

CITY OF HAMBURG
SPECIAL MEETING
2013 PRELIMINARY BUDGET WORKSHOP
AUGUST 28, 2012

Acting Mayor Larry Mueller called the Special Meeting of the 2013 Preliminary Budget Workshop to order at 7:00 p.m. Councilmember John Barnes, Councilmember Steve Trebesch, Councilmember Chris Lund, City Clerk Jeremy Gruenhagen, and Deputy Clerk Sue Block were present. Mayor Malz arrived at 7:15 p.m. Maintenance Worker Dennis Byerly was absent.

General Public

- David Chadwick was also in attendance for a short period of time.

The 2013 Preliminary Budget, as presented, reflects a zero percent Property Tax Levy increase which would be the same as the 2012 Budget.

General Fund Budget

- LGA - Local Government Aid
 - LGA (\$58,777) was added back into the 2031 Budget.
- County Road Aid for County Road 50
 - Hamburg's County Road Aid for County Road 50 was removed from the budget. The County will keep the scheduled payment (each year until the cities portion of cost is paid) to the City and put it towards Hamburg's portion of the cost to mill and overly County Road 50 through town.
- General Government Expenditures
 - A three percent wage increase was built into the 2013 budget.
 - Health Insurance was increased by ten percent. Actual rates for 2013 do not become available until October/November 2012.
 - Added a five percent increase for all other insurance rates.
 - Utilities were increased by three percent.
 - General Government Expenditures should be about \$16,970 less than what was in 2012. This is based on a three year average of the Cities expenditures and taking into account the \$20,000 that was used to purchase the Ford Ranger in 2012.

Public Safety General Fund Budget

- Fire Department Relief Association – Cities Municipal Contribution
 - In 2012 the Cities contribution was \$24,337 and in 2013 it will be \$24,383 roughly the same as last year.
- Fire Chief Droege agreed with keeping the Fire Department budget the same as last year. The Fire Department would like to start saving for a new Pumper that will be needed in about five years.

Public Works Street Maintenance & Sidewalk Repairs

- Council will have to decide what to do about street repairs. In 2012 there was \$52,536 in the budget for street maintenance but roughly \$8,000 or \$9,000 of that was used for the Street Improvement Plan. This left about \$45,000 for the 2013 Street Maintenance and Sidewalk repair budget.
 - Council discussed which sidewalks are in need of repair. They decided that Louisa Street should be the first to be repaired and estimates should be obtained.
- Council also discussed what portion of street repairs would be assessed to the residents. Council discussed having an assessment policy written up this fall.
- An estimated \$45,000 was added to the 2013 Street Maintenance & Sidewalk Repairs budget and there will be about \$6,500 to carry over from 2012.
 - Council noted that when streets are redone it should take into account the tonnage weight.

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Park & Recreation Budget

- The City is paying between \$700 and \$900 each year to rent a handicap portable restroom. Council decided to put aside \$2,000 in the budget (Future Capital Purchases) to add a handicap bathroom at the Bi-Centennial Park.

Community Hall

- Repair or replacement the Hall steps and ramp was put on the Wish List. Redoing the hardwood floors was also added to the Wish List.
- Council discussed the ceiling vent in the Hall, should it be repaired or taken out. This item is on the Wish List and there is \$500 in the 2012 budget to remove the vent. Councilmember Trebesch will check the vent and report back to Council on his findings.

Equipment Replacement Funds

- Replacing the Bobcat is on the Wish List with last year's estimate of \$35,000 to replace. Council decided to use the current Bobcat until it dies then replace.
- It was noted that by the end of this year (2012) the City will have \$74,000 in the Equipment Replacement Fund and \$57,000 in the City Maintenance Fund.
- Replacing the Exmark lawnmower was discussed. The Exmark was purchased in 2010 and in 2012 a new motor was installed.
 - Council decided that Work Orders should be requested before any work is done on any City equipment especially Bobcat repairs. Council also decided that any estimate over \$200 has to be approved before any work is done.
 - By having an estimate or work order Council could track repairs of City equipment to help budget for possible replacement.

Community Center Addition Fund

- Each year \$2,000 is budgeted for a future Community Center addition.

Sewer Fund

- The sewer fund should have enough in the budget to repair the Liftstation which may cost \$10,000 or more and this is excluding a new electrical panel.
- Currently there is approximately \$300,000 in the Sewer Fund.

Water Fund

- Added into the 2013 Water Fund Budget is \$19,870 to repaint the water tower.
- By transferring \$12,000 from the General Fund, and not raising water rates, the Water Fund would run a loss of \$20,000 for 2013.

Storm Sewer Fund

- Currently the monthly rate for Storm Sewer is \$16.75, but to cover the Storm Sewer cost for debt and expenses the rate needs to be doubled to \$33.50 per month.
- Council discussed if the business's in town should be charged more than residential units.
 - Council asked City Clerk Gruenhagen to bring the formula on how to equate the cost between businesses and residential to the next Council meeting.

If the City keeps the same tax levy there will be a net income of \$33,131 and if no other large projects are added. This does include LGA funding.

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There are three main issues Council will have to consider when setting the budget;

- One – Street Repairs
- Two – Water, Sewer and Storm Water Rates
- Three – How to balance the Enterprise funds and any major improvements.

Transfers Out

- Council discussed and decided to leave them as presented in the 2013 Budget.

LGA Funds

- Council decided to take the proposed LGA funds out of the 2013 Budget just in case it is not received from the State. If Hamburg does receive LGA funding the money could be used for capital improvements and items on the Wish List.

The City of Hamburg has been running about a 52% cash flow which is higher than the recommended cash flow of 35% to 50%. The City should have about \$200,000 to \$225,000 in their General Fund to maintain a 40% cash flow.

Council continued to discuss the 2013 Proposed Budget and was asked to consider checking out higher interest return options on the Cities savings account. At the present time the Savings account is only yielding .3% and .6% on its CD.

City Clerk Gruenhagen asked Council if the Community Hall savings account could be closed and the money transferred into the Cities Saving Account. He could make a line item for this money to be used only for Hall Renovations. The Hall savings account has been dormant for five years and either money will have to be transferred into the account to prevent service charges or transfer the money and close the account.

- Council decided to close the account and transfer the money as an added line item to the Cities Savings Account.

Council will also be considering having the Cities checking account draw interest.

- City Clerk Gruenhagen will check with the State Bank of Hamburg on the Cities investment options.

Councilmember Barnes moved to close the 2013 Preliminary Budget Workshop at 8:24 p.m., seconded by Councilmember Mueller and motion unanimously carried. All Council members were present.

Submitted by:

Sue Block
Deputy Clerk