Proposed Budget – Budget Overview
- Fiscal Year 2026 Proposed Budget – Budget Overview Staffing
- Fiscal Year 2026 Proposed Budget General Fund
- Fiscal Year 2026 Proposed Budget General Fund Overview
- Fiscal Year 2026 Proposed General Fund Revenues
- General Fund Revenue Forecast
- Fiscal Year 2026 Proposed Budget Ad Valorem Taxes
- Taxable Value
- Taxable Value % over Net New Taxable Value %
- Lee County Tax Roll Values – 2025
- Taxable Value \$ over Net New Taxable Value \$
- New Construction Taxable Value \$
- Effect of Millage Rate Adjustments
- Fiscal Year 2026 Proposed General Fund Expenditures (two slides)
- Debt Service
- Non-structurally Balanced Budget
- Adjustments to General Fund Budget to Achieve a Structurally Balanced Budget

Management Budget Administrator Reitler announced that Jeff Rackley with Stantec Consulting will speak on the General Fund Sustainability model, one that has been utilized for years. She asked if there were any questions.

Councilmember Donnell asked about Slide 8 – Fiscal Year 2026 Proposed Budget – Budget Overview Staffing.

City Manager Ilczyszyn responded that these were the requests from the Department Directors which were submitted to Finance. He has not released his budget. As it sits

today, the General Fund Budget has zero. There are still needs in the departments which will be presented later.

Councilmember Donnell asked for the definition of a structurally balanced budget.

Management Budget Administrator Reitler responded:

- Existing revenues equal existing expenditures
- We do not bring in use of fund balance to help balance our budget.

Councilmember Kaduk asked if this slide was the request and not currently built into the budget that was presented to Council.

Management Budget Administrator Reitler responded:

- The only thing built into the budget are the 4 positions for the Fire Department and the 12 positions in Utilities.

Councilmember Kaduk asked about Slide 6 – Fire Service Assessment Revenue – 70% cost recovery and how it was computed.

Management Budget Administrator Reitler explained:

- Fire operations budget is put together in total
- Includes all fire operations including EMS
- EMS is not eligible for FSA recovery – 100% General Fund
- We take the total budget left in EMS and split out 70% / 30%
- Expect 70% of that revenue to come from FSA
- Transfer in or transfer out of the General Fund into FSA

Councilmember Kaduk asked about Slide 21 - did not see any investment revenue.

Assistant City Manager Mason explained:

- We do not budget for investing revenue.

Councilmember Kaduk asked if there was a general idea of a percentage earned.

Assistant City Manager Mason responded it was about 4%.

Councilmember Kaduk asked about the funding for sidewalks.

City Manager Ilczyszyn responded:

- Any grants for projects awarded will be in the budget with the associated grant funds
- Looking at moving away from road impact fees
- Mobility fees would be able to cover some costs that are not allowable under road impact fees currently



Councilmember Kaduk asked when the Mobility Pan would be brought before Council.

City Manager Ilczyszyn responded:

- Bill on Governor's desk for signature that would require a restarting or resetting the procedural process in order to adopt a Mobility Fee.
- If the Governor signs it, it would be effective 10/1.
- Staff is putting together a schedule that Council should receive within the next week or so that will lay out a process for us to conclude what we started last year by 9/30.
- Would involve public meetings, CTAC, P&Z, CCCIA, LBIA

Councilmember Kaduk asked if there was any public pushback in switching to a Mobility Fee.

City Manager Ilczyszyn responded:

- We have done the Mobility Fee which involved them so we got the needs from the community.
- As far as public pushback, this is a replacement through an impact fee.
- Only new construction will pay for it.
- If our new homes are going to pay for road impacts, now you are opening up multi modal forms of transportation – 10 ft. multi-use paths, sidewalks, other forms of transportation that are not covered under the single use road impact fee
- When you increase the amount of expenditures that can be funded, then you have to increase the amount of revenue collected.
- Is it appropriate for new construction to pay for those services
- We are half built out, we can continue the way we have been doing it the last 50 years or we can try to change

Management Budget Administrator Reitler added:

- We do have one sidewalk budgeted for FY2026 – SW 32<sup>nd</sup> Street from Surfside to SW 25<sup>th</sup> Avenue for \$405,000

Councilmember Kilraine asked about the experience on ad valorem tax collection level and default condition in the last year or two.

Management Budget Administrator Reitler explained we generally collect close to 100% but per State Statute we are required to budget at 96%.

Discussion held regarding the default rate.

Councilmember Kilraine asked about the increase in the Police budget and how much was relative to the anticipated collective bargaining.

Management Budget Administrator Reitler responded:

- We have built in a percentage increase for union contract increases for FY2026 based on existing officers and FTEs within the Police Department.

Councilmember Kilraine asked about the new growth rate.

Management Budget Administrator Reitler responded:

- Existing growth – flat lined
- New growth 5% in FY2027 and FY2028 and 6.5% in FY2026

Councilmember Kilraine asked how it translated to permits.

City Manager Ilczyszyn responded:

- Projection for this year was based on permits that were coming out
- Development Services - October, November, and December - focus on getting out as many Certificates of Occupancies as possible
- Still have some growth that was permitted that is still working its way through
- While we are looking at the year we are in, the next year we are budgeting, we are also forecasting out
- Today's permit volume has completely plummeted
- Things we are seeing today would be hit next January for the FY2027 budget

Discussion held regarding:

- New construction permits
- Slide 15 - Economic Development incentives

Councilmember Kilraine asked about the Yacht Club debt service - will it be financed through the first 500 hours?

Assistant City Manager Mason explained:

- \$850K debt service is associated with the seawalls
- Not the full buildout of the final product

Councilmember Steinke asked about the increase in the General Fund – what happened between the adopted FY2025 budget and the FY2026 proposed?

Management Budget Administrator Reitler responded:

- There were increases in union contracts not built in when we forecasted in FY2025.
- We utilized information we had and built in some increases.
- Once union contracts were finalized, we adjusted as necessary.
- Additional inflation when reviewing our AMP schedule – may have equipment or vehicles that need replacement
- Capital items that moved up on projects that moved out



- Overall operating was only 1% increase due to departments truly evaluating expenditures and cutting back as much as possible
- Bigger chunks were within our personnel and our capital

Councilmember Steinke asked about future revenue for economic development projects.

Assistant City Manager Mason explained:

- The Cove has already hit the tax rolls, will see a change in the CRA values.
- Bimini East will come in – dollar value unknown

City Manager Ilczyszyn commented:

- The Bimini project is still under construction
- Would like to have it CO'd by January so it would be in the FY2027 budget
- Bimini East has not started construction, likely will be in the FY2030 budget

Assistant City Manager Mason responded it is built into our growth estimates for next year at 5%.

Councilmember Kaduk asked if it was grant money for the EOC in Slide 21.

Assistant City Manager Mason responded:

- Currently the estimated cost of the EOC is approximately \$50M
- \$18M is in State grants to date
- We have to pick up the remaining \$32M which is reflected in the potential debt service.

Councilmember Kaduk asked about funding for the Yacht Club. Will that \$120M-\$150M include furniture, fixtures, and equipment?

Assistant City Manager Mason responded:

- It is included for total construction.
- That is a preliminary estimate from a year ago.
- The number for the seawall is known.

Councilmember Kaduk asked about the 2030 date for the proposed amphitheater in Festival Park.

Assistant City Manager Mason responded:

- If the City Council wants to move the amphitheater forward, Staff needs to be advised to adjust the numbers.

Councilmember Kaduk asked if that was only for the soccer fields and not the amphitheater.

Management Budget Administrator Reitler responded it included the soccer fields, football fields, and the amphitheater.

Councilmember Lastra asked if we are applying for resiliency money for the Yacht Club shoreline.

