



To: Council, Citizens and Employees of the City of Elkton

Date: May 13, 2019

Subject: FY 2020 Budget Proposal and Message

### Introduction

I am pleased to present to you this budget proposal and message for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

This budget is being proposed after working over the last month with the city council members, 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.

Without the necessary updates and improvements included in this budget the city will struggle to maintain services and to prepare for growth. This budget challenges us to maintain the city infrastructure and to prepare for necessary changes that must be addressed for the health, safety, and welfare of our citizens.

### Revenues

The city continues to rely on taxes, including occupational license, insurance premium and property taxes, which will account for approximately 71% 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. In order to properly maintain the system more revenues will need to be generated for this budget and in the years to follow.

I feel it is important to point out that without the constant effort to seek grants and assistance from state and federal sources the city could not complete many task. This is not a source of revenue we can depend on for revenue but it is of major benefit to our community.

### Expenditures

This budget proposal contains a 2% cost of living salary increase to all full-time and part-time employees and excludes the Mayor and city council members.

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 a contribution to the Todd County Industrial Foundation of \$25,000.
- The city received a Land and Water Conservation Fund grant in the amount of \$75,000 with a required local match of \$75,000. The majority of this project will be completed next year and with matching funds for the project supplied by the Recreation Commission.
- Projects to upgrade network cabling in City Hall at a cost of approximately \$8,000 and purchasing new computers and server costing approximately \$12,000 is included. These projects will update network cabling for faster speed and new servers and computers will increase security to protect customer data and in all increasing efficiency.

### ***Police Department***

- The budget includes 7 full-time police officers, which will continue to provide 24 hour police service as city ordinances require.
- The police department is also in need of updating computers and servers as well as network security at a cost of approximately \$11,000.
- The department has been on a schedule to purchase a new police vehicle every two years. Therefore, we propose the purchase of a new 2020 Ford Explorer Police Interceptor on a two-year loan.

### ***Fire Department***

- The fire department will continue to apply for grant funds to update turnout gear and Self-Contained Breathing Apparatus.

### ***Street Department***

- Sidewalk maintenance and repair will be a priority in the upcoming year, with funds budgeted in the General Fund for seasonal employees to help with repairs and materials and supplies coming from special funds.

### ***Cemetery Department***

- Attention will continue to be given to address the landscaping needs and the necessary maintenance and improvement of the cemetery.

### ***Culture and Recreation***

- The city will continue to budget for the operation and maintenance of the Historic Todd County Courthouse Welcome Center with total cost of the Director Salary, utilities, maintenance and insurance costing approximately \$23,400.
- 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.
- Next year Elkton will celebrate its Bicentennial and I propose a cost of \$10,000 to plan activities and events for this event and a “Zip Code Day,” when on 4-22-20 Elkton will

celebrate a once in our life time event! We also will look for sponsors to help cover some of these expenses.

### *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 rehab and construction project to be proposed upon completion of the planning study. This final rehab and construction project will be discussed in the next few months and is anticipated to begin sometime in the next fiscal year.
- The water department has also received a KIA loan to upgrade several undersized water lines in the city with a total cost of about \$170,000.
- The water tank on Morningside Drive needs to be painted with the total cost estimated at \$100,000. The project will be paid for over 5 years, costing the department about \$20,000 per year.
- The sewer department will purchase a new jetter and root cutting equipment at a total cost of \$53,000 to be financed over 3 years.
- The water and sewer departments will also share in the expense of purchasing new meter reading equipment and software due to the current software being discontinued.

This proposal and explanations are presented for your consideration and it is my belief that you will find them both reasonable and workable. However this budget does not include any potential cost the city may incur in the continuing efforts to address the Stinson Lake remediation agreement.

I appreciate and thank the city council and staff for their hard work in assisting me with the preparation of this proposal and the guidance of the City Clerk with my first budget proposal.

Sincerely,

Arthur Green, Mayor