City of Belle Isle

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August 4, 2026

Honorable Mayor, City Council, and Citizens of Belle Isle:

We are pleased to submit the City of Belle Isle's Proposed Annual Budget and Capital Improvement Program for Fiscal Year 2026/2027 in accordance with the City Charter. The proposed budget reflects the direction provided by the City Council and is based on the City's current financial condition, revenue trends, economic data, and commitment to providing a high level of service while maintaining Belle Isle as an exceptional place to live, work, and play.

During the past year, the city continued to make meaningful progress by enhancing police visibility and public safety resources, replacing deteriorated sidewalks throughout the community, completing air conditioning improvements at City Hall, maintaining parks and stormwater infrastructure, and supporting neighborhood-led projects through the Belle Isle Neighborhood Grant Program. The city also completed its Vulnerability Assessment Study and Stormwater Utility Rate Study, continued investing in community events and resident engagement, and implemented administrative and technology improvements to strengthen service delivery and accountability.

The proposed budget is balanced in accordance with Florida law and maintains the City's current level of service. It includes the planned use of General Fund reserves to fund a portion of the proposed expenditures. The budget is based on a proposed millage rate of 4.9999 mills, an increase of 0.2154 mills from the current rate of 4.7845 mills, to help offset the continued increase in the cost of fire protection services provided by Orange County. The proposed budget results in an ending General Fund balance of $2,603,216, equal to 24.0% of General Fund revenues, which is slightly below the 25% reserve level recommended by the Budget Committee.

The City continues to partner with ClearGov, a financial transparency platform, to provide an infographic-based fiscal dashboard that promotes a more accessible and transparent budget and financial reporting process. Throughout the year, residents may review the City's financial activity by visiting the City's ClearGov transparency portal at https://cleargov.com/florida/orange/city/belle-isle.

THE BUDGET

The budget represents the City's official financial plan for implementing its policies, priorities, programs, and services. It identifies the revenues and other resources available for the fiscal year and establishes the authorized expenditures for City operations and initiatives. The budget also serves as a planning and communication tool for residents, businesses, and employees by showing how the City's financial resources are allocated to provide services to the community.

The City's fiscal year begins October 1 and ends September 30. The City maintains seven governmental funds: the General Fund, five special revenue funds, and one capital projects fund. Revenue projections are based on historical trends, current financial conditions, and estimates provided by City staff, Orange County, and the Florida Department of Revenue's Office of Tax Research for state-shared revenues.

The General Fund accounts for approximately 93% of the City's total proposed budget across all governmental funds. The total proposed FY 2026/2027 budget, including beginning fund balances and budgeted revenues for all funds, is $15,676,015.

The following table provides an overview of the FY 2026/2027 proposed budget by fund compared with the FY 2025/2026 original budget:

FUNDS	FY 2025/2026 ORIGINAL BUDGET	FY 2026/2027 PROPOSED BUDGET
General Fund	14,363,809	14,597,922
Transportation Impact Fee Fund	130,653	137,298
Stormwater Fund	596,011	896,841
Law Enforcement Education Fund	28,177	22,731
Parks Impact Fee Fund	2,358	2,370
General Government Impact Fee Fund	3,084	3,101
Capital Equipment Replacement Fund	15,582	15,752
TOTAL	**$15,139,674**	**$15,676,015**

THE BUDGET PROCESS

Based on the City Council's goals for the upcoming fiscal year, each department prepared its proposed budget and reviewed it with the Finance Director. The Finance Director compiled the departmental requests into a proposed budget and reviewed them with the City Manager. The proposed budget was provided to the Budget Committee on July 2, 2026, for its review.

The Budget Committee is responsible for reviewing the annual operating budget and capital expenditures proposed by the City Manager and making recommendations to the City Council.

The following individuals serve on the Budget Committee:

District 1: Nate Davenport
District 2: Sharon Harkey
District 3: Nash Shook, Chair
District 4: Vacant
District 5: Kirk Leff
District 6: John Evertsen, Vice Chair
District 7: Chad Rocheford

The Budget Committee met on July 13, 2026, to review and discuss the proposed budget. Committee members asked questions and discussed the City's proposed revenues, expenditures, capital projects, and millage rate. Following its review, the Committee voted unanimously to recommend approval of the proposed budget and millage rate increase.