Assistant City Manager Mason responded:

- We have a \$2M grant for that already.

Councilmember Lastra asked if the \$2M was to help build up the seawall.

Assistant City Manager Mason responded:

- \$2M was for the construction of the seawall

Mayor Gunter asked about the placeholder for the \$855,571 Yacht Club.

Assistant City Manager Mason responded:

- Anticipated debt service for the \$18M that we will borrow to build the seawall

Mayor Gunter asked about the \$3M for economic incentives for each year. If we spend \$1.5M, are we going to back fill it in the next budget to keep a \$3M cap?

Assistant City Manager Mason responded:

- Every year we start out with \$3M
- If you spend all of it, next year we start out with \$3M.
- If you spend \$1.5M, next year we start out with \$3M.

Councilmember Steinke left the dais at 10:19 a.m.

Jeff Rackley, Stantec Consulting, explained the following slides:

- City of Cape Coral General Fund Financial Sustainability Analysis
- Agenda
  - Process
  - Key Inputs/Assumptions
  - Baseline Analysis
  - Scenarios
- Our Process
- Revenue Assumptions
- Operating Expense Assumptions
- Capital Improvement Program
- FY25 Fund Balance
- Baseline Analysis
- Scenario #1
- Scenario #2

- Scenario #3
- Discussion

Councilmember Steinke returned at 10:27 a.m.

Councilmember Kaduk asked about increases or decreases to the millage rate.

Mr. Rackley deferred that question to Mr. Mason. It is something on the table.

Councilmember Kaduk noted the revenues versus expenses line, it seems like the easiest way to get there would be to raise the millage rate which she did not agree with that. There were no comparisons in that regard.

City Manager Ilczyszyn responded:

- January - no direction from Council to look at increasing the property tax
- Only balancer if we want to add any other positions would be these other revenue sources
- Past couple of years the direction to him and his administration is to hold the property tax or go backwards

Assistant City Manager Mason commented:

- This model will be utilized by us every single year from this point forward.
- Powerful model used by a number of cities across the State
- We will be going through the model at the first workshop in August, based upon whatever comes out of this meeting which guides us in presenting the final proposed budget to Council.

Councilmember Kaduk commented it would be beneficial for homesteaded property owners to see a model other than increasing the PST or FSA.

Assistant City Manager Mason responded they would prepare something for Council.

Councilmember Kilraine asked if the capital investment was capital dollars or the interest carried on the capital.

Assistant City Manager Mason responded:

- This is the actual cost of vehicles, equipment, and the capital maintenance items, as well as any potential cost.
- Debt is separate.

Councilmember Kilraine asked if was typically at 20 years for capital.

Assistant City Manager Mason responded:

- All cars are at 5 years.

- Although we may hold them longer, we depreciate them over a 5-year period.
- Heavy equipment – some will last 20 years, some 10, variety over mixed depreciation
- Apparatus for Fire - 15-year turnover, 10-year front line, 5-year reserve
- Within Fleet, system that grade vehicles annually

Councilmember Kilraine asked about the average FSA on the tax bill.

Assistant City Manager Mason responded he would have to calculate that.

Councilmember Donnell commented:

- Prudent to add the option of going back to what the millage rate was – 5.3694
- Spirit of why we went back to the halfback rate
- Have conversation now for projection
- What would this look like at that millage rate before we gave relief
- Look at data

City Manager Ilczyszyn responded we will run an analysis off the baseline to show additional revenue.

Councilmember Steinke commented:

- Council back then that did not go to the halfback
- Number of adjustments can be done
- He would not want to necessarily go back to that rate for comparison.
- Wanted to understand all the revenue sources
- Understand all the expenses and the priorities based on our Strategic Plan and the Economic Development
- Would like to see some recommendations on what can be done to adjust the millage rate or expenditures

Assistant City Manager Mason responded:

- We have several charts at the end of the presentation after the Department Directors speak.
- Changes – if Council elected to do something, what would be the dollar value?

Councilmember Steinke asked if Stantec would be available to adjust the model in the future.

Assistant City Manager Mason responded they would but not today.

Councilmember Lastra noted in the past it would be shown what it would look like with the rollback rate, keeping it the same, and an increase. Would we see that with the halfback rate and the rollback rate and maintaining status quo?

Assistant City Manager Mason responded:

- We would not be able to calculate a rollback rate until the July 1<sup>st</sup> numbers.
- July 16<sup>th</sup> meeting – first meeting after hiatus
- July 23<sup>rd</sup> meeting – Set the tentative millage rate and talk about potentials
- At end of this Workshop, we will walk through some of those charts showing increase in millage rate by a half mill. This would be the total amount that would be received based upon our current values.
- Amounts would be shown with a change in PST or FSA.
- Once a tentative millage rate is set, it cannot be exceeded after that point.

Mayor Gunter commented:

- Would like to see the model with changing numbers

Assistant City Manager Mason responded:

- We intend to bring this back at the first Budget Workshop in August
- Key issues – July 23<sup>rd</sup> – setting the tentative millage rate and the preliminary assessments
- Whatever we set on that date cannot be exceeded

Mayor Gunter commented we would like to see it prior to that date.

City Manager Ilczyszyn responded:

- Information being asked to see in a panel is in a slide to show the magnitude of changing those numbers

Councilmember Kilraine asked to see the actual for the utility assessment on water.

Assistant City Manager Mason responded:

- Primary changes to the utility rate of 11% for three years is associated with debt service for the capital improvement needed.
- Cost of those capital improvements looked at two years ago have changed.

*Recessed at 10:43 a.m. and reconvened at 10:58 a.m.*

City Manager Ilczyszyn announced that we will now go through the Departments for an idea of their budgets for next year and their requests.

Management Budget Administrator Reitler explained that each Department will walk through their requested budget, numbers, and any program modifications requested for next year.

Councilmember Donnell asked the City Manager what his request was from Council for each department.



City Manager Ilczyszyn responded this would be the time to discuss individual department budgets.

### Charter Schools

Charter Schools Superintendent Collins explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Student Achievement
- Continuous Improvement
- Community Engagement
- Focus on Building Maintenance with LCI Increase
- FY2026 Requested Budget Highlights
- Charter School Authority Governing Board June 24<sup>th</sup> meeting – already presented and tentative adoption then
- Will be presented to the City in September
- Proposed operating budget \$37.9M representing a 7.8% increase over last year's adopted budget
- Structurally balanced budget for FY2026

Councilmember Kaduk commented:

- Council approved the field – huge part of retaining students all through high school

Councilmember Kilrairie commented:

- Charter School has graduated complete classes two years in a row
- Some programs she initiated particularly in AI are outstanding.
- LCI will make them independent of the City economically
- Charter School is a key asset to the City
- Restricted the lease so that we could help accommodate them
- LCI program made them a viable entity

Councilmember Lastra asked if the raises helped teacher morale.

Superintendent Collins responded in the affirmative.

Councilmember Lastra asked if we were comparable to the Lee County School District.

Superintendent Collins responded at the current time we are comparable; however, Lee County is ready to do another increase. Always trying to play catch up.

Councilmember Steinke asked about the lack of reserve allocation.

Superintendent Collins responded:

- Typically, every year we are always putting money back into reserves
- Healthy reserve balance at the time
- Last four years of extra funding from COVID – brought in millions of dollars
- Allowed us to put \$3M back into reserves last year
- This is first year working on a budget alone without that excess grant funding
- Will be putting money back into reserves
- Budget at 99%
- Have not done our final budget amendment for the year – amount unknown

Councilmember Steinke asked why allocations towards reserves do not appear in the proposed FY2026 budget.

Management Budget Administrator Reitler responded:

- Amount in FY2025 adopted budget reserves was set aside to plan for the Evergreen Study for teachers' and staff raises
- First Budget Amendment this month will be moving funds out of reserves and into personnel which covers the increases from the Evergreen Study

Mayor Gunter noted the 6.49% increase in personnel costs and asked what the percentage was for the teachers.

