

Mayor's Budget Message

To: Council, Citizens and Employees of the City of Elkton
From: Nancy T. Camp, Mayor
Date: May 24, 2012
Subject: FY 2013 Budget Proposal and Message

The Kentucky Revises Statutes (KRS) set forth the requirements and certain guidelines for financial administration of the fiscal affairs of cities in the Commonwealth of Kentucky. KRS Chapters 91A.010 through 91A.060, 83A130(12), 83A.140(8) and 83A.150(5) specifically address the requirements of financial administration and fiscal responsibility.

This budget proposal and message is presented to you in compliance with these statutes. Also, this proposal is intended to address all requirements of any state or federal programs that the City may be participating in at this time.

Governmental Goals

The major goal of the city is to continue to maintain the quality of needed services to the citizens of Elkton, while keeping the costs of these services as low as possible.

Much of the city's infrastructure, including water and sewer lines are getting old and in need of repairs. Two water tanks are in need of painting and repair. While the city will apply for grant funding, matching funds are almost certainly needed.

The utility department continues to closely monitor the water loss in order to save money for future infrastructure repairs and to hold off future rate increases.

Important Features

This budget proposal contains a 2% cost of living salary increase to all full-time and part-time employees and officials.

The Police Department will no longer receive per diem payments of \$6.00 per day worked to reimburse for cleaning uniforms. The officers will receive \$.80 per hour pay increase to offset the loss of the per diem payments.

The City has received Transportation Enhancement funding in the amount of \$196,000 to install new curb, gutter and sidewalks on South Streets Avenue. The City is required

to contribute \$49,000 to the project, which will come from the Revolving Fund. A portion of the design phase of the project is complete, with construction estimated to begin in the summer of 2012.

As mentioned before, the water loss in the city has gone from about 35% per month to approximately 8% per month. For budget purposes, we are assuming the water loss will average approximately 15% in FY 2013, leading to a savings in the water department of about \$30,000 in FY 2013. This savings can be used to make much needed infrastructure improvements, as mentioned in the governmental goals, without the need for a rate increase.

It is proposed that the city continue to support industrial recruitment and economic development in Elkton and Todd County with \$15,000 budgeted for these purposes.

The city will also make its annual contribution to the Recreation Commission for operation and maintenance of the City-County Park and sports programs. Both the city and county have mutually agreed to raise their annual contribution to \$12,000.

There are a few special projects proposed in this budget, including the following:

Fire Department

- Make needed small repairs to the Fire Hall and gradually begin replacing worn out helmets, boots and gloves for the volunteer firemen.
- Apply for grant funding to replace needed SCBA devices.

Street Department

- Construction of the South Streets Avenue Sidewalk Project with \$196,000 in funding from the Transportation Cabinet and \$49,000 from the city's Revolving Fund.
- Approximately \$50,000 is budgeted for minor street repairs, especially along the edges of city streets.

Water Department

- Much needed safety equipment will be purchased by the water and sewer department including safety light bars for four utility vehicles and shoring equipment for ditch digging.
- The water and sewer department will also share in the expense of remodeling the break room at the sewer plant.

Sewer Department

- Make needed repairs to the sewer system, including rehab work at the main lift station, rehab digester at the sewer plant, replacing back gate to the plant property, and sealing the plant parking lot.
- Construct spill containment facility at the plant with new shed or building.
- The cost of supplies, pump repairs, valve replacement, and pump station repairs and maintenance continues to be an ongoing and increasing expense.

Proposed Changes

There are no significant changes in appropriations to any department.

Changes in Fiscal Policy

There are no significant changes in fiscal policy.

This proposal and explanations are presented for your consideration and it is my trust that you will find them both reasonable and workable.

Thank You!

Nancy T. Camp, Mayor