

Mayor's Budget Message

To: Council, Citizens and Employees of the City of Elkton
From: Nancy T. Camp, Mayor
Date: May 13, 2013
Subject: FY 2014 Budget Proposal and Message

The Kentucky Revised 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, 83A.130(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.

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 1% cost of living salary increase to all full-time and part-time employees and officials.

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 2013.

As mentioned before, the water loss in the city has gone from about 35% to approximately 10%. For budget purposes, we are assuming the water loss will average 20% in FY 2014. Therefore, if water loss remains at 10% the water department will save about \$20,000 that is not reflected in the budget figures.

It is proposed that the city continue to support industrial recruitment and economic development in Elkton and Todd County with \$30,000 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. It is proposed to contribute \$15,000.

Grants through TVA will be sought for all city buildings to install more energy efficient light fixtures. We have increased the building maintenance expenditures in each department for this project. The energy savings from this project is expected to pay for itself in 1 to 2 years.

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

Administration

- Repair the house owned by the city located at 203 E Jefferson Street for approximately \$3,000 and use as rental property. Rental income must be deposited in the Revolving Fund.
- Contract with Pennyryle Area Development District at a cost of \$11,200 to update the city's Zoning Ordinance and Zoning Map.

Police Department

- Purchase a new Ford Explorer at a cost of about \$30,000 through a loan paid over four years. The expense in this year's budget for the first down payment would be approximately \$8,000.

Fire Department

- The Fire Department will be making its final payment of about \$4,100 on a low interest loan to the Kentucky Fire Commission for the purchase of a fire truck about ten years ago with State Fire Aid Funds. The department receives \$8,250 in State Aid funds and the remaining \$4,150 must be used on technical supplies and equipment.
- Apply for grant funding to replace needed SCBA devices, helmets and boots.

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.
- The city property located on S. Perry Street known as the Groves building needs about \$14,000 in repairs, including replacing the garage doors and painting.

- It is proposed to use Municipal Road Aid Funds of about \$35,000 to pave the parking lot in the City-County Park if the county also contributes the same amount.
- It is also proposed to budget about \$80,000 for resurfacing streets and other street repairs in the city from Municipal Road Aid.

Water Department

- It is proposed to spend approximately \$12,000 on a hydraulic study of the water system to better understand future growth and needs in the city.
- The city has agreed to a low interest loan (1.75%) through Kentucky Infrastructure Authority to make water line extensions to separate water lines with the Todd County Water District at their request. The project will also replace an aging water line on Goeble Avenue. The total project will cost approximately \$320,000 with an annual debt payment of \$19,672 over 20 years.

Sewer Department

- The cost of supplies, pump repairs, valve replacement, and pump station repairs and maintenance continues to be an ongoing and increasing expense. There are no special projects proposed.

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