

Reference: General Fund Financial Sustainability Analysis

January 5, 2026

Nicole Reitler
Mgmt Budget Administrator
City of Cape Coral
1015 Cultural Park Blvd.
Cape Coral, FL 33990

Dear Ms. Reitler,

Reference: General Fund Financial Sustainability Analysis

As requested, Stantec has prepared this proposed agreement for the above referenced analysis to conduct a General Fund Financial Sustainability Analysis Study (Study) for City of Cape Coral's FY 2027 budget preparation process. The following sections present the proposed approach to the Study and the estimated fees for conducting the Study.

Scope of Services

The scope of this analysis will be to update the ten-year financial sustainability model for the City's General Fund (the Fund). The model will be used to determine the current and projected financial condition of the Fund over a ten-year projection period. Moreover, this process will provide support in the development of the FY 2027 budget and could provide support in the development of a multi-year budget if the City so desired. The modeling process will allow City staff and the City Council to measure the effects of various combinations of cost reductions and/or revenue enhancement options that could be considered to maintain financial sustainability over the projection period and to develop a financial plan that will be sustainable over the ten-year projection period.

As Stantec has done in past years, we will collaborate with you using our dynamic, interactive modeling process to determine the outcomes that would be required for long-term financial sustainability. The final objective will be to present a sustainable vision of the current and future financial condition of the General Fund.

Approach

Stantec proposes a comprehensive process that will involve customizing our General Fund FAMS model to precisely replicate the financial dynamics of your General Fund. The Model will serve as the tool which we will use to 1) update the baseline ten-year financial projection of the Fund's current and projected financial condition, 2) evaluate cash flow and reserve levels, 3) evaluate inter-fund transfers, 4) evaluate cost reduction and revenue enhancement alternatives, 5) evaluate potential economic development initiatives and their affects upon the Fund, and 6) develop a ten-year, sustainable financial plan for the fund.

The process will include several virtual meetings with City staff to ensure that we have understood and accurately reflected the City's flow of funds, reserve policies, budget categories, cost escalation rates, growth assumptions, and other aspects in the Model. During these work sessions we will work with City staff in

Reference: **General Fund Financial Sustainability Analysis**

determining viable scenarios of reduced costs and/or increased revenue, through either revenue diversification alternatives and/or increases in current revenue sources, in order to provide for a financially sustainable future for the City at its desired levels of service.

Stantec will then present the results/alternative scenarios to the City Council in three workshop meetings, after each we will make any adjustments based upon input from the City Council. Lastly, we will document the results of the Study in a Technical memo.

Additional meetings requested with the City Council or City staff beyond those included in the scope as represented in the work plan in the Appendix will be conducted at hourly rates plus actual out-of-pocket expenses.

Cost Proposal

Stantec has developed a detailed Work Plan and Cost Estimate Schedule (Schedule) that presents a detailed description of the tasks of the process, the estimated labor-hours required by consultant, and the estimated fees to accomplish the analysis. The Schedule is enclosed in the Appendix at the end of this proposal, and it shows the following cost estimates. A Fee Summary by work element is presented below:

City of Cape Coral, Florida
FY 2026 General Fund Financial Sustainability Analysis
Fee Proposal



Summary by Work Element		Fee	Estimated Expenses	Fee Inclusive of Expenses
WORK ELEMENT I	Initiate the Project, Gather Data, and Update the Stantec Proprietary FAMS General Fund Model with one Budget Update	\$ 13,775	\$ -	\$ 13,775
WORK ELEMENT II	Present Results to City Management and City Council. Document the Results in a Final Report.	\$ 17,715	\$ 1,500	\$ 19,215
TOTAL CONSULTING FEE FOR ALL WORK ELEMENTS		\$ 31,490	\$ 1,500	\$ 32,990

It is Stantec's practice to invoice monthly based upon the percentage of each task of each work element completed. To the extent that additional presentations, meetings, analysis, or any other services are requested by the City that are beyond the scope identified in the above referenced Schedule, they will be completed based upon the necessary time and the hourly rates identified within the Schedule.

Reference: General Fund Financial Sustainability Analysis

Schedule

This proposal is to begin the project immediately upon receipt of all required data with FY 2026 being the base year and FY 2027 being the first year of the projection period. We will initialize the model with FY 2026 budget or year-end-estimate data, and the FY 2027 preliminary budget, with subsequent years projected from FY 2027. As you complete your budget cycle in the spring and summer of 2026, we will update the FY 2026 year-end-estimates and replace the FY 2027 preliminary budget with the proposed or recommended budget and adjust all future year projections to project from the FY 2027 final budget data. The completion of the project will coincide with the completion of the FY 2027 budget preparation and approval process during the summer of calendar year 2026.

