Tiny hike in what taxpayers will be expected to provide during 2009-10.

City sales tax receipts are up.

Property owners are paying their taxes.

If there's a recession going on, city administrator Bruce Clymer said Gothenburg doesn't seem to be feeling its full effect.

At least not now.

That's good news for local residents and businesses as well as what they will be asked to pay to support the city in the proposed 2009-10 budget increases only slightly.

2009-10 CITY BUDGET

	2009-10	2008-09	Difference
Valuation	$143,664,700	$143,041,756	.4%
Budget	$15,632,069	$24,446,036*	-36%
Tax asking	$444,246	$442,319	.4%
Levy	.30922	.30922	0.0%

*Proposed

PROPOSED ITEMS WITH BIG PRICE TAGS

Some of the other larger-ticket items in the proposed budget include:

- $169,920 for the Gothenburg Fire Department for an air pac system that will be paid for through a FEMA grant.
- $160,000 for a digger truck.
- $120,000 for a street loader.
- $60,000 for a transportation study to look at alternative transportation in the community such as a second overpass and ways to fund designated projects.
- $36,000 for storage space at the city shop.
- $30,000 for computerized control system at the wastewater treatment plant; $24,000 for a grit auger, $10,000 for diffusers and $5,000 for ultraviolet bulbs.
- $20,000 to the fire department's truck replacement fund.
- $20,000 for a mower for the city cemetery.
- $20,000 for a city skate park based on an additional $10,000 in private donations.
- $14,000 for concrete chairs at the city pool.
- $2,585 for a new heat pump at city hall and $7,050 for new windows and a disability-friendly entrance. Most of that cost will be paid for through grants including downtown revitalization money.

Because of a .4% increase in valuation—from $143,041,756 to $143,664,700—the tax asking rises only $1,927.

The levy remains the same at .30922 as it has for the last three years.

What that means for a home valued at $100,000 is a $309 city tax bill. That rate has remained the same for the past three years.

“Typically when we go into the budget, we don’t want to increase the levy if possible,” Clymer said. “We try to fit projects in that will fit under the levy set.”

Big drop in city budget

The city budget is proposed to drop dramatically or 36% from last year as big projects to support an ethanol plant were taken off the list when the plant didn’t come to town.

A proposed $673,884 hike-bike trail, also budgeted last year, was eliminated.

The new budget is set at $15,632,069 compared to $24,446,036 in 2008-09.

Because several improvement projects were completed in Gothenburg the past year, the proposed budget doesn’t include new projects.

Contractors and city crews were busy the past year replacing sewer, paving streets and installing infrastructure in a new Jefferson Street subdivision.

At this time last year, the city council had budgeted more than a million dollars for those projects.

The biggest plan on the city’s to-do list this year is remodeling and expanding the police department to the south for an estimated $120,000.

Clymer said officers will have their own offices which they don't have now plus a conference room and garage to house police vehicles.

For police office equipment, $33,800 is budgeted.

Within the proposed budget, the city receives more in municipal equalization (MIF) funds with $122,496 compared to $113,085 in 2008-09.

MIF funds are state money collected from insurance premium taxes and an administration fee on the local sales tax voters have approved.

In the budget, state aid dropped slightly—from $31,881 to $31,558.

The city's one-cent sales tax has generated $916,549 which is $41,230 more than last year.

Paving assessments stay

That money, including taxpayers' share of $75,000 annually in downtown improvements, will be used in the city's general fund.

Taxpayers will be assessed for improvements for the next seven years until the bond is paid off in December of 2016.

Residents with property adjoining new paving at 22nd and 23rd streets will receive their bill for the cost of the projects following a board of equalization hearing which Clymer said has not yet been set.

With Gothenburg's combined levy with the Airport Authority at 35.422, it's considerably lower than the state lid on property taxes which requires cities to remain under 45 cents per $100 of valuation and up to 50 cents for interlocal agreements.

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

The authority has requested $66,788 this year which will be generated by a 4.5-cent levy.

Last year's levy was 4.3 cents to generate $40,793.

A restricted funds lid allows a budget to grow 2.5% or more if certain requirements are met.

Clymer said the restricted fund includes such things as property and sales tax revenue, equalization fund money and other sources of revenue.

Airport authority gets funds

The city's cash reserve account, which includes the electrical, water and sewer departments, is $2,165,278.

For the general fund, the amount is $487,645.

Clymer said the proposed budget also reflects about a 33% increase in fuel costs in all of the departments.

For three of the four largest city departments—water, electrical and sewer—the proposed budget drops dramatically compared to last year because budgeted costs to support the building of an ethanol plant are gone.

A chunk of the street budget is less because the proposed hike-bike trail is off the list for now.

The budgets are:

- Water—$820,468, down $1,654,992 compared to $2,475,460.
- Electrical—$6,493,040, a decrease of $3,570,21 from last year's $10,063,281.
- Sewer—$1,175,007, down $233,477 compared to $1,408,484.
- Streets—$1,252,615, a decrease of $589,683 compared to $1,842,298.
- Parks—$140,725, down $28,813 compared to $169,538 last year.

Salaries rise slightly

Also affecting the budget are salaries for city employees which represents a 2% average increase.

One of the challenges in drafting the budget, Clymer said, was looking at raises for city employees.

"Human capital is important to any organization," he said.

Clymer said the city is involved in $42,700 worth of inter-local agreements.

He described the money as funds that can be used to pay for items outside the lid levy.

The amounts and funds budgeted include: West Central Nebraska Development District, $4,000; Municipal Fire Organization, $18,500; and North Platte Dispatch, $20,200.

Other budgeted contributions are:

- Dawson Area Development, $19,000.
- Gothenburg Chamber of Commerce, $2,000 for brochures.
- Gothenburg Improvement Company, $24,000.

Customer costs continue to rise for city services.

Because of increasing costs for Nebraska Public Power District—the city's wholesale electrical supplier—Clymer said the power district plans to increase wholesale rates 6%.

That means a likely rise in costs for local customers despite a 5% overall increase in January of 2009, Clymer said.

Water rates are also expected to increase about $1 a month for residents—from $14.70 to $15.70.

The commercial rate will rise from $10.10 to $16.20 a month and commercial/industrial users from 46 to 61 cents per 1,000 gallons.

Those rates, Clymer said, are based on three-quarter-inch lines.

If passed by the council in January of 2010, the increases will be reflected on February bills.

Clymer described the budget as typical with no big surprises.

He added that council members were fairly aggressive in their willingness to fund the projects they did.

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