



CITY COUNCIL BUDGET WORKSHOP

City of Indian Harbour Beach, Florida

Tuesday, August 11, 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. NEW BUSINESS**
 - a. Review of the FY27 Proposed Budget**
- 7. PUBLIC FORUM**
- 8. 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, August 11, 2026

AGENDA ITEM

Review of the FY27 Proposed Budget

Cost: \$21,165,068 (All Funds)

Attachments: Presentation (to be provided and posted on the website prior to the workshop)

Staff Recommendation:

Consider reviewing the FY27 Proposed Budget and providing direction to staff.

Background Information:

Previously, the City Council took the following actions towards the ultimate adoption of the FY27 Budget:

- January 13, 2026: Adopted the budget preparation calendar
- February 24, 2026: Held a FY27 Budget kick-off workshop to provide strategic input to staff
- April 28, 2026: Held a workshop to review the preliminary FY27-31 Five-Year Financial Model and Capital Improvement Plan
- March 24, 2026: Approved not increasing the Stormwater Utility Assessment rate for FY27
- July 28, 2026: Adopted the tentative (maximum) FY27 millage rate
- July 30, 2026: Received the FY27 Proposed Budget

Tasks remaining include:

- August 11, 2026: Review of FY27 Proposed Budget (this workshop)
- August 11, 2026: Adoption of FY27 Stormwater Utility Assessment Rate and Roll
- September 03, 2026: First reading of ordinances to adopt the FY27 Millage Rate and Budget
- September 15, 2026: Second reading of ordinances to adopt the FY27 Millage Rate and Budget

All Funds

The FY27 All Funds Proposed Budget is presented balanced at \$21,165,068, which is \$1,781,551 or 9.19% higher than the FY26 Amended Budget, primarily due to muck removal grant-funded projects in FY27.

General Fund

The FY27 Proposed Budget is presented balanced at \$20,150,138, an increase of \$622,382, or 5.23%, higher, after removing one-time monies (i.e., impact fees, grant receipts, use of fund balance). The FY27 Proposed General Fund Budget is built on the following components:

- A millage (property tax) rate of 5.5077, which is 2.72% above the roll-back rate (revenue-neutral) of 5.3618. The proposed millage rate is projected to yield \$247,831 in additional net revenue to fund recurring expenditures and to continue one-time funding for capital projects. The proposed millage rate is 0.0022 or 0.04% lower than the current year's millage rate of 5.5099
- No new positions, although 0.91 full-time equivalents (FTEs) are proposed to be added to fully fund new positions added in FY26 totaling 62 full-time positions and 12.34 part-time/seasonal positions
- 3.25% salary/wage increase for all employees
- \$177,760 increased cost to the City for the Police Pension Plan (offset by \$115,000 one-time pre-pay to the Plan) (rates increased from 25.30% to 36.90%)
- Estimated 20% increase in employee health insurance premium costs
- Estimated 6% increase in liability and workers' compensation insurance premium costs
- \$9,265,026 in capital projects of which \$6,783,674 are grant/state appropriations funded
- \$155,896 City Manager's Contingency for unforeseen costs and/or project overages
- \$75,000 in Public Works contingency for unforeseen capital project costs
- \$50,000 in consulting costs to conduct a fire assessment fee feasibility study
- \$9,265,026 for 33 capital projects of which \$6,783,674 are grant or state appropriations funded

FY26 is projected to end with a total fund balance of \$13,685,557, a decrease of \$1,654,208 or 10.78% from FY25. The decrease results from using fund balance (exhausting the BRRB reserves) to cover the overage in the ARPA-funded Algonquin Sports Complex expansion project, the year-two costs of the Fire Station Annex project, and to roll forward project expenses from prior years. Offsetting this use of fund balance are personnel savings and unexpended capital project budgets (which will be rolled forward into FY27). When the use of fund balance is removed from the equation, FY26 is projected to end with a surplus of \$74,706 in revenues over expenditures.

Stormwater Utility Fund

The FY27 Proposed Stormwater Utility Fund Budget is presented balanced at \$1,011,884 and is \$159,965 or 18.78% higher than the FY26 Amended Budget. Within the FY27 Proposed Budget are \$600,000 in one-time anticipated grant receipts and \$350,000 in budgeted capital projects. Additionally, \$250,000 in capital projects are anticipated to be rolled forward from FY26 into FY27 after the adoption of the new budget

Staffing

Proposed for FY27 are 73.84 FTEs, a net decrease of 5.32 FTEs (6.72% of total staffing) from the FY26 Approved Budget.

