

July 15, 2008

Honorable Mayor and Members of the Town Commission
Town of Melbourne Beach
507 Ocean Avenue
Melbourne Beach, Florida 32951

RE: Fiscal Year 2008-09 Proposed Budget

Dear Mayor and Town Commission Members:

It is once again my pleasure to submit a proposed budget for the Town of Melbourne Beach. The budget preparation process for FY2009 could have presented an arduous task. However, the willingness of the Town Commission to address anticipated financial issues and the commitment to maintain existing service levels minimized the uncertainty commonly experienced during financially-challenging times.

Original projections estimated a shortfall of between \$150,000 and \$250,000 in the General Fund for FY2009. As the budget materialized, the actual amount of the General Fund shortfall for the 2009 fiscal year was computed at \$226,366, or 11.2% of total appropriations.

In order to present a balanced budget, the following actions, with the accompanying financial impact, were taken:

1. Amendment of the rate for the Public Service Tax from 6.65% to 9.5% on electrical and gas services, and instituted a rate of 9.5% on water service. This action resulted in an increase in General Fund revenue totaling \$94,900.
2. Completion of an amended actuarial report producing a change in the Town's required contribution to the Police Officers' Retirement Trust Fund. The study and amendment was requested to provide a consistent level of future contributions into the Plan by the Town in lieu of wide fluctuations. This action revised the FY09 budget for this item from \$116,441 to \$88,475, for a difference of \$27,966.
3. Receipt of State estimates for Revenue-Sharing and Half-Cent Sales Tax distributions for FY09. These estimates increased General Fund revenue projections by \$19,000 from the amount originally-anticipated.
4. Use of Fund Balance in the General Fund to provide a Contingency Account for the Town. This item is discussed in more detail in the following pages of this Budget

Message under the General Services Department. This action essentially equates to additional General Fund revenue of \$25,000.

5. Appropriation of FY08 surplus funds for the purchase of a Public Works vehicle originally proposed in the upcoming fiscal year. By shifting this expense, the FY09 budget was effectively reduced by \$16,500. (This item is discussed in more detail under the Public Works Department section of this Budget Message.)
6. Inclusion of \$24,000 in revenue from the First Responder Program. In past years, the Town of Melbourne Beach has received approximately \$36,000 from this revenue source annually. However, I have included only two-thirds of the historical amount in order to acknowledge an equitable distribution to Brevard County Fire Rescue for providing a similar service in unincorporated Brevard County. In past years, Brevard County Fire Rescue has not shared in the First Responder Program. However, based on initial discussions with County Officials, it appears that Brevard County Fire Rescue will need to also receive a revenue distribution for providing this service, if this program is to receive continued funding. This action will acknowledge the payment by unincorporated County residents into the County's General Fund and the Fire Municipal Service Taxing Unit (MSTU).

Since the total amount of funds appropriated for the First Responder Program is not expected to increase, the proportionate share to the municipalities must decrease to provide a share to Brevard County Fire Rescue.

7. Recognition of a net increase of \$19,000 to the revenue projection for Electric Franchise Fee revenue expected during Fiscal Year 2009. This increase was precipitated by the rate adjustment approved for Florida Power and Light (FPL) by the Florida Public Service Commission on July 1, 2008. While the gross revenue increase from this action is slightly higher than stated above, this amount reflects the additional expense expected by the Town resulting from the rate adjustment.

For the most part, the proposed budget continues the same level of service as provided in the current fiscal year. No new programs are proposed. Likewise, the proposed budget does not contemplate the layoff of any Town employees. I believe that we should continue our existing practice of evaluating all positions to determine their continuation as vacancies occur.

As we prepared the budget, I asked each department to prepare goals which they would like to accomplish during the upcoming fiscal year. The intent of this exercise was to identify specific items which were realistic and meaningful to the Town. The other key element of these goals is the time frame in which they are to be implemented, and at what cost to the Town. I view these items as commitments by staff to ensure their completion. Obviously, it is the prerogative of the Commission to add, change or delete items based on its priorities. However, this is at least a starting point for those items which staff feels should be undertaken during the next fiscal year. I should also note that staff has initiated work on several of these items during the current fiscal year since they deal with areas of immediate concern.

The following provides the highlights in the various areas of the proposed budget for Fiscal Year 2009:

BUDGET HIGHLIGHTS
General Fund Revenues

Taxes

The millage rate proposed for the Fiscal year 2009 is the rolled-back rate of 2.7119. Based on the recent changes to the property tax system, this rate would require a simple majority vote of the Commission to adopt. A higher rate will require approval by two-thirds of the Commission.

