

**MINUTES  
ALBION CITY COUNCIL  
SPECIAL MEETING  
TUESDAY, AUGUST 3, 2010**

A Special Meeting of the Albion City Council of the City of Albion, Nebraska was convened in open and public session at 7:00 p.m., on August 3, 2010 in the Council Chambers. Present were Mayor Jarecki, Councilmembers Hoefer, Rasmussen, absent was Riedmiller. City employees present were City Administrator Devine, and Sewer Commissioner Luettel. Others present were Don Rutten, Terry Galloway with AMGL and Jim Dickerson with the Albion News. Notice of this meeting along with the agenda was simultaneously given in advance to all members of the Board. Notice of this meeting was given in advance by publication, a designated method for giving notice; a copy of proof of publication is attached to these minutes. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

\*\*There was not a quorum present. Councilmember Riedmiller was absent due to medical reasons.

**3. APPROVE MINUTES OF THE JULY 20, 2010 REGULAR MEETING**

This item will be tabled until the August 10, 2010 meeting.

**4. BUDGET WORKSHOP WITH TERRY GALLOWAY, CPA**

Devine presented the council with an overview of Draft 1 of the budget focusing initially on three areas of Salary budget, benefits, and property tax. The CPI is at 2%, and Devine is recommending a Cost of Living Raise at that 2% figure for this next year. The estimated increase in wages is \$10,000 or 2.3% of the previous years budgeted wages. The previous year there was .92% increase in budgeted wages due to potential step raises, and no Cost of Living Increases were given. Benefits were reviewed in December/January, and did increase some, but not the 25-30% that was expected. Devine is proposing to increase the total of property tax requested. For this current fiscal year of 2009-2010 the request was lower because Valero has paid an accelerated amount in the 2008-2009 fiscal year, which resulted in larger cash reserve. The City will be asking for a little under \$106,000 more in total cash. This would result in a \$0.028 levy increase based upon a valuation estimated at \$87 million. It was discussed that this is a very conservative estimate. This may change after the actual valuation is certified by the County Assessor. The certification will be due on the 20<sup>th</sup> of August.

Terry Galloway gave a summary of the budget. On page 1 it shows the beginning cash balance for 2009-2010 of \$756,000. The estimated revenues are less than the expenditures, and we are decreasing the cash reserves. The cash balance will go down to \$679,000. There will be a balanced budget going into next year. There has been a good job of managing the resources that are available, decreasing the cash reserves was a good thing as it shows that we are not requesting property taxes and then not utilizing it, and enterprise funds are breaking even. There is a \$126,000 in equipment reserve. There is \$350,000 transfer next year in the fire department from sales tax monies. There is some equipment reserve set aside for fire equipment of about \$135,000 and some street equipment of about \$42,000. The \$126,000 comes in on the admin section. Overall the cash balances cannot exceed 50% of budgeted expenditures minus capital outlay. The sewer rate increase is needed in order to cover the debt service requirements to be where we want to be. The levy has not changed much over the past 10 years.

Terry explained the municipal equalization. It is based on population, and the amount of levy. Albion will get this back this year in the approximate amount of \$75,000. It is usually about \$42 - \$45 per person in the city.

Galloway also gave an overview of the City's restricted fund allocation and said that we are looking very good in that area.

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Galloway said that there are two departments that look high: the Fire Department and the Police Department. The Fire Department is within range when you take out the capital expenditures. The Police Department has been discussed before, and it provides the level of service that has been chosen to give the citizens. The police department is normally \$90 per capita, and in Albion it is \$110/per capita. The Airport Authority tax allocation request is \$14,000. The sales tax revenue is up 3% over the year before and the year before was up 1.3%. Terry said that the City's financial strength is the best it's ever been. The City is doing the right things. Rasmussen would like to see the levy stay the same or decrease. In order to hold the levy at the same the valuation needs to come up to 92.8 million. If it stays the same at 87 million, 25,000 needs to be cut out of the general fund budget to keep the levy at .42. There will be a meeting after the certification of the valuation on either the 24<sup>th</sup> or 31<sup>st</sup> of August. This can be decided at the August 10 meeting.

**5. DISCUSS REAL ESTATE STRATEGY CONCERNING WASTE WATER TREATMENT FACILITY**

This item will be tabled until the August 10, 2010 meeting.

**6. ITEMS TO PUT ON NEXT AGENDA**

- ❖ Drainage Issue
- ❖ WWTF
- ❖ Water Tower Pressure
- ❖ Don Rutten would like to be put on the agenda for the next meeting to discuss the Well and to split it up. He suggested letting them dig the well. Put the gear head, plumbing, and pipe for the water tower on one bid. Put the well house on a different bid. This would offer some cost savings.

**7. ADJOURN**

At 8:00 p.m. Mayor Jarecki declared the meeting adjourned.

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Jim Jarecki, Mayor

ATTEST:

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Andrew Devine, City Clerk