Previously partially funded positions

- Additional 0.50 FTE full-time City Manager's Office Communications Manager position (0.50 FTE was funded in FY26)
- Additional 0.41 FTE part-time Fire Department Maintenance Specialist II position (3.82 FTEs were funded in FY26)

FY27 FTEs per Department

Department	Full-time	Part-time/ Seasonal	Total FTEs	Change
City Mgr. Office	5.00	-	5.00	0.50
Finance	2.00	-	2.00	-
Inform. Tech.	2.00	-	2.00	-
Police	25.50	0.81	26.31	(5.00)
Fire	4.00	1.00	5.00	(0.82)
Building	2.00	-	2.00	-
Public Works	16.00	1.25	17.25	-
Recreation	5.00	9.28	14.28	-
Total	61.50	12.34	73.84	(5.32)

FY26 mid-year changes reflected in the FY27 Proposed Budget

- A net decrease of 5.0 full-time FTEs in the Police Department (transition of dispatch services to the Brevard County Sheriff's Office)
- A net decrease of 1.23 FTE positions in the Fire Department

FY27 PROPOSED BUDGET OVERVIEW



8/5/2026

August 11th City Council Workshop

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FY27 PROPOSED BUDGET OVERVIEW AGENDA

- Changes since the April 28, 2026, Workshop
- Basis of Proposed Budget
- Budget Overview
- Personnel
- Initiatives
- Future Challenges
- Key Dates Remaining
- Questions and Answers

8/5/2026

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CHANGES FROM THE APRIL 2026, FY27-31 5-YEAR FM&CIP WORKSHOP

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General Fund

- Total revenues increased \$393,124 (Annex appropriation offset by net decrease of \$44,376 in other sources)
- Total Expenditures decreased \$351,784 (primary due to deferral of capital projects to FY28 and reduced operating expenses)

Stormwater Utility Fund

- No significant change to revenues or expenditures

ARPA Fund closed out in FY26

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BASIS OF FY27 PROPOSED BUDGET

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- Continuation of “pay as you go” funding of capital projects, thereby preserving the City’s debt free status
- Property tax millage rate of 5.5077, a decrease of 0.0022 or 0.04%, resulting in \$247,831 net additional tax receipts due to increased valuations
- No increase in the Stormwater Utility Assessment fee
- Continuation of the shared Police Department Victim Advocate position with the City of Satellite Beach
- Continuation of inter-agency funding for a full-time School Resource Officer at Ocean Breeze Elementary School

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BASIS OF FY27 PRO. BUDGET (CONT.)

- Payroll increases due to
 - 0.25% cost-of-living adjustment (COLA) for all employees
 - 3.00% step or progression increase for all employees (except City Manager), which will move them through their respective pay grades
- Florida Retirement System employer contribution rates
 - Regular class from 14.03% to 13.59%
 - Senior Management service class from 33.24% to 32.60%
 - Special Risk class from 35.19% to 37.74%
 - Deferred Retirement Option Plan from 22.02% to 22.12%
- Increased Police Pension contributions from 36.90% to 42.8% (FY27 costs to be offset by \$75,313 pre-paid contributions to the pension plan)

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BASIS OF FY27 PRO. BUDGET (CONT.)

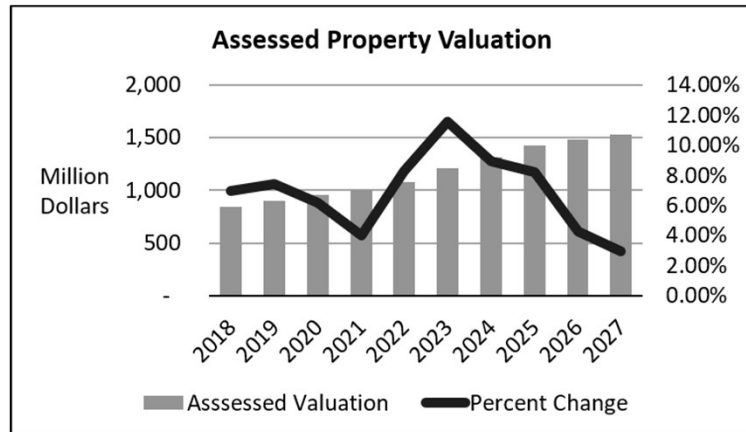
- 20% increase in employee health insurance premiums paid by the City (renewal will be less than 10.00%)
- 6% increase in liability, property, and workers' compensation insurance premiums due to increased salaries and property valuations
- A net decrease of 5.32 FTEs (6.72% of total staffing) from the FY26 Approved Budget
- Use of Fund Balance
 - \$812,500 budgeted for the Fire Station Annex project

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BASIS OF FY27 PRO. BUDGET (CONT.)