The proposed millage rate of 2.7119 compares to the current rate of 2.6434. While a higher millage rate would typically generate more revenue, the proposed rate will provide approximately \$57,000 less in ad valorem property tax revenue than received during FY2008. This is due to the exemptions provided by Amendment I and otherwise reduced taxable values. Overall, the taxable value for the Town of Melbourne Beach experienced an 8% reduction from the FY2008 level.

This category of revenue also includes FPL Franchise Fees, and Utility taxes. These revenue amounts have been increased by \$30,000 and \$93,000, respectively, as previously discussed in this letter.

Local option gas tax revenue is projected to decrease by \$5,000 based on economic influences. Other revenues within this classification are expected to remain constant with the prior year.

The following provides examples of how the proposed millage rate and changes to the Utility Tax rate would impact a Melbourne Beach homeowner:

	FY2008		FY2009		Change
Home Valued at	\$125,000.00		*\$128,750.00		
Homestead Value	\$25,000.00		\$50,000.00		
Taxable Value	\$100,000.00	\$264.34	\$78,750.00	\$213.56	-\$50.78
Water Bill at	\$30.00/mo.	0	\$30.00/mo.	\$34.20/yr.	+\$34.20/yr.
Electric Bill at	\$150.00/mo.	\$119.70/yr.	\$150.00/mo.	\$171.00/yr.	+\$51.30/yr.
Total Cost		\$384.04/yr.		\$418.76/yr.	+\$34.72/yr.
					+\$2.89/mo.

* Assumes homestead property with a 3% increase in value.

	FY2008		FY2009		Change
Home Valued at	\$220,000.00		*\$226,600.00		
Homestead Value	\$25,000.00		\$50,000.00		
Taxable Value	\$195,000.00	\$515.46	\$176,600.00	\$478.92	-\$36.54
Water Bill at	\$30.00 mo	0	\$30.00/mo.	\$34.20/yr.	+\$34.20/yr.
Electric Bill at	\$150.00 mo	\$119.70/yr.	\$150.00/mo.	\$171.00/yr.	+\$51.30/yr.
Total Cost		\$635.16/yr.		\$684.12/yr.	+\$48.96/yr.
					+\$4.08/mo.

* Assumes homestead property with a 3% increase in value.

Licenses and Permits

This category primarily consists of various development review fees. As can be imagined, this category of revenue is also impacted by economic conditions. Accordingly, the total amount for this revenue category is projected to decrease by \$6,225, or 8.6%.

Intergovernmental Revenues

This category contains those revenues received by the Town of Melbourne Beach from other governmental jurisdictions. State Revenue sharing, along with Half Cent Sales Tax proceeds are expected to be significantly less in FY2009. The other primary revenue in this category is the First Responder revenue. The overall decrease projected for this category totals \$42,600.00, or 14%.

Charges for Services

This category contains various charges, such as, facility rentals. This category is projected to decrease by 11%, anticipating a reduction of disposal income by households in the upcoming year.

Fines and Forfeitures

Anticipated revenue for this category is \$12,000 less than the prior fiscal year budget. This reduction is based on the shrinking distribution from traffic violations to the Town, fewer citations issued over recent months, and a decrease in traffic volume, demonstrated by the reduction in gas tax revenue.

Miscellaneous Income

This revenue category displays an increase of nearly \$80,000 over the prior fiscal year. This is due to two (2) factors.

First, the payment for the mini-pumper from the Volunteer Fire Department Corporation has been included for FY2009. This was not part of the FY2008 budget and represents \$15,461 of the increase for this revenue category. The effect of this revenue is offset by a corresponding expenditure shown in the Fire Control budget.

Second, we have budgeted \$90,000 as a transfer from reserves. \$25,000 of this amount represents funds designated for the Contingency account, as previously discussed. The remainder is a transfer to the Stormwater Utility Fund to match the Hazard Mitigation Grant anticipated for stormwater improvements on Sixth and Harland Avenues. This transfer amount is proposed with the intent of repaying the General Fund with future Stormwater Utility fees or proceeds derived from a successful referendum requesting a tax levy specifically for stormwater improvement projects.

