

# *Town of Dundee*

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July 26, 2005

Honorable Mayor and Town Council:

The FY '06 fiscal budget recommendation is for a balanced \$12,516,106 of revenues and expenditures and represents a 60.5 % increase over last year, mainly due to the inclusion of \$7.5 million of capitol projects and improvements.

The budget recommendation is achieved using only operating revenue, impact fees, and insurance proceeds and without adjusting the current 7 mills per \$1.00 of assessed value property tax rate, and without adjusting the current sewer, water, solid waste, and storm water rates.

It must be noted, however, that current sewer user rates do not produce sufficient revenue to fund sewer operations. The sewer system has for years operated at a deficit that is funded by water customers. That operating deficit will continue to grow as new homes are brought on line. The monthly sewer rates need to be adjusted upward, as a matter of financial stability and customer fairness.

The FY '06 budget recommendation includes a 5% cost of living pay raise for all employees, the Phase II expansion of the wastewater treatment facility, utility line relocation on US Hwy. 27, construction of a new water plant, and the remediation and reconstruction of the hurricane damaged Town Hall.

In addition, the FY '06 budget recommendation includes five replacement vehicles for the police department and one new vehicle for the building division

The FY 06 budget recommendation also affirms the Town's support of the Historic Depot and Chamber of Commerce and includes contributions of \$10,000 to each entity.

Additions to personnel include three fulltime firefighters to be funded through the Federal SAFER Grant Program at the rate of 90% the first year, 80% the second year, 60% the third year, 40% the fourth year, and 20% the fifth year, one fulltime building permits technician funded through building department revenues, and one fulltime administrative assistant to the town manager charged to the general fund. The new administrative assistant to the town manager will also assist the development director.

As was the case last year, the FY '06 budget includes one school resource officer primarily funded through a reimbursement agreement with the School Board. Other personnel changes include the reclassification of the existing building official position from part-time to fulltime status.

When considering this FY '06 budget recommendation, it is asked that you keep in mind that in 2004 we set off on a mission to increase our tax base through the annexation of lands and the building of new subdivisions. Thus far, we have stayed focused on that goal and have made a huge effort to put into place the utilities infrastructure needed to make those new subdivisions happen.

As we continue toward our goal, we are about to enter the second year of three lean years before our general fund begins to realize new property tax revenue from the subdivisions now under construction.

It is noted that there is a growing pressure upon everyone to get more done with less and that there is a need for additional personnel in every department. We must, however, stay focused on our goal.

The FY '06 fiscal budget recommendation reflects a realistic response to current and anticipated demands for municipal services in the coming year within the constraints of the Town's funding limitations.

Notwithstanding any budget review workshops that you may schedule, it is recommended that the two meetings required to formally adopt the FY '06 budget be scheduled as follows:

Special Meeting, Thursday, September 15, 2005 First Reading of Ordinance Adopting a Tentative Tax Rate & Budget

Special Meeting, Tuesday, September 27, 2004 Public Hearing & Final Reading of (Held prior to the Regular Council Workshop) Ordinance Adopting FY '05 Budget

Very truly yours,  
Jim Gallagher  
Town Manager