City levy rises 4% to support services, projects

The rehabilitation of Lake Helen and costly sewer and water improvements are the largest expenditures in the city's proposed budget for 2013-14.

Although the levy dropped 6.5% last year, that's not the story this year.

For local taxpayers, the proposed levy of .32273 means an increase of $12.48 on a $100,000 home if real estate values didn't rise.

However when combining the city and airport levies, city administrator Bruce Clymer said the levy stays the same at .31025.

The Gothenburg City Council has fashioned a $21,866,748 budget of which taxpayers will fund $608,136, or 6.6% more , than the $570,527 request in 2012-13.

Clymer noted that the biggest expense from the general fund is $279,696 the city has budgeted to make Lake Helen more user friendly.

Grants will pay for the rest of the $1,545,394 million project.

Another large expense, $2,233,400-, is for sewer repairs plus $642,330 in water improvements.

Both of those will be funded from the public works department.

Clymer noted that capital projects are at a minimum in the proposed budget because of the Lake Helen and sewer projects.

Valuation this year increased 2.5% which isn't close to the 17% experienced last year but it still affects what the city receives in municipal equalization aid that is based on valuation and on comparison to other communities.

The city will receive $23,112, or 78% less, in the coming year in MEF funds compared to $107,012 in 2012-13.

Clymer said the decrease was expected because of tax-increment financing projects added to the tax rolls and because of the way the state formula works.

In the public works department, electrical bills are expected to increase 1.1%, because of a 2.08% increase from the city's wholesale provider—the Nebraska Public Power District.

Water rates are proposed to increase 5% to fund improvements in the system and help with with increased costs.

Employee salaries and benefits are figured at $2,075,291 compared to $2,021,037 last year.

The Gothenburg Airport Authority's levy, although separate from the city budget is added to the city's to determine if the 45 cents per $100 valuation lid is met.

Airport authority board members have requested $72,669 this year compared to $62,540 the council granted in 2012-13.

Clymer said the authority has budgeted $40,000 for an airport plan which is needed to apply for

grants.

Additional hangar space and the installation of airport lights is also on the wish list.

Highlights of the city budget, which can be viewed at city hall, are listed below.

The council will have public hearings on the budget and tax request at 7 p.m. Tuesday, Sept. 17, in city council chambers.

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REVENUES

Property taxes

The proposed budget calls for a property tax increase of 6.6% compared to 6.4% last year. The budget funds city services such as public safety and public works. The tax levy rises 4%.

Sales tax

A one-cent sales tax, created to provide property tax relief, is estimated to generate $714,750 by the end of the 2014. Collected during 2012-13 were $720,000.

Water sales

Customers will pay $267,500 which is $10,500 more than the $257,000 budgeted in 2012-13.

Electrical sales of service

The city will receive $6,691,412 from customers for electrical service and a fuel surcharge rate to $6,790,409 last year.

Sewer services

Revenue from sewer services is expected to bring in $675,000 in the coming year.

Motor vehicle tax

Money from motor vehicle taxes is anticipated to be the same as last year at $25,000.

EXPENSES

General fund

The proposed budget for the city is $21,066,745. This includes city services such as public safety and public works.

Large departments and operating budgets (last year's amounts in parentheses) are:

- Electrical—$7,174,400 ($7,000,000)
- Electrical—$7,074,142 ($7,000,000)
- Sewer/wastewater/gas/oil—$2,017,314 ($2,196,023)
- Streets—$1,455,407 ($1,283,005)
- Parks—$905,793 ($830,390)

Salaries & benefits

Budgeted salaries and benefits for all city employees is $7,075,291 compared to $7,031,027 last year.

Capital improvements

Clymer said $5,340,364 is budgeted for the rehabilitation of Lake Helen. Of that amount, the city will pay $270,000 with the rest of the project funded with grants.

Public works projects

Larger projects in the public works division include:

- $2,255,400 for a sewer system upgrade that was approved by the council earlier this year.

A sewer jet, at a cost of $195,000, has also been budgeted to replace one bought in 1981.

- $840,200 in water system improvement projects. Clymer said the projects were identified in a 2011 study and will be discussed by the council.
- $690,000 in potential projects to upgrade the city's electrical system such as eliminating more overhead lines. Another $60,000 is budgeted to repair and maintain the electrical system.
- $50,000 to settle a lawsuit brought by homeowners following sewer and water damage to basements after heavy rain in 2010.
- $50,000 for the first of four years of payment for a bucket truck in the electrical department.

Clymer said the council has not yet determined how much will be spent on sewer improvements although $2,051,956 was budgeted last year.

Cash reserve

Set aside for unexpected expenses in all departments is $1,251,003 in cash reserve that compares to $1,216,207 set aside last year.

Larger-ticket items

In the street department, $160,000 has been set aside to help buy a street sweeper and $60,000, from the street, electrical and water and sewer departments for a storage facility at the city shop.

$40,000 is budgeted for repairs on Americans With Disabilities Act ramps, a comprehensive plan and the removal of a roadbed determined to be a health hazard. The unsafe structure is at the corner of 10th Street and Avenue D.

The police department will receive $42,000 for a specially equipped cruiser. A $6,750 grant will supply an in-car camera.

In addition to a $26,200 transfer of $23867 funds into the parks department to help pay for the Lake Helen project, $20,000 has been budgeted towards a new pickup.

Dawson Area Development does will increase from $5,000 to $24,000 because of additional duties the organization has taken on in addition to economic development.

Within the fire department, $30,000 is budgeted for fire truck replacement and $20,000 for new pagers.

Building Blocks Child Care Center & Preschool, a structure owned by the city, will get $20,000 for repairs that include doors and windows.

The library will receive $6,000 for three new computers and software with an additional $5,000 for LED lights and new furniture or coverings.