



To: Council, Citizens and Employees of the City of Elkton
Date: May 29, 2018
Subject: FY 2019 Budget Proposal and Message

Introduction

I am pleased to present to you this budget proposal and message for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

This budget is being proposed after working over the last month with each city council member, and department heads in reviewing past year's actual figures, current year to date totals and discussing future goals.

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

Revenues

The city continues to rely on taxes, including occupational license, insurance premium and property taxes, which will account for approximately 62% of all general fund revenues next year.

The water and sewer departments continuously needs ongoing maintenance and repairs to water lines, water tanks, sewer lines and the waste water treatment plant. Over the next several years, each department will need major repairs and some of those will be highlighted in later discussion. Therefore, after consultation with the Utility/Street Department and City Clerk/Treasurer, it is proposed in this budget a 3% increase in water rates and a 5% increase in sewer rates.

Even with these increases, both departments are projected to have a deficit, but every effort will be made to save money where possible.

Expenditures

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

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

Administration

- It is proposed that the city continue to support industrial recruitment and economic development in Elkton and Todd County with \$35,000 budgeted for these purposes. The Todd County Industrial Foundation has requested an increase in the city's annual contribution from \$25,000 to \$31,000 next fiscal year.
- I propose continuing our annual contribution to the Recreation Commission in the amount of \$17,000 for operation and maintenance of the City-County Park and sports programs.
- The city received a Land and Water Conservation Fund grant in the amount of \$75,000 with a required local match of \$75,000 to make much needed improvements in the City-County Park. The matching funds for the project will be supplied by the Recreation Commission.

Police Department

- The budget includes 7 full-time police officers, which will continue to provide 24 hour police service as city ordinances require.

Fire Department

- The fire department received a FEMA Assistance to Firefighters grant in the amount of \$301,200, with local match required of \$14,300 for the purchase of a new fire truck.

Street Department

- The proposed budget includes \$12,000 for the purchase of a used truck for the street department.

Water and Sewer Departments

- In the sewer department, overall maintenance expenses continue to increase. This proposal includes the completion of a KIA Planning Loan project, with a future repair and upgrade project to be proposed upon completion of the planning study. This budget contains the first interest payments on this planning loan, with principal payment not due until February 2020.

- The city has also received a request to extend the sewer main line on B White Road for future residential construction. This budget contains \$75,000 in sewer line extension expenses for this project.
- The sewer department also received a Homeland Security grant in the amount of \$50,000 to replace an aging generator on the main lift station.
- The water and sewer departments will also share in the expense of purchasing a new truck for the department at a cost of \$28,000, purchased on a three year loan.

This proposal and explanations are presented for your consideration and it is my trust that you will find them both reasonable and workable. I appreciate and thank the city council and staff for their hard work in assisting me with the preparation of this proposal.

Sincerely,

Jackie Boyd Weathers, Mayor