Property valuation numbers obtained from the Brevard County Property Appraiser's Office indicate a 2.76% increase in existing property valuations, coupled with \$2,933,672 in new construction for a total of \$1,526,851,593 in assessed valuation. Combined, FY26 will see a 2.96% increase in valuations.

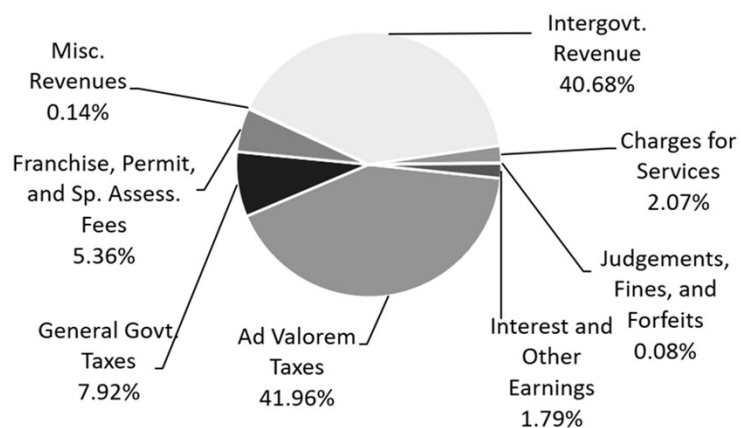


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FY26 G.F. REVENUES OVERVIEW

Budgeted for FY27 are \$19,337,638 in total revenues for the General Fund, which represents a \$5,613,028 or 37.8% increase over the FY26 Amended Budget. When one-time revenues are removed from the equation, FY27 total revenues increase by only \$285,868, or 2.34%.



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FY26 G.F. REVENUES OVERVIEW

	FY26 Amended Budget	FY26 YE Est	FY27 Proposed Budget	FY26-FY27 Budget	
				Dollars	Percent
Ad Valorem Taxes	7,866,037	7,866,037	8,113,868	247,831	3.15%
General Government Taxes	1,385,497	1,509,292	1,531,827	146,330	10.56%
Franchise, Permit, and Special Assessment Fees	981,875	1,058,085	1,035,650	53,775	5.48%
Intergovernmental Revenue	2,620,921	2,764,786	7,867,344	5,246,423	200.17%
Charges for Services	387,908	374,133	399,377	11,469	2.96%
Judgements, Fines, and Forfeits	13,700	14,700	14,700	1,000	7.30%
Interest and Other Earnings	436,000	407,184	347,000	(89,000)	-20.41%
Miscellaneous Revenues	32,672	32,872	27,872	(4,800)	-14.69%
Total Revenue	13,724,610	14,027,089	19,337,638	5,613,028	37.81%

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FY27 G.F. REVENUES SUMMARY

Significant changes

Intergovernmental Revenues

- FY27 budgeted receipts of \$7,867,344 are \$5,246,423 or 200.17% higher than the FY26 Amended Budget as a result of one-time Save Our Indian River Lagoon sales tax grant receipts and a State appropriations for the Fire Station Annex project in FY27, with offsetting state grants in FY26.
- When one-time receipts are removed from both years, FY27 is projected to be \$80,737 or 7.15% lower than the FY26 Budget.

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FY27 G.F. REVENUES SUMMARY

Significant changes

Ad Valorem Taxes

- A net \$8,113,686 in receipts is projected for FY27 which is \$247,831 or 3.15% than the FY26 Budget
- Millage rate of 5.5077
 - Homesteaded property owners will only experience a 2.96% increase in their IHB tax bill
 - A homeowner with a taxable assessment of \$546,364 would pay an additional \$86.48

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FY25 G.F. REVENUES (CONT.)

General Government Taxes

- FY27 budgeted receipts of \$1,531,827 are \$146,330 or 10.56% higher than the FY26 Budget, primarily due to projected increases in Utility Service Taxes and refinements in budgeting for Communications Service Taxes.