The proposed budget was provided to the City Council on July 14, 2026, for review before the pre-budget workshop held on July 21, 2026.

The City Charter requires the City Manager, on or before the first City Council meeting in August, to submit a final draft budget for the ensuing fiscal year together with an accompanying budget message. Budget workshops are scheduled for August 4 and August 20, 2026. The city will then hold two public hearings on September 9 and September 23, 2026. The City Council is scheduled to adopt the final budget at the second public hearing. These meetings provide opportunities for public review and participation in the budget process. Once adopted, the budget will be published on the City's website and will take effect on October 1, 2026.

GENERAL FUND – FUND 001

The **General Fund** is the City's primary operating fund. It accounts for revenues and expenditures that are not required to be accounted for in another fund. The General Fund supports the following services provided to the community: Public Safety, including police, fire protection, and dispatch services; Legislative, including the Mayor and City Council; General Government, including the City Manager, Finance, Human Resources, City Clerk, City Attorney, Planning, Code Enforcement, and Building Services; and Public Works, including street and infrastructure maintenance, parks, and urban forestry.

REVENUES

General Fund revenues are derived from taxes, special assessments, intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, and other miscellaneous sources. The proposed budget is based on a General Fund millage rate of 4.9999 mills, an increase of 0.2154 mills from the current rate. Ad valorem taxes and non-ad valorem assessments are projected using a 95% collection rate.

Ad Valorem Taxes

The proposed property tax rate for FY 2026/2027 is 4.9999 mills, or $4.9999 for each $1,000 of taxable value, representing an increase of 0.2154 mills from the current rate of 4.7845 mills. The current taxable value of property within Belle Isle is $1,212,699,462, an increase of 3.47% from the prior-year final taxable value of $1,171,989,160.

Budgeted ad valorem revenue for FY 2026/2027 is $5,760,207, an increase of approximately 8% from the FY 2025/2026 budgeted amount of $5,322,016. The revenue estimate is based on the City's taxable property value, the proposed millage rate, and an anticipated collection rate of 95%.

Non-Ad Valorem Assessments

A non-ad valorem assessment is a special assessment or service charge that is not based on a property's value. These assessments are generally imposed to fund services or improvements that provide a particular benefit to the assessed properties. The City currently levies a solid waste assessment within the General Fund and a stormwater assessment within the Stormwater Fund. The proposed budget includes funding for a study to evaluate the feasibility of a non-ad valorum fire assessment fee as a potential future revenue source. Budgeted General Fund revenue from the solid waste assessment for FY 2026/2027 is $768,264.

Other Revenue Sources

The City's remaining General Fund revenues include local option fuel taxes, utility service taxes, licenses and permit fees, franchise fees, intergovernmental and state-shared revenues, charges for services, fines and forfeitures, interest earnings, charter school rent, and other miscellaneous revenues. Excluding ad valorem taxes and the solid waste assessment discussed above, these revenue sources total $4,340,352, or approximately 39.9% of the budgeted General Fund revenues.

General Fund Revenue Breakdown

The table below summarizes General Fund revenues by category and compares the FY 2025/2026 Original Budget with the FY 2026/2027 Proposed Budget. Beginning fund balance is excluded.

REVENUES	FY 2025/2026 ORIGINAL BUDGET	FY 2026/2027 PROPOSED BUDGET
Ad Valorem Taxes	5,322,016	5,760,207
Local Option, Use, & Fuel Taxes	220,000	215,000
Utility and Services Taxes	276,500	292,000
Local Business Taxes	15,000	15,000
Permits, Fees, & Special Assessments	627,300	640,800
Intergovernmental	1,779,122	1,844,488

Charges for Services	977,041	984,344
Fines and Forfeitures	753,000	604,000
Interest & Other Earnings	10,000	40,000
Rents & Royalties	483,830	472,984
TOTAL REVENUES	**$10,463,809**	**$10,868,823**

EXPENDITURES

The General Fund accounts for expenditures that are not restricted to a specific purpose or required to be reported in another fund. General Fund expenditures support essential City services, including police, public works, planning, general government, and administrative services.

