

**CITY OF EAGLE LAKE
CITY COUNCIL MEETING
SEPTEMBER 26, 2022**

CALL TO ORDER

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

ROLL CALL

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

NEW BUSINESS

1. Preliminary 2023 Budget and Tax Levy

- a. Resolution No. 2022-38: A Resolution Setting the Fiscal Year 2023 Preliminary City Budget and Preliminary Property Tax Levy
 - Administrator Bromeland explained that the preliminary levy must be adopted on or before September 30th. 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.
 - A Truth-N-Taxation (TNT) public comment hearing must occur sometime between November 25th and December 28th. This hearing has been set for the regularly scheduled City Council meeting at 6:00 p.m. on Monday, December 5th.
 - The final levy must be certified to the county auditor by or before December 28th. Cities must also file a certificate of compliance with the Department of Revenue by December 28th.
 - For reference purposes, Administrator Bromeland explained that last year's final levy was set at 10% or an increase of \$81,173 over the 2021 tax levy. Property taxes should have remained relatively flat unless a property's valuation increase.
 - Administrator Bromeland stated that attached is spreadsheet from Blue Earth County which can be used to consider different scenarios by changing the proposed levy amount and residential taxable market values. It was noted that the estimated city tax used a residential 1% class rate and that this does not represent property classifications with a different class rate such as commercial or industrial. The local property tax rate is a function of the levy and total tax base. Taxable tax capacity is used to determine the local tax rate. A property's share of the City levy is based on the taxable value of the property relative to the full value of all other property in the City's taxing district. Per an inquiry to Blue Earth County Property staff, the average residential sale price in the City of Eagle Lake was \$300,100 for the 2022 assessment. The average market value percent increase on residential homes was 8.44%. It was noted that the City's net tax capacity has increased recently due to new residential and commercial construction. This is important because with more taxpayers, the tax base has expanded and helps to spread the burden of taxes over more taxpayers.
 - A net tax capacity increase with continued growth allows our tax rate to decrease. Even with a proposed 9% levy increase, the proposed 2023 tax rate would still be slightly below the 2022 tax rate. However, if a property's valuation increased, taxes will increase accordingly. If taxpayers see an increase in taxes, they also need to look at their valuation and whether that increased. Valuations can appreciate or depreciate. The time to appeal a valuation is in April and taxpayers need to contact Blue Earth County directly as the City of Eagle Lake does not determine property valuations. Overall, property taxes and market valuation are complex with several moving parts.

- Discussion took place at the August 22nd budget work session about setting aside funds annually for future facility maintenance at the Fire Hall. Since that meeting, a line item was specifically added to the Fire Department budget for this purpose and \$25,000 has been allocated with \$20,000 of this amount for parking lot maintenance and HVAC work, and the remaining \$5,000 set aside for phase 1 of the new facility study. Because this is in a capital outlay line item, any unused funds at year end will be carried forward.
- Since the Mayor and Council compensation matter was tabled at the September 12th meeting, a \$400 increase was factored into the 2023 budget for the mayor and a \$300 increase for council. If no action is taken to increase the compensation for the Mayor and City Council before the election in November, these amounts can be removed before the final budget and tax levy is approved in December.
- In additional \$2,500 was allocated for set aside in capital outlay in the City Hall budget to continue incrementally setting aside funding for future facility improvements.
- The proposed preliminary tax levy is General Fund - \$769,952, EDA - \$51,000, and Debt Service - \$152,310 for a total of \$973,262. This is a \$80,361 or 9% increase from the 2022 tax levy.
- Administrator Bromeland stated from her perspective, one of her immediate goals is that we increase staffing levels to keep up with the demands and growth pressures that we will continue to encounter as a growing community. To ensure effective and efficient delivery of services and to be able to accommodate ongoing growth, the City must be intentional about adequately staffing departments. If staffing needs aren't addressed in specific areas, such as consistent police coverage, sufficient public works maintenance staff, and dedicated planning and zoning and economic development position, we will likely continue to fall behind and be reactive while the delivery of services could suffer due to staff being stretched too thin. Staff are simply trying to do too much with too little resources, and it is not sustainable as the community continues to grow and expectations for services and amenities increases.
- Other immediate goals include updating outdated planning documents to promote orderly growth and development (2023). Moving ahead with the SCADA system for water and sewer (2022-2023), water tower rehab project (2023), secure funding for water treatment plant project (2023-2025), park pavilion (2023), and research and implement creative employee retention and recruitment ideas, including all full-time and part-time employees, and paid volunteer fire and daytime rescue personnel (2023-2034).
- Discussion included the water, sewer and storm water rates and increasing operating costs due to inflation, ongoing maintenance of aging infrastructure, and debt service for bonds. Administrator Bromeland explained that Shannon Sweeney with David Drown and Associates has done a rate study and that he has proposed a multi-year rate increase plan. Administrator Bromeland explained that rate increases are necessary to keep up with increasing operation costs and debt service. This information was factored into the rate analysis. It was noted that the enterprise budgets reflect anticipated revenues and expenditures for one year and that we completed the rate analysis to ensure that we maintain healthy enterprise fund balances.
- Also discussed was the importance to prioritize staffing needs and when would be best time to advertise for new positions. Staff recommendations for the hiring process will be brought to the October 3rd City Council meeting.
- Council Member Whittington moved, seconded by Council Member Rohrich, to adopt Resolution 2022-38 A Resolution Setting the Fiscal Year 2023 Preliminary City Budget and Preliminary Property Tax Levy. The motion carried with Council Members Steinberg, Rohrich, White, Whittington, and Mayor Auringer voting in favor.

