



CITY COUNCIL WORKSHOP

City of Indian Harbour Beach, Florida

Tuesday, February 24, 2026, at 5:30 PM

City Hall Council Chamber | 2055 South Patrick Drive

AGENDA

Mayor and City Council

Scott Nickle, Mayor

Adam Dyer, Deputy Mayor

Susan Ruimy, Council Member

David Nutt, Council Member

Neil Yorio, Council Member

Administration

John W. Coffey, ICMA-CM -City Manager

Karl Bohne — City Attorney

Nikki Gold — City Clerk

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE FOLLOWED BY A MOMENT OF SILENT MEDITATION**
- 3. ROLL CALL**
- 4. EXCUSAL OF COUNCIL MEMBERS**
- 5. ADDITIONS, DELETIONS OR CHANGES TO THE AGENDA, IF ANY**
- 6. REPORTS**
 - a. Public Comments (Non-Public Hearing Agenda Item Only)
- 7. NEW BUSINESS**
 - a. **FY27 Budget priorities, FY27-31 Capital Improvement Program priorities, and FY27 Stormwater Utility Assessment rate discussion**
- 8. PUBLIC FORUM**
- 9. ADJOURN**

ALL PERSONS WISHING TO BE HEARD SHOULD APPEAR IN PERSON AT THESE HEARINGS OR SEND WRITTEN COMMENTS TO THE CITY CLERK. ALL PERSONS AND PARTIES ARE HEREBY ADVISED THAT IF THEY SHOULD DECIDE TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT THE PUBLIC MEETING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE

UPON WHICH THE APPEAL IS TO BE BASED. FSS 286.0105. IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), ANYONE WHO NEEDS SPECIAL ACCOMMODATION FOR THIS MEETING SHOULD CONTACT THE CITY CLERK AT 321-773-3181 AT LEAST 48 HOURS IN ADVANCE OF THIS MEETING.



CITY COUNCIL WORKSHOP
City of Indian Harbour Beach, Florida
Tuesday, February 24, 2026

AGENDA ITEM

**FY27 Budget priorities, FY27-31 Capital Improvement Program priorities, and
FY27 Stormwater Utility Assessment rate discussion**

Cost: N/A

Attachments: FY27 Budget Prep Calendar
Slide deck

Staff Recommendation:

Consider identifying Council priorities for the FY27 Budget and the FY27-31 Capital Improvement Program, and discussing the FY27 Stormwater Utility Assessment rate.

Background Information:

On January 13, 2026, the City Council adopted the attached FY27 Budget preparation calendar. A slide deck is attached that identifies major issues/constraints/opportunities for the next fiscal year and the corresponding five-year capital window. Pursuant to the interlocal agreement with Brevard County adopted last year, the City must notify Brevard County no later than March 31, 2026, if the City plans to increase the Stormwater Utility Assessment rate for FY27. (The Council will later in the year vote to authorize a mail-out notice of the exact rate [if there is a change in the rate], and then later approve the rate).

Staff requests that the City Council identify their budgetary and operating priorities for FY27, capital improvement priorities for FY27-31, and whether they intend to increase the Stormwater Utility Assessment rate for FY27.

The City Council's next steps include:

March 24, 2026: Deadline to decide if the City will be considering an increase to the Stormwater Utility Assessment rate

April 28, 2026: The FY27-31 Five-Year Financial Model and Capital Improvement Plan workshop at 5:30 p.m.

