

**CITY OF HAMBURG**  
**2011 PRELIMINARY BUDGET WORKSHOP**  
**August 24, 2010**

Acting Mayor Larry Mueller called the Special Meeting of the 2011 Preliminary Budget Workshop to order at 6:01 p.m. Councilmember Steve Trebesch, Councilmember Brian Cummiskey, and City Clerk Jeremy Gruenhagen were present. Chris Lund (612 Kim Ave), Maintenance Worker Dennis Byerly, and Fire Chief Droege arrived later during the meeting. Mayor Richard Malz, Councilmember John Barnes, and Deputy Clerk Block were absent.

**General Fund Budget** – The print out listed the 2009 Budget, Year End Totals for 2009, 2010 Budget, Estimated Actual as of 08/20/2010, and what is proposed for the 2011 Budget.

- Intergovernmental Receipts
  - Local Gov't Aid (LGA)
    - No dollar amount was entered for the 2011 Budget.
    - Certified LGA amount for 2011 is scheduled to be \$58,777.
    - Council had previously agreed not to list the LGA amount in the 2011 Budget because this amount may not be received (fully) due to the current economic status and the States Budget deficit.
- Revenues
  - Property Taxes for 2011 will remain the same as in the 2010 Budget (\$374,401).
  - 2011 Budget is currently based on a zero percent tax increase.
- Expenses – General Government
  - Wages will remain the same, zero percent increase from the 2010 Budget (\$51,075).
  - Payroll Taxes increased by approximately .25 to .5 percent due to increases in PERA.
  - Health Insurance was increased ten percent. Actual figures (rates) will not become available until the end of October.
  - Workers Comp. Insurance and Property & Casualty Insurance was increased five percent. Rates for 2011 will not be available until the end of October.
  - Office Equipment
    - New Laptop Computer was budgeted for 2011; current one is four years old and slowing down.
    - New Copier was budgeted for 2011; current copier is about five years old.
  - Telephone & Internet Fees were increased by two percent.
  - Electricity was increased by three percent.
  - Natural Gas was increased by ten percent.
  - Equipment & Improvements – General Government Buildings – budget was increased an additional \$1,000 in 2011.
  - Repairs & Maintenance – General Government Buildings – budget was increased an additional \$3,000 in the 2011 Budget.

**Public Safety**

- Police Protection
  - Police protection budget decreased from \$23,941 in 2010 to \$15,263 in the 2011 Budget.
    - 2011 Tri-City Police Plan
      - Hourly - \$9,463 (reduction in hours)
      - CSO - \$3,700 (no reduction in hours)
      - SWMDTF - \$2,100 (no reduction in hours)
- Animal & Mosquito Control
  - Budgeted amount will stay the same from 2010 to 2011 (\$2,650) unless Council decides to increase the 2011 Budget amount.

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- Fire Department Relief Association – Cities Municipal Contribution for 2011
  - The Cities contribution to the Fire Departments Relief Association in 2011 will be \$46,725.
    - This amount does not include any additional contribution. The past two years the City has contributed an additional \$2,000 per year to improve funding ratios.

**Public Works**

- Streets
  - Street Lighting budget was increased by 3%
  - Seal Coating, Crack Sealing, and Street Maintenance & Sidewalk Repairs
    - Council will have to discuss and make a decision on what projects should be done if LGA funds do become available.
    - Council discuss and decided to get estimates on how much it would cost to mill and overlay several of the Cities Streets in 2011.

**Park & Recreation**

- Repairs & Maintenance and Equipment & Capital Improvements Budget.
  - Council had previously discussed residing the Park Food Stand at a cost of around \$5,000 to \$6,000. This will be included on “2011 Other Things to Consider” List.
  - Contracted Mowing Services.
    - Council decided to put money into the 2011 Budget for part-time help just in case a part-time person would need to be hired in 2011.
  - Council also discussed whether or not to budget for spraying weeds.

**Community Hall**

- Repairs & Maintenance
  - Items to Consider for the 2011 Budget are many items that were budgeted for in 2010 but were put on hold for a variety of reasons.
    - Council discussed and agreed that the Hall Handicap Bathroom should be a high priority. Estimated cost to build the bathroom was around \$14,000 to \$15,000. 2010 Budget included \$8,000 for the project.
- Equipment & Capital Improvements
  - The Hall Ramp/Canopy has to be repaired before winter.
  - There is \$11,000 in the 2010 Budget for Equipment & Capital Improvements.
- Air Conditioning for the Hall
  - Council discussed going “Green” to heat and cool the Hall. The cost of a geothermal unit will be looked into.

