



City Council

Workshop

~ Minutes ~

1408 Lake Street South
Forest Lake, MN 55025
www.ci.forest-lake.mn.us

Karin Derauf, Deputy City Clerk

Monday, August 21, 2023

6:30 PM

City Center - Council Chamber

[City of Forest Lake - Livestream and Recorded Meetings](#)

1. Call to Order

2. Roll Call

Attendee Name	Title	Status	Arrived
Mara Bain	Mayor	Present	
Sam Husnik	Councilmember	Absent	
Hanna Valento	Councilmember	Present	
Leif Erickson	Councilmember	Present	
Blake Roberts	Councilmember	Present	

3. Pledge of Allegiance

4. Open Forum – Citizen Petitions, Requests, and Concerns

The Open Forum is available for residents to express personal opinions for any item of business. Please limit your comments to three (3) minutes.

5. Discussion Items

a. 2024 Proposed Budget Presentation

Comments: Finance Director Knopik presented budget information beginning with the 10-Year Capital Plan. He commented on the plan use and why it’s needed, including planning for the future, sound financial and infrastructure plans, Council mandate, grant funding, park dedication fees, and smooth out tax levy. He discussed bonding versus pay-as-you-go funding and noted reasons why government uses different funding sources.

Finance Director Knopik highlighted the Park Dedication Fund noting that the Capital Improvement Plan is following the 2016 and draft Park Master Plan. He indicated the increase to \$500,000 in the budget and to maintain that level of funds. He also noted proposed bond issuance in 2024 and 2028. He commented on the Capital Improvement fund and highlighted the capital improvement fund, property tax levy increase, state bonding bill, and bond issuances. He also commented on the Capital Equipment Fund, the utility funds, water fund, sewer fund, and water surface management fund noting the rates for 2024 at an approved 6% increase as well as 6% increase over the next ten (10) years.

Councilmember Erickson asked if \$500,000 is enough for this fund to get work done for parks. He also asked what projects have been moved up on the list based on funding from the State. City



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Administrator Casey mentioned Eureka Avenue. There was further discussion on bonding as it relates to upcoming projects. Mayor Bain clarified the amount of park dedication funds noting that two years ago there was no funds available for parks, last year there was \$50,000, and the proposed is \$500,000 per year and to maintain that amount.

Finance Director Knopik next provided information on the general fund and proposed budget. He highlighted the budget calendar through the end of the year. He indicated that Council needs to approve the preliminary tax levy at the September 25, 2023, Council Meeting, noting that the approved levy cannot go higher than that amount in the final approval in December. He noted what a budget is including being the City's number one policy document, a communication device, an annual financial and policy document, and is used by rating agencies to understand the City and determine the financial and operational stability.

He provided the proposed tax levy summary noting the general fund at \$10,500,954.00. He also commented on capital equipment at \$960,000, capital improvement at \$950,000, debt service (current issues) \$2,388,495, debt service (proposed) \$485,976, building maintenance \$75,000, EDA \$225,000, parks and trails \$500,000, and a total proposed 2024 budget of \$16,085,425. He also provided a percentage breakdown of where the tax levy dollars are used.

Director Knopik discussed the challenges of the 2024 budget including street repair, parks, and city owned buildings. He commented on general fund expenditures and initiatives, including the impact of the economy and inflation, as well as staffing needs. He noted the general fund expenditure increases that cannot be controlled including insurance increase of \$108,505, election services increase of \$59,000, computer support increase of \$57,365, assessing services increase of \$13,689, electric utilities increase of \$112,500, fuel increase of \$26,400, and repairs and maintenance increase of \$23,000 for a total increase of \$400,459.

Director Knopik also presented necessary position open including vacant assistant city administrator, zoning and code enforcement officer, city engineer, planning and EDA supervisor, community service officer, and stormwater technician. He also presented the proposed general fund revenues and proposed general fund expenditures. He itemized the general fund expenditure increases noting the increase of wages and benefits of current staff at \$415,580, the proposed positions increase of \$409,777, and the other expenditures increase of \$444,889. He noted that the other expenditure increases break down to \$400,459 of uncontrolled costs and the remaining \$44,430.

Director Knopik provided a total tax levy history from 2015 to the proposed 2024. He noted there is a proposed \$2.9M increase in 2024 over 2023. He also provided a bar graph citing the city tax rate showing a proposed estimated rate of 39.986%. He provided the tax rate calculation tables and preliminary information from Washington County showing an increase annual percent change of



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8.55%. He also provided information on the impact on homes noting that a home value of \$397,500 will see an increase of \$13.82 per month. A home value of \$271,375 will see an increase of \$8.98. This is only the City's increase on this portion of taxes. He also provided a comparison to other cities including Lino Lakes, Hugo, and several other areas of the metro. He noted that the City of Forest Lake is in the middle of the group of cities using a proposed 8.00% increase across the board. Councilmember Erickson asked about the debt service. Finance Director Knopik provided information on tax levy projections. Mayor Bain asked for a comparison with other cities on the debt ratio. Councilmember Erickson asked for more detail about the proposed job positions. City Administrator Casey provided information on the code enforcement officer, the city engineer position, and planning and EDA supervisor, noting the Community Development Director will also provide some administrative functions for succession planning. He also discussed the community service officer position as a 32-hour position and indicated that additional community officers should be added. He mentioned the stormwater technician. City Administrator Casey indicated that the City has been understaffed since 2014.

