

CITY OF HAMBURG
2011 PRELIMINARY BUDGET WORKSHOP
AUGUST 31, 2010

Mayor Malz called the Special Meeting of the 2011 Preliminary Budget Workshop to order at 7:30 p.m. Councilmember John Barnes, Councilmember Brian Cumiskey, Councilmember Larry Mueller, City Clerk Jeremy Gruenhagen, and Deputy Clerk Sue Block were present. Councilmember Steve Trebesch was absent.

General Fund Budget

Intergovernmental Receipts

- Local Gov't Aid (LGA)
 - Council decided not to include the proposed LGA (\$58,777) in the 2011 Budget. This amount may not be received due to the current economic status and the States Budget deficit.
 - If any LGA is received Council will then decide what item on the 2011 Other Items to Consider List should be completed.
- County Road Aid (County Rd 50)
 - Added \$6,750 into the 2011 Budget to be used towards the County Road 50 overlay.
- Revenues
 - The 2011 Revenues are very similar to what they were in 2010 minus LGA.

General Government Expenses

- No Wage increases for 2011.
- Payroll Tax increased by point five percent (.5%) mainly due to PERA increases.
- Health Insurance was increased ten percent (10%). Will not know actual amounts until the end of October.
- Workers Comp. Insurance increase of five percent (5%).
- Telephone increase of two percent (2%).
- Electricity was increased by three percent (3%).
- Natural Gas was increased by ten percent (10%) increase.
- Property & Casualty Insurance increase of five percent (5%) for 2011.
 - Will not know the actual amounts until the end of October 2010.
- Office Equipment Expenses for 2011 are \$1,600.
 - Budgeted purchases for 2011 are for a new Laptop Computer (\$1,000) and Copier (\$600).

General Government Buildings Expenses

- Equipment & Improvements
 - Budget includes \$1,000 for new tables for the Community Center. This line item could be eliminated or the money used for a different item(s).
- Repairs and Maintenance
 - There is \$3,000 Budgeted for 2011 for (minor) every day repairs.
- New/Used City Truck
 - Council discussed purchasing a new/used city truck to save on mileage costs and wear & tear on the current City Truck which is ten years old.
 - Council decided to include \$5,000 in the 2011 Budget with an estimated cost of \$17,000.

City Reserves

- The Cities cash flow estimate (surplus) could be within the 48% to 52% threshold by the end of the year.
- Money from the Cities Reserve could be used for capital purchases needed, set aside for future capital purchases, or used to lower the 2011 Tax Levy. The Auditors could question why the City is carrying a surplus above the recommended 40 to 50 percent range; a 40% to 50% surplus is

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recommended due to cash flow needs. This will be looked at in more detail when the 2011 Final Tax Levy (Budget) is set.

Public Safety

- Police Protection – Tri-City Police Plan (Hamburg, NYA, Cologne)
 - Hamburg’s Portion for 2011 is \$15,263 - A decrease of \$8,678 from the 2010 Budget.
 - Hamburg Hourly Costs - \$9,463
 - Hamburg CSO Costs - \$3,7000
 - South West Minnesota Drug Task Force (SWMDTF) - \$2,100
- Mosquito Control
 - Council discussed increasing the 2011 Budget to include an additional spraying for next year.
 - Council decided to add one more spraying for 2011 and increased the Animal & Mosquito Control Budget from \$2,650 to \$3,000.
- Fire Department
 - FD Relief Association (Cities Contribution)
 - Currently \$46,725 is budgeted for 2011.
 - Council discussed if the City should add an additional \$2,000 for 2011. This would be the same amount the City has added in the past years. No decision was made at this time.

Public Works

- Seal Coating and/or Crack Sealing
 - Council discussed various ideas on what should be done with the city streets and the amount of money that should set aside in 2011.
 - There was \$6,000 set aside in last year’s budget. Council decided to add \$4,000 into the 2011 Budget for Seal Coating and Crack Sealing.
- Street Maintenance & Sidewalk Repairs has \$7,500 in the Budget. Council discussed and decided to add an additional \$1,000 to the 2011 Budget.

Park & Recreation

- Part-Time Help/Contracted Services (Mowing)
 - Council discussed if they should add Part-Time Help and what amount.
 - Council decided to add \$1,000 for Part-Time Maintenance help.
- Pop (Pop Machine in Park)
 - Has \$700 in the 2011 Budget
 - City Clerk Gruenhagen will check expenses versus cash receipts if the pop machine at the Park is making any profit.
- Repairs & Maintenance
 - There is \$3,000 in the budget for 2011.
 - Council discussed and decided to make no changes.
- Equipment & Capital Improvements
 - Council discussed if the \$200 should be left in the budget. The \$200 was added in 2010 for the purchase of a tree for the Park.
 - Council decided to leave it in the 2011 Budget.
- New Siding for the Park Food Stand
 - This item was put on the “Wish List” and will be considered if the City receives LGA money.

Community Hall

- Repairs & Maintenance has \$8,000 budgeted for 2011.

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- Equipment & Capital Improvements has \$15,000 in the 2011 Budget.
 - Council discussed both items and decided to leave them as is.

Debt Service Budget

2001 International Heavy Duty Rescue Truck

- Council discussed how the 2001 International Rescue Truck certificate was going to be paid due to the old Heavy Duty Rescue Truck not being sold.
- The full amount (\$24,133) was added to the 2011 Budget minus the \$15,160 coming from the two Townships leaving the City with \$8,973 to pay. This remaining amount (\$8,973) will be paid through City taxes.
 - City does not know what amount the HFD Relief Association will be contributing towards the payment. This amount will not be known until the end of the year.
 - The old Rescue Truck has not sold increasing the amount paid by the City through taxes.

Water and Sewer Fund Budget

- There is \$15,000 budgeted in the General Fund to be transferred to the Water fund.
 - Council discussed and decided to transfer the \$15,000 into the Water fund and nothing to the Sewer Fund. The Water and Sewer Fund budgets will be discussed in more detail when the final 2011 Budget is set.

Note: LGA funds amount to about 10% of the Hamburg City budget (revenues).

Council discussed what to set the Proposed Tax Levy at and agreed on a 3.3% increase. The total Proposed Tax Levy for 2011 was set at \$416,601.

Councilmember Barnes moved to adjourn the 2011 Preliminary Budget Workshop at 8:58 p.m., seconded by Councilmember Cummiskey and motion carried. All Council members present voted aye. Councilmember Trebesch was absent.

Submitted by:

Sue Block
Deputy Clerk