2. Police Staffing Needs

- Police Chief Kopp was asked to present to Council police staffing needs. He presented a proposed schedule if a 4th full-time police officer was hired. He also reviewed call out data, explained that 46% of call outs occurred on Saturdays and Sundays and that 54% on Mondays – Fridays. Only 6% of calls for service occur between 8:00 a.m. and 4:00 p.m.

- Chief Kopp also stated if a 4th full-time officer is hired it would be his recommendation that a third squad car be purchased. He proposed that when the oldest squad is due to be replaced, that it be left in the fleet and that a new squad would be purchased as well. He explained that squad cars are difficult to purchase at this time with a long wait time for delivery.
 - Chief Kopp also explained if staffing levels remain at 3 full-time officers an additional part-time officer should be added to staff. The difficulty is that officers look at pay when deciding where to apply and that in general police officers face liability and are taking a risk coming to work.
 - It was Chief Kopp's recommendation to maintain three full-time police officers and stated he feels the current staff can make the schedule work in an efficient and effective manner. He also stated that he feels a good wage is needed to be competitive and would have a better chance at retaining officers and that other cities in the area are offering higher wages.
 - Discussion included if a third squad is really needed and where it would be stored since the current garage has two stalls.
 - Staffing with on/call shifts was also discussed and how that affects the community and response times. When school is in session and more housing developments, a presence at the school and on school routes is appreciated by parents and students.
 - Police Chief Kopp stated it is his recommendation to remain with 3 full-time police officers.
 - Council asked Chief Kopp to draft a proposed schedule of patrol hours and coverage.
 - Also discussed was the possibility of establishing a pool of part-time police officers with other cities within Blue Earth County that could be contacted to fill staffing needs.
 - Fire Department members Vern Simpson and Trent Talle voiced their concern with on/call staffing, stating this places fire department members in a dangerous position and causes response delays while the fire department waits for a police officer to arrive to provide site safety. They stated they would like to see more policing.
 - Mayor Auringer stated this has been a long-term struggle and asked that it be brought to the October City Council meeting.
3. Council Goals
- Administrator Bromeland stated that Council goals have been received from two of the Council members and asked the rest to submit their 2023 goals so they can be brought to the October 3rd City Council meeting.

OTHER

- None

ADJOURNMENT

- Council Member Rohrich moved, seconded by Council Member Whittington, to adjourn the meeting at 6:53 p.m. The motion carried with Council Members Steinberg, Rohrich, White, Whittington, and Mayor Auringer voting in favor.

Tim Auringer, Mayor

Kerry Rausch, Deputy Clerk