



To: Council, Citizens and Employees of the City of Elkton  
Date: May 4, 2021  
Subject: FY 2022 Budget Proposal and Message

### Introduction

I am pleased to present to you this budget proposal and message for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

This budget is being proposed after working over the last month with 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's general government continues to rely on taxes, including occupational license, insurance premium and property taxes, which will account for approximately 58% of all general fund revenues next year.

Next fiscal year, the city is estimated to receive about \$195,000 from the Coronavirus State and Local Fiscal Recovery Fund through the American Rescue Plan Act. Together with the \$195,000 also received in FY2021 from the same funding program, the city will need to spend this funding according to federal guidelines that have not yet been released. It is important to recognize these funds as one time monies and not use for reoccurring expenses.

The water and sewer departments continuously need ongoing maintenance and repairs to water lines, water tanks, sewer lines and the wastewater treatment plant. Over the next several years, each department will need major repairs and some of those will be highlighted in later discussion. The city will need to continuously monitor water and sewer rates in the future.

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 tasks. 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 1.5% cost of living salary increase to all full-time and part-time employees. This budget does contain the 1.5% for public officials, but I recommend we do not leave it in the current budget.

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 \$10,000.
- While the budget shows total Administrative expenses of \$390,000 for American Recovery Plan projects, guidance on how these funds can be spent has not yet been released.

#### ***Police Department***

- The budget includes 8 full-time police officers, which will continue to provide 24-hour police service as city ordinances require.
- This year proposes small increases in funding for community activities and for additional supplies to enforce the city's alcoholic beverage control ordinances.

#### ***Fire Department***

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

#### ***Street Department***

- The city has been awarded a Transportation Alternatives Project through the Transportation Cabinet to install new sidewalks and a bicycle lane on Goebel Avenue. The total project cost will be about \$485,000 with 80% (\$388,000) being funded through TAP. This project will continue the city's effort to reach goals to improve walkability as stated in the city's Pedestrian and Bicycle Plan.
- This budget proposes hiring a new full-time employee for the Public Works Department that will be funded through the city's general fund. This person will address maintenance in the city, cemetery, streets and sidewalks, along with assisting water and sewer departments.

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

- 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. I recognize that there is additional assistance that the city will need to provide in the year.
- Even though Elkton's bicentennial celebration plans in 2020 had to be postponed due to the COVID-19 pandemic, we propose celebrating the bicentennial through a bigger and better HarvestFest in 2021 and other bicentennial activities.
- Also proposed for next year's budget is \$20,000 in "CARES-Events and Activities." In FY2021, the city received about \$200,000 in CARES Act funds due to the pandemic that caused many of our local businesses to close and lose revenue. And all of us were encouraged, and many of us did stay home, to help prevent the spread of the virus. CARES funding was applied to our already budgeted police department salaries and therefore helped ease the general fund budget in many areas causing a surplus of revenues. Therefore, I propose using some of these surplus carry over funds from last year to hold some extra events and activities to help bring more people to Elkton to support our local businesses and to provide much needed outdoor activities for the community.

#### ***Water and Sewer Departments***

- In the sewer department, the Sewer Improvements Project will continue in this fiscal year with the completion of Phase II and Phase III, which will include a new sewer force main and wastewater treatment plant upgrades to improve inflow and infiltration.

- I propose spending approximately \$7,000 on new utility billing software. New billing software will improve our utility customer's experience by allowing them to create an online customer account to view their account history, to view and pay their bills online, and they can choose to go paperless and receive their bill through email.

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 once plans for removal of the dam are approved by the state.

This budget also does not include several water and sewer projects that need to be completed as we look for potential infrastructure grant funding to complete these projects. If additional state funding cannot be acquired, we will need to appropriate some extra covid dollars to these projects.

I appreciate and thank the city council and staff for their hard work in assisting with this process in preparing this proposal. The work of the city treasurer is invaluable in this process for me and the city.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur Green".

Arthur Green, Mayor