

No more state aid, city upgrades push tax bill higher

Written by Elizabeth Barrett

Thursday, 08 September 2011 14:39 -

2011-12 CITY BUDGET			
	2011-12	2010-11	Difference
Valuation.....	\$157,316,724	\$151,443,835	3.9%
Budget.....	\$18,360,000	\$14,516,125	23.7%
Tax asking.....	\$521,742	\$468,301	11.4%
Levy.....	.331650	.30822	7.3%

Council planning nearly \$2 million sewer upgrade.

Property owners will pay more to support city services this year.

In the proposed 2011-12 budget, which is poised to rise nearly 24%, about \$2 million in sewer improvements is planned.

That, combined with elimination of state aid and less municipal equalization funds, means an 11.4% tax request increase.

A 3.8% rise in valuation, from \$151,443,835 to \$157,316,724, also contributes to the tax increase if valuation on homes increases.

A proposed levy of .33165 means taxes on a home valued at \$100,000 will rise to \$332 compared to \$309 last year if valuation doesn't increase.

"The council felt we couldn't continue without cutting services so members raised the levy to make up for the loss in state aid," said city administrator Bruce Clymer, noting that the levy hasn't changed in several years and even dropped 3% in 2008.

Sewer improvements expected to cost \$2 million is a large part of the proposed \$18.3 million budget which rises 23.7% over the current budget.

Clymer said city officials plan to reline and replace parts of the city's aging sewer system.

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Water improvements carry a \$642,330 price tag and a paving project, on Lake Avenue from the railroad tracks south to Fourth Street, is projected to cost \$430,000.

No dollars to rehabilitate Lake Helen are budgeted, Clymer said, because water samples that are being taken need to be evaluated for a year.

If city officials can show lake water is impaired, he said federal and state funding chances are better.

Residents will likely see an increase on electric bills next year because of increasing costs for Nebraska Public Power District which supplies the city's wholesale power.

Clymer said wholesale power, which NPPD sells to the city, is slated to rise nearly 7%.

"A lot of new federal regulations that hit NPPD get passed on to us," he said. "The cost of energy will continue to rise."

Residents could be looking at a proposed increase of 6.5% in electrical rates and a 3% rise in water rates.

Council members will decide what action to take in January of 2012.

No increase in trash-hauling bills is expected, he said.

As in any large organization, salaries and benefits are a big part of the budget and the city is no exception with an estimated \$1,913,707 earmarked to pay city employees compared to

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\$1,845,303 this 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.

Authority board members have requested \$41,905 for the coming year.

Highlights of the 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. 13, in city council chambers.

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