



Adopting the Tentative Budget for Fiscal Year 2026 -2027

**September 9th, 2026 - 5:05 P.M.
Village Council Meeting
Agenda Item 2.b.**



FY 2026-2027 Tentative Budget

Balanced budget • No tax increase • Lowest tax rate in Florida

Financial Principles

- Operating revenues: \$30.99M
Operating costs: \$15.73M
- Reserves remain fully funded under Village policy
- Capital investment continues while preserving long-term financial stability

Reserve Policy & Long-Term Financing

- Emergency Reserve: minimum 50% of General Fund expenditures*
- Operating Reserve: minimum 20%*
- \$62.0M anticipated bond proceeds for long-lived capital investments; costs distributed over time via debt service

* Net of transfers out and uses of fund balance

FY27 committed reserves: \$12.84M | Budgeted debt service: \$2.962M**

** New Cost This Year



Annual Operating Review

FY 2026/27 operating expenditures: \$15.73 million

Major Cost Changes

- ↑ \$1.5M for landscape maintenance at Sports Park Phase 1 and Corkscrew Road
- ↑ 10.2% Health Insurance Premium increase
- ↑ 3.53% cost-of-living adjustment (COLA) budgeted

Organizational Changes

- Hired Deputy Village Manager and Assistant Village Manager / Assistant Community Development Director
- Budgets for a Public Information Officer position

Focus: maintain service levels and new assets while preserving the Village's "government-lite" model.



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On the Horizon...

Florida Amendment 3, Homestead Tax Exemptions

Estimated Potential Loss of Revenue

- ↑ Increase the homestead tax exemption for non-school taxes to \$150,000 in 2027 and \$250,000 in 2028, with the amount indexed to inflation starting in 2029.
- ↓ \$ 857,000 in 2027 for the Village's budget
- ↓ \$ 1.58 M in 2028 for the Village's budget



Capital Improvement Plan - Revised

Original approved CIP: \$75.92M → Revised FY27 CIP: \$54.28M

Project Type	Original	Revised	Change
Parks & Recreation	\$43.63M	\$30.20M	-\$13.43M
Utility Improvements	\$5.50M	\$0.48M	-\$5.02M
Intersection Improvements	\$5.30M	\$2.50M	-\$2.80M
Roadway Improvements	\$1.84M	\$1.75M	-\$0.09M
Land Acquisition	\$19.00M	\$19.00M	No change
Stormwater	\$0.35M	\$0.35M	No change

Reduction: \$21.64M (28.5%) to align spending with available resources and cash flow



Budget Timeline

June 17, 2026

Council reviewed and approved the original FY27 Capital Improvement Plan

**September 9, 2026
5:05 p.m.**

1st Public Hearing - Tentative Budget and Millage Rate

**September 23, 2026
5:05 p.m.**

2nd Public Hearing - Formal action / adoption of Budget and Millage Rate

October 1, 2026

New Fiscal Year begins



Public Feedback

**We welcome your comments on the
Fiscal Year 2026/27 Tentative Budget.**

How to Participate:

- Provide comments during tonight's public hearing. (3:00 minute time limit)
- Provide written comments with Village staff via a public comment card.
- Provide an e-comment on our Village website by Tuesday, September 22nd, at noon, if you would like your comment entered into the public record. You can do so at <https://estero-fl.gov/ecomment-cards/>.

Final Budget Hearing & Adoption: September 23, 2026 at 5:05 p.m.

Budget materials are available through the Village of Estero website at <https://estero-fl.gov>.