

City of Marco Island Florida

51 Bald Eagle Drive
Marco Island, Florida
cityofmarcoisland.com



Meeting Minutes - Final

Wednesday, April 30, 2025

10:00 AM

Pre-Budget Policy Workshop

Fire Station 50 - 2nd Floor Training Room

City Council

*Chair: Erik Brechnitz
Vice-Chair: Stephen Gray*

*City Council: Rene Champagne,
Tamara Goehler, Deb Henry,
Darrin Palumbo, Bonita Schwan*

*City Manager: Mike McNees
Assistant City Manager: Casey Lucius
City Attorney: Alan L. Gabriel
City Clerk: Joan Taylor*

1. Call to Order

Chair Brechnitz called the Pre-Budget Policy Workshop to order at 10:00 A.M.

2. Roll Call

Present: 5 - Councilor Champagne, Vice-Chair Gray, Councilor Palumbo, Councilor Schwan and Chair Brechnitz

Not Present: 2 - Councilor Goehler and Councilor Henry

(Councilor Goehler was out of the room at Roll Call and returned at 10:02 A.M.; Councilor Henry participated remotely via teleconference connection and, though not responsive at Roll Call, her confirmed connection was established at 10:04 A.M.. Councilor Henry participated in the Pre-Budget Policy Workshop until 11:54 A.M.)

Also Present

Michael McNees, City Manager

Casey Lucius, Assistant City Manager

Joan Taylor, City Clerk

Guillermo Polanco, Finance Director

Melissa Hinton, Budget Manager

Sharon Dangles, Controller

Jim Kornas, Recording Specialist

3. Approval of the Agenda

Chair Brechnitz requested that Public Comment be conducted as a "time certain" item at 11:15 A.M.

MOTION by Councilor Palumbo, seconded by Councilor Champagne, that the Agenda be Approved as Amended. MOTION CARRIED BY THE FOLLOWING VOICE VOTE:

Yes: 6 - Councilor Champagne, Councilor Goehler, Vice-Chair Gray, Councilor Palumbo, Councilor Schwan and Chair Brechnitz

Motion to Allow for Remote Participation by Councilor Henry

MOTION by Councilor Palumbo, seconded by Councilor Schwan, to allow Councilor Henry to participate in all matters coming before the Council at this Meeting. MOTION CARRIED BY THE FOLLOWING VOICE VOTE:

Yes: 6 - Councilor Champagne, Councilor Goehler, Vice-Chair Gray, Councilor Palumbo, Councilor Schwan and Chair Brechnitz

4. Business - Pre-Budget Policy Workshop

ID 25-4413 Pre-Budget Policy Workshop - Michael McNees, City Manager

Attachments: [Finances and Budget Topic List](#)
[2025 - Second Quarter Budget Status](#)
[2025 - First Six Months Budget Status](#)
[FY25 Budget Forecast 4-25-25](#)
[April 30 Slide Deck](#)
[3 Month Budget Status - FY2025](#)

Following comments by City Manager Mike McNees and Councilor Champagne to open the meeting, City Finance Director Guillermo Polanco shared a series of responses and provided insights regarding the City's: 1) reserves; 2) revenues; 3) expenses; 4) estimates & accruals, and; 5) cash, liquid investments, and other investments as listed in the document "Marco Island Finances and Accounting Topic List - April 30, 2025".

A number of questions were raised by members of the Council, and Finance Director Polanco provided additional detail on each topic area as requested.

City Budget Manager Melissa Hinton, and City Controller Sharon Dangles were introduced to the Council, and each provided a brief history of the professional experience that they had gained prior to joining the City of Marco Island's Finance Department team.

The Council next reviewed the fiscal year history of Marco Island property millage rates in a comparison with the Island's property values from 2008 through 2026 (estimated). Discussion regarding the advantages and disadvantages of continuing to offset the Island's rising property values with lower annual property millage rates actively engaged all members of the Council.

City Manager McNees provided insight on the cadence and timetable of the City's annual fiscal year budget development process, and the Council recognized its upcoming opportunity to review and confirm the City's 2026 Fiscal Year Budget Policy direction at its May 19, 2025 Budget Policies Workshop.