Superintendent Collins responded:

- On average it was 12.1% up to 25%
- Bus drivers received a 30% raise
- Will maintain a 1% increase over the next two years
- Plan on another study in FY2027
- Want to keep up with the market

Mayor Gunter asked about the 26.51% operating increase in the budget from \$8.5M to \$10.7M.

Superintendent Collins responded:

- Major expenditures for operating in FY2026
- Textbooks - \$461K
- Accounting and auditing - \$648K
- Food and beverage - \$864,851
- Computer software and licensing - \$693,871
- Computer equipment and accessories - \$523,304
- Fleet charges including the bus lease - \$592,239
- Electric - \$809,098

Councilmember Kilraine commented:

- Average salary now about \$54K - County was about \$57K
- \$3K gap under

City Attorney

City Attorney Boksner explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- FY2026 Requested Budget Highlights
- Previous budget - asked for six additional positions, cut in half
- Seeking three positions – one Attorney, one Senior Paralegal, and one Administrative Clerk
- Basis for increase

Mayor Gunter asked if the Assistant City Attorney II position would be assigned to a particular department.

City Attorney Boksner responded in the affirmative. Some Attorneys have 3 or 4 departments assigned to them. He is trying to provide individual one-on-one legal representation to the individual departments based upon the intensity of their legal needs.

Councilmember Kilraine commented:

- City Attorney is very proactive in contract development.

City Attorney Boksner commented:

- He found it crucial that the City Attorney's Office be involved during the beginning of the contract process and not just on the back end.

Councilmember Steinke commented:

- Program modifications requested are in line with strategy put in place 2 years ago

City Attorney Boksner commented:

- Budget does not show the three new positions requested – Council did not formally approve it

Councilmember Steinke asked for clarification in the FY2026 requested budget that it did not include those.

City Attorney Boksner responded it did not include the \$455,513.

Mayor Gunter understood that none of the Staffing requests are in the budget at this time. Any discussion about Staffing or one-time purchases are over and above in what has been budgeted except for the 4 Fire positions.

City Manager Ilczyszyn commented:

- More than just funding

- Some of the program modifications are for capital expenditures

Councilmember Donnell asked about the location for staffing levels of all the departments.

Assistant City Manager Mason responded that an email was sent yesterday which included that information.

### **City Manager**

Assistant City Manager Mason explained the following about the City Manager's Office:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities – first 5 or 6 are the same
- Execute the Action Plan for the Economic Development Master Plan
- Finalize the Seven Islands Development Agreement
- In process of testing an AI bot or powered bot, basically a chat system for 311
- Will extend that to customer service areas
- Live person chat in Utility Billing, also looking to implement an AI powered chat bot
- Looking at increasing our download and usage of the Cape Coral 311 app
- FY2026 Requested Budget Highlights
- 1.82% increase from FY2025 amended budget
- Decrease in operating expenses
- Increase in personnel services
- Requests – General Fund – program modifications – Power DMS Software
- Communications Vehicle
- Cubicles – upgrades
- Economic Development Fund – Special Revenue Fund – Public Relations Marketing Firm for support
- Economic Development Vehicle separate from City Manager's Office
- Will evaluate overall usage of all the vehicles within the City Manager's Office

### **City Clerk**

City Clerk Brunns explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Wide range of services include but not limited to public meetings, records management, passport services, mail services, and billing local Business Tax Receipts
- Collaborate with Charter Review Commission, City Council, and Lee County Elections Office to meet referenda deadlines
- City mail delivery to City employees

- Internship opportunities – two students – will implement some artificial intelligence ideas to create more efficiency in the department
- Training and employee development including cross training
- Manage offsite records inventory
- Analyze passport data to identify potential future staffing requirements - 6,000 plus keeps growing, new customer base every year
- Working with the newly transitioned local Business Tax Receipts Program that came over to the Clerk's Office in April 2024
- Comparison analysis – showed that we gained a surplus over \$150,000 in that program - reached over 7,250 active accounts
- Requested two part-time contract positions for the Business Tax Receipt Division
- Using existing contract staff is not sustainable if numbers continue to increase
- FY2026 Requested Budget Highlights
- Two program modifications – one for contract Code Compliance Officer and one Contract Administrative Technician
- Capital outlay of \$5,000 – every couple of years have to replace scanning equipment, asking for \$10,000

Councilmember Steinke asked the City Clerk about requesting one position but the slide shows two listed.

City Clerk Bruns explained each position is .5 each totaling one. She mentioned that we are talking with a volunteer who will be coming in to meet with us to help with BTR business.

Councilmember Long asked if the positions requested are currently being contracted out.

City Clerk Bruns responded she has contract staff that are assigned to the administrative role for meeting management and other things done in the department; she was pulling from them to help with the BTR.

### City Council

Management Budget Administrator Reitler explained the City Council Budget:

- Department Staff works with Ms. Griglin to build the budget
- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- FY2026 Requested Budget Highlights
- 23.56% decrease from FY2025 amended budget
- \$1.3M down to \$1.063M
- Bulk of decrease was in personnel services – removal of the stipend
- Overall operating expenditures were evaluated – small decrease of about \$2K by realigning budget to actuals



- No current program modification requests to City Council

Councilmember Kaduk asked for an increase of \$752 in the operating budget to obtain Adobe Acrobat.

Mayor Gunter responded:

- There are a variety of line items already incorporated in our budget
- He could look to see if there are any dollars available in our FY2025 budget

### **Development Services**

Development Services Director Limbaugh explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Current software system not perfect – still working out some of the bugs
- Kaizen events – minor modifications for business and occupancy permits
- Building permit submittals and completeness checks
- Code Enforcement – 75% voluntary compliance goal
- Added to the number of Special Magistrates – ideally have a hearing each week to move cases faster and more efficiently
- Comprehensive Land Development Code and Code Compliance strategies
- Implement cost recovery metrics for the department
- Improve the Community Rating System
- FY2026 Requested Budget Highlights
- Program Modifications
- Asking for 7 different positions - \$793,853
- Operating - Reorganization and remodel of DSD space in City Hall 30% -\$133,039
- Building Fund Operating – reorganization and remodel of DSD space in City Hall 70% - \$443,462
- Current Building Software System – may have to switch over to a new system - \$3,650,965, RFP, at least two years to migrate

Mayor Gunter asked what was spent on the current software so far.

Director Limbaugh responded that information could be provided.

Councilmember Donnell commented on the issues with the current software and other areas that have replaced it.

Councilmember Kilrairie asked for clarification on the lack of Magistrates.

City Attorney Boksner responded:

- We had 3 Special Magistrates.

- We lost one because he was joining his office as a Deputy City Attorney.
- We got another so we have 3 right now.
- Part of the issue is that we are doing the hearings regarding the School Speed Zone Cameras – playing dual roles - We have one person for that.
- Two for Code.
- Still in the process of getting others to join.
- Ahead of where we were a couple of months ago

Councilmember Kilraine asked about the number of Code cases before the Magistrate each week.

Director Limbaugh responded he will provide that information

Councilmember Kilraine asked what the reason is for the critical path in that backlog. Magistrate availability? Speed cameras issues?

Director Limbaugh responded it was a combination of both. Speed zone cameras cases will increase the need for additional Magistrates. Aggressive on Code Enforcement; expect many more cases.

City Attorney Boksner explained:

- Intent of Code is compliance
- We have altered the process – the way fines are imposed.
- Not removing the administrative limitation
- Starting to shift away from the process associated with giving them notice, time to cure, violation issued, brought before the Special Magistrate
- Faster progressive approach
- Create an alternative Code Enforcement process where the Code Enforcement observes a violation, issues a violation with a monetary fine and obligates the alleged violation to either pay, fix, or appeal

Director Limbaugh commented:

- Goal to consolidate in the Code
- Role of inspectors in Permitting
- Inspection process
- Process improvement
- Repurpose some jobs
- Restructuring, trying to sunset our third party

Councilmember Kilraine commented on the possible replacement of Building software.