Interest and Other Earnings

- FY27 budgeted receipts of \$347,000 are \$89,000 or 20.41% lower than the FY26 Budget, primarily due to FY26 being the last year of ARPA grant funding (i.e., usually grant receipts are reimbursements, but the 2021 ARPA program distributed money up front to eligible entities with all expenditures required to be completed by December 31, 2026).

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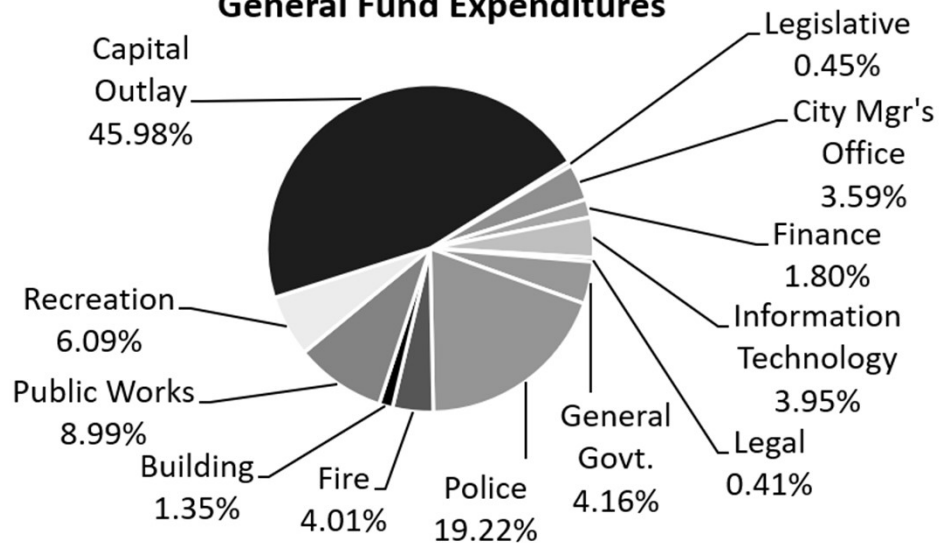
FY27 G.F. EXPENDITURES OVERVIEW

	FY26 Amended Budget	FY26 YE Est	FY27 Proposed Budget	FY26-FY27 Budget	
				Dollars	Percent
Legislative	89,400	92,325	90,954	1,554	1.74%
City Manager's Office	668,032	652,541	723,763	55,731	8.34%
Finance	354,601	344,835	362,344	7,743	2.18%
Information Technology	601,407	642,613	795,448	194,041	32.26%
Legal	81,000	81,000	83,000	2,000	2.47%
General Government	896,398	749,487	839,192	(57,206)	-6.38%
Police	3,995,527	3,575,372	3,873,018	(122,509)	-3.07%
Fire	774,566	706,887	808,968	34,402	4.44%
Building	259,116	252,308	271,187	12,071	4.66%
Public Works	1,756,000	1,704,866	1,810,912	54,912	3.13%
Recreation	1,160,151	1,155,105	1,226,326	66,175	5.70%
Capital Outlay	5,890,110	5,723,958	9,265,026	3,374,916	57.30%
General Fund Total Expenditures	16,526,308	15,681,297	20,150,138	3,623,830	24.41%