These increases are offset by reductions in other accounts. Since we do not anticipate the disposal of Town assets, revenue has not been projected in this account. This fact results in \$13,200 less revenue for this category. Additionally, Interest or Investments is projected to decrease by \$12,000 from the FY2008 original budget. This decrease stems from recent declines in interest rates. This situation is not expected to change in the immediate future.

Legislative (Commission/Town Clerk)

The proposed budget for this Department represents an approximate decrease of 6% from the originally adopted budget for the prior fiscal year.

The estimate received from the Brevard County Supervisor of Elections is considerably less than prior years. Additionally, we have proposed a decrease for the newsletter printing expense. This is due to the fact that Tina has the ability to format the document in-house. Based on her past design experience, she is able to condense the same number of articles into a four (4) page layout. Both items will result in significant savings for this Department.

Additional funds have been budgeted for staff travel and training. These funds will enable Tina to complete her designation as a Certified Municipal Clerk, as well as, attend associated professional conferences.

Executive (Town Manager)

The FY 2009 budget for this Department proposes essentially the same level of expenditures as contained in the prior year budget. This budget does provide funds for the Deputy Town Clerk to continue training necessary for certification.

Finance

This budget reflects an 8% increase over the original budget for FY08. However, nearly the entire increase in this budget is attributable to audit fees. While the proposed amount for this expense item represents a 55% increase, it is considerably less than the amount originally expected for these services.

Legal Counsel

Projected expenses for legal services during FY08 are expected to greatly exceed budget. As you can guess, a large portion of this cost is attributed to Walgreens. Thus far this fiscal year, legal fees associated with this issue total \$13,334. These costs will continue to accumulate as we enter the mediation process.

Considering the land use issues anticipated for next year, along with normal activity and Town Codes I would like to evaluate, I believe expenses in this area will continue at approximately the same levels as in FY08.

I have included an additional \$5,000 under the Code Enforcement Attorney line item. This amount anticipates the adoption of new procedures for processing Code Enforcement violations. These funds will be used for costs associated with the use of a magistrate to hear Code Enforcement cases. The intent of this proposal is to allow the Town to respond to Code violations more effectively and in a more-timely fashion.

The Legal Notices line item also reflects a slight decrease. This reduction anticipates changes to the Code of Ordinances allowing the use of internet advertising for specific types of public notices.

Comprehensive Planning

Changes authorized by the Town Commission during the FY08 budget preparation process were instituted and resulted in projected savings of \$30,000 over FY07 actual expenditures. The FY2008 projected expenditures also include \$10,000 for professional services to amend allowable special exception uses in the various commercial districts and the criteria for granting such uses.

The Evaluation and Appraisal Report (EAR) was submitted to the Florida Department of Community Affairs (DCA) in December 2007. As you are aware, the Report was found to be deficient. The most significant shortcoming with the EAR is the lack of a Regional Water Supply Plan. It appears that DCA will require the City of Melbourne to provide such a plan. However, we have not received any indication that it will be accomplished in the immediate future. This fact has delayed approval of our EAR and our ability to initiate the required EAR-based Comprehensive Plan amendments. Therefore, appropriations (\$11,000) for this purpose were re-budgeted for FY09.

Once the EAR is approved, the Town has 18 months to complete the EAR-based amendments. The total cost of this process is estimated at \$28,000, of which seven months is contained in the FY09 budget.

I would also like the Town Commission to consider bi-monthly meetings of the Planning and Zoning Board. Obviously, this schedule will extend the time required for processing amendments to the Land Development Regulations. However, in most cases time is not a factor. Should an issue arise which requires a more aggressive schedule, meetings can be conducted as necessary.

The FY09 proposed budget for Professional Services under the Comprehensive Planning activity reflects the change in the Planning and Zoning Board meeting schedule as discussed above.

A similar change for the Board of Adjustment was contemplated. However, a full cost recovery theory was the basis for the recent development review fee schedule adopted by the Town Commission. Therefore, current fees are sufficient to recover the costs of processing development applications, regardless of when associated Board hearings are scheduled.

General Services

The proposed budget for General Services for FY09 is consistent with the prior year with the exception of the following two (2) items:

1. The Contingency account has been reduced from \$67,470 as originally budgeted for FY08 to \$25,000 for the upcoming year. As noted for past budgets, budget amendments can be adopted during the course of FY09 to appropriate General Fund reserves should this amount prove inadequate to meet unforeseen emergencies.

