

**CITY OF EAGLE LAKE
CITY COUNCIL MEETING
AUGUST 26, 2024**

CALL TO ORDER

Mayor Pro Tem Steinberg called the meeting to order at 6:01 p.m. The Pledge of Allegiance was said.

ROLL CALL

Council Members present: Garrett Steinberg, Beth Rohrich, Anthony White, and John Whittington.

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 has certified Local Government Aid amounts for 2025. 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 city's Net Tax Capacity available for pay in 2025 is lower than what was available for pay 2024. According to Blue Earth County, there are many reasons tax capacity can change. For Eagle Lake this year, the primary reasons are a decrease in residential market valuations of approximately 4% and an increase in the residential homestead market valuation exclusion, which reduced taxable market valuations of residential homestead property.
- Administrator Bromeland reviewed how specific line items in the budget were calculated and that the proposed draft budget includes General Fund - \$1,108,066, EDA - \$20,000, and Debt Service - \$136,396 for a total of \$1,264,462. This is a 12% increase over the 2024 tax levy which was \$1,128,984 or a \$135,478 increase.
- All departmental requests have been included in the budget. The budget itself is very lean, with the only options able to be decreased are the expenses related to departmental requests.

- Council discussion included the need to increase cleaning services with the building being used more, the need to budget for future needs for the building. Also discussed was the need to replace faded street signs and that a replacement plan should be explored.
- The draft budget includes the fire department’s request for increased wages and a tiered wage for calls.
- Parks repair and maintenance was increase by \$15,000 and the Public Works Director is relied on to provide the necessary amount for work needed. The Park Board budget remains at the current level of \$50,000 and will not be used for repairs and maintenance. Administrator Bromeland stated she and the Public Works Director have met that it is understood that if there needs to be a change in equipment purchased then future purchases will need to be shifted.
- Administrator Bromeland stated she could provide different levy percentages if Council requests.
- Fire Chief Vern Simpson asked what should be budgeted for the next step for the Fire Hall project. It was discussed that Brunton Architects should be contacted to find out next steps.

ADJOURNMENT

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

Lisa Norton, Mayor

Kerry Rausch, Deputy Clerk