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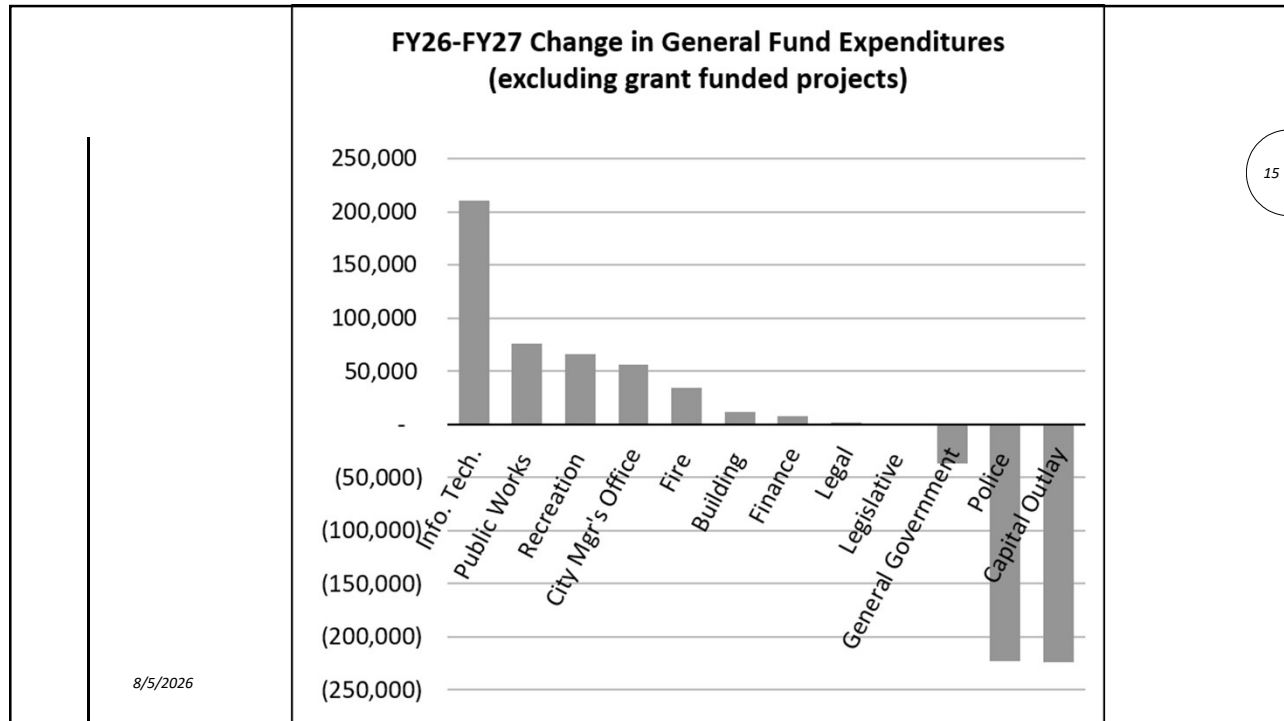
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FY27 Proposed Budget General Fund Expenditures



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FY27 G.F. EXPENDITURES (CONT.)

Summary

- FY27 Proposed Budget balanced with \$230,896 in contingency
 \$155,896 City Manager's contingency
 \$ 75,000 Public Works contingency for unforeseen capital projects
- The largest increase in expenditures is budgeted for the Information Technology Department. The FY27 Proposed Budget of \$795,448 is \$210,413 or 35.97% higher than the FY26 Approved Budget. This increase is primarily due to consolidating web-based subscription costs across the City into a single department, higher salaries and wages for existing personnel, and higher health insurance premiums.

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FY27 G.F. PROJECTS

\$9,265,026 in Capital Projects:

6,346,174	Muck removal (\$9.6M in grants) (year 1 of 2 funding)
1,250,000	Fire Station Annex (year 3 of 3-year funding)
300,000	Repl. 75' ladder truck (year 2 of 3-year funding)
242,600	Road milling/repaving
160,000	Repave Gleason Park pathway
101,000	Repl. Police vehicles (two)
100,500	Repl. Fire mobile & portable radios
100,000	Repl. main pavilion at Millennium Beach Park

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FY27 G.F. PROJECTS (CONT.)

Capital Projects:

89,677	Repl. body-worn cameras
75,000	Public Works contingency (new)
65,000	Repl. playground unit in NE part of Gleason Park
64,300	Repl. firefighter gear
55,000	School Road (north of Banana River Drive) east sidewalk (new) - partial TIF funded
54,000	Repl. Police vehicle equipment
30,000	Fire Station renovations
28,000	Repl. Police radios

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FY27 G.F. PROJECTS (CONT.)

Capital Projects:

25,800	Repl. Gleason Park gazebos
25,000	Paving and sidewalk misc. improvements
16,500	Repl. Pool awnings
13,000	Renovate Rec. Ctr. office & front window area (new)
11,000	Repl. ADA pool assist chair
11,000	Repl. Recirculation pump and motor (new)
10,775	Variable frequency drive for pool pump
10,000	Park improvements: fencing & benches

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FY27 G.F. PROJECTS (CONT.)

Capital Projects:

10,000	Repl. pool pump
9,000	Repl. pool cell stack (new)
7,900	Vision Zero pedestrian safety improvements (TBD)
6,000	Repl. lifeguard chairs (new)
6,000	License plate reader (recurring costs)
6,000	Repl. restroom door locks at Bicentennial Park (new)
5,000	Repl. pool lane lines
5,000	Repl. network switch

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FY27 G.F. ENDING FUND BALANCE

FY26 is projected to end with a total fund balance of \$13,685,557, a decrease of \$1,654,208 or 10.78% from FY25. The decrease is a result of the use of fund balance (exhausting the BRRB reserves) to cover the overage in the ARPA-funded Algonquin Sports Complex expansion project, year two of the Fire Station Annex project costs, and rolled forward project expenses from FY25. Offsetting this use of fund balance are personnel savings and unexpended capital project budgets (which will be rolled forward into FY27). When the use of fund balance is removed from the equation, FY26 is projected to end with a surplus of \$74,706 in revenues over expenditures.

