

**CITY OF EAGLE LAKE
CITY COUNCIL MEETING
AUGUST 30, 2021**

CALL TO ORDER

- Mayor Auringer called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

- Council Members present: Garrett Steinberg, Beth Rohrich, Anthony White, and Mayor Auringer.
- Staff present: City Administrator Jennifer Bromeland, Police Chief John Kopp, Public Works Director Brian Goettl, and Deputy Clerk Kerry Rausch.

AGENDA

1. DNR Emerald Ash Borer (EAB) Grant Award Notification and Acceptance of Funds

- Administrator Bromeland shared that she received a grant award notice via email earlier in the day informing of a \$7,500 grant award from the DNR for the removal and replacement of seven ash trees at Lake Eagle Park. The grant must be accepted no later than September 2nd and it was explained why the agenda was amended and this item added so that acceptance could occur this evening. It was further noted that there is a \$3,000 match on the City's end which is already included in the budget.
- Council Member White moved, seconded by Council Member Steinberg, to authorize the Mayor and City Administrator to move forward with the grant acceptance. The motion carried with Council Members Steinberg, Rohrich, White, and Mayor Auringer voting in favor.

2. Budget Work Session

- Administrator Bromeland presented budget binders and a draft of a preliminary budget. She went on to explain that cities must prepare and adopt a proposed budget and proposed property tax levy each year. By law in Minnesota, the fiscal year of a city and all its funds must be calendar year. A budget is one year of estimated money coming in, or revenue and expenditures or money going out. Cities over 500 in population that propose a property tax increase are required to provide notice of the proposed budget adoption and to allow public input on the proposed budget and property tax levy. The "truth-in-taxation" process (TNT) requires cities to certify proposed property tax levies to the county auditor on or before September 30th. A TNT public comment hearing must occur sometime between November 25th and December 20th. The final levy must be certified to the county auditor by or before five working days after December 20th each year. The preliminary levy can be reduced once adopted but cannot be increased prior to the final levy being adopted. The levy is comprised of the general fund, EDA, and debt service.
- Last year's final tax levy was set at 7.5% or an increase of \$56,632. Property taxes remained relatively flat unless a property's valuation increased.
- The first draft of the 2022 budget has been set at 10% over what was collected in 2021. The levy is comprised of general fund at \$696,904, EDA at \$51,000 and debt service at \$144,997. Which is a total increase of \$81,173 over the 2021 levied amount. Included in the 2022 budget is the purchase of a new leaf vac (\$200,000) and F-250 for the public works department (\$40,000) and capital outlay expenditures for the fire department and parks department. These items will be paid for using funds previously set aside for capital outlay expenditures.
- Local Government Aid (LGA) is set at \$685,922 for 2022. The payroll COLA rate is 5.9% plus a 2% step increase for eligible employees. Health insurance rates will be known in October but are estimated to increase 6% and there are no increases to PERA, Medicare and Social Security. Worker's compensation rates are estimated to increase between 10%-15%, property insurance 5%-10%, liability insurance 3%-7% and auto insurance 3%-7%.
- The League of MN Cities dues will increase by 4%, this amount is based on population. EDA dues will increase to \$7,178.82, Music on Parkway as included at \$5,000 which would cover a scaled back program from 2021. Audit fees will increase to \$25,500. A new fee of \$1,000 was added for Small Business Development Center (SBDC) which is available to provide services to local businesses.

- Following the budget presentation by Administrator Bromeland, department heads for fire, public works, and the police department presented proposed changes to their 2022 departmental budgets and reviewed current and future capital outlay needs.
- Council will review presented documents and discuss in further detail at the September 13, 2021, City Council meeting.

ADJOURNMENT

- Council Member Rohrich moved, seconded by Council Member Steinberg, to adjourn the meeting at 8:07 p.m. Motion carried with Council Members Steinberg, Rohrich, and Mayor Auringer voting in favor.

Tim Auringer, Mayor

Kerry Rausch, Deputy Clerk