The Contingency account has been provided through the appropriation of Fund Balance contained in the General Fund. While we have not used this practice in past budgets, it is totally acceptable. By linking this appropriation directly to the Contingency account, the

Town is assured that these funds will not be expended unless issues arise during the course of FY09 which dictate its use. If these funds are not used, they will remain as part of the Fund Balance in the General Fund. We project an approximate balance of \$1.1 million in General Fund reserves following this action.

This approach is consistent with the budget strategy for FY09 outlined in my memorandum dated April 4, 2008.

2. An additional \$6,000 has been included in the Communication Services account to provide funds for web site development and hosting services. This amount is consistent with Commission action taken at its July Regular Meeting.

Law Enforcement

The FY2009 budget proposes a reduction of \$36,120 or nearly 5% for the Police Department. The primary reason for such reduction is the elimination of two (2) vacant positions. The proposed budget for FY2009 provides for eight (8) sworn police officers. In conjunction with this reduction, the overtime budget has been retained at \$25,000 to ensure appropriate coverage on all shifts. While I believe this staffing level will be adequate in the short-term, we will need to monitor departmental activities to determine if and when an additional patrol officer is necessary. The reduction in personnel creates a corresponding reduction in the proposed budget for this department in FICA Taxes (\$3,778) and Health Insurance (\$14,239) accounts.

I am also proposing an incentive for personnel that complete and maintain appropriate training as required under the First Responder Program. This incentive would equal \$25.00 per officer per pay period and acknowledge the on-going training that must be received under this program. Should funds for the First Responder Program be discontinued, incentive pay would not be applicable.

Several expenditure accounts are proposed to increase in the FY2009 budget. These include the Police Pension, as previously discussed (\$31,409); Dispatching Services, as approved by the Commission at its regular meeting of May 21, 2008 (\$5,143); and Gas & Oil, as can be expected (\$2,000).

The FY2009 budget does not propose the replacement of any additional police cars. However, the lease-purchase payments for the two (2) replacement vehicles acquired during FY2008 are provided.

The remaining funds proposed for capital represent one half of the cost of laptop computers to accommodate the "silent dispatch" system as used by the Brevard County Sheriff's Office Dispatch. I am proposing the use of funds contained in the Fines and Forfeiture fund to provide the remainder of the funds needed for this purchase.

Fire Control

The budget proposed for the Fire Department represents a nominal 1.9% increase over the budget of Fiscal Year 2008. The largest increases proposed within this budget are contained in the Protective Gear (\$1,200) and Training & Schools (\$1,300) accounts.

Protective Services (Building Official)

The FY2009 budget for the Building Department is proposed to increase by approximately \$8,600, or 12%, over the original budget for the prior fiscal year. This increase is primarily attributable to two (2) items.

First, we have budgeted \$3,500 for engineering services. This account will serve as a contingency account should outside engineering services be required during the fiscal year. Per the current Development Review Fee Schedule, these costs can be reimbursed by the applicant so that there is no net cost to the Town. A like amount has been budgeted under the Building Permits revenue account.

Second, additional funds have been budgeted for training and professional reference materials. Updated Building Code Reference Manuals must be purchased. The FY09 budget also includes funds to complete the Code Enforcement training program and obtain certification as a Fire Inspector. This certification will allow fire inspections to be performed in house and the establishment of an associated fee schedule for such service.

Public Works

The FY09 budget for the Public Works Department reflects the continuation of services as currently provided. As such, the budget for the Department remains at the same level as for the prior fiscal year. However, \$2,500 has been added under the Signs account for the purchase of solar powered flashing lights to identify the curve at Ocean Avenue and Riverside Drive. I believe this device will create a safer condition for drivers traveling west and south bound.

I am proposing three (3) modifications to the current year budget which affect the 2008 projected column.

First, I would like to install a separate air conditioning system unit for the equipment room located on the second floor of Town Hall. This is the hub of the Town's communications and data processing systems. This equipment generates a great deal of heat which the currently-designed air conditioning system can not adequately address.

Due to the value of the equipment in this room and the crucial function of the equipment, I believe it is imperative that we provide an alternative air conditioning supply. This became even more apparent during the recent lightning strike and associated equipment failure. Therefore, I believe a stand-alone unit needs to be installed and tied into the emergency generator for extended outages. The cost of this improvement is estimated at \$3,000.

The next item is the replacement of a light pole for the tennis courts. The existing pole has deteriorated to the extent that it must be replaced. If the work is performed now, we can reuse the light fixture, thereby saving additional expense if it is damaged through a storm event. Needless to say, we must be proactive in addressing a known safety issue to protect the public.