[Editorial Note: at this juncture of the meeting, the Council received input from members of the public who registered to address the Council (see Agenda Item 5)]

City Finance Director Polanco next presented and reviewed the document entitled "FY 2025 Budget Status - Second Quarter", and provided insight on year-to-date variances outlined in this report.

[Editorial Note: Councilor Henry terminated her remote teleconference connection at this point in the meeting]

Finance Director Polanco then conducted similar variance review of the document entitled "FY 2025 Budget Status - First Six Months".

(THE WORKSHOP WENT INTO RECESS AT 12:00 NOON. IT IS NOTED FOR THE RECORD THAT ALL COUNCILORS (with the exception of Councilor Henry) WERE PRESENT WHEN THE MEETING RECONVENED AT 12:35 P.M.)

Assistant City Manager Casey Lucius presented material from her "April 30 Slide Deck" document, prompting the Council to engage in significant discussion of potential economic and weather-related events that could affect the Marco Island community and test the adequacy of the City's financial reserves into the foreseeable future.

Assistant City Manager Lucius provided a detailed summary of expected 2026 Fiscal Year expenses that

are anticipated to increase at the current 2025 Fiscal Year level of projects and resources. These "status quo" expenses are anticipated to increase by approximately \$1.4 Million (\$1,473,147) for Fiscal Year 2026.

Additional increased level of service costs proposed for the 2026 Fiscal Year are expected to add nearly \$1.0 million (\$990,762) to the City's expense structure as well.

The Council then discussed potential alternative revenue sources as proposed by Assistant City Manager Lucius, comparing the collective potential revenue generated by the alternatives versus the anticipated "status quo" and increased level of service costs for FY 2026. Various property millage policy options were also reviewed for their potential impact.

City Manager McNees reminded the Council of its immediate priority to establish the City's operating budget assumptions for FY 2026.

The Council estimated a \$35.5 Million baseline operating budget assumption consisting of the following:

\$27.5 Million (2025 FY Estimated Year End Expense Budget)
+\$ 2.4 Million (Anticipated "Status Quo" and Increased Level of Service Costs in FY 2026)
+\$ 1.6 Million (Anticipated Debt Service Expense in FY 2026),
+\$ 4.0 Million (Estimated Capital Improvements in FY 2026)

The following City Staff "Action Items" were identified:

- 1) Councilors and Staff will meet monthly to collaborate on budget development;
- 2) Reschedule the May 19, 2025 Budget Policy Workshop to begin at 1:00 P.M. (instead of its original starting time of 2:00 P.M.) to allow for additional time to discuss the budget;
- 3) Prepare a concise summary of the City's current financial situation, including operating expenses, capital needs, and potential revenue sources, to aid the Council's decision-making;
 - Coordinate between the Finance Department and other City departments to identify and prioritize needs
 - Include daily operations, anticipated future needs that may potentially require the issuance of bonds, and consider other significant expenses (such as a Level of Service Study, shade in Veterans Community Park, etc.)
- 4) Provide the Councilors with detail on the number of employees added in recent years;
- 5) Provide the Councilors with the number of employees working from home

At the Council's May 19, 2025 Budget Policies Workshop, and at Workshops scheduled for June 16th and July 21st, the Council will prepare to address funding alternatives to support this baseline operating budget assumption and other identified needs as it works toward its tentative millage and budget public hearing on September 2, 2025.

5. Public Comment

Mr. Dennis Bartolucci (Caxambas Dr.) expressed his belief that the financial information prepared for the Council and the public in anticipation of this Pre-Budget Policy Workshop was insufficient. He reviewed a three-page forecast document which he had prepared, highlighting elements that he felt could better inform the Council's decisions for its 2026 Fiscal Year budget.

Mr. Rick Woodworth (N. Barfield Dr.) recommended that the Council not place "guardrails" on the City department heads as they develop their capital and operating budget requests for 2026. He shared his

belief that an understanding of the City's needs should be made visible early in the process, and that the Council bears the responsibility for determining how to prioritize and fund those needs.

6. Adjourn

There being no further business before the Council, Chair Brechnitz adjourned the meeting at 2:15 P.M.

Erik Brechnitz, Council Chair

ATTEST:

Joan Taylor, City Clerk

PREPARED BY:

Jim Kornas, Recording Specialist