Meetings

We will conduct several conference calls, meetings, and interactive work sessions during the project. Each is described in the Project Work Plan and Cost Estimate Schedule in the Appendix, and a summary of the calls and meetings is presented below:

1. Task 1.b - Conference call with City staff – Conduct kick-off conference call to review project objectives, schedule, key issues, approach, available data, and key assumptions
2. Task 2.c - Meeting with City staff - Conduct a virtual review session with City staff to review assumptions and data, and compile the preliminary results for the fund
3. Task 3.b - Meeting with City Staff and Management - Conduct a virtual meeting with City Staff and Management to review the initial results of the analysis and prepare strategies for City Council presentations
4. Task 3.e – Presentation to City Council - Present the results of the analysis to City Council (Three total Presentations)

Conclusion

We are delighted to have the opportunity to present this proposal to you. If the terms of this proposal are acceptable, please affix the appropriate signature on the following page and return a copy (a digital scan emailed to me will be acceptable) to us for our files. If you have any questions or would like to discuss this proposal, please do not hesitate to call me at (904) 671-0117. We look forward to the opportunity to work together providing you and the City with the extraordinary vision that this process provides.

Best regards,

Stantec Consulting Services Inc.

Peter Napoli, Senior Manager
Phone: (904) 671-0117
Peter.napoli@stantec.com

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Peter Digitally signed
by Napoli, Peter
Date: 2026.01.05
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Reference: General Fund Financial Sustainability Analysis

By signing this proposal, City of Cape Coral, FL Client Company Name authorizes Stantec to proceed with the services herein described and the Client acknowledges that it has read and agrees to be bound by the attached Professional Services Terms and Conditions.

This proposal is accepted and agreed on the 9th of January, 2026.
Day Month Year

Per: City of Cape Coral, FL
Client Company Name

Crystal S. Feast, Financial Services Director
Print Name & Title

Crystal s. Feast
Signature

The following Terms and Conditions are attached to and form part of a proposal for services to be performed by Consultant and together, when the CLIENT authorizes Consultant to proceed with the services, constitute the AGREEMENT. Consultant means the Stantec entity issuing the Proposal.

DESCRIPTION OF WORK: Consultant shall render the services described in the Proposal (hereinafter called the "SERVICES") to the CLIENT.

DESCRIPTION OF CLIENT: The CLIENT confirms and agrees that the CLIENT has authority to enter into this AGREEMENT on its own behalf and on behalf of all parties related to the CLIENT who may have an interest in the PROJECT.

TERMS AND CONDITIONS: No terms, conditions, understandings, or agreements purporting to modify or vary these Terms and Conditions shall be binding unless hereafter made in writing and signed by the CLIENT and Consultant. In the event of any conflict between the Proposal and these Terms and Conditions, these Terms and Conditions shall take precedence. This AGREEMENT supercedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the PROJECT

COMPENSATION: Payment is due to Consultant upon receipt of invoice. Failure to make any payment when due is a material breach of this AGREEMENT and will entitle Consultant, at its option, to suspend or terminate this AGREEMENT and the provision of the SERVICES. Interest will accrue on accounts overdue by 30 days at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest. Unless otherwise noted, the fees in this agreement do not include any value added, sales, or other taxes that may be applied by Government on fees for services. Such taxes will be added to all invoices as required.

NOTICES: Each party shall designate a representative who is authorized to act on behalf of that party. All notices, consents, and approvals required to be given hereunder shall be in writing and shall be given to the representatives of each party.

TERMINATION: Either party may terminate the AGREEMENT without cause upon thirty (30) days notice in writing. If either party breaches the AGREEMENT and fails to remedy such breach within seven (7) days of notice to do so by the non-defaulting party, the non-defaulting party may immediately terminate the Agreement. Non-payment by the CLIENT of Consultant's invoices within 30 days of Consultant rendering same is agreed to constitute a material breach and, upon written notice as prescribed above, the duties, obligations and responsibilities of Consultant are terminated. On termination by either party, the CLIENT shall forthwith pay Consultant all fees and charges for the SERVICES provided to the effective date of termination.

ENVIRONMENTAL: Except as specifically described in this AGREEMENT, Consultant's field investigation, laboratory testing and engineering recommendations will not address or evaluate pollution of soil or pollution of groundwater.

PROFESSIONAL RESPONSIBILITY: In performing the SERVICES, Consultant will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices normally provided in the performance of the SERVICES at the time and the location in which the SERVICES were performed.

LIMITATION OF LIABILITY: The CLIENT releases Consultant from any liability and agrees to defend, indemnify and hold Consultant harmless from any and all claims, damages, losses, and/or expenses, direct and indirect, or consequential damages, including but not limited to attorney's fees and charges and court and arbitration costs, arising out of, or claimed to arise out of, the performance of the SERVICES, excepting liability arising from the sole negligence of Consultant. It is further agreed that the total amount of all claims the CLIENT may have against Consultant under this AGREEMENT, including but not limited to claims for negligence, negligent misrepresentation and/or breach of contract, shall be strictly limited to the lesser of professional fees paid to Consultant for the SERVICES or \$50,000.00. No claim may be brought against Consultant more than two (2) years after the cause of action arose. As the CLIENT's sole and exclusive remedy under this AGREEMENT any claim, demand or suit shall be directed and/or asserted only against Consultant and not against any of Consultant's employees, officers or directors.

