



## Budget in Brief Part 1

Members of your Town Council along with the Town Staff have worked diligently to generate a fiscally responsible operating budget for the Town for the year from October 1, 2009 to September 30, 2010.

The Town's current net taxable value (the sum of all the assessed values minus the homesteading exemptions) is \$515,537,657. This amount reflects a decrease of \$12,452,566 from last year's value – a 2.36% drop.

The Florida Department of Revenue, in trying to assist all municipalities, determined that the Town could apply a millage levy as high as .5600 on your assessed value. Their form also calculated the millage rollback rate to be .4702. Rollback is the rate needed to generate the same dollars as last year.

Your Council felt strongly that it would be irresponsible to increase any rates during these tough economic conditions. We have set this year's rate at .4550, the same as last year, even though it will generate significantly less income for the Town. We also realize that the Town will receive less revenue from the County and State Local Option Fuel Tax, the Local Discretionary Sales Surtax, Local Communications Services Tax, the Municipal Revenue Sharing, and the County ½ Cent Sales Tax.

In order to balance expenses with the anticipated reduced income, the Town Council and Staff looked at every expense and eliminated or reduced expenses wherever possible. The following are a few examples:

- All salaries were frozen (in today's financial environment, we don't feel that any increases are justified particularly with all the local layoffs and the COLA down 2.3%).
- All pensions were cut in half (from 15% to 7.5% of salary).
- The number of phone lines to Town Hall was reduced.
- Mailings will be sent to those with email addresses, whenever possible, and posted on the Town website. Emailing this Budget in Brief will alone save \$800.
- Staff will prepare the State-mandated E.A.R. report. This will save us the cost of a consultant (approximately \$70,000).

So far we have reduced next year's budgeted expenses approximately 5% from this current year's anticipated expenses. The Town's new budgeted expenses are more than 6.5% less than the expenses budgeted for last year. Your Council will continue to look for additional ways to decrease expenses even though the budgeting process is almost complete.

In summary, the Town millage rate for the next fiscal year will be .4550. Since the total assessed value of our properties decreased \$12,452,566, this should yield a reduction in the tax dollars you pay for being a resident of the Town of Orchid.

Next month, after the County, the School Board, and all other taxing authorities have set their millage rates, we will send you an email (Budget in Brief Part 2) identifying what their rate changes mean for your real estate taxes. Also, we will include a comparison showing what your taxes would be if the Town did not exist. We want everyone to be fully informed and to be included in the process.

Sincerely,

Richard Dunlop, Mayor  
Sue Joyce, Vice-Mayor  
Paul Johnson, Council Member  
Bud Oatway, Council Member  
Bill Troxell, Council Member