FY27 Budget Preparation Calendar

Date	Task
13-Jan-26	City Council establishes FY27 Budget preparation schedule and workshops dates/times
28-Jan-26	Department Directors given FY27-31 CIP instructions
31-Jan-26	Public Works complete assessments of fleet
05-06Feb26	Individual meetings between City Manager and Department Directors regarding fleet replacement schedule
24-Feb-26	City Council FY27 Kickoff Workshop and SWU rate discussion. (Department Directors attendance required)
12-Mar-26	Deadline for Department Directors to submit FY27-31 CIP requests
16-18Mar26	Individual Department Director meetings with Budget team to discuss FY26-31 CIP requests
24-Mar-26	City Council deadline to decide if they want to notify Brevard County of intent to increase Stormwater Utility Assessment rate for FY26 (deadline to notify is 31Mar26)
25-Mar-26	City Manager gives Department Directors instructions and forms for Department Description, Goals, Objectives, and Performance Measures
28-Apr-26	City Council FY27-31 5yrFM&CIP Review Workshop (Department Directors attendance required)
30-Apr-26	Deadline for Department Directors to submit FY27 Department Descriptions, Goals, and Objectives
May	Asst. to CM meets with individual Department Directors to review Department Descriptions, Goals, Objectives, and Performance Measures
13-May-26	FY27 Operating Budget Kickoff meeting with Department Directors
14-May-26	MCSJ FY26 YE est. and FY27 Line-item request modular opened and FTE worksheet available to Department Directors
26-May-26	Council adopts Stormwater Utility Assessment rate for mail out (can also occur on 09Jun26)
12-Jun-26	Deadline for Department Directors to enter their FY26 YE Est. data and FY27 operating budget requests into MCSJ and email FTE worksheet to Asst. to CM.
17-19Jun26	Individual Department Director meetings with Budget team to discuss FY26 Year-end estimated revenues and expenditures, FY27 Operating Budget requests, and FTE worksheets.
20-24Jun26	Department Directors to revise budgetary line-items in MCSJ and/or FTE worksheet as needed
25-26Jun26	As needed, follow-up individual Department Director meetings with Budget team to discuss revised FY26 Year-end estimated revenues and expenditures, FY27 Operating Budget requests, and FTE worksheets
26-30Jun26	Asst. to CM assembles final FTE worksheet for all departments
02-08Jul26	City Manager adds FY27 CIP projects and tentatively balances FY27 Proposed Budget
9-Jul-26	Budget line-items and CIP numbers are locked
10-Jul-26	As needed, City Manager briefings with individual Department Directors regarding FY27 operating budget
10-Jul-26	Mailing of Stormwater Utility Assessment increase to property owners
11-24Jul26	City Manager and Management Analyst draft Transmittal Letter, finalize other sections, and editing.
28-Jul-26	City Council adopts tentative FY27 Mileage rate
25-30Jul26	City Manager and Management Analyst print and assembles FY27 Proposed Budget
30-Jul-26	Submittal of FY27 Proposed Budget to the City Council
31-Jul-26	Posting of FY27 Proposed Budget on City's website
11-Aug-26	City Council FY27 Budget Review Workshop(s). (Department Directors required to attend)
11-Aug-26	FY27 Stormwater Assessment Roll adoption
09Sep26-	
09Oct26	City Manager, Comptroller, and Management Analyst develop FY27 Approved Budget document
TBD	City Council 1st Public Hearing for adoption of FY27 Budget.
TBD	City Council 2nd Public Hearing for adoption of FY27 Budget.
01-10Oct26	City Manager and Management Analyst print and assemble FY27 Approved Budget
27-Oct-26	City Council 1st Public Hearing for FY27 Year-end Budget Amendment
17-Nov-26	City Council 2nd Public Hearing for FY27 Year-end Budget Amendment



FY27 (2026-2027) BUDGET KICKOFF WORKSHOP

**FEBRUARY 24, 2026
CITY COUNCIL CHAMBER**

2/17/2026

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FY27 BUDGET KICKOFF WORKSHOP AGENDA

- Purpose
- Future revenue challenges
- Future expenditure challenges
- FY27 Stormwater Utility Assessment rate
- Council's five areas of emphasis
- Council's priorities?

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FY27 BUDGET KICKOFF WORKSHOP: Intro And Purpose

- To seek the Council's priorities before the FY27 Proposed Budget is developed and the FY27-31 recommended CIP list is finalized
- Next steps are
 - March 24th Council meeting: Decision on whether to notify Brevard County of a possible increase in the FY27 SWU Assessment rate
 - April 28th Council workshop: Preliminary 5-year Financial Model and Capital Improvement Plan review

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Future Revenue Challenges

General Fund: Short-term

- Property valuations: Growth for FY27 is likely to be less than 4.00% in FY26 due to slowing growth in valuations
- Other General Fund revenue streams: Growth projections in low single digits or flat
- Lower interest income due to ARPA monies being exhausted in FY26

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Future Revenue Challenges (Cont.)

General Fund: Long-term

The legislature is currently trying to reduce or eliminate:

- Property taxes
- Business tax receipts
- Building permit fees
- Paid parking fees

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Future Revenue Challenges (Cont.)

General Fund: Long-term

January 2026 Florida DOGE recommended:

- Limiting General Fund balances to 10%
- Florida should...provide local government services more efficiently through abolition or consolidation, with particular attention paid to small municipalities and highly urbanized counties

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Future Revenue Challenges (Cont.)

Stormwater Utility Fund

- Need for continued increases in revenues
 - Interlocal agreement with Brevard County requires the City Council to determine by March 31, 2026, if they plan on increasing the rate for FY27
 - Long-term expenditure needs exceed available revenues based on the current rate
 - Pursuit of grant funding and State appropriations is not enough (most require a minimum 50% local match)

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Future Expenditure Challenges

General Fund: Short-term

- One more \$1/hour annual minimum wage increase, then resets to CPI annual increases
- Forecasted decline in competitiveness with other local employers
- Large cost items on the horizon (year two of Fire Station Annex project, fire ladder truck replacement, muck removal project, stormwater projects, etc.)
- Likelihood that annual growth to maintain current services will greatly exceed annual growth in revenues

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Future Exp. Challenges (Cont.)

