

State of the Municipality Address 2010 "Finding a Balance"

This year the Town of Cecilton experienced many challenges. From falling revenues on our investments portfolios. To the State of Maryland withholding funding, rightfully meant to support our expenses for road upgrades, brought on by falling revenues at their level. To surviving a 100 year back to back snow storms that destroyed equipment and budgets.

Through it all we kept our resolve to do our best and remain steadfast in our goals. Our employees performed exemplary during these times, many other cities and towns found to be crippling disasters because of their unpreparedness. The dedication and perseverance shown by our staff should be commended and I would like to thank them again today. It is also a time to thank our community as a whole. There were times during the storms that did force us to struggle to keep up. But with cooperation from the public and private partnerships we have formed, we came together and kept the Town moving forward. Partners like Priapi Nurseries and Pleasanton Excavation came to our assistance and provided essential services our equipment could not handle. Without help from our community, we too could have been at the mercy of Mother Nature. With their help, most citizens found these storms to be a mere

inconvenience. I would also like to thank these members of our community today, as well.

The past year's financial market did not fare well for us either. Like the heavy storms of February, sagging assessments dropped our revenue estimates for the fiscal year and as municipal resources lag other financial indicators by at least 12 to 18 months. Our main source of revenue will struggle to keep up with our needs. To add insult to injury, our state representation found it necessary to reduce our highway user revenues (the money we pay the state to upkeep our town roads) by nearly 90 percent.

With so many challenges being thrown at us, nearly constantly. It does require us to be detailed in our preparation for the future if we intend to be successful. I feel optimistic of our goals for the coming year, and proper planning will be required to reach the goal of financial freedom for our town. The researcher and writer Barbara Hall said "The path to our destination is not always a straight one. We go down the wrong road; we get lost, turn back and try again. Maybe it doesn't matter which road we embark on. Maybe what matters is that we embark". Or if you are a pessimist, Yogi Berra's "The future ain't what it used to be". At any rate; these corrections to our fiscally responsible budget and frugal spending this year should set in place the needed reforms to ensure financial security for Cecilton.

This year, I am proud to present you with a balanced budget that, for the 12th year in a row will not raise the constant yield. Now more than ever, families need our assistance to provide for their safety and welfare in these difficult financial times. With the help of a very dedicated staff in town hall, we have attempted to prepare a budget that will provide for the efficient delivery of services that our residents deserve. This year we can further assist our residents by lowering the tax rate to .219% and still remain solvent.

After our annual audit of 2008, we investigated the reason for the loss of funding in enterprise fund. After long study we found that during our rate structure study we failed to account for the additional interest incurred during the interim construction phase of our new sewer plant. Unfortunately, to keep the enterprise fund solvent, you will see a 22.3% increase in this year's user fees. The good news in this scenario (if there is any) is that this will not necessarily be a new cost to our citizens. This increase will only bring us up to the rates our residents paid in 2002-2003, still nearly half of all other municipalities in Cecil County. We will then attempt to keep up with the rising cost of operation and continue our practice of modest increases annually of 2% in financing our infrastructure. The financial layout and ultimate payback of our portion of construction cost, hinge on the sale of the connection fees from the new plant. Each of us need to encourage commercial and residential growth

at a modest but constant rate for the duration of the loan. Remember we did not see this economic down turn when we planned the construction of water and wastewater facilities, so it will be that much harder to ensure fiscal responsibility of the Enterprise Fund.

With the administrator working diligently, we have completed another round in the hiring process. We would like to welcome Jay Paxon to the town staff. His experience will be a great benefit to our Maintenance and facilities needs. While we have noticed what an invaluable asset our entire staff has become. We (unfortunately) cannot afford to give merit increases in these financial times. During the financial times of struggling families, and over 10% of Cecil County residents out of work. We cannot in good conscience raise the need for more revenue and further burden or residents with a higher tax rate. In this year's request you will see an increase in the proposed salary for the administrator only due to contractual obligation. Continued upgrade to the town computer system and web page has proven beneficial and this year's budget is no exception. Funding for improvements and a new server and digital backup system is included in the administrative category.

Over the past year we negotiated a new contract for waste services. While we had a modest increase in service fees under the new agreement, we were already operating in the red in this line item. An attempt to bring this line up to a revenue neutral fund balance, last year-

you approved an increase to reach half our goal. This year I am recommending an increase to the waste collection line item in order to fully offset the differential between profit and loss in this fund. This will finally fix our problem and we will need to remain diligent in order for this long costly debt service not to get away from us in the future. The line item will operate this year at nearly \$51,000. While our general fund balance has always had adequate revenue to offset the costs, this is not a financial practice that we should wish to continue and I plead with you to pass this line of the budget. The revenue generated is based on \$150 per resident this year's 09 budget, and the expense is calculated to be \$180.00 per resident in the fund line item.

In an effort to provide recreational resources for our citizens, we have over the past 10 years completed impressive changes to the Cecilton park complex. With a new partnership in the works with a youth football league, modest improvements will be needed to the parking area and is included in this year's budget. The construction will be required to accommodate the new volume of vehicles accessing the park. Working with a new partner on our park will be exiting and hopefully provide exceptional value for the amount of dollars we will spend. This will also provide an outstanding opportunity for our local businesses to capitalize on the additional traffic thru town.

Working with our partners in the area, we will continue to be able to provide efficient delivery of services at the best possible price. Our long standing partners like URS and Miller Environmental continue to work within our available finances and still provide quality services for Cecilton. Over the next year we will need to utilize them for completing a number of projects for the town. Miller will help us complete an operation and maintenance plan for the new waste treatment plant and review ways to help mitigate inflow and infiltration into our sewer system. URS will assist us with completing our update to the town code of ordinances that you will see this year for adoption. They will also provide for a review of all the documentation that we have updated or adopted new over the last few years. By changing or amending the Subdivision ordinance, planning and Zoning ordinance, Aforestation, Storm water, streets and roads, Charter amendments and Comprehensive planning; you can obviously see the need for a review in order to provide a clear and logical set of governing documents for the town to follow.

“Our greatness as a Town has depended on individual initiative. But it has also depended on our sense of mutual regard for each other, of mutual responsibility. The idea that everybody has a stake in the town, that we're all in it together and everybody's got a shot at opportunity. Know this. We know that government can't solve all our problems - and we don't

want it to. But we also know that there are some things we can't do on our own. We know that there are some things we do better together". Barack Obama

This year's budget should demonstrate our willingness to provide the basic gubernatorial functions in the most efficient manner possible, ensuring for the health, safety and welfare of the citizens of Cecilton.

Thank You!

Let's keep working together, the way life should be!