Councilmember Lastra asked for the amount of money lost with the issues from the current program: Staff time, additional people hired in 2019, shortened hours, add people on Saturday. Would help to make a decision. 2018-2019 Horizon Council worked with

the City Manager to get us all on the same system. Work with the County and Fort Myers to use the same system.

Councilmember Kaduk asked for assistance to understand this department's budget.

City Manager Ilczyszyn responded:

- FY2025 adopted budget book under Development Services section – only Governmental Funds portion
- Building Fund is in the Enterprise Fund

Councilmember Long asked about the justification for the four Code Compliance Officers.

Director Limbaugh explained the cost of new positions would be approximately \$134K per person. With the additional power in that unit, we can do more.

Councilmember Long asked about overtime.

Director Limbaugh explained overtime has been cut off.

Councilmember Long asked about the remodel versus the move to Santa Barbara.

Director Limbaugh responded:

- Moving forward with the Santa Barbara plan
- Met with Facilities yesterday, gave preliminary floor plans, turning it over to design professionals, will have to get the cost not only for the retrofit of the buildings but also exterior work including parking

Councilmember Long asked for clarification of the remodel.

Director Limbaugh responded:

- The Santa Barbara facility will encompass the entire department
- In the interim we still have to hire
- Current floor layout dysfunctional
- Some efficiencies could be found especially in the Permitting counter area

Mayor Gunter asked when the Heritage Charter Academy will be leaving the facility.

City Manager Ilczyszyn commented the lease ends next year, and they are hoping to be out by next year.

Mayor Gunter commented by January of 2027 DCD will be operational in that building.

City Manager Ilczyszyn responded in the affirmative. The plan has been to make City Hall an Administrative Building only.

Mayor Gunter commented he could not support the half million-dollar improvements.

City Manager Ilczyszyn commented if this was an investment toward the end result at City Hall, it would be removing the zigzag window and putting a wall with a couple of counter spaces or just replacing it with a wall. This is an advanced remodel of City Hall for that ultimate end achievement.

Mayor Gunter commented:

- He would have to look at that closer before he could support that.
- Downturn in permits
- We have 29 positions open.
- Asking for 7 specific positions
- Can we take the dollars already budgeted for the 29 vacant positions and incorporate them into the positions being requested?

City Manager Ilczyszyn responded if they are in the same Fund.

Assistant City Manager Mason commented:

- Positions being displayed are all in the General Fund
- Not asking for any additional positions in the Building Fund
- 29 vacancies – 26 are in the Building Fund

Discussion held regarding the positions requested and what fund they are from.

Mayor Gunter asked if we can reallocate any of those particular positions. Would be good to see the numbers spent in Building software program.

Councilmember Kaduk left the dais at 12:11 p.m. and returned at 12:11 p.m.

Mayor Gunter asked the City Attorney look at the contract we had to see if there are any recourses.

Councilmember Kilraine commented he had spoken to the Principal at the Heritage Charter Academy. Barring any contractor issues, they should be able to complete it in a year.

*Recessed at 12:13 p.m. and reconvened at 1:15 p.m.*

Councilmember Lastra arrived at 1:16 p.m.

### **Emergency Management & Resilience**

Emergency Management & Resilience Director Lamb explained:

- Requested Budget Highlights

- Mission Statement
- Department Goals and Priorities
- Primary goals working through the EMAP accreditation process
- EOC expansion in progress
- Appropriation from the State, waiting for finalized grant agreements with FEMA
- Get community education on preparedness
- Training, exercises
- FY2026 Requested Budget Highlights
- Funded through All Hazards Fund through Lee County
- Program Modifications for FY2026
- 3 Additional positions - \$318,376
- Capital Outlay - \$305,000

Councilmember Kilraine asked if it was completely funded from All Hazards.

Director Lamb responded in the affirmative.

Councilmember Kilraine asked if the fund was exhausted.

Assistant City Manager Mason responded if any of these are added, it may come from the General Fund. All Hazards is a MSTU. The County sets the rate, and the City shares in the cost.

Mayor Gunter asked about the Incident Support Unit.

Director Lamb responded:

- Smaller events could be supported by the Incident Support Unit without activating the entire EOC.

Mayor Gunter asked about the three positions and those being needed for accreditation.

Director Lamb responded:

- We are actively working on closing the current gaps.
- These positions would assist in those areas.

### **Financial Services**

Interim Financial Services Director Feast explained:

- Requested Budget Highlights
- Mission Statement
- Nine divisions within Financial Services, over 100 employees
- Department Goals and Priorities
- Develop internal monthly report
- Complete the City's Grant Management Policy



- Issue funding for North 1 East and North 3 UEP
- Deploy quote module for departments within the software program
- Continue to seek cost effective safety training solutions
- Continue upgrading water meters to increase AMI capabilities
- Increase E-bill enrollment for utility billing customers to 40%, currently at 35.7%
- FY2026 Requested Budget Highlights
- Moderate increase from prior year's amended budget - \$855K or 3.5%
- \$331K increase over FY2026 forecasted budget
- Directly related to salary adjustments granted in the General Union contracts
- Forecasted that out to FY2027 and FY2028
- Operating at 53%
- Personnel services at 47%
- No capital outlay purchases

No discussion held.

### **Human Resources**

Human Resources Director Deutsch explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Internship program
- Expand leadership and other skill development for Staff
- Create an employee years of service recognition for FY2026
- Streamline our 457 plan, anticipate going out with an RFP
- Review vendor contracts, health insurance contract and benefits broker contract
- Salary benchmarking study for our General IUPAT and non-bargaining positions
- Facilitate the Police Union negotiations already underway, contract expires 10/1/2025
- FY2026 Requested Budget Highlights
- Increase of \$4.2M from FY2025 amended budget
- One program modification – two vehicles for Labor Relations Division

Councilmember Kilraine asked about the start time for the IUPAT contract.

Director Deutsch responded they will be renegotiating the IUPAT contract next year. Contracts always begin October 1<sup>st</sup>.

Councilmember Kilraine asked about the FOP contract

Director Deutsch responded they did not go out for an official study with a vendor this time. We conducted an analysis in-house within the HR Department.

Mayor Gunter asked if the vehicles would be used every day.

Director Deutsch responded in the affirmative.

Mayor Gunter asked if they had looked into having pool vehicles.

City Manager Ilczyszyn responded:

- We have an active pool vehicle program now.
- Time for use booked through Outlook
- Departments with vehicles not being used daily, encouraged other departments to get with them

### **Information Technology**

Information Technology Director Hoffmann explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Nine current projects including the AI 311 Chatbot mentioned earlier
- FY2026 Requested Budget Highlights
- FY2026 – 4% higher due to personnel services cost
- Program modification requested – replace 3 roof top AC units for data center

No discussion held.