Finally, I am proposing the replacement of the Public Works truck in the current fiscal year. This vehicle is a 2000 model with approximately 40,000 miles. While this truck has extremely low

mileage for its age, it has significant deterioration. As discussed during an earlier budget workshop, this vehicle poses a safety issue if not replaced or repaired.

The estimated cost to repair this vehicle totals \$4,000. Given the fact that the approximate resale value is \$3,000, it is not prudent to expend funds on a vehicle in excess of its market value. The cost of a replacement vehicle totals \$16,500.

Recreation (Parks Board)

The proposed budget for the 2009 fiscal year contains funds for Founders Day, Easter Egg Hunt, Christmas Tree Lighting Ceremony, and Fourth of July fireworks donation.

While the budget for this area is proposed to decrease by \$1,450, or 12%, I believe it is realistic for these events. The primary savings results from the incorporation of The M.O.R.G.A.N. Project into Founders Day, thereby eliminating expenses incurred by the Town and adjustments for other Founders Day items to reflect realistic expectations.

Historic Preservation

Limited financial resources have, once again, impeded our ability to provide funds for the historic preservation effort. With that said, this proposal, or lack thereof, is not made without a great deal of reservation.

The Ryckman House is in desperate need of exterior paint. The History Center may also require attention to its exterior or some other unforeseen improvement.

The Advisory Boards for both buildings have performed admirably and have raised funds for the rehabilitation efforts. Unfortunately, I am not sure if we can delay exterior work on the Ryckman House much longer. Likewise, repair items for the History Center may not always be able to wait or immediately available through donation, e.g., air conditioning.

Therefore, as we proceed through the budget process, I would suggest that we keep these projects in mind, should funds become available. Such an appropriation could even be made with the understanding that it would be used as a match to donations derived through fundraising efforts of the Boards.

Stormwater Utility Fund

Based on recent Commission discussion, we will proceed with plans for a referendum this fall. As you will recall, the ballot question will request approval of an ad valorem property tax levy of up to one additional mil for various stormwater and street resurfacing projects throughout the Town. This levy would extend for a 15 year period and generate approximately \$3.5 million for such improvements.

The resolution proposing the referendum will be presented for Commission consideration at the August regular meeting.

The Stormwater Utility Fund proposes the continuation of the Hazard Mitigation Grant Project. This project will construct stormwater improvements along Sixth and Harland Avenues. While engineering, design and permitting activities have occurred on this project during FY2008, the Town has not received a grant award committing funds for construction, to date. Should construction progress in FY2009 a General Fund transfer will be required to provide matching funds. This transfer will essentially serve as a loan to be repaid with future Stormwater Utility fees or revenue attributable to the referendum.

Debt Service

As you will recall, we experienced a significant increase in the required transfer from the General Fund to the Debt Service Fund for payment of the principal and interest on the Municipal Complex in FY08. This increase was caused by an unusually low transfer in FY07 resulting from bond refunding activities.

The required debt service payment for FY09 will remain at \$126,000, representing the amount paid in FY08.

Personal Services and Fringe Benefits

A salary adjustment for government employees is an area which is always scrutinized by the public. Given the existing economic condition, this attention has justifiably intensified this year. Nonetheless, it is necessary to recognize the financial needs of the employee and balance with what the public will find reasonable.

Having said that, the FY2009 budget proposes a multi-faceted approach for providing employee salary adjustments:

First, the current pay for a hand full of positions is significantly below the market rate. Therefore, I have attempted to provide a slightly greater adjustment for these positions effective October 1, 2008 in order to bring them closer to the market. (A listing of the proposed salary adjustments for each employee will be presented at the Town Commission budget review workshops.)

In consideration of this adjustment, these positions will not receive the 1.5% lump-sum payment or 2% cost-of-living adjustment on October 1 as described below.

Second, the budget proposes a one-time, lump-sum payment equal to 1.5% of the employee's current salary. This payment would occur in September of the current fiscal year and utilize a portion of the projected surplus. This is the same approach as employed last year.

Next, the budget includes a 2% cost-of-living adjustment effective October 1, 2008. Employee pay scales will be adjusted by a like percentage to maintain a competitive salary structure.

Finally, all employees will be eligible for up to a 1% merit increase on their anniversary date.

Such an increase would follow a formal evaluation review process. Evaluation forms will be reviewed and modified as necessary to incorporate items which will effectuate a more meaningful evaluation process.

