

**CITY OF EAGLE LAKE  
SPECIAL CITY COUNCIL MEETING  
AUGUST 08, 2023**

**CALL TO ORDER**

- Mayor Norton called the meeting to order at 5:00 p.m.

**ROLL CALL**

- Council Members present: Garrett Steinberg, Beth Rohrich, Anthony White, John Whittington, and Mayor Lisa Norton.
- Staff present: City Administrator Jennifer Bromeland, Police Chief John Kopp, Public Works Supervisor Andrew Hartman, Fire Chief Vern Simpson, and Deputy Clerk Kerry Rausch.

**APPROVAL OF THE AGENDA**

- Council Member White moved, seconded by Council Member Rohrich, to approve the agenda. The motion carried with Council Members Rohrich, White, Whittington, and Mayor Norton voting in favor.

**NEW BUSINESS**

1. Police Staffing Work Session

- Chief Kopp presented a police officer retention plan which covered areas such as community involvement, mentorship, field training program, work/life balance, training opportunities, and scheduling. He also presented a list of items which can be used for recruitment to help entice officers to consider working in Eagle Lake.
- Discussion relating to retention and how goals could be achieved followed the presentation.

2. Budget Work Session

- Department heads for fire, public works, and the police departments presented proposed changes for their 2024 departmental budgets and reviewed current and future capital outlay and staffing needs.
- Administrator Bromeland explained that cities must prepare and adopt a proposed budget and proposed property tax levy each 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 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 30<sup>th</sup>. 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 TNT public comment hearing must occur sometime between November 25<sup>th</sup> and December 28<sup>th</sup>. The final levy must be certified to the county auditor by or before December 28<sup>th</sup>. Cities must also file a certificate of compliance with the Department of Revenue by December 28<sup>th</sup>.
- The 2023 Legislative Session resulted in many changes affecting cities, some of which will impact budgets in the future. City staff will continue monitoring guidance as it becomes available related to these changes. The City of Eagle Lake is a member of the Minnesota Valley Council of Governments (MVCOG), and they will be assisting member cities shortly with necessary policy updates. Effective January 1, 2024, employees will accrue earned sick and safe time. Beginning in January 2026, the state will administer a program to provide a number of weeks of partial wage replacement for family and medical leave. The program will be funded primarily through a payroll tax applied to all employers and their employees.

- Last year's final tax levy was set at approximately 9% or an increase of \$80,361. Property taxes should have remained relatively flat unless a property's valuation increased. The levy is comprised of the general fund, EDA, and debt service.
- Preliminary tax levy amounts for 2024 are yet to be determined with another budget work session suggested to allow for final preliminary information to be compiled and presented to the City Council.
- The City consistently maintains a minimum unassigned general fund balance of 50% of the annual budget. A positive fund balance contributes to a favorable bond rating, provides a source of working capital to meet cash flow needs, and offers a cushion for unexpected expenditures or revenue short falls.
- The Minnesota Department of Revenue released the certified Local Government Aid (LGA) amounts for 2024. The 2024 LGA payments will be made on July 20<sup>th</sup> and December 26, 2024. Together, LGA and property taxes account for approximately 80% of general fund revenues. Both are significant sources of income. The goal of LGA is to help equalize a city's ability to provide an average level of services at a reasonable property tax rate. The certified LGA amount for Eagle Lake in 2024 is \$749,370.
- Each year, a cost-of-living adjustment is made to wages using the consumer price index. This is intended to counteract inflation and the average change over time in prices paid by consumers for goods and services. Discussion took place in 2021 that the City retains discretion as to the actual adjustment to wages for cost of living and is not bound by the CPI. This year, the percent change for the Midwest region from June 2022 to June 2023 is 2.4%. Based on a survey of other area cities comparable in size, most are budgeting anywhere between 3%-5% for a cost-of living adjustment for 2024. A 3% COLA will be factored into the 2024 budget.
- Per a recent wage survey completed with assistance from the Minnesota Valley Council of Governments (MVCOG), across the board, Eagle Lake's wages are below average of market comparables. Per MVCOG, we want to be somewhere between 90%-110% of average to be considered competitive with other jurisdictions. With the current labor market, we are finding that to attract and hire new employees, we need to hire employees at a higher step to be competitive. To get to a more competitive position for wages, after consulting with MVCOG, City staff recommends that the first 4 steps of the current plan be dropped. This means that Step 5 will become Step 1 and then 4 steps will be added to the top end. In total, there will still be 10 steps, the same as the current step schedule. Anyone that is currently placed between Step 1 and Step 3 of the wage scale will automatically be moved to Step 5 of the proposed new wage scale.
- Council discussion included they would like to see Administrator Bromeland receive more than a COLA increase, being at the top of that position's pay scale, based on her performance and asked if there is flexibility as to where a person may be placed on the wage scale.
- Administrator Bromeland explained that the proposed wage scale would allow those employees currently at Step 1-Step 4 to automatically move to Step 5 and those at the top step to move to a new Step 6 and have an opportunity for an annual step increase. It was explained that currently there are 10 steps to the step schedule and that by dropping the first 4 steps and adding 4 steps to the top end, the step schedule will still be 10 steps in total. Those employees currently at the lower steps (Steps 1-3), would see a larger overall increase by moving to Step 5 as compared to employees higher on the step schedule. Once at the top step, an employee will only receive a COLA increase.
- The 2024 health insurance rates will not be known until October, but staff have been advised by our agent to budget for an 8-10% increase. It is anticipated that the renewal will be under 10% but staff are budgeting higher until the new rates are known.
- Public Employees Retirement Association (PERA), social security and Medicare withholding rates for 2024 will not change.

- There will be a one-time public safety aid in the amount of \$143,617. These funds will be sent to cities in late December 2023 and can be spent on public safety purposes for police and fire. Discussion took place about whether the funds could be used to purchase a generator.
3. Amend Agenda – Resolution 2023-37 Hunter Bless to Fire Department Active Roster
- Council Member Steinberg moved, seconded by Council Member White, to amend the agenda to add Resolution 2023-37 Moving Hunter Bless to the fire department’s active roster. The motion carried with Council Members Steinberg, Rohrich, White, Whittington, and Mayor Norton voting in favor.
  - Council Member Steinberg moved, seconded by Council Member White, to approve Resolution 2023-37 appointing Hunter Bless to the fire department’s active roster. The motion carried with Council Members Steinberg, Rohrich, White, Whittington, and Mayor Norton voting in favor.

**OTHER**

- None

**ADJOURNMENT**

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

\_\_\_\_\_  
Lisa Norton, Mayor

\_\_\_\_\_  
Kerry Rausch, Deputy Clerk