

**CITY OF EAGLE LAKE  
SEPTEMBER 16 2019  
SPECIAL CITY COUNCIL MEETING**

**CALL TO ORDER**

- Mayor Auringer called the meeting to order at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

- The Pledge of Allegiance was said.

**ROLL CALL**

- Council Members present: John Ries, Dennis Terrell, Ryan Short, Garrett Steinberg (arrived late), and Mayor Tim Auringer.
- Staff present: City Administrator Jennifer Bromeland and Deputy Clerk Kerry Rausch.

**PUBLIC COMMENTS**

- None

**AGENDA**

1. Budget Work Session

- Administrator Bromeland presented a preliminary general fund levy increase of approximately 10% over last year's final levy which equates to an increase of \$70,242 and asked for Council input. The proposed 10% increase would result in a General Fund amount of \$574,565, an increase of \$65,092 from 2019. The EDA amount would be \$41,000, a zero dollar increase from 2019, and the Debt Service amount of \$157,092, an increase of \$5,150 from 2019.
- Administrator Bromeland explained that with the above proposed increases the property taxes should remain relatively stable for properties given the next tax capacity and tax rate unless the valuation of properties increases.
- The presented budget is balanced but due to the delay in the purchase of the fire truck there is planned deficit spending. The city's auditor was contacted and stated this is acceptable when capital outlay dollars have been set aside in the general fund for this purpose.
- Council discussion included the desire to capture the market value increase and at the same time minimize the tax impact on property owners.
- Once the preliminary budget is approved the levy amount can be reduced, but not increased.

2. Certify Preliminary 2020 Tax Levy and General Fund Budget

- Council Member Short moved, seconded by Council Member Ries, to approve Resolution 2019-26 to set the 2020 Preliminary General Fund Budget and Tax Levy at a 7.5% increase resulting in an increase of \$52,681 over 2019 and a total tax levy of \$755,096. Motion carried with Council Members Ries, Terrell, Short, Steinberg, and Mayor Auringer voting in favor.
- Council directed staff to review budget and identify areas to decrease spending.
- Administrator Bromeland stated the Truth-N-Taxation hearing is scheduled for 6:00 p.m. on Monday, December 2, 2019 at City Hall. If a continuation hearing is necessary, it will be held at 6:00 p.m. on Monday, December 9, 2019.

3. Assigned Fund Balance for General Fund Capital Outlay

- Administrator Bromeland explained that in the past the city used restricted fund balances for capital outlay and then quit separating these dollars by department. At the end of 2018 there were \$2,064,753.07 in funds set aside for capital outlay purchases. Council is being asked to consider re-assigning these dollars by department as presented.
- The city does have a fund balance policy which states the city will maintain 50 percent of the annual budget as a minimum unassigned general fund balance and that the city council has delegated the city administrator the authority to assign fund balances.
- Council discussion included that these funds can be reassigned by the Council as needed and that department heads need to understand that these funds are not guaranteed.

- Council Member Ries moved, seconded by Council Member Short, to assign fund balances as presented. Motion carried with Council Members Ries, Terrell, Short, Steinberg, and Mayor Auringer voting in favor.
4. Review Feedback from LeRay Township Regarding Joint Resolution for Orderly Annexation
- Administrator Bromeland presented orderly annexation agreement language the city's attorney has concerns with, which include eliminating the escrow account and the number of payments and stated his concerns is that the proposed language would set a precedent for future annexation agreements.
  - Items still needed to add to the annexation agreement include the legal descriptions of the parcels to be annexed and the legal description of the township road the city will assume maintenance of, located just north of the cemetery.
  - Council discussion included the need for legal descriptions to be drafted by the responsible parties.
  - Council Member Ries moved, seconded by Council Member Steinberg, to approve the amended joint resolution and to submit to LeRay Township once the exhibits (legal descriptions) are received. Motion carried with Council Members Ries, Terrell, Short, Steinberg, and Mayor Auringer voting in favor.

#### **COUNCIL UPDATE**

1. Mayor Auringer shared the plaque the city received from REDA recognizing the city's ten years of membership.

#### **ADJOURNMENT**

- Council Member Terrell moved, seconded by Council Member Short, to adjourn the meeting at 8:30 p.m. Motion carried with Council Members Terrell, Short, Steinberg, and Mayor Auringer voting in favor.

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Tim Auringer, Mayor

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Kerry Rausch, Deputy Clerk