### **Parks and Recreation**

Parks and Recreation Director Petrella explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Comprehensive Marketing Plan
- CAPA accreditation review preparation
- Finalize Parks and Recreation Master Plan and Financial Sustainability Plan
- Conclude Master Plan for Old Golf Course
- Amenity lifecycle replacements
- Complete design for Cape Coral Sports Complex expansion
- Implement and Improve Best Practice Maintenance Standards
- Integrate America's 250<sup>th</sup> Birthday throughout the Special Events schedule
- Expand public arts initiatives
- Maximize use of South Cape Community Center
- Partner with Cape Coral Friends of Wildlife at Sirenia Vista Park
- Partner with Special Olympics
- Expand athletic program at Festival Park

- Move administration to the Santa Barbara property
- FY2026 Requested Budget Highlights
- Program Modifications - Requested 13 positions, increase in Operating, Capital Outlay, and Facilities maintenance costs
- With new parks opening in the North – Festival Park, Tropicana, Crystal Lakes – looking for 3 maintenance technicians to help support those services
- Also looking for Recreation Specialist for Special Events
- Senior Recreation Specialist for Festival Park
- Capital Equipment Request to support the 3 maintenance technicians
- Extend dock at Horton Boat Ramp
- Tropicana Park Rowing Club storage
- Yellow Fever Creek educational displays, nature-based playground
- Crystal Lakes Park – volleyball courts
- All Abilities Play Structure at Lake Meade
- Funding for America's 250<sup>th</sup> Birthday – General Services
- Lake Kennedy evasive trees, boardwalk
- Boardwalks at EcoPark and Rotary Park

Councilmember Steinke asked if something got accelerated from last year for capital outlay.

Director Petrella explained:

- Old Golf Course
- Jaycee Park
- Resiliency Hub Community Center
- Removed projects in FY2026

Councilmember Kilraine commented on:

- Police have an excellent program started for about 40 kids, include them in some things that may be adaptable to the Parks budget and facilities
- Consider some of the lower priority park programs

Director Petrella responded:

- Partnering with PAL – using Lake Kennedy Center for some programs
- Goal at this point is to replace amenities that were lost from Ian
- Get back to a level of service previously had
- Glover Bight Boardwalk, get reopened, no funding
- Priority list

Mayor Gunter requested something in writing regarding the positions and specifics in Capital Outlay.

Director Petrella responded he would provide that information.

Councilmember Kaduk also requested the breakdown for the \$27M requested. She asked if TDC funding could be used to replace the boardwalk.

Councilmember Steinke responded there are two forms of funding: beach/shoreline and ecotourism. If boardwalks are going through an EcoPark, proof needed contributing to tourism before applying for a TDC grant.

Director Petrella noted they have been exploring that as well.

Councilmember Kilraine commented:

- CHNEP has funding available for ecosystems

### Police

Chief of Police Sizemore explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- This is a repeat of the presentation he did at previous Budget Workshop – nothing has changed.
- Keep up with growth and maintain a level of service that we have come to expect today not only in FY2026 but for ten years
- Became Chief of Police in November 2020 – apparent we were behind in personnel with about 60 sworn and more than 12 on professional staff
- Goal line continues to move
- FY2026 Requested Budget Highlights
- Program modifications – drastic increase in personnel
- Project 35 – looks at FY2035
- By growing at the rate we are able to grow here will keep us on target for FY2035

Councilmember Kilraine commented on:

- Police need to be well-trained to make the City safe and supported his accelerated pace

Councilmember Steinke asked for the update on the transition to the four-precinct model and our future facilities needed to support this.

Chief of Police Sizemore responded:

- Transition has been completed and explained the four-precinct model.
- Four staffed precincts in the square of the City
- Within each precinct there are four subzones
- Capital Projects – goal is to have an administrative building and four functioning staffed precincts
- First is in FY2026 for the demo of old Station 1 on Chester Street

- In order to remodel it, we have to demolish it and raise the building
- Reclassify it as our Southeast Precinct – first capital project
- Opportunities with other developments – Hudson Creek or Victory Park – developer providing retail storefront to have boutique substations
- Capital process woven into Project 35

Councilmember Steinke asked about the FY2026 request for design for old Station 1.

Chief of Police Sizemore responded it includes demo and design. There is also a feasibility study.

Councilmember Steinke asked if more money was needed.

Chief of Police Sizemore responded it is earmarked in a future fiscal year for the actual construction.

Mayor Gunter asked how many sworn officers are in the 42 open vacancies.

Chief of Police Sizemore responded:

- We currently are at 300; authorized for 320.
- Have open continuous posting
- 18 in background, by the end of the year we should be full.
- Because our process takes so long, we have worked with Finance to backload a lot of the sworn hiring towards the end of the fiscal year

Mayor Gunter commented on the one-time expenses, but personnel is a recurring cost we have to budget every year. Public Safety is our number one priority; we have to try and budget for the request.

Chief of Police Sizemore commented:

- We share space with PAL.
- Partnerships coming up with the United Way Center being developed.
- Red Speed – additional administrative responsibilities – Recording Secretary for hearings – initially City Clerk's Staff was going to assist
- First hearing coming up soon – may not be prudent to do a contract – if he were to onboard that position – there would be other duties outside of the scope
- More prudent to have it in the Clerk's Office because when they are not doing those Recording Secretary duties, there are other aligned Clerk duties.
- He believed that would be a need that was not forecasted when these documents were developed. Will have to find some mechanism to do that.
- Diminishing workload to a certain level that probably will not necessitate a full-time equivalent position
- May be difficult for him to absorb that position



Councilmember Lastra commented:

- Agreed with Public Safety
- How are we doing in terms of our turnover

Chief of Police Sizemore responded we have settled back into normal with about 10% attrition rate.

Councilmember Lastra asked how many open positions are there.

Chief of Police Sizemore responded:

- If this gets approved, our vacancy rate would explode.
- As we go through the fiscal year, we will get to single digits by September
- Would not be comfortable asking for more people if we were not able to fill what we already have
- CBA in October beneficial, will maintain that and keep us ahead of the curve
- Retention will be strong and help with attraction

Mayor Gunter asked about the program modification requests outlined not in the FY 2026 requested budget. Is it Council's goal to try to find the \$6.9M?

Chief of Police Sizemore responded:

- 22 Police Officers backloaded for this fiscal year only
- Paying for 11, other half beginning of next year's – recurring
- Looking at one-year snapshots, you would reduce it by doing that.

Mayor Gunter commented we need to provide City Management the direction they are requesting to adjust the budget to find the funds.

City Manager Ilcyszyn responded:

- If we see a decrease next year in total property values, the rollback number will go up
- If you wanted to fund all those positions for half a year, October 1<sup>st</sup> for the next year's budget, he would need all \$7M.
- Would give the Police Department half in their budget
- And there would be one-time money of the difference in this upcoming budget in FY2026 to solve other one-time purchases.
- Need to make sure that he has the full recurring cost available in all future years
- Have to solve for the full amount
- If you only want to put half in their budget to give them time to onboard, that's fine
- We will just use the balance of that as one-time revenues for one-time expenditures in one current year.

Chief of Police Sizemore clarified if we put all of this in the second half, it would not be operationally prudent. He needed some of the funds in the beginning. Needs are there.

Mayor Gunter commented we should provide what our desire is, and City Management and the Chief of Police will decide how we get there.

Councilmember Kilraine commented we need to fulfill the needs of Public Safety.

Councilmember Donnell commented he thought we would go through all the presentations prior to commenting on the ones we want to fund.

Mayor Gunter commented once we get through all the presentations, we could go through the asks and have each Councilmember state what they want to do. It would be premature to have a discussion on the millage rate since we do not know what we are asking for yet.

City Manager Ilczyszyn commented this is different than what was usually done but this year our values have dropped. The amount of money from new growth was completely consumed in keeping the day-to-day operations and the doors open. At this point we are going to have to raise something. The budget discussed is a status quo budget.

Councilmember Kilraine commented if we hit another drop in the asset base, rollback will be an increase.

City Manager Ilczyszyn commented:

- We are always two years behind, this year is not our rough year, next year will be one half of it, and the following year will be even worse.
- The rollback is only meant to get you the revenue you collected the year before.
- All expenses go up.
- The rollback rate will not take you to sustainability.

Councilmember Kaduk agreed that Public Safety is our number one priority. She commented on the 42 vacancies in the Police Department. Asking for another 31 positions brings us to 73 positions come October 1<sup>st</sup>.