Councilmember Roberts expressed concerns over the increase in tax levy projections over the next ten years. Mayor Bain commented on the code enforcement and community service officer positions and that they have been requested for many years but have not been funded. She also commented on the proposed increase of funding shown in parks. She noted that parks are one of the areas that could be reduced from the proposed \$500,000. Councilmember Roberts commented that she agreed with the Mayor and could see a reduction for the park funds. Councilmember Erickson commented on the capital improvement fund increasing from \$200,000 to \$950,000 and asked where the additional \$750,000 is coming from. City Administrator Casey noted that information can be presented at the next meeting.

Mayor Bain asked about engineering services and charge backs for projects as well as the proposed engineering position. There was further discussion on the tax levy projections. Mayor Bain noted that her comfort level is between 15% to 18% for the levy. Mayor Bain asked for additional options showing changes in the budget to get to between 15% and 18%. Councilmember Erickson and Councilmember Valento commented that they are okay to set the preliminary levy at the presented amount and then work down from there. Councilmember Valento expressed concern over reducing the amount for parks. Councilmember Roberts commented about parks and over-investing by dedicating \$500,000 annually to parks. Councilmember Valento commented on Beltz Park not being maintained due to lack of funding and noted that zero parks have been added to the City since 2013. There was further discussion on the preliminary levy and that the City will have more information on what area cities are also doing. Councilmember Roberts noted that he is not in favor of anything greater than 20%. Mayor Bain asked about the budget calendar and when the next discussions will be. City Administrator Casey commented that Staff can bring forward additional information at the September 11, 2023, Council Meeting. He also commented on the Downtown Plan and lack of funding resources.



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b. Broadway Avenue Holiday Bridge Lighting

Comments: City Administrator Casey commented on several items that were presented to Council in terms of projects, standard daily work, and funding sources. Snow removal for downtown sidewalks was presented with options of hiring a contractor or using a code enforcement officer to get compliance with clearing sidewalks. Councilmember Erickson asked what the additional cost would be if the trail sweeper came into the downtown area. Councilmember Roberts commented that code enforcement would be a better option to get faster results. Public Works Director Adams commented on the staffing and logistics of removing snow with time restrictions. He also commented on sweeping the sidewalks once per month. Councilmember Roberts commented that it should be done more frequently. Public Works Director commented that the city doesn't have an agreement to clear state roads. He also commented on weed control, weed removal, and noted that he has a dollar figure, however, it is not included in the parks plan. He noted there is \$25,000 in the street light fund and in the last four years all light poles have been painted. Public Works Director Adams commented that it would cost approximately \$10,000 to replace the banners. He noted about twelve (12) per year are replace. Councilmember Roberts commented that banners can be a project for the EDA.

Councilmember Roberts commented on the water level of the lake and would like to work with the Lake Association and have a conversation about the possibility of raising the dam on 1st lake. City Administrator Casey noted that this is something controlled by the DNR. He also commented on the old theater building and possibility of tearing it down. Mayor Bain commented that this is not owned by the City and there is not a project that has been presented for this building and space. Mayor Bain commented that it would be prudent to have a conversation with the owner to learn what he wants to do. City Administrator Casey indicated that Staff will contact the owner. Mayor Bain commented that she disagrees with Councilmember Roberts when he noted that the City should take the lead in this project. Councilmember Roberts expressed that he feels the City should take the lead on this project and cities step in and do something like this all the time. Community Development Director Wittman indicated she is willing to reach out to the owner after Staff has an internal discussion about what steps the owner could take. She noted she will reach out to him in early September. There was further discussion regarding acquisition of the Rueb's Tire Shop property for additional boat and snowmobile trailer parking. City Administrator Casey also mentioned pickle ball courts being in good condition.

City Administrator Casey commented on the request for the Broadway Ave. Bridge being lit during holidays. He noted that the County would need to provide permission, electrical access is a consideration, and he noted that Staff could bring back a cost of electrical requirements by the County. Councilmember Valento commented that the City has other needs such as jobs and parks. Councilmember Roberts suggested that businesses can contribute to the costs.



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6. Adjourn

Motion to: Adjourn

Comments:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Hanna Valento, Councilmember
SECONDER:	Leif Erickson, Councilmember
AYES:	Bain, Valento, Erickson, Roberts
ABSENT:	