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FY27 STORMWATER UTILITY OVERVIEW

Revenues

- The FY27 Proposed Budget contains \$1,011,884 in total revenues. Major revenue sources include:
 - 426,309 Gross assessments (no increase from FY26)
 - -15,000 Discount for early payment
 - 600,000 Grant receipts from FY26 completed City Hall Baffle Box project

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FY27 STORMWATER UTILITY (CONT.)

Expenditures

10,000	Drainage maintenance:
1,000	Rain barrel rebate program and Waterfront Buffer Matching Grant program
350,000	Capital improvements
650,884	Reserves (to balance the annual budget and fund roll-forward projects)
250,000	To be rolled forward from FY26 for capital projects

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FY27 STORMWATER UTILITY (CONT.)

Capital improvement projects

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 project

Roll-forward projects from FY26

75,000	CCTV Inspection of pipes/slip lining of pipes
175,000	School Road drainage project

8/5/2026

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FY27 PERSONNEL OVERVIEW

FY27 FTEs per Department

Department	Full-time	Part-time/ Seasonal	Total FTEs	Change
City Mgr. Office	5.00	-	5.00	0.50
Finance	2.00	-	2.00	-
Inform. Tech.	2.00	-	2.00	-
Police	25.50	0.81	26.31	(5.00)
Fire	4.00	1.00	5.00	(0.82)
Building	2.00	-	2.00	-
Public Works	16.00	1.25	17.25	-
Recreation	5.00	9.28	14.28	-
Total	61.50	12.34	73.84	(5.32)

8/5/2026

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FY27 PERSONNEL CHANGES

Proposed for FY27 are 73.84 FTEs, a net decrease of 5.32 FTEs (6.72% of total staffing) from the FY26 Approved Budget.

Previously partially funded positions

- Additional 0.50 FTE full-time City Manager's Office Communications Manager position (0.50 FTE was funded in FY26)
- Additional 0.41 FTE part-time Fire Department Maintenance Specialist II position (3.82 FTEs were funded in FY26)

FY26 mid-year changes reflected in the FY27 Proposed Budget

- A net decrease of 5.0 full-time FTEs in the Police Department (transition of dispatch services to the Brevard County Sheriff's Office)
- A net decrease of 1.23 FTE positions in the Fire Department

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FY27 INITIATIVES

- Completion of the Algonquin Sports Complex expansion phase one related projects
- Expanded use of the City's GIS (historically only used by stormwater consultant)
- Completion of the comprehensive review of the City's *Personnel Policies Manual* and adoption of a new *Employee Handbook* and Administrative Policies
- Expanded communications with residents
- Continued non-local (i.e., grants, state appropriations, etc.) funding for capital projects

8/5/2026

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FUTURE CHALLENGES

- Challenges to the City's ability to fund desired services
 - Property tax reform
 - State restrictions on revenue streams
 - Unfunded mandates
- Inflation and minimum wage increases
 - IHB's FY27 wage increases are the 4th lowest in Brevard
- Cyber security (staffing and funding)
- Recruitment/retention of volunteer firefighters
- Funding for paid Firefighter/EMT positions
- Stormwater projects
- Need to incorporate analytics in budgetary decision-making

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KEY DATES REMAINING

- Public hearing to adopt the Stormwater Assessment to be held on Tuesday, August 11, 2026
- First public hearing and reading of the FY27 Millage rate and Budget to be held on Thursday, September 03, 2026
- Second public hearing and reading of the FY27 Millage rate and Budget to be held on Tuesday, September 15, 2026

8/5/2026

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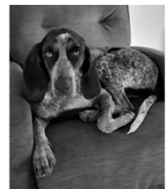
"Staff deals with the how things get done....elected officials deal with what gets done." – Mike Conduff, President and CEO of The Elim Group, presenter at the 2021 ICMA Southeastern Conference

*The Leadership Team
is here to answer your questions.*

8/5/2026

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Ida L. Coffey,
John's most
demanding boss!



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