Chief of Police Sizemore responded it would not. There are 18 in background. By September 30<sup>th</sup>, we will be at single digit vacancies for officers.

Councilmember Kaduk asked about crime reports available on general statistics of our City while it has been growing.

Chief of Police Sizemore responded he would get with her offline since it was too broad. Crime is independent of real estate. He added response time is our number one metric for patrol. Our goal is to get a five-minute response time from ring to knock on priority one emergency call.

Councilmember Donnell left the dais at 2:26 p.m.

### **Public Works**

Public Works Director Williams explained:

- Requested Budget Highlights
- Mission Statement – will be changed soon to include Capital Improvement Projects
- Department Goals and Priorities
- Plant thousands of trees across the City through reforestation efforts – grants
- Increase overall pavement index rating
- New Preventative Maintenance Program
- Implement the first five-year Facility Asset Maintenance Plan
- FY2026 Requested Budget Highlights
- Increase of \$77M mostly capital outlay, Fleet and Property Management Buildings
- Program Modifications
- 28 Positions – General Fund
- One position – Stormwater Fund
- Capital Improvement Projects Fund – 6 positions
- Property Management Allocation Fund – 16 positions
- Road Impact Fee Fund – extension of NE 27<sup>th</sup> Avenue

Mayor Gunter asked the road resurfacing increase.

Director Williams responded this would likely cover the increase in cost associated with how much road resurfacing is costing us now. It is to meet the 70 lane miles for major and minor roadways. It is an additional expense to keep that same threshold.

Mayor Gunter requested a breakdown of the 28 positions in the General Fund and the position in the Property Management Allocation Fund. He requested an outline of the Capital Improvement Infrastructure possibly in an email.

Director Williams responded they will provide the information tomorrow. He explained the \$77M capital outlay is for our North Cape Government Complex under design and will be going to construction next year.

Mayor Gunter asked if that \$77M was just for that particular project.

Assistant City Manager Mason responded there are two buildings: Fleet Facility as well as the Property Management Building. They are in the budget.

Mayor Gunter noted that the Program Modifications are not in the budget. There is some type of Capital Improvement Infrastructure of \$14M not in the budget.

Director Williams responded he would provide that information.

Assistant City Manager Mason responded that is the extension of NE 27<sup>th</sup> between Andalusia and Del Prado, north of the Academic Village property. That will be funded by the Road Impact Fee Fund.

Councilmember Kilraine commented about having work done in house; capital requirements and infrastructure maintenance are important, and we need to put the money there.

Councilmember Lehmann left the dais at 2:40 p.m.

Director Williams responded a good amount of work is contracted out. Any grants for sidewalks are contracted out.

Councilmember Steinke asked if the operating road resurfacing ask of \$3.8M was not received, we would fall behind in our resurfacing plan.

Director Williams responded in the affirmative.

Councilmember Donnell returned at 2:42 p.m.

Councilmember Steinke asked for the reason.

Director Williams responded that is due to cost increase.

Councilmember Steinke asked about past forecasting – did we just not plan enough for that rising cost?

Director Williams responded the request for additional money was not approved.

Councilmember Kaduk commented that \$11M amount is not enough to do the lane miles without the funds increase.

Mayor Gunter recalled that 4-5 years ago in order to get those same lane miles it cost about \$7M.

Director Williams commented that the new RMT process will assist with maintaining the roads better in the future.

Councilmember Kilraine commented on the price of asphalt.

Director Williams responded during COVID prices went up and the economy got used to it. He added they were doing the staffing and spacing needs analysis in Public Works. They have compared their asks to other standards in other cities from a property management standpoint. He will provide requested information tomorrow.

Councilmember Lehmann returned at 2:49 p.m.

### **Utilities**

Utilities Director Pearson explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Engineering design and permitting for North WRF – completion date January 2026
- Construction substantially complete – 2030
- North RO WTP
- UCD at North RO campus
- Additional UCD and administration staffing – requesting 11 new positions
- North RO WTP Variable frequency drives
- Southwest RO WTP Plant 2
- Engineering design for 20 stationary diesel pumps
- Southwest WRF plant upgrades
- Everest WRF Headworks replacement project
- New reservoir pipeline and pump station
- FY2026 Requested Budget Highlights
- Increase of \$317,082,072 or 122.45% increase from FY2025 amended budget
- Requested budget is \$576,028,4107
- Requested 12 new positions
- Program modifications include automatic backwash filter rehab at Everest WRF

No discussion held.

### **City Auditor**

City Auditor Russell explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- FY2024 issued nine audits
- Completed 75% of audits on the approved audit plan
- Obtained a score of 75% or better on audit surveys
- Provided appropriate level of service to departments in the sections that we audit
- 7,497 hours directly related to audit
- 337 hours of continuing education
- Filled one of two vacancies approved for this current year, working on filling the other
- FY2026 Requested Budget Highlights
- Increase of \$130,420 or 9.29% from FY amended budget



- Requested increase of \$79,075 or 5.44% from FY2026 forecast for General Fund
- No program modifications requested for FY2026

No discussion held.

### Fire

Fire Chief Russell explained:

- Requested Budget Highlights
- Mission Statement
- Department Goals and Priorities
- Complete expansion of EOC
- Complete construction of Stations 5, 10, 14, and 15 and next two phases of the Training facility
- Complete all requirements to be re-accredited in 2029
- ISO rating improvements
- Data in decision making processes
- Ensure department continues to grow
- Develop Training Facility with qualified personnel
- Design and build a Logistics Facility
- Reduce out of service times
- FY2026 Requested Budget Highlights
- Increase in the budget due to two capital projects – EOC and rebuild of Station 5
- 4 positions for Fire Rescue Unit
- Program Modification Requests – 22 personnel - \$3,621,535
- Capital Outlay - \$7,278,900

Mayor Gunter asked for more detail regarding the EOC expansion of \$3.2M.

Management Budget Administrator Reitler clarified the \$3M for the EOC from the Fire side, not the Emergency Management side, has been built into the budget for FY2026 with the debt service.

Councilmember Kilraine asked how many positions are included in the budget.

Assistant City Manager Mason responded the four positions have been included in the budget. The additional 22 positions are what is requested over and above those four.

Councilmember Kilraine asked about reduction in overtime.

Fire Chief Russell responded they were trying to stop staffing at a minimum level and staff it at an optimal level. It would reduce overtime.

Councilmember Kilraine supported Public Safety.

Mayor Gunter commented on one-time expenditures. He supported recurring costs for the positions.

Assistant City Manager Mason commented he emailed a comprehensive list for all the Program Modification Requests to Council.

Mayor Gunter commented he needed to recognize new personnel being funded from which source.

Councilmember Kilraine asked for an outline.

Councilmember Kaduk commented it was in the Excel spreadsheet sent which breaks out exactly where the funding mechanism is.

Councilmember Kaduk left the dais at 3:10 p.m.

Assistant City Manager Mason would provide a printed copy.

Councilmember Kaduk returned at 3:11 p.m.

