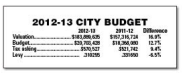

2012-13 CITY BUDGET

	2012-13	2011-12	Difference
Valuation	$183,000,635	$157,316,724	16.9%
Budget	$20,700,420	$18,366,900	12.7%
Tax asking	$570,527	$521,742	9.4%
Levy	.310255	.331650	-6.5%

Clymer: Broader tax base helpful

Property owners may get a reprieve from paying more in city taxes this year.

A 17% hike in valuation means more money for Gothenburg and a broader tax base, according to city administrator Bruce Clymer.

That helps drop the city levy 6.5% which may keep higher property taxes at bay for some homeowners if real estate values didn't increase.

More specifically, the proposed .31025 levy means taxes on a home valued at $100,000 will drop to $310 compared to last year's .33165 levy and a $332 tax bill.

Clymer said he thinks Gothenburg, with its lower tax levy, compares well to other communities, noting that the city's levy is the lowest of the three largest towns in the county.

Smaller increases than last year are proposed in the 2012-13 city budget and tax asking.

Property taxes are expected to rise 9.4% ($570,527), compared to 11.4% last year. The budget, set to increase 12.7%, was nearly double (23.7%) last year, largely because of costly sewer improvements.

"The increase is to fund projects we're trying to get accomplished," he said.

REVENUES

Property taxes

Property taxes will rise 9.4% in the proposed budget, to fund city services, compared to an 11.4% increase last year. The levy drops 6.5%.

Sales tax

A one-cent sales tax, created to provide property tax relief, is estimated to generate $480,000 by the end of the year compared to $465,000 last year for a $15,000 increase.

Water sales

Customers will pay $357,000 in 2012-13.

Electrical sales of service

The city will receive $4,798,409 from customers for the provision of electrical services. With $2,094,947 carried over from 2011-12, plus a $1,230,045 cash reserve and $500,000 in contingency revenue, the department operates in the black, Clymer said.

Sewer services

Revenue from sewer services will bring in $820,000 in the coming year.

Motor vehicle tax

Money from motor vehicle taxes will be $29,000.

EXPENSES

General fund

The proposed budget for the city is $20,703,428. This includes city services such as public safety and public works

Large departments and operating budgets are:

- Water—$1,503,867
- Electrical—$7,200,689
- Sewer/waste disposal—$3,396,923
- Streets—$1,283,605
- Parks—$290,780

Salaries & benefits

Budgeted salaries and benefits for all city employees is $2,021,037. Average wages rose 2.9%.

Capital improvements

Clymer said $100,000 has been budgeted in the [redacted] Gothenburg Improvement Company's industrial site southeast of town. The GIC will install water, sewer and provide a street to the site to make it site-ready for industry.

Other larger projects include:

- $13,683 to help street improvements on south Lake Avenue.
- $40,000 from the parks department that includes $28,750 for planning for the rehabilitation of Lake Helen. The big cost for lake improvements will show up in the 2014 budget, Clymer said.
- $40,000 for the electrical department to bury an overhead line near an alley north of 22nd Street, between Avenues H and J.

Clymer said the council has not yet determined [redacted] although $2,055,956 was budgeted last year.

Cash reserve

Set aside for unexpected expenses in all departments is $1,719,297 in cash reserve.

Bigger-ticket items

In the street department, $120,000 has been set aside to help buy a street sweeper and $40,000 for a dump truck. Additional storage at the city shop received a $48,000 boost.

Funds set aside for the parks department include $10,000 toward a pickup and $5,000 for buildings.

For recreation, $25,000 has been budgeted to expand the concession stand at the four-plex.

Within the fire department, $20,000 is budgeted for fire truck replacement and $10,000 for new [redacted]