General Fund: Long-term

- The City needs annual growth of 5-6% in property tax receipts to cover a minimum of 3.0% annual employee increases, health insurance, and property/liability/workers compensation insurance, inflationary increases.
- Larger growing cities and private sector employers will have fewer restraints in keeping pace with higher costs
- An undesirable option to address growth in costs exceeding revenues is a gradual reduction in staffing/services.

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FY27 Stormwater Utility Assessment Rate

- The chart to the right illustrates the proposed rates for the next five-years.

Fiscal Year	ERU		Gross Receipts	Increase from FY26
	Monthly	Annual		
26	7.50	90	426,309	N/A
27	7.50	90	426,309	0
28	10.00	120	568,412	142,103
29	10.00	120	568,412	142,103
30	12.50	150	710,515	284,206
31	12.50	150	710,515	284,206

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Council's 5 Areas of Emphasis

1. Safe and Secure Community

- Police and Fire recruitment/retention
- Fire Department staffing
- Pedestrian safety/sidewalk connectivity/ADA improvements
- Vision Zero (reduce and eliminate deaths from vehicular accidents)
- Maintenance/expansion of security camera system

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Council's 5 Areas of Emphasis

2. Enhance the Quality of Life

- Muck removal project (short time frame and lots of uncertainty)
- Maintenance of grounds and facilities
- Replacement of aging capital assets
- Recreational/community events
- Communications with residents

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Council's 5 Areas of Emphasis

3. Financial Sustainability

- Balancing recurring revenues and expenditures while maintaining debt-free status
- Diversify revenues as much as possible (Property tax receipts account for 64% of the General Fund)
- Minimize increases in the Stormwater Utility fee rate while addressing aging infrastructure and nutrient reduction mandates

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Council's 5 Areas of Emphasis

3. Financial Sustainability (cont.)

- Need to re-examine the size of the fleet and the type of vehicles to minimize future replacement costs
- Increased use of technology brings greater long-term operating and replacement costs to proactively manage systems to guard against cyber attacks
- Continued aggressive pursuit of grants/appropriation for planned projects (local match is critical)

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Council's 5 Areas of Emphasis

4. Improve and Maintain Infrastructure

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- 2nd year of Fire Station annex project funding (FY27)
- Ladder truck replacement (FY27 and FY28 funding)
- Will require future increases in the Stormwater Utility Fee
- Deferring capital replacement projects to balance operating deficits provides short-term solutions but increases longer-term problems

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Council's 5 Areas of Emphasis

5. Use of Technology for Strategic Advantage

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- Continued virtualization of IT systems/programs has the potential for cost savings and increased cybersecurity
- Need to finish populating City's GIS database (sidewalks, signage, etc.) to aid in expansion/replacement planning
- Expand the use of AI to streamline processes, increase productivity, and enhance residents' ease of obtaining information

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Council's 5 Areas of Emphasis

5. Use of Technology for Strategic Advantage (cont.)

- Development of a Communications/Engagement Plan
 - Draft anticipated late 2026
 - Will document current capacities and cost-effective future expansion options
 - Better communications are critical if the City is forced to reduce services in the future

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FY27 Projects (from current 5-year CIP)

2,857,906	Finger canal muck removal (yr. 1 of 2 [66% of costs])
1,250,000	Fire Station Annex (year three of three funding)
400,000	Repl. 75' ladder truck (year two of two funding)
242,600	Road milling/repaving
177,600	Repl. Police vehicles (three)
160,000	Repave Gleason Park pathway
100,500	Repl. mobile & portable radios
100,000	Repl. body worn cameras
90,000	Repl. main pavilion at Millennium Beach Park
69,900	Repl. 2010 Ford F350 truck with lift-bed
69,900	Repl. 2011 Ford F350 truck with lift-bed
432,000	19 smaller projects

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FY27 Projects (from current 5-year CIP)

Stormwater Utility Fund

150,000	Big Muddy Seawall replacement
100,000	CCTV Inspection of pipes/slip lining of pipes
50,000	Pipe repairs - TBD
50,000	School Road drainage repairs (year two of two, probably insufficient)

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FY27 Current Recap

General Fund

- Without Fire Annex appropriations: \$2.6 million deficit
- With Fire Annex appropriations: \$1.5 million deficit

Stormwater Utility Fund

- Balanced budget or slight surplus

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Council's priorities for FY27, FY27-31 capital projects, and SWU assessment rate?

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Ida Lorraine Coffey,
John's most
demanding boss!

"Staff deals with the how things get done....elected officials deal with what gets done." – Mike Conduff, President and CEO of The Elim Group, presenter at the 2021 ICMA Southeastern Conference

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