### **Wrap Up**

Management Budget Administrator Reitler explained:

- Wrap Up (2 slides)
- Wrap Up – Decisions
- **Council Direction:**
  - Discuss funding options and any changes to funding
  - Decision on Program Modifications – What if anything funded and how to fund
  - Council Priorities
- **Funding Options for Discussion**
  - Millage Rate – Set at 5.2188
    - ❖ Increase, Decrease, or Leave as is
  - Fire Service Assessment – Set at 70% Recovery
    - ❖ Increase, Decrease, or Leave as is
  - Public Service Tax – Set at 7%
    - ❖ Increase, Decrease, or Lease as is
- Wrap Up Funding Options Millage Rate
- Wrap Up Funding Options Fire Service Assessment
- Wrap Up Funding Options Public Service Tax
- Fiscal Year 2026 Proposed Budget Important Dates to Remember
  - July 1<sup>st</sup> – Final Property Values from Property Appraiser
  - July 23<sup>rd</sup> – Set Proposed Millage Rate – Not to Exceed
  - July 24<sup>th</sup> – Town Hall (updated to occur on 7/31 – Town Hall - as per City Clerk)
  - August 5<sup>th</sup> – Budget Workshop #1

- August 12<sup>th</sup> – Budget Workshop #2
- August 19<sup>th</sup> – Budget Workshop #3
- Final First Public Hearing:
- Thursday, September 11, 2025, at 5:05 p.m.
- Approve Tentative Millage Rates and Proposed Budget
- Final Public Hearing
- Thursday, September 25, 2025, at 5:05 p.m.
- Adopt Millage Rates and Budget
- Questions and Discussion

Councilmember Long left the dais at 3:15 p.m.

Management Budget Administrator Reitler asked Council how they want to proceed.

Mayor Gunter commented we should go down the page of each one.

Councilmember Lastra commented she had to leave for a 3:30 p.m. meeting.

Mayor Gunter asked if tomorrow's meeting was needed if staff direction is provided today.

City Manager Ilczyszyn noted tomorrow's meeting would not be needed.

Councilmember Lastra left the dais at 3:17 p.m.

*Recessed at 3:17 p.m. and reconvened at 3:25 p.m.*

Councilmember Long returned at 3:25 p.m.

Mayor Gunter noted going down the line for comments on the department budgets, whether we support it or not; if not, which ones, if any, or none.

Councilmember Donnell asked:

- If we were to approve a 10% increase of the overall budget, what would the number look like

Assistant City Manager Mason responded:

- Right now, it is proposed at \$1.4B
- \$26.4M with 10% increase

Mayor Gunter commented:

- Process to talk about the millage rate
- Any increases will tell us what we have to work with
- X amount of dollars to work with – how to apply it
- ***There were no objections to the above suggestions.***
- Talk about where we can increase the General Fund revenue

- It will dictate what we can add over and above what has been budgeted into the General Fund dollars
- Asked the City Manager his position on funds from Stormwater

City Manager Ilczyszyn explained:

- Anything in Enterprise Fund, rate models – water, sewer, stormwater, solid waste
- Working towards one inspector per collection day in each zone
- Already built into the rate models for those funds
- Fee glide path already agreed upon previously
- When City Manager's proposed budget comes out, those positions will be funded
- Will include those because rates have already been adopted to include them
- \$102M All Funds Program Modifications
- \$66M total General Fund Program Modifications

Councilmember Donnell asked:

- Of what was presented today for all departments, is that represented in the \$66M?

City Manager Ilczyszyn responded in the affirmative.

Discussion held regarding:

- Enterprise Fund
- Stormwater positions
- Building positions
- Different funds within the departments
- \$66M is all in the General Fund

Councilmember Steinke questioned:

- Before this \$66M in additional asks, were we not already short anyway?
- \$11M short

City Manager Ilczyszyn explained:

- Showed all the cuts he made to balance the budget

Councilmember Steinke commented:

- Potential revenue increases to meet additional demand
- Already washed out that \$11M before we get to the \$66M

Discussion held regarding:

- Revenue deficit
- Adjustments to General Fund Budget to Achieve a Structurally Balanced Budget

City Manager Ilczyszyn explained the cuts he had to make in the budget: sidewalks, median beautification, Sparkle, fiber, generator replacement, and the Mobile Command

Center. Sitting here today, there is a balanced budget, but it is zero growth. It is hold the line get us through the year budget.

Councilmember Steinke commented:

- Not just zero growth, it is cut back a little bit as well

City Manager Ilczyszyn noted he could buy into that.

Councilmember Steinke commented:

- Already tightened the belt
- Before we talk about getting anything extra asked for
- We already cut what was expected

City Manager Ilczyszyn explained:

- Fiscal Year 2026 Proposed General Fund Expenditures slide - Requests by department slide – shows decreases
- Public Works cut their operating budget by 5.78%
- Police has cut their capital budget by 5.7%
- Parks and Rec cut their budget by 4.12%
- Human Resources cut their operating by 4.93%
- City Manager's Department cut their operating and capital budgets before he made the additional \$11M in cuts

Councilmember Steinke commented:

- \$66M in asks – do any of them restore some of the \$11M taken away?
- Start where the \$11M was that we trimmed before additional asks

City Manager Ilczyszyn explained:

- Rationale for cutting what he did – we do not have it today so to defer it a year assuming there is not going to be any increase in revenue for any other program modifications
- Will put pause on adding new sidewalks, improving medians, no refurbishing parks, no expansion of fiber and Mobile Command Center will be as is
- If he deferred those to a time when maybe we can get back to revenue growth, was it a detriment to the level of service that we provide today
- He did not believe that deferring any of those cuts he made do that
- Retreat from the plan we announced in previous years – yes

Councilmember Steinke:

- Do not eliminate this list totally that has already been cut

City Manager Ilczyszyn did not disagree.

Councilmember Kilraine commented:



- Suggested looking at the millage rate
- Public Safety – Police and Fire – increasing millage rate to cover those requests
- Would free up a portion to use for the \$66M

Councilmember Kaduk commented:

- Agreed with Councilmember Steinke
- \$11M that we cut should be balanced – we should start back with those projects that we already planned on doing
- No way she could make an informed decision today without a toggle tool from Stantec adjusting the millage rate and all the asks
- No certified Property Appraiser's rate yet
- Requested more information from Mr. Mason this afternoon

Councilmember Lehmann commented:

- \$18M could have been saved if Jaycee Park was left alone
- Public Safety a big concern
- Sidewalks
- Agreed with Councilmember Kaduk – cannot make a decision today

City Manager Ilczyszyn commented:

- Not fair to say that \$18M at Jaycee Park would have equated to \$18M in cuts
- Debt funded, only budgeting a portion of the annual debt service
- Not dollar for dollar

Mayor Gunter commented:

- Not going to be able to fulfill all the asks
- Have never seen the magnitude of the asks, not saying we do not need it
- 100% on not touching the millage rate
- Open to looking at the PST and the FSA
- Free some money up in the FSA, apply it somewhere else
- General Fund dollars – would only support looking at a portion of the ask for our Public Safety Departments
- On the table first for him – FSA, PST, look at Public Safety

Councilmember Steinke commented:

- If millage rate remains the same, taxes will go down, decrease in property values
- If revenues decrease, then services will decrease as well.

Councilmember Kilraine commented:

- Raising FSA and the PST
- We might have to bite the bullet this year and look at the millage rate.

Mayor Gunter commented:

- Raising FSA rate will add more dollars to pay for Fire Department needs
- If we do not raise the millage rate, citizens will get the same services except the \$11M already cut by the City Manager.
- Asks are recurring costs and if this year is bad, it will be worse next year.
- Public Safety is a priority – do what we can there
- Lot of the other programs are going to sit and wait - General Fund
- Enterprise Fund will pay for itself through the fees
- Do we want to discuss raising the millage rate or not?

Councilmember Kaduk commented:

- She was not in favor of raising the Millage rate.
- Stantec toggle tool – looking at FY29/30 – negative cash flow
- We will have to raise the millage rate in future years.
- She would like to hold the line now while we can.

Councilmember Kilraine commented:

- If we do not move the millage rate and we want to increase some of the Public Safety asks, it will have to come from somewhere – FSA, PST.
- If we do not want to increase anything, then we need to look at the recurring expenses in other departments if we want to increase Public Safety.

