



To: Members of the Council, City of Elkton Citizens, and Employees
Date: May 31, 2022
Subject: FY 2023 Budget Proposal and Message

Introduction

I am presenting this budget proposal and message to you for the fiscal year beginning July 1, 2022, and ending June 30, 2023, with anticipation of a wonderful year ahead in the City of Elkton.

After working over the last months with department supervisors in reviewing past year's actual figures, current year to date totals and discussing future goals, I present this budget for your consideration.

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 in line with expenditures.

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 need to be addressed for the health, safety, and welfare of our citizens.

Revenues

This fiscal year, the city will receive our final allotment of Local Fiscal Recovery Funds through the American Rescue Plan Act in the amount of about \$275,700. Together with the \$276,500 already received in FY2022, the city will need to spend this funding according to federal guidelines. Last year, approximately \$23,700.00 was used for premium pay to all essential city employees leaving a balance of about \$528,500.00 to spend on future projects.

As you will see we have an increase in our revenue streams due to growth of housing and economic development taking place in the city. Even with revenue growth, our infrastructure needs will continue to be a large part of our expenditures and the city will need to continuously monitor water and sewer rates in the future. Therefore, we will have to continually seek grants and assistance from state and federal sources for the city to complete these tasks. These grants are not a source of revenue we can depend on but are a major benefit to our community.

Expenditures

This budget proposal contains a 6% cost of living salary increase for all full-time and part-time employees and public officials and additional funds to improve supervisor salaries.

Listed are some of the special projects and goals proposed in this budget that I wish to highlight:

Administration

- This budget includes \$25,000 for updates to City Hall.
- We also propose spending approximately \$7,000 on a new city website to better communication with our citizens.

Police Department

- The budget includes the purchase of one new police vehicle at a cost of about \$58,000.00.

Fire Department

- The fire department will continue to apply for grant funds to update turnout gear and Self-Contained Breathing Apparatus and other necessary equipment.
- The future needs of building and equipment will need to be addressed as funds are available.

Street Department

- The city is on schedule to complete a Transportation Alternatives Project through the Transportation Cabinet to install new sidewalks and a bicycle lane on Goebel Avenue. The design on this project is complete and construction in the amount of about \$470,000 will begin soon. The city will receive about \$376,000 for this project through TAP.
- We will continue efforts to repave roads as we can and continue to work on other connecting streets.

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 Elkton-Todd County Park and sports programs.
- This budget also includes a Land and Water Conservation Grant Project totaling \$246,000 to install new lighting on one small baseball field and new playground equipment in the park. The city will receive \$123,000 in LWCF grant funds and will partner with the county for the remaining portion of the project costing about \$61,500 each. It is possible we will be working with the county on the soccer field complex that the county has received a grant to create.
- Also included in the budget is \$10,000 for special events.

Water and Sewer Departments

- This budget proposes partnering with the new assisted living project with the city installing water, sewer, and gas lines to the property at a total cost estimated at \$55,000.
- The water department budget includes painting and repairing the Morningside Drive water tank at a cost estimated at \$160,000.
- This budget proposes purchasing a sewer camera system at a cost of \$91,000 and paying for the equipment with a three-year loan.

This address and budget proposal are for your consideration, and it is my belief that you will find them both reasonable and workable. The city is in a growth pattern and this growth will provide us with challenges during this time of cost increases and delays in acquiring materials. During this budget year we will continue to address the Stinson Lake remediation and the replacement of a city shop/storage building and to determine necessary funding for these projects.

This budget also does not include water and sewer projects that we need to be complete. We continue to look for ways to obtain potential infrastructure funding and to complete these projects and plan for future projects.

I appreciate and thank the city council and staff for their assistance in the preparation of this proposal and extend a special thanks to the City Clerk for guidance and preparation of this budget proposal.

Sincerely,


Arthur Green, Mayor