The FY 2026/2027 proposed budget maintains the City's current level of service. However, if the property tax reform measure (amendment 3), scheduled for the November 2026 ballot, is approved and results in a reduction in City revenues, the City will evaluate the fiscal impact, defer or suspend nonessential and discretionary spending as necessary, and consider additional long-term funding options to maintain essential services.

Total General Fund expenditures for FY 2026/2027 are proposed to be $11,994,706.

General Fund Expenditure Breakdown

The table below summarizes General Fund expenditures by department and compares the FY 2025/2026 Original Budget with the FY 2026/2027 Proposed Budget.

EXPENDITURES	FY 2025/2026 ORIGINAL BUDGET	FY 2026/2027 PROPOSED BUDGET
Governing Board (Executive and Legislative)	52,926	46,526
Administration (Administration, Finance, and Planning)	781,075	1,014,341
General Government	4,716,561	4,885,256
Police	4,396,880	4,877,292
Public Works	1,351,276	1,013,291
Debt Service	271,000	158,000
TOTAL EXPENDITURES	**$11,569,718**	**$11,994,706**

ENDING FUND BALANCE

The ending fund balance is calculated by adding current-year revenues to the beginning fund balance and subtracting current-year expenditures.

The City must balance the need to maintain adequate General Fund reserves with the need to fund essential services, infrastructure, and other operational requirements. The Government Finance Officers Association recommends, at a minimum, an unrestricted General Fund balance equal to approximately two months of regular operating revenues or expenditures, which is about 17%. The City's Budget Committee recommends maintaining a General Fund balance equal to at least 25% of revenues.

The FY 2026/2027 proposed budget is projected to end with a General Fund balance of $2,603,216, equal to 24.0% of budgeted General Fund revenues. This is slightly below the Budget Committee's recommended reserve level. The City will continue working with the Budget Committee to identify opportunities to preserve fund balance and strengthen recurring revenues.

TRANSPORTATION IMPACT FEE FUND – FUND 102

The **Transportation Impact Fee Fund** accounts for impact fees collected from new residential, commercial, and industrial development. These funds are restricted for the administration, planning, acquisition, expansion, and development of roadway system improvements needed to serve new development.

REVENUES
No transportation impact fee revenue is projected for FY 2026/2027. The fund has a projected beginning fund balance of $136,298 and includes $1,000 in budgeted interest revenue.

EXPENDITURES
There are no expenditures budgeted in this fund for FY 2026/2027.

ENDING FUND BALANCE
The projected ending fund balance is $137,298.

STORMWATER FUND – FUND 103

The **Stormwater Fund** is a special revenue fund used to account for revenues and expenditures associated with the City's stormwater management program. The fund supports the maintenance and improvement of stormwater infrastructure, protection of Lake Conway, technical assistance related to stormwater issues, and educational programs for residents and schools.

REVENUES
The primary revenue source for the Stormwater Fund is the non-ad valorem assessment, which is based on equivalent residential units, or ERUs. The assessment will remain at $140 per ERU for FY 2026/2027, resulting in budgeted assessment revenue of $467,639. The proposed budget also includes $3,000 in interest revenue, for total Stormwater Fund revenues of $470,639.

The city has completed its Stormwater Utility Rate Study, which evaluated the current assessment structure and the long-term funding needs of the stormwater program.

EXPENDITURES
Stormwater Fund expenditures include allocated personnel costs, professional and engineering services, system maintenance, lake conservation activities, and capital improvement projects. Total proposed expenditures for FY 2026/2027 are $795,448, including $300,000 for capital improvements.

ENDING FUND BALANCE
The Stormwater Fund has a projected beginning fund balance of $426,203. The FY 2026/2027 proposed budget uses $324,809 of fund balance to support planned expenditures, resulting in a projected ending fund balance of $101,393.

