

**CITY OF EAGLE LAKE
CITY COUNCIL MEETING
AUGUST 14, 2024**

CALL TO ORDER

Mayor Norton called the meeting to order at 6:04 p.m. The Pledge of Allegiance was said.

ROLL CALL

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

NEW BUSINESS

1. Budget Work Session

- Administrative Bromeland explained 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. 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 after November 24th and before December 27th. Cities must also file a certificate of compliance with the Department of Revenue by December 27th.
- The TNT meeting has tentatively been scheduled for December 2, 2024 at 6:00 p.m. at City Hall.
- The Minnesota Department of Revenue releases the certified Local Government Aid amounts for 2025. The 2025 LGA payments will be made in July and December. Eagle Lake's 2025 certified LGA amount is \$750,114 which is a \$744 increase over the 2024 amount. Together, LGA and property taxes account for approximately 80% of general fund revenues. 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.
- 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 products 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 July 2023 to July 2024 is 2.7%. Most cities are budgeting anywhere from between 3%-4% for a cost-of-living adjustment for 2024. A 3% COLA will be factored into the 2025 budget.
- A wage survey was completed in 2023 that resulted in a revamped pay structure. Wages increased between 6.1% to 19.5% depending on position to be average of market comparable. The 2024 scale reflected a 3% step increase and a 3% COLA adjustment. Unless directed differently, a 3% step increase will be factored into the 2025 budget.

- Health insurance rates will not be known for 2025 until October but have been advised by our agent to budget for an 8% increase. It is anticipated that the renewal will be under 10% but budgeting higher until we know for sure.
- There are no changes in the Public Employee Retire Association employee or employer contribution rates for 2025, nor Medicare and Social Security rates.
- A new Minnesota law will create a state-administered mandatory paid family and medical leave insurance program beginning in January 2026. The program will provide a number of weeks of partial wage replacement for family and medical leave funded through a payroll tax applied to all employers. The program will be administered by Minnesota Department of Employment and Economic Development (DEED).
- City staff continue working on fine tuning the enterprise fund budgets and consulting with Shannon Sweeney with David Drown Associates on whether an updated rate analysis is needed based on projected operating expenses.
- Public Works Director Andrew Hartman presented proposed budget changes for the streets, parks, storm sewer funds, and sanitary sewer funds.
- Fire Chief Vern Simpson presented proposed budget increases for the fire department.
- Assistant Chief Trent Talle presented future capital outlay needs which include a new pumper truck, new ladder truck, and a new truck for daytime rescue along with anticipated costs and purchasing vs. leasing options.
- An increase from \$2,000 to \$2,700 to the Fire Department pension was proposed along with a tiered wage for responding to calls for service. An on-call wage for weekend coverage for officer pay was also presented. A proposed increase for the fire chief's annual wage to \$6,000 was presented as well as adding pay for both assistant fire chiefs in the amount of \$2,000 each. With the assistant fire chiefs becoming a paid position they would be assigned specific duties.
- An updated proposed budget will be presented in advance of the August 26th special budget work session which is scheduled for 6:00 p.m.

ADJOURNMENT

Council Member White moved, seconded by Council Member Steinberg, to adjourn the meeting. The motion was carried with Council Members Steinberg, Rohrich, Whittington, and Mayor Norton voting in favor.

Lisa Norton, Mayor

Kerry Rausch, Deputy Clerk