**Transfers Out**

- As of this meeting there is only one Transfer Out Budgeted for 2011 and that is \$15,000 to the Water Fund.

City Clerk Gruenhagen informed Council that if no changes are made to the 2011 Preliminary Budget, as printed, and keeping the Tax Levy the same, the City would have a net income of about \$6,935. This amount would give Council some room to decide on what they want to include in the Final 2011 Budget.

- One of the biggest concerns is maintenance on the City streets.
- Other items can be decided on when the City knows the amount of LGA funding in 2011.

**Debt Service Budget to Actuals**

- No major variances from 2010 to 2011.

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**Debt Service 2011 Budget**

- 2008 Peterbilt Certificate of Indebtedness
  - Equipment Replacement Fund Budget line item (\$7,500) will be used towards the 2009 Peterbilt Tanker Certificate payment for 2011.
- Fire Chief Droege requested budgeting money for the Truck Replacement Fund.
  - Currently no money is being set aside for future Capital purchases.
  - This item was eliminated to off set the increase for the Cities share of the New Peterbilt Tanker.
- 2001 International HD Rescue Truck Certificate of Indebtedness
  - City Council will need to work with the Fire Department Relief Association on how to handle the budgeted line items (property taxes/miscellaneous income) for income that were left blank.
  - When the 2001 International HD Rescue Truck certificate was purchased there was no real definite agreement drawn up on how the City's portion would be paid. What was talked about was if the City did not loose any LGA it was agreed that the City would help out. No dollar amount was budgeted for income (property taxes/miscellaneous income) and City Clerk Gruenhagen needs to know what amount and what line item to budget for income since the old HD Rescue Truck did not sell and no contributions from the HFDRA have been received at this time.
  - Council discussed and decided that no agreement was made, Fire Chief Droege was the only one who mentioned that if the City does not loose its LGA then maybe the City could put some money towards the purchase. The City Council never agreed to use City monies toward the purchase of the truck.
  - The old Rescue Truck was estimated to be sold for \$15,000 and that money was to be used as a partial payment for the new Rescue Truck. However, the old Rescue has not sold and the price has now been reduced.
  - At this time not knowing what the FD Relief Association will be giving towards the purchase City Clerk Gruenhagen will have to budget \$8,972.50 as income received from Property Taxes for the Cities payment. Young America and Washington Lake Townships will be paying a combined \$15,160 towards their portion of the yearly certificate payment. Total payment for 2011 is \$24,133.
  - The priority for the 2011 budget is to receive information on the amount the Relief Association will be putting towards the certificate payment for 2011. Without this information and the sale of the old Rescue Truck the Cities taxpayers will have to cover the remaining 2011 payment in the amount of \$8,972.50.
    - City Clerk Gruenhagen Stated it is in the Cities best interest to have a set (written) financial plan on how equipment will be purchased before the purchase is made.
  - Originally the agreement was that the purchase of the Rescue Truck would be split three ways; one-third paid by Young America Township, one-third paid by Washington Lake Township, and one-third paid by the HFD Relief Association with no cost to the taxpayers.
    - Fire Chief Droege previously commented that the City did not loose any LGA so the City can put that towards the purchase. Council discussed and agreed that the Fire Chief can not spend taxpayer's money. It will be up to them on how to handle this situation.

The Proposed Tax Levy has to be set by September 15, 2010.

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**Water/Sewer Fund**

- No major changes for 2011 but City Council will have to decide on setting user fees for 2011.
- **Water Fund**
  - With no increases and if everything comes in according to 2011 budget there will be about a \$10,000 surplus including the transfer of \$15,000 from the General Fund. The water fund will be about \$5,000 short from being self sufficient; funded by user fees only without a transfer from the General Fund.
- **Sewer Fund**
  - With the I/I project possible starting next year the Council will have to look at user fee increases and a Water Utility Fee to cover debt payments.
  - The Sewer Fund is almost depleted due to Engineering Fees for the I/I project. Over the past two years \$250,000 has been spent on this project.

*Councilmember Cummiskey moved to adjourn the 2011 Preliminary Budget Workshop meeting at 6:57 p.m., Councilmember Trebesch seconded and motion carried. All Council members present voted aye.*

Submitted by:

Sue Block  
Deputy Clerk