Consultant's liability with respect to any claims arising out of this AGREEMENT shall be absolutely limited to direct damages arising out of the SERVICES and Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the CLIENT, including but not limited to claims for loss of use, loss of profits and/or loss of markets.

INDEMNITY FOR MOLD CLAIMS: It is understood by the parties that existing or constructed buildings may contain mold substances that can present health hazards and result in bodily injury, property damage and/or necessary remedial measures. If, during performance of the SERVICES, Consultant knowingly encounters any such substances, Consultant shall notify the CLIENT and, without liability for consequential or any other damages, suspend performance of services until the CLIENT retains a qualified specialist to abate and/or remove the mold substances. The CLIENT agrees to release and waive all claims, including consequential damages, against Consultant, its subconsultants and their officers, directors and employees arising from or in any way connected with the existence of mold on or about the project site whether during or after completion of the SERVICES. The CLIENT further agrees to indemnify and hold Consultant harmless from and against all claims, costs, liabilities and damages, including reasonable attorneys' fees and costs, arising in any way from the existence of mold on the project site whether during or after completion of the SERVICES, except for those claims, liabilities, costs or damages caused by the sole gross negligence and/or knowing or willful misconduct of Consultant. Consultant and the CLIENT waive all rights against each other for mold damages to the extent that such damages sustained by either party are covered by insurance.

DOCUMENTS: All of the documents prepared by or on behalf of Consultant in connection with the PROJECT are instruments of service for the execution of the PROJECT. Consultant retains the property and copyright in these documents, whether the PROJECT is executed or not. These documents may not be used for any other purpose without the prior written consent of Consultant. In the event Consultant's documents are subsequently reused or modified in any material respect without the prior consent of Consultant, the CLIENT agrees to defend, hold harmless and indemnify Consultant from any claims advanced on account of said reuse or modification.

Any document produced by Consultant in relation to the Services is intended for the sole use of Client. The documents may not be relied upon by any other party without the express written consent of Consultant, which may be withheld at Consultant's discretion. Any such consent will provide no greater rights to the third party than those held by the Client under the contract, and will only be authorized pursuant to the conditions of Consultant's standard form reliance letter.

Consultant cannot guarantee the authenticity, integrity or completeness of data files supplied in electronic format ("Electronic Files"). CLIENT shall release, indemnify and hold Consultant, its officers, employees, Consultant's and agents harmless from any claims or damages arising from the use of Electronic Files. Electronic files will not contain stamps or seals, remain the property of Consultant, are not to be used for any purpose other than that for which they were transmitted, and are not to be retransmitted to a third party without Consultant's written consent.

FIELD SERVICES: Consultant shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with work on the PROJECT, and shall not be responsible for any contractor's failure to carry out the work in accordance with the contract documents. Consultant shall not be responsible for the acts or omissions of any contractor, subcontractor, any of their agents or employees, or any other persons performing any of the work in connection with the PROJECT. Consultant shall not be the prime contractor or similar under any occupational health and safety legislation.

GOVERNING LAW/COMPLIANCE WITH LAWS: The AGREEMENT shall be governed, construed and enforced in accordance with the laws of the jurisdiction in which the majority of the SERVICES are performed. Consultant shall observe and comply with all applicable laws, continue to provide equal employment opportunity to all qualified persons, and to recruit, hire, train, promote and compensate persons in all jobs without regard to race, color, religion, sex, age, disability or national origin or any other basis prohibited by applicable laws.

DISPUTE RESOLUTION: If requested in writing by either the CLIENT or Consultant, the CLIENT and Consultant shall attempt to resolve any dispute between them arising out of or in connection with this AGREEMENT by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. If a dispute cannot be settled within a period of thirty (30) calendar days with the mediator, if mutually agreed, the dispute shall be referred to arbitration pursuant to laws of the jurisdiction in which the majority of the SERVICES are performed or elsewhere by mutual agreement.

ASSIGNMENT: The CLIENT and Consultant shall not, without the prior written consent of the other party, assign the benefit or in any way transfer the obligations under these Terms and Conditions or any part hereof.

SEVERABILITY: If any term, condition or covenant of the AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the AGREEMENT shall be binding on the CLIENT and Consultant.

FLORIDA CONTRACTS: PURSUANT TO FLORIDA STATUTES CHAPTER 558.0035 AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR DAMAGES RESULTING FROM NEGLIGENCE.