Some may contend that the proposed salary adjustments are excessive. However, a minimal salary adjustment was accepted by Town employees for FY08. At the same time, the Consumer Price Index (CPI) reflects an increase, as of the end of 2007, of 5.1% annually. This CPI increase does not even reflect the cumulative effect of the recent escalation in gasoline prices. Furthermore, employees were impacted with higher health insurance premiums during FY08 and a plan change which shifted a larger portion of the cost for medical treatment to the employees. In light of these facts, I feel the proposed adjustments are reasonable, will provide employees with a sizeable pay adjustment, and minimize the financial impact to the Town in the future. The salary adjustments are not included with the salaries for individual positions in each department. The total amount of these adjustments for FY2008 and FY2009 are displayed on Page 1 of the Statement of Revenue and Expenditures.

A ten percent (10%) increase has also been included in the FY2009 budget for employee Health Insurance premiums. While we will continue to investigate alternatives for this benefit, our options may be limited, as discovered during our previous attempts.

The FY09 budget, as presented contains the same amounts for Workers Compensation Insurance as contained in the prior budget. However, preliminary correspondence from the Florida League of Cities indicates that we may experience a decrease in our premium. Unfortunately, the actual amount will not be received until the later part of summer. Therefore, we will need to adjust the budget figures following our budget review workshops. It may be prudent to add any recognized savings to the Contingency account since \$25,000 may be a marginal amount. The recent experiences with the previously-discussed lightning strike, as well as, the failure of an air conditioning unit in the Community Center in June attest to the need for an adequate contingency.

FUTURE REQUIREMENTS

While a balanced budget has been presented to meet program requirements throughout the upcoming fiscal year, we must be cognizant of sizeable expenditures which we will need to address in future budgets. Many of these needs were discussed during our budget workshop session a few months ago. These include vehicle and equipment replacement for Fire Administration, Building Department, Public Works and Police; construction of a storage facility; computer system replacement; Oak Street landscaping; Ocean Avenue streetscape; Community Center rehabilitation; and Town Hall Complex maintenance.

While most of these items have not been formally discussed with, or considered by, the Commission, I feel that these are items which we will either need to address or may wish to undertake in the future. Therefore, any actions which we can take to preserve our revenue sources at their maximum potential will benefit the Town in the future.

CLOSING

The following will summarize the various proposals for the Town of Melbourne Beach as contained in the FY2009 budget:

General Fund Revenues

- The taxable value for the Town of Melbourne Beach decreased from \$371 million to \$340 million, or 8.4% between fiscal years.
- The rolled-back rate of 2.7119 is proposed. This rate is slightly more than the millage rate of 2.6434 levied for FY2008, but will generate \$57,000 less revenue from ad valorem property taxes than realized in the prior fiscal year. This decrease results from exemptions provided by Amendment I and reduced taxable values.
- Projections for the Utility Tax have been amended to incorporate recent Commission action.
- Revenue from the Brevard County First Responder Program has been budgeted at a reduced level, anticipating philosophical changes in the funding distribution.
- Economic influences have been acknowledged through reduced state-shared revenue, development fees, and interest earnings. The reductions attributed to these revenue sources total \$54,225.
- Electric Franchise Fees have been adjusted to reflect anticipated receipts resulting from the recently approved rate adjustment for FPL.
- General Fund reserves have been appropriated to provide funds for a Contingency account.

General Fund Appropriations

- The overall increase in General Fund operating expenditures represents less than one-half of 1% increase as compared to the original budget for FY2008.
- Appropriations have been shifted to FY2008 whenever possible to utilize anticipated surplus funds during the current year, thereby eliminating expenditures for FY2009.
- Existing programs and services have been maintained and funds provided for uncontrollable expense items, e.g., Police Pension, Auditing Fees, Utilities, Gas & Oil, etc.
- Salary increases have been provided and, all current employees have been retained.
- Two (2) vacant positions have been eliminated.

I believe this proposed budget presents a reasonable financial plan for the upcoming fiscal year. It maintains existing service levels, while considering the economic impact on Town residents. It also acknowledges the dedication of Town employees. Even with the continuing economic slowdown, this budget maintains our commitment to provide the residents of Melbourne Beach with the highest quality service possible.

As, always, I appreciate the cooperation of the Department Directors to prepare this document and their understanding of the financial situation facing the Town. I also extend my sincere thanks to Jane Antonsen for her hard work to compile the budget.

Sincerely,

James D. Bursick