



City of Carlos Budget Committee Meeting Minutes - July 22, 2026 Meeting Minutes

City of Carlos Budget Committee Meeting

Date: July 22, 2026

Time: 6:00 PM – 8:08 PM (CDT)

Host: Zoom Admin

Attendees: Jon Trenne, Damon Bullock, Donna Eveslage, Teresa Zwieg

Meeting Overview

The meeting focused on establishing a 401 Capital Fund spreadsheet to track various city projects and expenses. The committee discussed financial management, capital outlay policies, code enforcement, election processes, and administrative operations.

Key Discussion Topics

1. 401 Capital Fund Tracking System

The budget committee discussed implementing a 401-capital fund project tracking system to better manage city finances. A minimum threshold of \$10,000 was established for capital projects to be included in the system, following debate about whether this should be higher at \$15,000–\$25,000.

Fund Balances Reviewed:

1. \$509,000 in Old National savings designated for the new fire hall
2. \$158,000 in Carlos Fire Department savings
3. First Western Bank CDs totaling \$218,000
4. Approximately \$580,000 in water and sewer funds

The committee identified discrepancies in reported fund balances and discussed the need for an updated equipment inventory from the fire department.

2. Capital Outlay Tracking System Implementation

The group discussed transitioning from tracking individual capital items across different fund codes to consolidating them under a single 401 fund using CTAS fund codes. Key decisions included:

1. Items over \$20,000 require specific attention and formal approval
2. Smaller equipment purchases (under \$20,000) remain in regular budget categories
3. Larger capital projects will be tracked in the 401 fund and paid out through transfers to appropriate departmental accounts
4. The fire hall building fund approach (proposed 227 Fund vs. 401-Capital Fund) requires further consultation with Jordan

3. Fire Department Equipment and Funding

The committee examined fire department equipment needs and discussed a contract requirement that 50% of annual fire protection fees should be reserved for equipment replacement, though this has not been consistently implemented in recent years. The 2027 fire department budget numbers were already set and could not be changed. The committee identified the need for potential equipment consolidation to reduce costs.

4. Budget Committee Scheduling and Property Taxes

The committee agreed to hold their next budget meeting on August 19th. Discussion included concerns about property value assessments, with questions about the accuracy of the \$45 million figure provided versus the actual fully taxable property value of \$36 million.

5. Park and Playground Improvements

The group explored options for park improvements, including:

1. Potential DNR grant funding of up to \$500,000
2. Updating playground equipment with used equipment to reduce costs
3. League of Minnesota grant writing funds of \$5,000 annually available for projects
4. Potential splash pad project through DNR grant

Action Items

1. Obtain the water tower inspection cost estimate so the committee can determine total project cost and establish a multi-year savings plan.
2. Confirm with the committee the level of detail needed for each line item on the 401-Capital Fund spreadsheet before finalizing it in CTAS
3. Finalize the list of capital projects and details to be included in the 401-spreadsheet (furnace replacements, event center flooring/windows, playground, public works items, and fire department items)
 - a) Follow up on the status of the event center flooring and windows project
4. Review and confirm beginning dates for the 401-Capital Fund projects (currently set as 1/1/27)
5. Update the 401-Capital Fund spreadsheet by removing 2025 numbers that were not funded
6. Build the 401-Capital Fund into the CTAS computer system
7. Review the printed 401-Capital Fund project sheet and provide direction/feedback
8. Follow up on the water tower inspection estimate from Bolten and Menk

Collaboration (Budget Committee)

1. Finalize and agree on a minimum dollar threshold (\$10,000–\$25,000) for items to be included on the 401-Capital Fund spreadsheet

Next Meeting Date: August 19, 2026

Purpose: Review progress on 401-Capital Fund implementation before September council presentation