Councilmember Steinke commented:

- If you do not increase the number of Police or Fire, as the population increases, it will be a reduction in service.
- Rollback will be an increase according to where we are right now
- Millage – maybe not increase to meet the entire need

Mayor Gunter commented:

- Discussion on what we want to increase for Public Safety
- Important to hear from everyone on millage rate, up or down, to get a consensus
- May be a reduction in other departments
- Outline – Public Safety priority
- What is our desire on the millage rate
- Give it back to the City Manager

Councilmember Kilraine agreed that would be an approach.

Mayor Gunter noted Stantec could be present at that time. Majority needs to agree on identifying the needs of Public Safety. Get a yes/no on the millage rate. He asked the City Manager if that would work for him.

City Manager Ilczyszyn responded it would and continued:

- Cautioned Council that he has seen this before

- The first thing that gets cut when you go into other departments is quality of life.  
1) Public Safety, 2) Infrastructure maintenance, 3) Quality of Life
- Cutting operating budgets – in the past Special Pops has come in crying
- Programs for youth and elderly taken off the table causes major disruption in the community
- He will do what Council wants.
- You will not like the outcome as soon as the media runs with the proposal.

Councilmember Donnell commented:

- Three-legged stool was put in place, he was part of that struggle
- We must do something with the millage rate or there will be a decrease in services.
- Look at 2006-2010 and what we are talking about tonight
- Whatever the balance of Council wants to do, he is fine with it.
- We have some very tough decisions to make.
- Wants to see the millage rate back on the table for discussion
- For him safety is Police and Fire, but also Emergency Management, IT, and Public Works

Councilmember Kaduk asked about the millage rate during the economic crash of 2006-2010.

Councilmember Donnell responded the millage rate increased from 5 to 9.

Councilmember Kaduk commented:

- Charts only go back to 2016
- Only goes up to the 6.957 millage down to where we are today
- Asked for more information on what happened, how we got here, and what we should be planning for
- Opined it may not be as catastrophic as it was
- Need to know what we are walking into
- Would like to hold the line with the millage rate this year
- Next year and the year after we will have to raise it

Management Budget Administrator Reitler noted the chart goes back to 2014 but going further back, it is higher than that.

Assistant City Manager Mason responded he went down that road.

City Manager Ilczyszyn commented:

- We showed that last year.
- There is nothing wrong with cutting the millage.
- Just throttling how fast government grows
- Eventually in a decreasing market or slowing of the market, it is tidal wave and catches up with you.

- We got a lot done for the community the last two years.
- Not predicting that for the next two years
- Will be challenging to do stuff for the community
- As well as just holding the line
- Nothing wrong with having gone from 7.9 to where we are at
- Council has made decisions, funded projects, community grew
- Chart right now, 60% of General Fund coming from a volatile source of revenue and it goes flat or negative, something has to give

Councilmember Long commented:

- There is a middle ground here, one extreme to the other, It happens all the time
- We don't have to max out the millage – can probably go somewhere in the middle
- \$14M in boardwalks on this list
- \$10M for acquisition of a park
- Trimming fat – number comes way down
- Code Enforcement Officers workload, maybe efficiencies need to be worked in
- Did not really support raising the millage but raising the FSA or PST will affect citizens as well

Mayor Gunter commented that he was making the best decision for today and the next two years.

Councilmember Lastra returned at 4:17 p.m.

Councilmember Steinke commented:

- He is trying to make the best decision for the City.
- The millage rate is only one portion of a citizen's pocket.
- If we increase the millage rate, less money will come out of their pocket because the value of the millage rate is less.
- He was okay with adjusting the millage rate which at this point would be up but did not know how much.
- He wanted that to be a lever for the City Manager's use in determining where is the money going to come from to pay for the critical stuff.
- No problem at looking at adjusting the millage rate to meet the necessary expenses.
- No problem with cutting some of the things from the \$66M list
- No problem with bringing back some of the things on the \$11M list.
- Fire, Police, and especially our roads, drainage, infrastructure, Public Safety – we have to figure out a way to pay for it

Councilmember Lehmann commented:

- There is a difference with what we can do and what we want to do.
- She did not think we should raise the millage rate.
- Hold the line, cut the frills



Councilmember Kaduk left the meeting at 4:20 p.m.

Mayor Gunter asked if we should go back to our original idea where we go through these things and tell them what we want to do and what we do not want to do. Have not gotten anywhere with the millage, FSA, or PST. Do we want to prioritize some of our needs and go through the slides?

Councilmember Kilraine commented that we can give the City Manager enough flexibility by saying our priorities are the Public Safety and the infrastructure/roads. Nothing off the table. Millage rate increase little bit? FSA or PST? Mix of those things. Whatever cuts the City Manager feels he can extract. All of those things are open to him. Want to recover a good portion of the Public Safety and the road repair. Needs to look at the numbers more closely.

City Manager Ilczyszyn commented:

- What Council is saying without categorizing it, you are prioritizing Public Safety (with the exception of Councilmember Donnell who said he is on all of it)
- Roads - infrastructure maintenance
- If he is stuck cutting, he will go to Quality of Life.
- Cutting the budget – he will look at programs
- If he wants Council to look at that, that is what is going to happen
- There is no safe way out of this.
- Either we have a status quo budget
- Or we increase revenue to fund some of this
- I think I am hearing you all even in reviewing this, run the same exercise, break this down into Public Safety, what is infrastructure maintenance and then what is quality of life
- Those of you who mentioned the boardwalk – quality of life amenity, part of the parks system, closed right now, level of service has already been reduced for the residents
- Enhanced celebration for our 250<sup>th</sup> birthday as a nation – quality of life event
- Hearing five of Council saying they are okay to fund more stuff
- Heard three as a non-starter on the millage
- Matter of identifying what is Public Safety, Infrastructure maintenance, and utilizing the other two levers that are available to us to fund that
- That is his takeaway for him today
- And what he will go back and work on
- Without specifics, thumbs up, thumbs down
- Understand what Council is saying and how it fits our approach

Councilmember Kilraine was good with that.

Mayor Gunter asked Council if they were good with that. ***There were no objections.***



City Manager Ilczyszyn noted he will work on some stuff and will bring it to Councilmembers on their one-on-ones and keep refining it. We will have a balanced budget.

Mayor Gunter questioned the one-on-ones; Council makes decisions collectively.

City Manager Ilczyszyn explained he will have to produce a City Manager's Proposed Budget. But like last year and every previous year, Council will know what is in it before it comes out.

Mayor Gunter asked if the meeting was needed for tomorrow. He asked if he had the direction needed today to at least move forward with the next step.

City Manager Ilczyszyn responded that the meeting for tomorrow was not needed.

#### **TIME AND PLACE OF FUTURE MEETINGS**

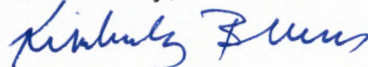
A Cape Coral City Council Budget Workshop scheduled for Friday, June 6, 2025, beginning at 9:00 a.m. in Council Chambers was canceled.

A Regular Meeting of the Cape Coral City Council was scheduled for July 16, 2025, in Council Chambers beginning at 4:00 p.m.

#### **MOTION TO ADJOURN**

There being no further business, the meeting adjourned at 4:26 p.m.

Submitted by,



Kimberly Bruns, CMC  
City Clerk

# ICMA CODE OF ETHICS

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The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

1. We believe professional management is essential to effective, efficient, equitable, and democratic local government.
2. Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Serve the best interests of all community members.
5. Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.
6. Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.
7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.
8. Continually improve professional capabilities and those of others while fostering growth and development through ethical leadership and effective management practices.
9. Keep the community informed on local government affairs. Encourage and facilitate active engagement and constructive communication between community members and all local government officials.
10. Oppose efforts to interfere with professional responsibilities by consistently executing official duties, policies, and processes with an unwavering commitment to unbiased public service.
11. Manage all personnel matters with fairness and impartiality.
12. Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

*Adopted by the ICMA Executive Board in 1924, and most recently revised by the membership in May 2025.*