LAW ENFORCEMENT EDUCATION FUND – FUND 104

The **Law Enforcement Education Fund** accounts for revenues received pursuant to Florida law from court costs imposed on certain civil and criminal violations. These funds are restricted for law enforcement education and training, including criminal justice education programs, training courses, and basic recruit training.

REVENUES
The city anticipates receiving $6,000 in judgements and fines and $100 in interest revenue for total projected revenues of $6,100.

EXPENDITURES
Expenditures from this fund are restricted to the education and training of law enforcement personnel. The FY 2026/2027 proposed budget includes $20,000 for training.

ENDING FUND BALANCE
The fund has a projected beginning fund balance of $16,631 and is expected to use $13,900 of the fund balance during FY 2026/2027, resulting in a projected ending fund balance of $2,731.

PARKS IMPACT FEE FUND – FUND 105

The **Parks Impact Fee Fund** accounts for impact fees collected from new development. These funds are restricted for the administration, planning, acquisition, expansion, and development of land, amenities, and facilities for public parks and recreational purposes.

REVENUES
There are no revenues budgeted for FY 2026/2027.

EXPENDITURES
There are no expenditures budgeted for FY 2026/2027.

ENDING FUND BALANCE
The projected ending fund balance is $2,370.

GENERAL GOVERNMENT IMPACT FEE FUND – FUND 106

The **General Government Impact Fee Fund** accounts for impact fees collected from new development. These funds are restricted for the administration, planning, acquisition, expansion, and development of land, facilities, vehicles, and equipment needed to serve new development.

REVENUES
There are no revenues budgeted for FY 2026/2027.

EXPENDITURES
There are no expenditures budgeted for FY 2026/2027.

ENDING FUND BALANCE
The projected ending fund balance is $3,101.

CAPITAL EQUIPMENT REPLACEMENT FUND – FUND 301

The **Capital Equipment Replacement Fund** was established by the City Council in 2019. Use of the fund remains on hold pending development and approval of a formal plan for its use.

REVENUES
The FY 2026/2027 proposed budget includes $100 in interest revenue.

EXPENDITURES
There are no expenditures budgeted for FY 2026/2027.

ENDING FUND BALANCE
The projected ending fund balance is $15,752.

FIVE-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

The Five-Year Capital Improvement Plan provides a summary of capital projects proposed or planned for the next five fiscal years. The plan identifies estimated project costs and anticipated funding sources for capital improvements totaling $11,034,000.

The CIP is a planning document and does not, by itself, appropriate funds or authorize expenditures. Projects are budgeted and approved through the applicable fund as funding becomes available. The plan is reviewed annually and may be revised to reflect changes in project priorities, costs, timing, and available funding.

CONCLUSION

This budget has been prepared in accordance with Section 5.02 of the City Charter. It provides details and explanations of the proposed budget and compares the FY 2026/2027 Proposed Budget with the FY 2025/2026 Original Budget. The proposed budget will be available to the media and published on the City's website for review by residents.

The City continues to face the challenge of maintaining adequate General Fund reserves while funding essential services, infrastructure, and community priorities. The City cannot assume that property values and related ad valorem revenues will continue to increase at the same rate. The State, on the November 2026 ballot, is considering property tax reform measures (with amendment 3) intended to reduce and restrict property taxes as part of broader efforts to address the cost of living and retain Florida residents. The City will continue monitoring these proposals as part of its long-term financial planning.

To maintain the level of service expected by Belle Isle residents and accomplish the City Council's long-term goals, the city must continue evaluating sustainable recurring revenue sources and long-term funding strategies. The Budget Committee will continue discussing potential revenue options, implementation strategies, and long-term financial planning.

In closing, we thank the City Council for its leadership, the Budget Committee members for their time, thoughtful review, and commitment to the budget process, Finance and Administrative Services Director Tracey Richardson for her institutional and financial knowledge, the Department Heads for their contributions, and City staff for their continued dedication and service to the Belle Isle community.

Respectfully,

Rick J Rudometkin
City Manager